



Finance and Intergovernmental Relations

**2023 Summer Board and Leadership Meeting
Tacoma, WA**

Greater Tacoma Convention Center

Thursday, July 20, 2023, 3:30-5:00 p.m.

Friday, July 21, 2023, 9:30-11:30 a.m.

Summer Board & Leadership Meeting

Agenda: Finance, Administration and Intergovernmental Affairs Federal Advocacy Committee

Wednesday, July 19, 2023	
5:00 p.m. – 6:30 p.m.	JOINT WELCOME RECEPTION <i>Marriott Tacoma Downtown – Chambers Bay Ballroom III</i>
6:30 p.m. – 8:00 p.m.	MEMBER AND PARTNER MEET & GREET <i>Greater Tacoma Convention Center – XX</i>
Thursday, July 20, 2023	
9:00 a.m. – 11:30 a.m.	MOBILE WORKSHOPS <i>Pick up along Commerce Street at the Convention Center starting at 8:15 a.m. Light breakfast available at NLC registration area.</i> <i>Tour 1) How Tacoma is Moving Safety, Mobility and Sustainability Forward</i> <i>Tour 2) Inside the Tacoma Police Department: Building Stronger Communities Together</i> To register, please click here.
12:00 p.m. – 1:00 p.m.	JOINT LUNCH <i>Marriott Tacoma Downtown – Chambers Bay Ballroom III</i> <p style="text-align: center;">The Honorable Victoria Woodards, President, National League of Cities <i>Mayor, City of Tacoma, Washington</i></p>
1:00 p.m. – 1:15 p.m.	PRESS CONFERENCE <i>Marriott Tacoma Downtown – Chambers Bay Ballroom pre-function area</i>
1:30 p.m. – 3:15 p.m.	MOBILE WORKSHOPS <i>Pick up along Commerce Street at the Convention Center starting at 1:05 p.m.</i> <i>Tour 1) Boys and Girls Club of South Puget Sound Enhanced Lift Zone</i>

	<p><i>Tour 2) Hilltop Neighborhood Housing and Transit</i></p> <p>To register, please click here.</p>
3:15 p.m. – 3:30 p.m.	ICE CREAM SOCIAL
3:30 p.m. – 5:00 p.m.	<p>FINANCE, ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS COMMITTEE MEETING</p> <p><i>Greater Tacoma Convention Center – Ballroom B&C</i></p>
3:30 p.m. – 3:40 p.m.	<p>WELCOME, INTRODUCTIONS AND MEETING OVERVIEW</p> <p>The Honorable Mark Shepherd, Chair <i>Mayor, Clearfield City, Utah</i></p> <p>Mayor Shepherd will welcome committee members and provide an overview of the agenda for the two days of meetings.</p>
3:40 p.m.- 4:55 p.m.	<p>LEARNING SESSION ON PRESSING CHALLENGES FACING LOCAL LEADERS</p> <p>The Honorable Mark Shepherd, Chair <i>Mayor, Clearfield City, Utah</i></p> <p>Mayor Shepherd will guide a discussion for the members on the pressing challenges that are keeping them up at night. What are the finance and administration and intergovernmental relations challenges that they are facing in their jurisdictions? The point of this learning session is for local elected leaders to hear from each other about the pressing problems they are facing in their communities and help share solutions that they have implemented or tried. Leaders should walk away with tangible actions that they can take back to their municipalities and to their role as an elected official.</p>
4:00 p.m. – 4:10 p.m.	<p>GREETINGS FROM MAYOR WOODARDS</p> <p>The Honorable Victoria Woodards, President of NLC <i>Mayor, Tacoma, Wash.</i></p>
4:55 p.m. – 5:00 p.m.	<p>WRAP UP</p> <p>The Honorable Cindy Dyballa, Chair <i>Councilmember, City of Takoma Park, Maryland</i></p>
6:00 p.m. – 8:00 p.m.	<p>JOINT EVENING EVENT</p> <p><i>Museum of Glass, 1801 Dock Street, Tacoma, WA 98402</i></p> <p><i>About a 10-minute walk from the hotel/convention center. A bus will also be</i></p>

	<i>available – pick up on Commerce Street at the Convention Center.</i>
Friday, July 21, 2023	
8:30 a.m. – 9:30 a.m.	JOINT BREAKFAST AND STATE OF THE CITIES REPORT RELEASE <i>Marriott Tacoma Downtown – Commencement I and II</i>
9:30 a.m. – 11:30 a.m.	FINANCE, ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS COMMITTEE MEETING <i>Greater Tacoma Convention Center – Ballroom B&C</i>
9:30 a.m. – 9:35 a.m.	WELCOME The Honorable Sue Osborn, Vice Chair <i>Mayor, Fenton, Mich.</i> <p>Mayor Sue Osborn will welcome committee members to the second day of the meeting and chair the meeting in the absence of Mayor Shepherd.</p>
9:30 a.m. – 10:30 a.m.	DISCUSSION: RESOLUTIONS UPDATES, CALL FOR NEW RESOLUTIONS AND DISCUSSION Michael Gleeson, NLC <i>Legislative Director, Finance, Administration and Intergovernmental Affairs</i> <p>During this session, Michael will lead the committee through a update of the resolutions that committee decided to update in March, will make a call for new additional resolutions, and allow for discussions among the members of the committee on the content of the revised resolutions.</p>
10:30 a.m. – 11:25 a.m.	LEARNING SESSION ON BEST PRACTICES FOR FISCAL MANAGEMENT The Honorable Sue Osborn, Vice Chair <i>Mayor, Fenton, Mich.</i> Michael Gleeson, NLC <i>Finance, Administration and Intergovernmental Affairs</i> <p>This learning session will be focused on best practices on fiscal management and budgeting. As SLFRF monies are exhausted and with a divided Congress looking like it will provide fewer resources on the non-defense discretionary side of the budget, meaning municipalities will get less, cities are going to have to rely more on home source revenue and smart budgeting. This learning session is geared towards providing FAIR committee members with a place to discuss what measures they are taking in their communities to budget for the end of SLFRF and shrinking federal</p>

	assistance. The goal of this session is to have a free exchange of ideas on how cities are managing budgets and financial resources and allow members to discuss with each other what is working in their municipality. The takeaway from this session is that committee members will leave informed and better able to be financial leaders in their communities
11:25 a.m. – 11:30 a.m.	CLOSING AND ADJOURN The Honorable Sue Osborn, Vice Chair <i>Mayor, Fenton, Mich.</i>
6:00 p.m. – 8:00 p.m.	JOINT EVENING EVENT <i>Mayor Woodards Special Event.</i>

Enclosures:

- NLC Policy Development and Advocacy Process
- Updated resolutions
- Articles from Democracy Docket
- Article from NBC
- NLC National Municipal Policy FAIR Chapter

***Don't forget to register for [City Summit!](#)
Atlanta, Georgia
November 15-18, 2023***

NLC POLICY DEVELOPMENT AND ADVOCACY PROCESS

As a resource and advocate for more than 19,000 cities, towns and villages, the National League of Cities (NLC) brings municipal officials together to influence federal policy affecting local governments. NLC adopts positions on federal actions, programs and proposals that directly impact municipalities and formalizes those positions in the [National Municipal Policy \(NMP\)](#), which guides NLC's federal advocacy efforts.

NLC divides its advocacy efforts into seven subject areas:

- Community and Economic Development
- Energy, Environment and Natural Resources
- Finance, Administration and Intergovernmental Relations
- Human Development
- Information Technology and Communications
- Public Safety and Crime Prevention
- Transportation and Infrastructure Services

For each of the seven issue areas, a Federal Advocacy Committee advocates in support of NLC's federal policy positions. Members of each committee are appointed by the NLC President and serve for one calendar year.

Federal Advocacy Committees

Federal Advocacy Committee members are responsible for advocating on legislative priorities, providing input on legislative priorities, and reviewing and approving policy proposals and resolutions. Additionally, Committee members engage in networking and sharing of best practices.

