



Engagement on Federal Appropriations and Federal Preemption Legislation



October 20, 2011

Federal Activity Impacting California Cities

1. FY 2012 Appropriations Legislation and the Joint Select Committee on Deficit Reduction
2. Federal Preemption Legislation
3. Federal Transportation Reauthorization
4. What You Can Do to Help

How to Ask A Question

- All phone lines have been muted.
- For Questions - Use the Q&A window to the right side of your screen.
- Please enter your **Name**, **Title** and **City** when you ask a question.

League Legislative Advocates

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Transportation and Public Works



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FY 2012 Appropriations

- Congress is currently working to finalize its FY 2012 appropriations legislation.
- Annual funding is included in these measures for priority local government programs.
- These programs include CDBG, COPS, Byrne/JAG, formula highway and transit funding, TIGER, Sustainable Communities and the Clean Water State Revolving Loan Fund.

FY 2012 Appropriations

Congress is proposing to reduce funding for these critical local government programs in FY 2012:

| FY'12, 11 AND 10 FEDERAL PROGRAMMATIC FUNDING COMPARISON | | | | |
|---|----------------------|-----------------------|----------------|----------------|
| Program | FY 2012 House | FY 2012 Senate | FY 2011 | FY 2010 |
| CDBG | \$3.5B | \$2.85B | \$3.34B | \$3.99B |
| COPS Hiring | \$0 | \$200M | \$247M | \$298M |
| Byrne/JAG | \$357M | \$395M | \$424M | \$511M |
| Sustainable Communities Initiative | \$0 | \$90M | \$100M | \$140M |
| TIGER | \$0 | \$550M | \$527M | \$600M |
| Formula Highway Funding | \$27B | \$41.1B | \$41.1B | \$41.1B |
| Formula Transit Funding | \$5.2B | \$8.3B | \$8.3B | \$8.3B |
| HOPE VI | \$0 | \$0 | \$99.8M | \$135M |
| Choice Neighborhoods Program | \$0 | \$120M | \$64.9M | \$65M |
| HOME Formula Grants | \$1.2B | \$1B | \$1.6B | \$1.8B |
| CWSRF | \$689M | \$1.5B | \$1.5B | \$2.1B |
| DWSRF | \$829M | \$963M | \$965M | \$1.4B |
| UASI | consolidated | \$400M | \$705M | \$868M |
| SHSGP | consolidated | \$380M | \$579M | \$890M |
| Assistance to Firefighters Grants | \$335M | \$750M | \$405M | \$405M |

Action Needed

- Sending Letters to House and Senate Appropriations Committee Leaders (cc'ing your member of Congress):
 - Request full funding for priority programs
- House and Senate committee leaders are making decisions very soon.
- Need Letters Immediately!

Joint Select Committee on Deficit Reduction

- Established by the Budget Control Act, which Congress passed on August 2, 2011.
- The bill immediately increased the federal debt limit by \$900 billion.
- The legislation established the JSCDR (“Super Committee”) to find \$1.2 - \$1.5 trillion savings through 2021.

Joint Select Committee on Deficit Reduction

The Committee is tasked with developing, approving and releasing to Congress a plan for achieving \$1.2 - \$1.5 trillion in cuts over the next 10 years. Below is a timeline for action on the Committee's plan:

- **October 14, 2011** – The deadline for House and Senate Committees to submit recommendations for deficit reduction to the Super Committee.
- **November 23, 2011** – The deadline for a majority of the Super Committee members to agree to send recommendations to Congress. If there is no agreement, a \$1.5 trillion mix of discretionary and defense cuts are automatically triggered but do not take effect until January 15, 2012.
- **December 2, 2011** – If there is an agreement by a majority of the Super Committee members, the deadline for recommendations to be sent to Congress for an expedited vote.
- **December 9, 2011** – The deadline for House and Senate Committees of jurisdiction to consider the report and recommend, disapprove, or do nothing with its findings. No amendments to the recommendations are permitted.
- **December 23, 2011** – The deadline for the House and Senate to hold a vote on the recommendations. A simple majority will be required in both chambers, and if it fails, the triggered cuts in discretionary and defense spending will take effect on January 15, 2012.
- **January 15, 2012** – The date at which the automatic cuts to discretionary spending, defense spending, and certain entitlement programs will take place if a bill is not passed.

Joint Select Committee on Deficit Reduction

- Achieving cuts of this size will not be easy and will require a complete analysis of all federal programs.
- Local government programs are at risk of being substantially reduced or cut entirely.
- For FY 2012 and 2013 a firewall will separate local programs from defense spending. Beginning in FY 2014 local programs will have to compete with national defense spending to be maintained.
- Vigorous advocacy will be required to preserve local programs.

Questions?

Federal Preemption Legislation

- The House and Senate are also considering several pieces of legislation preempting local authority.
- This legislation includes:
 - HR 1002 / S 543 - the Wireless Tax Fairness Act
 - HR 1860 / S 971 - the Digital Goods and Services Tax Fairness Act
 - HR 1433 - the Private Property Rights Protection Act

HR 1002 / S 543 - the Wireless Tax Fairness Act

- Would impose a five-year moratorium on all new state and local taxes on wireless service and the providers of such services.
- Would preempt local authority to modify existing tax ordinances in response to innovations in telecommunications deployment.
- Action needed – (1) Send letters to Senators Feinstein and Boxer urging them to oppose this legislation; (2) Complete the League survey on local government broadband deployment.

HR 1860 / S 971 – the Digital Goods and Services Tax Fairness Act

- Is designed to prevent “multiple and discriminatory taxation” of digital goods and services.
- In practice the bill would bar cities from imposing sales tax on the full retail price of both physical and digital goods and services sold by online intermediaries, including hotel taxes.
- No action needed at this time.

HR 1433 – the Private Property Rights Protection Act

- This legislation would bar cities from using eminent domain if a city receives any federal funding for redevelopment purposes.
- Cities that violate this bill would be penalized by the withholding of all federal economic development funding for two years.
- Action needed – Send letters to your member of Congress and urge them to oppose this legislation.

Questions?

SAFETEA-LU Reauthorization Update

- **Federal transportation programs are operating under an extension through March 31, 2012.**
- **Lack of consensus on full reauthorization due to inadequate Highway Trust Fund (HTF) resources.**
- **Jobs legislation is a possible path forward.**

Questions?

What You Can Do To Help

- **Send Letters to Senators and Member of Congress**



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March 23, 2011

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

RE: Oppose Legislation That Would Reduce Critical Local Government Revenue

Dear Senator Feinstein:

On behalf of the League of California Cities (League), which represents California's 481 cities, I am writing to urge you to oppose recently introduced S 543 – the Wireless Tax Fairness Act of 2011 – which would impose a five-year moratorium on “new” state and local taxes on mobile services and the providers of mobile services.



Other Things You Can Do To Help

- Alert your community to your position on important legislation*
 - Convert your letter to your Member of Congress into a brief letter to the editor of your local newspaper.
 - Encourage your local newspaper to draft an editorial.
 - Reach out to other community leaders who may also care about this legislation. Ask them to send a letter.

** Your League regional manager can be helpful in these efforts.*

League Resources

For more information on legislative language, the League's position letters, and sample position letters for cities, please visit www.cacities.org/federal or e-mail Jennifer Whiting at jwhiting@cacities.org.

Questions?



Please put your phones on Mute.
Don't put us on HOLD.