



The Alaska Municipal League would like to call to your attention the following priorities being discussed at the federal level, which have direct impacts on Alaska municipalities. We encourage your consideration of this input, support where called for, and communication back as individual pieces of legislation move forward.

Support Municipal Government Priorities in Infrastructure Package:

Any new infrastructure legislation or administrative action should accomplish the following goals:

- Allocate funding for locally owned infrastructure, especially rural infrastructure, and a sufficient funding match
- Preserve the tax-exempt status of municipal bonds – these are a critical tool for municipalities to facilitate the budgeting and financing of long-range investments
- Streamline the federal permit process and reduce project delays, duplicative reviews and procedures
- Implement policies to promote innovative financing, including but not limited to qualified tax credit bonds, infrastructure banks, public private partnerships to leverage federal financing, and the Transportation Infrastructure Finance and Innovation Act
- Ensure the long-term certainty and solvency of the Federal Highway Trust Fund.

Support Municipal Government Priorities Farm Bill:

The farm bill is critical for local governments, which are responsible for delivering vital services to many of our nation's vulnerable families. It contains programs that assist municipalities in rural development efforts, nutrition assistance programs, conservation initiatives, renewable energy deployment, support for new farmers and ranchers, and business development initiatives.

As a member of both NACo and NLC, AML support the Senate's approach to the SNAP portion of the farm bill, which protects SNAP benefit levels and eligibility, keeps food on the table for struggling families, makes modest changes to improve program effectiveness and invests in critical employment and training programs to better serve SNAP recipients

Additionally, AML encourages you to consider the following provisions:

- Allow municipalities to exclude incarcerated individuals for population counts for program eligibility under USDA's definition of "rural."
- Allow municipalities to use USDA broadband loans and grants for "middle-mile" projects, which is prohibited under current law.
- Create the Rural Innovation Stronger Economy (RISE) Grant Program to help municipalities strengthen the local economy through partnerships with the private sector and higher education.
- Reinstate the Undersecretary for Rural Development, which was eliminated in 2017.
- Develop an interagency "Council on Rural Community Innovation and Economic Development" to help leverage federal resources aimed at rural municipalities.
- Expand the Strategic Economic and Community Development Program, which incentivizes regional collaboration on rural development efforts

Support Reauthorization of the National Flood Insurance Program (NFIP)

Congress should enact a long-term reauthorization of the NFIP. When the federal government uses short-term extensions, municipalities are often unable to effectively plan and implement a workable budget. The NFIP is currently operating under a short-term extension that will expire November 30, 2018.

AML, via NACo and NLC, supports policies that restore premium subsidies for low-income and high-risk residents, as well as funding for state and local governments to invest in infrastructure improvements that will help to mitigate potential property loss due to a catastrophic flood.

We believe that a NFIP reauthorization bill should:

- Enhance National Flood Insurance Program solvency and sustainability
- Enhance flood insurance affordability and accessibility
- Reduce premium costs through an agreed value pilot program
- Provide private market access, accountability and competition
- Modernize flood mapping and flood risk accuracy
- Enhance National Flood Insurance Program transparency and accountability

Support Full Funding for Payment in Lieu of Taxes (PILT)

The PILT program provides payments to municipalities to offset losses in tax revenues due to the presence of substantial federal land acreage within their jurisdictions. As you know, this describes much of Alaska, and Alaska's portion in FY18 was over \$32 million, distributed to boroughs and cities across the state.

Because local governments are unable to tax the property values or products derived from federal lands, PILT payments are necessary to support essential local government services (mandated by law) such as education, emergency services, transportation infrastructure, law enforcement and health care.

Without predictable mandatory funding, PILT will remain a discretionary program subject to the annual appropriations process. AML urges the administration and members of Congress to support long-term predictable full funding for PILT in FY 2019 and beyond.

While the Senate and House continue to discuss legislative solutions for funding the PILT program, AML will continue to urge leadership in both chambers and on both sides of the aisle to work together to fully fund the program.

Support Reauthorization of the Secure Rural Schools (SRS) Program

If not reauthorized for FY 2019 and beyond, the expiration of the Secure Rural Schools and Community Self-Determination (SRS) Act at the end of FY 2018 will create budgetary shortfalls for over 700 rural municipalities across the United States. When the authorization for SRS lapsed in FY 2016, federal forest payments to municipalities decreased by over 80 percent on average.

New legislation should be enacted that provides forest revenue sharing payments to municipalities and promotes active natural resource management for the stability and well-being of forest municipalities and communities. AML encourages Congress to act quickly to reauthorize the SRS program, a critical safety-net for forest municipalities, and improve federal forest management practices.

Support Authorization of the Water Resources Development Act (WRDA)

As owners, users and regulators of water resources and infrastructure, municipalities are directly impacted by the policies and funding authorized in WRDA legislation. We often work with the Army Corps as a non-federal partner to strengthen local infrastructure.

AML supports preserving and maintaining current federal law that provides for federal participation through the U.S. Army Corps of Engineers in a long-standing partnership with state and local governments for funding, implementing and maintaining essential and environmentally sound navigation, harbor, beach management and flow control projects.

Additionally, as local governments are a key part of the intergovernmental partnership, AML supports WRDA provisions that require the USACE to consult with its state and local partners on projects the USACE is considering within an affected jurisdiction.

Congress and the administration should enact a WRDA bill this year and move back to a two-year authorization cycle.

Preserve Municipal Interests in Waters of the U.S. (WOTUS) Regulations

Since the rule was originally proposed in 2014, municipalities have expressed concerns with the impact a broader interpretation of WOTUS may have on municipal-owned infrastructure. Municipalities own and maintain roads and roadside ditches, bridges, flood control channels, drainage conveyances and wastewater and storm water systems, and act as both regulators and regulated entities under the Clean Water Act. A more expansive WOTUS definition could prove costly and burdensome for municipalities.

As owners, users and regulators of water resources and infrastructure, municipalities are directly impacted by the definition of WOTUS. Congress, the EPA and the Army Corps should work with state and local governments as they rewrite a new WOTUS rule.

Supporting the Collection of Existing Sales Taxes on Remote and Online Sales

The U.S. Supreme Court's decision in *South Dakota v. Wayfair* promises to give states and local governments access to previously owed but uncollected taxes. On the federal level, bipartisan bills have been introduced in both the Senate and the House addressing this issue: the Marketplace Fairness Act (MFA) in the Senate (S. 976) and the Remote Transactions Parity Act (RTPA) in the House (H.R. 2193). AML hopes to see Alaska municipal interests reflected as these move forward.

- Remote sales tax legislation would not result in new taxes, it would allow Alaska's local governments to collect existing sales and use taxes on remote sales.
- Remote sales tax legislation would enable Alaska's municipalities to collect sales taxes that are already owed each year and could provide important local services such as infrastructure, public safety, education and economic development.
- Passing federal legislation would level the playing field for local retailers who are at a competitive disadvantage to online retailers who do not have to collect taxes.

Many thanks for your consideration of this input, and request for more information. While these aren't formal positions of AML, I do want to flag them for your attention and hope that it spurs a working dialogue in the months to come.