Federal Advocacy Committees are comprised of local elected and appointed officials from NLC member cities. NLC members must apply annually for membership to a Federal Advocacy Committee. The NLC President makes appointments for chair, vice chairs, and general membership. In addition to leading the Federal Advocacy Committees, those appointed as committee chairs also serve on NLC's Board of Directors during their leadership year.

At the Congressional City Conference, Federal Advocacy Committee members are called upon to advocate for NLC's legislative priorities on Capitol Hill, as well as develop the committee's agenda and work plan for the year. Committee members meet throughout the year to further the plan, hear from guest presenters, discuss advocacy strategies and develop specific policy amendments and resolutions. At the City Summit, committee members review and approve policy proposals and resolutions. These action items are then forwarded to NLC's Resolutions Committee and are considered at the Annual Business Meeting, also held during the City Summit.

Advocacy

Throughout the year, committee members participate in advocacy efforts to influence the federal decision-making process, focusing on actions concerning local governments and communities. During the Congressional City Conference, committee members have an opportunity, and are encouraged, to meet with their congressional representatives on Capitol Hill. When NLC members are involved in the legislative process and share their expertise and experiences with Congress, municipalities have a stronger national voice, affecting the outcomes of federal policy debates that impact cities and towns.



Summer Board & Leadership Meeting

2023-01 —the basic facts in the Whereas clauses need updating. Please look at what is there—where was the bill introduced, for example, or were there co-sponsors, and please **provide me with the most up-to-date information on the status of the SAFE Banking Act in Congress.**

WHEREAS, state and local governments share with the federal government the responsibility to ensure public health and safety are addressed through competent, thoughtful, and comprehensive legislation and regulation that is reflective of local values and needs; and

WHEREAS, forty-six states, four U.S. territories, and the District of Columbia – representing 96.8 % of the U.S. population – have decriminalized or legalized some form of recreational or medical marijuana; and

WHEREAS, cannabis’ status as a Schedule I illicit substance on the Controlled Substances Act (CSA) and the CSA’s coupling with the Bank Secrecy Act have created a condition under which the cannabis industry has severely limited access to the federally regulated banking industry; and

WHEREAS, this condition has led to a reliance on “cash only” models that involve the transportation of large sums of paper money through cities, increasing the risks of theft crimes and tax evasion, and denying large groups of business owners the capital needed to enter the market; and

WHEREAS, the U.S. Department of Justice has rescinded guidance that previously provided a minimal level of confidence for financial institutions looking to provide services to this growing industry, causing Congress to introduce and pass legislation in the U.S. House of Representatives to try to tackle this issue; and

WHEREAS, on April 19, 2021, the House of Representatives passed H.R. 1996, the Secure and Fair Enforcement (SAFE) Banking Act of 2021. The bill would allow marijuana-related businesses in states with some form of legalized marijuana and strict regulatory structures to access the banking system. The bill passed with overwhelming, bipartisan support by a vote of 321 to 101, including 106 Republicans; and

WHEREAS, on March 23, 2021, Senators Jeff Merkley (D-Ore) and Steve Daines (R-Mont.) introduced the SAFE Banking Act in the Senate with nearly a third of the chamber supporting the bill; and

WHEREAS, the SAFE Banking Act was reintroduced in both the House of Representatives and the Senate on April 26, 2023, as H.R. 2891 and S. 1323, respectively. As of June 27, 2023, H.R. 2891 has 58 cosponsors, and S. 1323 has 40 co-sponsors.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities urges the federal government to ~~remove cannabis from Schedule I of the Controlled Substances Act and~~ provide guidance to financial institutions that results in the cannabis market having access to the federally regulated banking system, such guidance to include the United States ~~Senate~~ Congress to pass the SAFE Banking Act and the President of the United States of America to sign the bill into law.

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WHEREAS, voting is a constitutionally protected right; and

WHEREAS, all governments, especially state and local, must ensure an accessible, safe, and secure method of voting for all citizens; and

WHEREAS, measures are taken to ensure electoral integrity and prevent fraud when votes are cast by mail; and

WHEREAS, use of the terms “voting by mail” and “absentee voting” varies from state to state, “voting by mail” is assumed to mean any ballot sent through the mail, including by absentee voting; and

WHEREAS, all states allow voting by mail in certain circumstances; and

WHEREAS, nearly two-thirds of Americans say the option to vote early or absentee should be available to any voter without requiring a documented reason; and

WHEREAS, in the 20 years prior to 2016, the percentage of voters casting ballots in person on Election Day has gradually declined, falling from 89% in 1996 to 60% in 2016; and

WHEREAS, due to the pandemic, the number of voters casting ballots by mail rose to 43% in 2020; and

WHEREAS, one-third of all ballots cast in the 2022 election were cast by mail; and,

WHEREAS, among voters who were registered but did not vote in the 2022 election, the most common answer given for not voting was, “Too busy, conflicting with school or work,”; and

WHEREAS, five states currently supply an absentee ballot to every registered voter, including Oregon, Washington, Colorado, Hawaii, and Utah. As a COVID-19 related measure, California, Nevada, New Jersey, Vermont, Montana, and the District of Columbia mailed ballots to all registered voters during the 2020 election cycle; and

WHEREAS, COVID-19 has pushed states to expand options for voting by mail due to limited election facilities and poll workers, increased sanitation costs, and the need to ensure all citizens have equal access to exercise their right to vote.

NOW, THEREFORE, BE IT RESOLVED that while it takes no stance on individual state election laws, the National League of Cities supports federal efforts that preserve and enhance systems that allow for accessible, safe and secure vote by mail options.

Housing Finance Resolution for FAIR Committee (DRAFT)

Whereas, housing is less affordable now than it has been in 15 years; and

Whereas, home prices rose 18.8% and rent climbed 17.6% in 2021; and

Whereas, in 2021 about half of Americans (49%) called the availability of affordable housing in their local community a major problem. That is more than cited drug addiction (35%), COVID-19 economic and health impacts (34% and 26%), and crime (22%), according to Pew Research; and

Whereas, housing is the single largest cost the average household faces; and

Whereas, housing costs are not just a casualty of inflation, but also a driver of inflation. Home prices rose 11 percent in 2020, when overall inflation was 1.4 percent; and

Whereas, the name Low Income Housing Tax Credit is not reflective of the city residents who live in these units and can be seen as derogatory toward the residents who reside in these units; and

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities will fight for advocate for bills in Congress that seek to alleviate the housing crisis in America by creating more and better financing options for cities and the developers that they partner with.

NEWS | LEGISLATION | DC

1:16

House Republicans Unveil Most Restrictive Elections in Decades



July 10, 2023

WASHINGTON, D.C. — On Monday, July 10, House Republicans unveiled the American Confidence in Elections (ACE) Act, a sweeping “election integrity” bill, which would recommend policy changes nationwide and overhaul elections in Washington, D.C.

Dubbed by House Administration Committee Chairman Bryan Steil (R-Wis.) as “the most conservative election integrity bill to be seriously considered in the House in over 20 years,” the ACE Act, which includes almost 50 standalone bills, is focused on multiple Republican priorities, such as tightening election rules, encouraging voter purges and loosening campaign finance regulations.

Key aspects include banning private funding of election administration, repealing President Joe Biden’s executive order that encourages federal agencies to promote voter registration, penalizing states that allow noncitizens to vote in local elections and implementing stricter voter ID and mail-in voting laws. For instance, the bill would require all first-time voters who register using any method other than in-person at an elections office to present an ID.

While the ACE Act largely offers recommendations for states to adopt, it would enact sweeping changes to election policy in Washington, D.C. as part of Congress’ authority over the nation’s capital. The changes to Washington, D.C. elections are intended to become a model for other states to emulate. The bill would:

- Require a photo ID to vote, both in-person and by mail,



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[Read the American Confidence in Elections Act here.](#)

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NEXT UP

Nevada Judge Denies GOP Request to Block 2024 Presidential Primary

On Monday, July 10, a Nevada judge denied the Nevada Republican Party's (NV GOP) request to block a state law mandating parties to hold primaries for the 2024 presidential election.

RELATED LINKS

[U.S. House Committee Sends Republican Voter Suppression Bill to House Floor](#)

[Republican Congressman Introduces Bill To Ensure Noncitizens Are Banned From Voting](#)

[Michigan Democrats Introduce State Voting Rights Act](#)

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U.S. House Committee Sends Republican Voter Suppression Bill to House Floor


July 14, 2023

WASHINGTON, D.C. — On Thursday, July 13, the U.S. House Committee on House Administration approved Republicans' American Confidence in Elections (ACE) Act, a sweeping “election integrity” bill that committee Chairman Bryan Steil (R-Wis.) calls the “most conservative” election bill to be considered in decades. The committee voted on party lines to send the bill to the full House for consideration.

Introduced on Monday, the bill is focused on multiple Republican priorities, such as tightening election rules, encouraging voter purges and loosening campaign finance regulations. Key aspects include banning private funding of election administration, repealing President Joe Biden’s executive order that encourages federal agencies to promote voter registration, penalizing states that allow noncitizens to vote in local elections and implementing stricter voter ID and mail-in voting laws. For instance, the bill would require all first-time voters who register using any method other than in-person at an elections office to present an ID.

While the ACE Act largely offers recommendations for states to adopt, it would enact sweeping changes to election policy in Washington, D.C. as part of Congress’ authority over the nation’s capital. The changes to Washington, D.C. elections are intended to become a model for other states to emulate. The bill would:

- Require a photo ID to vote, both in-person and by mail,
- Ban same-day voter registration and require annual list maintenance cleanup,
- Prohibit community ballot collection and restrict drop boxes,

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[Track the status of the bill here.](#)

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U.S. Supreme Court Schedules Oral Argument in South Carolina Racial Gerrymandering Case

On Friday, July 14, the U.S. Supreme Court scheduled oral argument in a racial gerrymandering case, *Alexander v. South Carolina State Conference of the NAACP*, for October 11, 2023.

RELATED LINKS

[House Republicans Unveil Most Restrictive Elections Bill in Decades](#)

[Nevada Legislature Sends Several Pro-Voting Bills to Governor](#)

[The Anti-Voting Bills Republicans Enacted This Legislative Season](#)

[The Most Egregious Election Bills That Republicans Introduced This Year](#)

[Arizona Gov. Katie Hobbs Has Vetoed Over 20 Election Bills So Far](#)

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CONGRESS

House Republicans unveil 'election integrity' bill

The legislation, aimed at giving states better access to voter data and removing incentives for not to vote in local elections, is most likely dead in the Democratic-led Senate.

3:22



— House Administration Committee Chairman Bryan Steil of Wisconsin, the main sponsor of House Republicans' election bill, on Friday. Anna Moneymaker / Getty Images file

July 10, 2023, 5:43 PM EDT

By Rebecca Kaplan

WASHINGTON – House Republicans unveiled voting legislation Monday they say would make elections more secure, fulfilling a campaign promise that Democrats immediately criticized as

being rooted in former President Donald Trump's election denial.

The House Administration Committee, which has jurisdiction over federal elections, chose Atlanta as a backdrop to introduce the bill, the American Confidence in Elections, or ACE, Act, and hold a hearing as it weighs in on a battle over access to the polls that has largely been playing out at the state level in recent years.

3:22

The committee chose Atlanta as a nod to [Georgia's 2021 voting law](#), which added additional requirements for mail-in ballots, limited ballot drop boxes and barred people from taking food and water to voters waiting in lines, among other changes. The bill drew a lawsuit from the Justice Department and national controversy, including a decision by Major League Baseball to [pull the All-Star Game out of Atlanta](#).

NBC News poll shows a 'radicalized base' for Republicans ahead of 2024



Critics said the Georgia law would make it harder to vote and disproportionately disenfranchise people of color. On Monday, the sponsor of the new bill, Administration Committee Chairman Bryan Steil, R-Wis., said that was a false narrative, because voter turnout increased from 2020 to 2022. [An analysis](#) by the Brennan Center for Justice at NYU Law found that while overall voter turnout increased, so did the gap between white and nonwhite turnout. Nonwhite voter turnout declined from the 2018 to the 2022 midterm elections, it found.

The House GOP bill would make certain federal changes to assist states with election administration, including mandating that the Department of Homeland Security and the Social Security Administration give states access to voter data, free of charge, so they could remove noncitizens and dead people from voter rolls. It would also reform the REAL ID Act to require that people's citizenship status be printed on identification documents like driver's licenses for the purposes of checking citizenship status at the polls. The bill also seeks to remove incentives for states to allow noncitizens to vote in local and state elections by reducing their eligibility for grants under the Help America Vote Act.

3:22

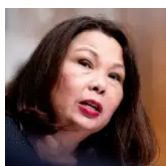


"This legislation is the most substantive and conservative election integrity legislation that will come before the House in over a generation," Steil said.

Lawmakers also took advantage of Congress' control over Washington, D.C., to propose a host of changes in the bill to the city's elections, seeking to make it an example of effective election administration. The legislation would establish photo ID requirements, require signature verification for mail ballots and ban same-day voter registration and mailing ballots to anyone other than those who request them in the nation's capital. The bill would also repeal the city's new law that allows noncitizens to vote in local elections.

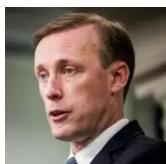
Rep. Joe Morelle of New York, the top Democrat on the committee, criticized Republicans for holding up Georgia's SB 202 voting law as a model, saying it was enacted only because former Trump lost Georgia in 2020.

Recommended



CONGRESS

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WAR IN UKRAINE

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"The Big Lie origins of SB 202 mirror the Big Lie origins of the majority's ACE Act. And the damaging effects of SB 202 on Georgia voters will be imposed upon all Americans if the ACE Act is enacted nationally," he said.

Other sections of the bill would make it easier for nonprofit organizations engaged in politics to keep their donor lists private and remove some campaign finance regulations.

Even if it passes the House, the GOP legislation is all but certain to go nowhere in the Democratic-controlled Senate.

Democrats have also [struggled to pass](#) their own version of voting rights legislation, which would expand voter access in the face of a filibuster by Senate Republicans.

3:22



Rebecca Kaplan

Rebecca is a producer and off-air reporter covering Congress for NBC News, managing coverage of the House.

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Rep. Greene prohibited from speaking at hearing after

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When a bunch of people left his restaurant without paying, Apollo was furious. A few days later, he

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NBC NEWS / POLITICS

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3

FINANCE, ADMINISTRATION AND INTERGOVERNMENTAL RELATIONS (2023)

1.00 Introduction

Finance, Administration, and Intergovernmental Relations' chapter of NLC policy focuses on the interplay of federal policies and local governments. NLC recognizes that local government is the level of government most closely connected with citizens. Local government has the direct responsibility for providing necessary daily services, solving day-to-day public problems and responding directly to the needs of its citizens. The following chapter highlights important prerogatives of local governments and our concerns about how federal policies impede and restrict the authority and control of local elected officials to provide necessary daily services, solve day-to-day problems, and respond to needs of citizens.

A. Intergovernmental Relations

Each governmental entity has a responsibility to provide services, solve problems, and answer to the needs of its citizens. Local government, through federalism, needs partnership with County, State, and Federal partners. Partnership involves cooperative behavior with give and take and sharing of duties and responsibilities. The Federal Government should avoid using its significant financial powers to the detriment of local government, and it should not use the bureaucracy of complex regulations, policies, and federal departmentalization to stunt, delay, impede, or control local governmental decisions regarding how to provide for the needs of its citizens. Federal overreach through mandates, failure to act on E-Fairness, interference with collection of local taxes, restrictions on local authority under Takings actions, preemption of municipal regulatory authority, and restriction on municipal annexation are all examples of

Federal power influencing and interfering with local government responsibly responding to the needs of its citizens.

Intergovernmental partnership must be strengthened through all levels of government, including Federal Government flexibility in working with local governments when local governments are providing necessary services, solving day-to-day problems, and responding to the needs of citizens. Federalism requires acknowledgment of respective roles, duties, and responsibilities for each level of government. Federalism is promoted when boundaries of authority and responsibility are identified, delineated, and respected by all the partners of government.

B. Finance

There are numerous areas wherein federal policies directly impact the ability, authority, and constitutional autonomy of local elected officials to meet the needs of their citizens. Federally-created mandates create a burden on local officials to meet federal bureaucratic regulations, and lack of appropriate funding or assistance in meeting those requirements exacerbate that burden. As such, the Federal government should not create policies or regulations that impose disproportionate responsibilities on local governments or increased financial liability without recognizing and accounting for the fiscal impact of those policies or regulations. Federal policies and regulations affecting local governments should not mandate new costs for local governments without providing funding to support those new mandates.

Local governments need greater flexibility and control of taxpayer funds for construction, operation, and maintenance of

vital infrastructure. Local governments are directly and immediately linked to citizens and are in a better position to identify opportunities for development while maintaining a sense of community and developing tailored solutions to problems. Open and transparent federal budgetary processes, while allowing local governments the maximum flexibility and control over their funding and financing mechanisms, encourages economic growth both locally and nationally. Federal government's fiscal health directly affects local government's ability to provide necessary daily services and answer the needs of citizens. All federal fiscal policies should be designed to not diminish the ability of local elected officials to respond to economic needs of local government, especially during times of economic downturn.

C. Fiscal Conditions

NLC supports policies that grant administrative control of programs, projects, and use of tax revenues to the lowest and most directly-connected level of government as possible. Local governments are best suited to administer programs and monitor programs for the benefit of local citizens. Activities by the Federal Government that impede the ability of local governments to manage franchising, zoning, permitting, local licensing, and local code development stymie the growth of local economies and cities. Preemption or federalization of programming and other regulator activities diminish citizen input for community development.

Local control protects the health, safety, and welfare of local citizens more nimbly, quickly, and realistically than federally-operated and controlled programs. As such, federal policies and regulations should always identify means, methods, and language that push greater control and flexibility to local levels for greater citizen

interaction, input, participation, and solutions.

1.01 Finance

A. Federal Budgetary Practice and Deficit Reduction

NLC supports and encourages an open and transparent budgetary process that includes analysis of the fiscal impact on municipalities and projections regarding sustainability of long-term programs and obligations.

There should also be demonstrable progress towards a balanced federal budget that does not impugn cities' local control and authority. In working towards the goal of a balanced budget, the taxing authority of local municipalities should not be pre-empted, degraded, or over-ridden in any manner. Deficit reduction should not rely on unfunded mandates imposed on municipalities, nor should the tax exemption on municipal debt interest – particularly as it relates to public buildings, spaces, infrastructure and utilities – be eliminated or in any way curtailed. The progressivity of the current tax system should remain in place, as should deduction for state and local taxes.

Further, NLC and its member cities should be party to the regulatory rulemaking process and any discussions that affect municipalities, with the flexibility and time provided to adequately and appropriately implement any adopted rules.

B. Deductibility of State and Local Taxes

NLC supports the longstanding principle that state and local taxes (SALT) should not be considered federally taxable income and opposes efforts to further reduce the deductibility of SALT on federal income tax returns. In order to achieve parity among communities with different sources of revenues, the SALT deduction should apply

to local income, property and sales taxes. The \$10,000 cap on SALT deductions should be eliminated to avoid the risk of double taxation and remove the downward pressure it places on local tax decisions.

C. Municipal Finance Mechanisms

The ability for local municipalities to retain maximum flexibility and control over their funding and financing mechanisms is of utmost importance. To preserve and promote that condition, the tax exempt status of municipal debt obligations should be preserved and not altered in any fashion. Rules relating to issuance, deductibility, refunding, credit enhancements and market advisors should be unambiguous and consistent, offering cities the ability to act in their best financial interest.

The advanced refunding of municipal debt helps save cities, towns and villages money that can be reinvested into communities nationwide. The provision, repealed by the Tax Cuts and Jobs Act, should be reversed and municipalities should once again have access to this tool.

Modernization of the small borrower's exemption (bank qualified debt) is critical for smaller communities nationwide. NLC believes that the small borrower's exemption should be raised to \$30 million and indexed to inflation for each calendar year.

Municipal revenue generation capability should be protected, and preference for municipal tax liens in private bankruptcy proceedings should be retained.

All financing options should be available to cities, including sale and leaseback arrangements, equipment leases, and industrial development bonds, to allow for maximum flexibility in funding the various operations in which a city engages.

D. Federal Communications Tax Reform

Federal communications taxes should be modernized while maintaining local autonomy and discretion as well as allowing for the rapid evolution and change taking place in the industry.

Cities' authority to raise revenues should be preserved, and any reforms should allow for a time of transition for implementation. Local tax policy and fees should remain agnostic with respect to technology, delivery method, or service provider. Reforms should be revenue-neutral at the local level and should simplify the collection, reporting and auditing of local taxes. Tax obligations should not be based on presence in a taxing jurisdiction; instead destination-based sourcing should be implemented.

1.02 Municipal Administration

A. Employee Relations and Benefits

1. Municipal Pension Plans and Social Security

a. **Municipal Pension Plans:** The primary responsibility for regulating municipal pension plans rests with either state or local government. The federal government should not attempt to regulate such plans, either by legislation or by regulation. NLC opposes taxation of municipal pension plans and other employee benefit programs.

b. **Social Security System:** The Federal Government should not expand mandatory Social Security requirements for state and local governments and their employees. Imposition of expanded requirements would create large costs for municipal taxpayers, threaten the solvency of state and local retirement systems and create irreconcilable conflicts among labor agreements, pension plans, contracts, state laws and constitutions.

2. Employee-Employer Relations

The federal government should not undermine municipal autonomy with respect to making fundamental employment decisions by mandating specific working conditions, mandating collective bargaining rights, legalizing strikes, or requiring compulsory binding arbitration. NLC opposes federal legislation which singles out a class of municipal employees to be provided special investigative and disciplinary procedures.

3. Municipal Employee Benefits

The primary responsibility for determining, providing and financing benefits for municipal employees is and should remain the responsibility of local governments. Cities, as employers, are better suited to develop benefit packages which are sensitive to local labor markets, city labor requirements and employer-employee negotiations.

NLC is opposed to federal government taxation of “bona-fide” fringe benefits. “Bona-fide” benefits are those benefits provided by a municipality to its employees pursuant to state or local laws and regulations, contracts or collective bargaining agreements.

4. Drugs and Alcohol

NLC opposes any federal pre-emption of municipal authority over personnel matters related to drugs and alcohol, including treatment and drug-testing policies.

5. Fair Labor Standards Act (FLSA)

NLC supports Federal government efforts to reform the following areas of the Fair Labor Standards Act (FLSA):

a. The salary exemption test should be amended to provide an appropriately indexed exemption for executive, administrative, and professional employees and to provide that

the “duties test” would not be considered for such employees.

b. The FLSA should be amended to allow state and local governments to deduct for absences of less than one day without losing exempt status for certain employees. Such an amendment will allow cities to discipline and control employees in the manner best suited to their individual situation.

c. The FLSA should be amended to allow state and local governments to apply disciplinary sanctions for less than one week without losing the exempt status for such employees.

6. Occupational Safety and Health (OSHA)

NLC opposes any impairment of the ability of state and local governments to indemnify their agents, officers and employees against financial loss arising from the operation of locally adopted safety and insurance statutes.

7. Americans with Disabilities Act

NLC opposes any efforts by the federal government to dismantle or weaken the Americans with Disabilities Act.

B. Municipal Decision Making

1. Civil Rights/Equal Opportunity

Municipal governments support equal employment opportunities and have a vital and continuing interest in the development, maintenance, and extension of vigorous and effective civil rights policies. To achieve this goal, cities are committed to:

a. Supporting fully the 1964 Civil Rights Act as amended;

b. Removing artificial barriers in the recruitment, selection, hiring, promotion, transfer or discharge of employees which have no relationship to standards of performance;

c. Developing and carrying out a written affirmative action program in the recruitment of minority job candidates, women, veterans and the disabled to maximize employment opportunities for these individuals and to foster career development and advancement, including through the use of technological advances to provide workplace accommodations.

d. There shall be an equitable distribution of municipal services or benefits to all city residents.

Federal, state and local governments should all be held equally responsible for achieving diversity in their own personnel practices. Local governments should be granted any exemptions to federal discrimination laws, which the federal government now claims for itself.

2. Municipal Service Provision, Right of Way and Franchising Rights

The federal government should take no action, which abridges the right of a city to franchise, regulate, or control any person or enterprise that provides services within that city. Further, the federal government should not intrude upon the authority of a city to directly operate, contract out, or sell the operation of any service.

The federal government should not restrict the authority of municipalities to engage in activities to protect public investments in the right-of-way, to assure the appropriate placement of service lines, to regulate the placement of service facilities, and to realize the value of this public asset. These activities include the granting of franchises and licenses, the promulgation of construction standards, the levy of taxes, fees and rental charges, and the issuance of permits.

3. Regional Planning and Cooperation

Urban problems frequently cross jurisdictional boundaries and may require area-wide action to achieve measurable relief.

a. Any federal legislation or regulation which mandates area-wide planning should provide necessary resources towards the development of such an organization and state and local elected officials must be included in decisions regarding the organization's purpose and responsibilities and the distribution of federal funding.

b. Any area wide planning organization should allow for flexible interpretation of federal guidelines to recognize local political, economic, and social conditions and to ensure the equitable distribution of program funds.

4. Municipal Liability

In recent years, cities have experienced unprecedented increases in costs to protect themselves against exposure to public liability. While municipalities must take steps to improve their own internal management programs and policies to identify, reduce, eliminate, and protect against the risk associated with providing public services, the federal government, in conjunction with state governments, can assist in these efforts by doing the following:

- Clearly defining and limiting the scope of public liability and exposure through legislation, including legislation reducing liability exposure under Section 42 U.S.C 1983 and related statutes by preventing the filing of traditional state tort claims in federal courts under the umbrella of civil rights actions;
- Lessening the personal liability risks facing individual officers and employees while performing public duties;

- Encouraging and assisting municipalities in developing flexible, cooperative solutions and alternatives for insurance, reinsurance, pooling, and risk-management; and
- Providing training, technical assistance, and education, which will improve the state of the art and practice of municipal liability, insurance and risk management.

Some specific methods for reducing municipal liability include:

- Providing in federal law that in those states where municipal liability caps exist, such caps should also be applicable to liability arising from federal statutes;
- Providing attorney fee awards to the prevailing party when federal law exposes municipalities to liability;
- Providing for a six-month notice of claim requirement when a municipality is the potential defendant;
- Providing in federal law that the statute of limitations period should be the limitations period for personal injury actions in the state of occurrence; and
- Eliminating “Monell” liability for municipalities by clearly expressing Congressional intent regarding 42 U.S.C § 1983 and clarifying that the definition of “person” under § 1983 does not include municipalities.

The federal government should consider creating alternative dispute resolution procedures, which must be exhausted before recourse to the courts is allowed for claims against municipal governments.

The federal government should implement “settlement before trial guidelines” that would allow municipalities to avoid the payment of a plaintiff’s attorney fees, if an offer of settlement by the municipality made within a specified period of time in advance

of trial is greater than the relief finally granted by the court.

In the drafting or revising of federal statutes that expose municipalities or their officials to liability, the following general principles should be respected:

- a. If monetary fines are imposed by the court on a municipal government, include provisions allowing the municipality to apply these fine amounts to cure conditions giving rise to the imposition of the fine;
- b. Place limitations on the extent to which a city, or its municipal officials, may be held vicariously liable for the acts of their employees;
- c. Retain the ability of a municipality to insure or otherwise protect city officials and employees from personal financial loss connected to claims arising from their municipal government affiliation; and
- d. Require that in order to be eligible for the awarding of attorney fees, the plaintiff must substantially obtain the relief sought and any such attorney fees should be reasonable in relation to the judgment.
- e. Municipal government workers, including workers that perform a share of their duties on vessels operating in navigable waters, are protected by workers’ compensation laws, without regard to fault. The federal government should, therefore, amend the federal Jones Act to exempt municipal government employees from the provisions governing the death or injuries to an employee working on a vessel operating in navigable waters.
- f. In those cases where a trade-off of municipal authority and rights in federal legislation exists, thereby providing a legal remedy against cities, NLC believes that

there should be specific statutory language declaring that the legal remedy specified is the exclusive remedy.

5. Municipal Disaster and Terrorism Insurance

In the wake of recent high-cost natural disasters and terrorist attacks, a number of insurance companies have been unable to properly cover the losses of their policy holders because the industry was overexposed to loss.

Since the September 11, 2001 terrorist attacks, the industry has virtually eliminated terrorism coverage, and if available, it is prohibitively expensive. Although a concentrated effort to prevent reliance on long-term, federally-subsidized disaster relief is necessary, an initial reinsurance system must be made available to bring stability to both industry and government as a safeguard against future acts of terrorism.

NLC urges the federal government to work with state and local governments, the insurance industry, and other stakeholders to:

- Develop insurance and reinsurance programs that will make it possible for private insurers and reinsurers to make affordable disaster insurance available to cover damage and loss caused by catastrophic natural disasters and terrorism;
- Encourage the insurance and reinsurance industries to provide incentives through rate adjustments that reward policy holders who take mitigation actions;
- Work to ensure that insurance companies do not overexpose or underexpose themselves to risk;
- Develop an incentive-based disaster insurance and mitigation system that would encourage property owners to build new homes outside high risk areas,

retrofit existing structures to reduce future losses, and enable government and business to obtain the proper coverage necessary for public safety, the delivery of public services, flow of commerce, and economic development.

6. Municipal Purchasing

The federal government should not disqualify cities from the receipt of federal grant funds if cities decide to adopt special purchasing procedures based on objective and otherwise legal criteria. For example: (a) granting preferred status to some classes of potential suppliers; (b) disqualify other classes of potential suppliers; or (c) grant less preferred status to other classes of potential suppliers.

7. Right of Municipalities to Sue

NLC opposes any federal preemption that would undermine the authority of municipalities to bring suits against other parties.

8. Reducing Barriers to Municipal Contracting with Federal Facilities

The federal government should eliminate legal and procedural barriers and solicit proposals from municipal governments to provide services to federal installations such as public safety services, ground maintenance, and public works.

9. Equal Access to Justice Act

The eligibility limits for units of local government on assets and the number of employees for awards under the federal Equal Access to Justice Act should be eliminated. NLC has no position on the modification of eligibility thresholds for non-local government entities.

10. Federal Consent Decree Fairness Act

Congress should ensure that consent decrees imposed by federal courts are drafted as narrowly as possible, limited in duration,

provide for review of continuing need, and respect state and local interests and policies.

1.03 Intergovernmental Relations

A. Mandates

The federal government must not initiate laws, rules and regulations, or take other actions and activities that will mandate action on the part of local governments.

If the federal government does initiate laws, rules and regulations, the federal government must provide reimbursement funds to compensate local governments for such mandates. Any reimbursement program should deliver funding directly to the unit of government incurring the costs.

Cost-benefit and risk assessments of current federal programs, regulations, and policies (e.g., tax policy) must be conducted to determine their adverse cost, structural, and intergovernmental impacts on local governments.

Cost-benefit and risk assessment statements must be added to all proposed legislation, rules, and regulations. Assessment of proposed rules and regulations must be completed by Congress prior to enactment and/or enforcement. NLC encourages cities to separately display the costs of state and federally mandated programs in their budgeting and reporting.

Local governments should be able to prioritize their resources to achieve the greatest risk reduction for the funds available.

The federal government should incorporate flexibility into federal and state regulatory processes because of variable local

conditions. The federal government should avoid “one-size-fits-all” regulatory approaches to municipalities. While enforcement should be objective it should also take into account local conditions through the use of such mechanisms as variance/waiver procedures and locally-developed alternate compliance plans.

Local government should be afforded the opportunity for greater participation in the legislative and regulatory process. In developing and revising regulations, the federal government shall consider the impact of these regulations on municipal governments and shall reimburse municipal governments whenever these federal mandates impose significant new cost.

Municipal elected officials and governments should participate as partners in the development of federal regulations that have a significant impact on state and local government. Laws restricting entities subject to regulation from participating in consultative processes with federal agencies to make regulations workable should be prohibited. Such exemptions will help ensure that elected state and local officials participate at an early stage in the development of federal regulations.

B. Collection of Local Taxes

NLC opposes federal legislative efforts effecting local taxing authority including the collection of tax from local businesses and the collection of franchise fees.

(See related policy under ITC Section 7.01(E)(3) Franchise Fees.)

C. Sales Tax Policy

NLC supports the autonomy of state and local governments to impose destination-based sales tax collection requirements on retailers that have an economic presence in their community, including on brick-and-mortar stores physically located within the state and remote retailers that solicit and fulfill sales into the state.

Arbitrary restrictions, such as the physical presence test and “single rate per state” rules create market distortions that unfairly disadvantage certain retailers over others.

D. Takings

NLC opposes federal regulations or statutes that place restrictions on state and local government actions regulating private property or requiring additional compensation beyond the continually evolving judicial interpretations of the Fifth Amendment of the U.S. Constitution.

The federal government shall indemnify a municipality for costs, including attorney fees, damages and awards, of litigation asserting inverse condemnation or regulatory takings claims, which arise from municipal actions necessitated by federal requirements.

The federal government should not enter into any international agreement that enables a foreign entity to seek damages predicated on the actions of a U.S. municipality, regarding alleged takings practices, which are legal under U.S. law.

E. International Trade and Local Authority

The federal government should include elected state and local government officials in international trade and all other treaty

negotiations, because of their potential impacts on these governments.

F. Davis-Bacon Policy

The Davis-Bacon Act should be repealed.

G. Preemption of Municipal Regulatory Authority

The federal government shall not preempt municipal regulatory powers based on the police power of the state; however, when a clear and compelling need arises, the Congress must clearly express its intent to preempt, and accompany any such proposals with a timely intergovernmental impact analysis, including estimated costs. Local elected officials cannot manage or guide the financial condition, character and personality, public health and safety, environmental protection or encourage the local self-determination of cities and towns without basic regulatory controls.

NLC opposes federal regulations or statutes that require retroactive compliance by municipal government.

H. Scope of Federal Regulation of Cities

The scope of federal intergovernmental regulations should be reduced and new regulations should be issued only when a clear and convincing case has demonstrated the necessity of federal regulations. In any event, federal regulation of cities should be confined to insuring individual political and civil rights, to providing for national defense, to regulating interstate commerce in resolving interstate disagreements, and to assuring the fiscal and programmatic integrity of federal grants and contracts. In all cases, maximum municipal flexibility and authority should be preserved.

In reviewing existing regulation of cities, the federal government should not use cross-over sanctions – sanctions permitting the use of federal money in one program to influence state and local policy in another as a compliance technique, should consult with states and cities on regulations involving preemption of local authority or joint standard setting, and should simplify and standardize cross-cutting requirements – federal grants used to establish certain conditions that extend to all activities supported by federal funds, regardless of their source.

I. Grant Reform and Administration

Federal grants to local governments should be used to provide fiscal support, initiate new programs or approaches to solving urban problems, increase socio-economic equity, and achieve national objectives. The following administrative and legislative measures would increase the effectiveness of this indispensable form of assistance to local governments.

- The conflicting administrative and eligibility requirements accompanying federal assistance must be simplified and standardized.
- Municipal governments could utilize federal assistance more flexibly and efficiently if some of the narrow categorical programs were consolidated into broader categorical or block grants.
- The municipal role in the federal system should be strengthened by mandating the right of city governments to review and comment on all federal assistance programs which affect their jurisdictions, and by guaranteeing the right of city

governments to participate in the agency rule-making process.

- City governments should receive reimbursement for indirect costs associated with grant administration.
- In order to increase the fairness and effectiveness of the distribution of federal funds, the federal government should make uniform use of population, employment, and other data and should improve the accuracy and timeliness of all data.
- Federal legislation should be enacted to provide for the recovery from the federal government of legal, technical, and operating costs associated with reviewing and commenting on any proposed and/or final federal audit report and/or the costs of appealing adverse grant eligibility determinations arising from such an audit report, which were incurred by a municipality, provided that the municipality substantially prevails against the recommendations of the audit report.

J. Postal Facilities

Postal facilities often serve as an anchor of many central business districts and as a major focal point of urban commercial neighborhoods. The loss of a postal facility can severely impact the health of a central business district or urban commercial neighborhoods and pose a setback to local government community and economic development plans. Under current law USPS must undertake a formal public notification and comment period prior to closing a post office. NLC urges USPS to consider impacts on local government community and economic development plans and impacts on low- and moderate income households, the

elderly and the disabled as it studies postal facility closures. NLC supports legislation that would create a formal public notification and comment period prior to the closure of any postal facility and urges USPS to take a comprehensive approach to restructuring that does not rely disproportionately on postal facility closures.

K. Municipal Annexation

Annexation procedures established by state law provide for orderly growth and development of cities and annexation of unincorporated areas. While states have and should continue to have the preeminent role in annexation regulation, actions of the federal government, through operation of many of its programs, can unintentionally or by design interfere with planned urban growth and annexation proceedings.

Recognition of the authority and ability of cities to deliver utility services is directly related to issues of growth and annexation. Federal policies must take account of this essential role of city government in determining the impact of legislation affecting the provision of such services in rural areas. Increased interest by rural electric cooperatives in competing with cities to deliver utility services in rural areas experiencing residential growth and commercial/industrial development has raised serious concerns for cities. Federal policy should require that proposals to deliver such services in rural areas not duplicate the capacity of cities to serve those locations. Federal laws should not prohibit the option for cities to exercise extraterritorial jurisdiction over development, planning, and delivery of utility services in urban fringe areas adjacent to their corporate boundaries.

L. Federally Owned Property

The federal government should pay to municipalities an annual sum in lieu of payment of real property taxes on federally owned, occupied, or controlled property otherwise exempt from such property taxes. Municipalities should in no way be constrained from collecting taxes of any type that are normal and fair from any individual, business, or corporation conducting activities on or within any federally owned, occupied, or controlled property or installation.

The federal government in its development of federal facilities should: comply with city zoning and land use practices; consult with local jurisdictions when preparing architectural and construction plans; adhere to nationally recognized building and fire and life safety code standards; maintain its facilities to the standards normally provided for similar public and private facilities; and should participate in paying the infrastructure and environmental impact mitigation costs and service fees related to the federal facility.

The federal government should not assert or cause its contractors to assert partial or full immunity from state or local taxes on a retroactive basis, for federally foreclosed property.

M. Federally Foreclosed Property

When in the course of its regulatory and other functions the federal government comes into possession of property which it does not intend to retain for its own use.

N. Census

The U.S. Census is of highest importance to America's cities and towns. The vital information provided is critical to many

municipal activities such as community planning, redistricting, intercensal population estimates and providing data for federal grant formulas. Statistics produced by the Census drive the allocation of federal and state funds. Census numbers are also frequently used to help make decisions about the allocation of resources.

Cities are therefore vitally concerned that the Census produce the most accurate and timely information possible. Furthermore, the Census Bureau shall make every effort to reduce the gap in time between the reference date of statistics and their use in formulas.

In order to enhance the usefulness of the Census, Congress, working with the Administration, should create a Commission on the Census. This Commission should be composed of members of the executive and legislative branches and state and city officials. The Commission shall make recommendations for the most accurate census feasible. Whether or not such a Commission is convened, the federal government should create a separate state and local advisory committee, to advise and comment on a continuing basis regarding the development and administration of census programs.

NLC supports the ongoing engagement and development of partnership and communications efforts aimed at reducing the differential undercount of underserved segments of the Nation's cities and towns.

To overcome the problem of non-response, NLC encourages the use of proven sampling methods and other processes which will instill confidence by the local population. If numbers are produced both: (1) employing

sampling methods; and (2) not employing sampling methods, both sets of numbers should be made publicly available on the same time schedule and at the smallest possible geographic level.

O. Tribes and Trust Land

NLC recognizes and appreciates that Native-American tribes are independent governments and should be partners in developing policy.

In order that all lands can be uniformly regulated and taxed under municipal laws, lands acquired by Native-American tribes and individuals shall be given corporate, not federal trust, property status through negotiation or statutory change.

Nothing in this policy should be construed as affecting lands currently in trust.

P. Transparency

The Federal Government must respond to requests by cities for non-classified federal information, under provisions of the Freedom of Information Act. The federal response must occur in ways that foster transparency and open intergovernmental communication, and must not use fees charged for the cost of information production as a practical deterrent to such communication.

Q. Election Administration

Voting is fundamental to democracy in the United States' form of government. Citizen trust in the integrity of this process is essential. Procedures and administration of this process must be completely honest, transparent and impartial. State and local officials are primarily responsible for administering the voting process but all levels of government – federal, state and local should exercise oversight in a balanced and

even-handed manner. NLC is opposed to any federal laws that disenfranchise individuals from exercising their most fundamental constitutional right to vote. Moreover, NLC supports equitable voting rights and protections for individuals whose ability to cast a ballot has historically been restricted on the basis of race, sex, disability, age, English proficiency, or housing status.

NLC does support federal establishment and enforcement of standards for voting for Americans overseas, particularly members of the U.S. military and federal government employees and their dependents. The federal government should annually review state laws for any procedural or statutory inconsistencies with applicable federal laws and promptly inform state governments, the state municipal league and the state association of counties in each state of any problems and ways to cure them.

R. District of Columbia

NLC recognizes and fully supports the right of the District of Columbia's elected representative to have full voting rights in the U.S. House of Representatives. The District of Columbia should be granted legislative and budget autonomy from the federal government.

NLC RESOLUTION 2023-01**CALLING TO RESOLVE THE CONFLICT BETWEEN STATE AND FEDERAL CANNABIS LAWS**

WHEREAS, state and local governments share with the federal government the responsibility to ensure public health and safety are addressed through competent, thoughtful, and comprehensive legislation and regulation that is reflective of local values and needs; and

WHEREAS, forty-seven states, four U.S. territories, and the District of Columbia – representing 97.7 % of the U.S. population – have legalized some form of recreational or medical marijuana; and

WHEREAS, cannabis’ status as a Schedule I illicit substance on the Controlled Substances Act (CSA) and the CSA’s coupling with the Bank Secrecy Act have created a condition under which the cannabis industry has severely limited access to the federally regulated banking industry; and

WHEREAS, this condition has led to a reliance on “cash only” models that involve the transportation of large sums of paper money through cities, increasing the risks of theft crimes and tax evasion, and denying large groups of business owners the capital needed to enter the market; and

WHEREAS, the U.S. Department of Justice has rescinded guidance that previously provided a minimal level of confidence for financial institutions looking to provide services to this growing industry, causing Congress to introduce and pass legislation in the U.S. House of Representatives to try to tackle this issue; and

WHEREAS, on April 19, 2021, the House of Representatives passed H.R. 1996, the Secure and Fair Enforcement (SAFE) Banking Act of 2021. The bill would allow marijuana-related businesses in states with some form of legalized marijuana and strict regulatory structures to access the banking system. The bill passed with overwhelming, bipartisan support by a vote of 321 to 101, including 106 Republicans; and

WHEREAS, on March 23, 2021, Senators Jeff Merkley (D-Ore) and Steve Daines (R-Mont.) introduced the SAFE Banking Act in the Senate with nearly a third of the chamber supporting the bill.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities urges the federal government to remove cannabis from Schedule I of the Controlled Substances Act and provide guidance to financial institutions that results in the cannabis market having access to the federally regulated banking system, such guidance to include the United States Senate to pass the SAFE Banking Act and the President of the United States of America to sign the bill into law.

NLC RESOLUTION 2023-02**SUPPORT FOR REFORMING THE EARNED INCOME TAX CREDIT FOR
CHILDLESS WORKERS**

WHEREAS, the Earned Income Tax Credit (EITC) is a refundable credit to eligible workers. Even if a worker does not owe any federal tax, the worker may benefit from it; and

WHEREAS, the EITC is the nation's largest cash antipoverty program, with a tax year 2016 (returns filed in 2017) total of \$66.7 billion claimed on 27.4 million tax returns. Most of the claimed EITC dollars—\$64.7 billion, or 97% of total EITC dollars—were for taxpayers with children compared to \$2.1 billion in claimed EITC for taxpayers with no qualifying children; and

WHEREAS, the EITC is so small for childless workers, it effectively does not lift them out of poverty because the EITC for this group is much too small (and for some, isn't available at all) that it does not offset the income taxes and employee share of payroll taxes that they must pay; and

WHEREAS, this affects 5 million childless adults aged 21 through 66; and

WHEREAS, the maximum credit in 2018 is more than 10 times as much for a taxpayer with a child than a childless taxpayer; and

WHEREAS, recipients without children must be at least 25 years old—there are no age restrictions for parents; and

WHEREAS, prior to 2021 the maximum amount that a childless taxpayer could receive through the EITC was \$538; and

WHEREAS, as part of the American Rescue Plan Act, a childless taxpayer will be able to receive just more than \$1,500 from the EITC; and

NOW, THEREFORE, BE IT RESOLVED that NLC will support Congress making the EITC for childless workers permanent as a way to help reduce poverty in cities.

NLC RESOLUTION 2023-03**EXEMPTS FROM TAXATION INCOME FROM LOAN MODIFICATION,
FORGIVENESS OR CANCELLATION FOR SMALL BUSINESSES**

WHEREAS, for this resolution a “small business” or “small businesses” is defined as a business having fewer than 50 full-time employees; and

WHEREAS, the recent economic downturn and lockdowns forced many businesses forgo significant amounts of revenue; and

WHEREAS, prior to the pandemic, struggling small businesses would have been able to refinance debt or extend lending terms on the original agreement; and

WHEREAS, today, many small businesses are fighting for survival, and creditors face a choice of demanding payment under the original terms outlined in the agreement or engage in loan modification, forgiveness or cancellation; and

WHEREAS, the viability of many small businesses in the coming months to stay afloat will rely on loan modifications, forgiveness, or cancellation to stay in business; and

WHEREAS, the modification, forgiveness and cancellation of debt comes with its own burdens; and

WHEREAS, Internal Revenue Code (“IRC”) general rule considers cancellation of debt (“COD”) ordinary income under Sec. 61(a)(12); and

WHEREAS, for example, XYZ business has a loan with a bank with a balance of \$500,000, and modifies the loan to cancel 50 percent of the balance – \$250,000. The business will receive a 1099-C stating it had income of \$250,000 for that tax year. The business might not have the corresponding cashflow to pay the taxes on the cancelled portion of the loan when the tax bill comes due and may have to close despite altering its loan terms to try to stay afloat.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities will advocate for small businesses as defined herein this resolution to be exempt from taxation on income from loan modification, forgiveness or cancellation to help maintain healthy thriving cities.

NLC RESOLUTION 2023-04**CALLING TO PRESERVE AND ENHANCE VOTING BY MAIL**

WHEREAS, voting is a constitutionally protected right; and

WHEREAS, all governments, especially state and local, must ensure an accessible, safe and secure method of voting for all citizens; and

WHEREAS, measures are taken to ensure electoral integrity and prevent fraud when votes are cast by mail; and

WHEREAS, use of the terms “voting by mail” and “absentee voting” varies from state to state, “voting by mail” is assumed to mean any ballot sent through the mail, including by absentee voting; and

WHEREAS, all states allow voting by mail in certain circumstances; and

WHEREAS, in the 20 years prior to 2016, the percentage of voters casting ballots in person on Election Day has gradually declined, falling from 89% in 1996 to 60% in 2016; and

WHEREAS, in 2016, nearly ¼ of all U.S. votes were cast by mail. Due to the pandemic the number of voters casting ballots on Election day in 2020 rose to 46%; and

WHEREAS, opinion polls consistently find that a majority of American support having an option to vote by mail; and

WHEREAS, COVID-19 has pushed states to expand options for voting by mail due to limited election facilities and poll workers, increased sanitation costs, the nature of COVID-19 being spread through person-to-person contact, and the need to ensure all citizens have equal access to exercise their right to vote.

NOW, THEREFORE, BE IT RESOLVED that while it takes no stance on individual state election laws, the National League of Cities supports federal efforts that preserve and enhance systems that allow for accessible, safe and secure vote by mail options.

NLC RESOLUTION 2023-05**SUPPORT FOR THE JOHN LEWIS VOTING RIGHTS ADVANCEMENT ACT**

WHEREAS, voting is fundamental to democracy in the United States’ form of government; and

WHEREAS, the Voting Rights Act of 1965 was passed to ensure that millions of Black, Latinx, Asian American and Native American citizens who were previously denied suffrage have an equal opportunity to cast their ballot; and

WHEREAS, in the 2013 *Shelby County v. Holder* decision, the United States Supreme Court upheld Section 5 of the Voting Rights Act, requiring jurisdictions with a history of discrimination to submit any proposed changes in voting procedures to the U.S. Department of Justice or a federal district court in Washington, D.C. to ensure the change would not harm minority voters (known as “preclearance”); and

WHEREAS, in the *Shelby County V. Holder* decision, the United States Supreme Court struck down Section 4(b) of the Voting Rights Act of 1965, which contained the coverage formula used to determine which jurisdictions are covered by Section 5 of the Act; and

WHEREAS, Section 5 of the Voting Rights Act of 1965 is practically defunct; and

WHEREAS, following the 2013 *Shelby County V. Holder* decision, several states enacted new voting restrictions that, prior to the 2013 decision, would have been subject to preclearance under Section 5 of the Voting Rights Act of 1965; and

WHEREAS, the United States House of Representatives, in a report entitled *Voting Rights and Election Administration in the United States of America* concluded that “without federal protections, new and old barriers to voting have emerged” that “disproportionately impact minority voters;” and

WHEREAS, the John Lewis Voting Rights Advancement Act creates a new coverage formula that applies to all states; and

WHEREAS, the John Lewis Voting Rights Advancement Act establishes a targeted process for reviewing voting changes in jurisdictions nationwide, that utilizes measures that have historically been used to disenfranchise minority voters; and

WHEREAS, the National League of Cities is opposed to any federal laws that restricts American citizens from exercising their most fundamental constitutional right to vote.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities supports the John Lewis Voting Rights Advancement Act and urges its enactment into law.

NLC RESOLUTION 2023-06**SUPPORT FOR REFORMS OF OPPORTUNITY ZONES**

WHEREAS, the 8,764 census tracts designated as qualified opportunity zones span across all 50 States, the District of Columbia, and 5 Territories and overwhelmingly represent communities that have been economically left behind as the American economy has surged forward; and

WHEREAS, the average poverty rate of qualified opportunity zone residents is 26.4 percent, nearly double the national average; and

WHEREAS, opportunity zones cover 54 percent—more than half—of the country’s pockets of concentrated persistent poverty, meaning census tracts in which at least 40 percent of the population has lived in poverty since at least 1980; and

WHEREAS, more adults in qualified opportunity zones lack a high school diploma than have a four-year college degree; and

NOW, THEREFORE, BE IT RESOLVED, the National League of Cities (NLC) supports reforms to opportunity zones (1) bring them in line with the original intent of the legislation, (2) support a fund technical assistance and capacity building, (3) allows for zero population census tracts to be eligible for opportunity zones designation; and

BE IT FURTHER RESOLVED, NLC supports proposals to sunset to opportunity zone designation for census tracts with high median family income (MFI), which is one that exceeds 130 percent of the national MFI; and

BE IT FURTHER RESOLVED, NLC supports proposals to provide technical assistance and capacity building to help drive capital and projects in underserved communities; and

BE IT FURTHER RESOLVED, NLC support population census tracts with zero population and where it was formerly used for industrial purposes to be eligible for an opportunity zone designation.

NLC RESOLUTION 2023-07**CALLING FOR A MORE ROBUST LOW-INCOME HOUSING TAX CREDIT TO
HELP EASE THE NATION’S HOUSING CRISIS**

WHEREAS, the Low-Income Housing Tax Credit (“LIHTC”) was created by the *Tax Reform Act of 1986* and is designed to encourage the private sector investment in the new construction, acquisition, and rehabilitation of rental housing affordable to low-income households; and

WHEREAS, since President Ronald Reagan signed LIHTC into law in 1986, it has financed the construction and preservation of more than 3.6 million affordable homes nationwide, at a rate of more than 120,000 per year; and

WHEREAS, today LIHTC produces virtually all new affordable rental housing and is our primary tool for preserving existing affordable housing; and

WHEREAS, LIHTC offers a dollar-for-dollar reduction in a taxpayer’s income tax liability in return for making a long-term investment in affordable rental housing; and

WHEREAS, state agencies award LIHTC to developers who engage private investors in the property’s ownership; and

WHEREAS, the investors provide upfront equity capital to fund the construction and rehabilitation of affordable housing, allowing developers to borrow less money and pass through the savings in lower rents for low-income tenants. Investors, in turn, receive a 10-year stream of tax credits based on the cost of constructing or rehabilitating apartments that must be rented to low-income households; and

WHEREAS, LIHTC credit is allocated to each state based on the state’s population. In 2021, the state credit cap is \$2.81 times the state’s population, with a state minimum of \$3,245,625; and

WHEREAS, the LIHTC program generally serves low-income working households earning 60 percent of area median income (“AMI”) or less; and

WHEREAS, according to the Department of Housing and Urban Development (“HUD”) data on LIHTC resident demographics, nearly 45 percent of all households living in LIHTC apartments are extremely low income (“ELI”), meaning they earn 30 percent of AMI or less. Another 34 percent were very low income, earning between 30 and 50 percent of AMI, and the remaining 21.5 percent earn more than 50 percent of AMI; and

WHEREAS, according to HUD’s most recent *Worst-Case Housing Needs* report, 7.72 million very low-income renter households had worst-case housing needs in 2017, meaning they did not receive government housing assistance and paid more than half of their incomes for rent, lived in severely inadequate conditions, or both; and

WHEREAS, there is a shortage of more than 7 million affordable rental units for extremely low-

income renters, with only 37 affordable and available units for every 100 ELI renter households nationwide, and 70 percent of ELI renters are spending more than half of their incomes on housing. Low-income renters who are unable to find affordable apartments are forced to pay a significant portion of their incomes for housing — leaving little money left over for other necessities like food, transportation, childcare, healthcare, and utilities; and

WHEREAS, LIHTC accounts for the vast majority of the country’s new and substantially rehabilitated rental housing affordable to low-income people, creating affordable housing opportunities for the millions of families in our country today who otherwise pay an excessive portion of their incomes for housing, live in substandard and overcrowded conditions, or face homelessness. Our nation also relies on the LIHTC more and more to preserve the existing affordable rental housing stock that is often desperately in need of recapitalization; and

WHEREAS, The Consolidated Appropriations Act of 2018 enacted an 50 percent increase in LIHTC allocation for four years (2018-2021), up to 12.5 percent, which is estimated to finance an additional 28,000 affordable rental homes; and

NOW, THEREFORE, BE IT RESOLVED, the National League of Cities (“NLC”) calls for an increase in LITHC allocation by 50 percent over current levels, back to the 12.5 percent level, phased in over two years.