



FEDERAL UPDATE
 Office of Intergovernmental Affairs & Professional Standards
 954-357-7575

BROWARD COUNTY FLORIDA

111th Congress, Second Session
February 19, 2010

State of the Union Overview

- ❖ **Budget Freeze** - President Obama in his State of the Union Address to a Joint Session of Congress January 27, 2010, proposed a freeze on non-defense/security discretionary funding which is focused on finding cost cutting savings with a scalpel rather than an ax. The 3-year freeze is focused on keeping selected federal spending to \$447 billion annually from FY 2011- 2013.
- ❖ **Jobs Bill** – The Senate's bill is not likely to carry as steep a price tag as the \$154 billion package (H.R. 2847) passed by the House of Representatives in December. Senate Democrats scrapped a bipartisan jobs bill in favor of one they say is leaner and more focused on putting Americans back to work.
- ❖ **Small Business Tax** - Senator Casey (D-PA) introduced the Small Business Access to Capital Act (S1832), which would increase small business loan limits and improve access to capital for small business owners. He also supported initiatives announced by the Obama administration last year to help free up small business credit lines to improve access to capital and create jobs.
- ❖ **Census Bureau** – The Census Bureau saw its proposed 2011 budget slashed to \$1.297 billion down from \$7.355 billion it received in 2010 to conduct the decennial census.
- ❖ **Energy** - The State of the Union clearly marked the Administration's renewed push to investigate renewable energy options, as well as to look at "clean coal," nuclear power and oil and natural gas drilling. The speech expressed a desire to use energy exploration as a source of new job creation but acknowledged that oil drilling would require "tough decisions about opening new offshore areas" to new development.

Jobs Bill - Senate Democrats have moved away from introducing a comprehensive bill similar to the \$154 billion legislation passed by the House in December. Instead, the Democrats will likely push through smaller measures which are lean and squarely focused on jobs. Reid, D-NV, put forward the pared-back plan last week. The centerpiece of the new bill is a \$13 billion payroll tax credit for companies that hire unemployed workers. The idea would exempt businesses hiring unemployed workers this year from the 6.2 percent Social Security payroll tax for those hires. It also would provide an additional \$1,000 tax credit for workers retained for a full year. The first vote is expected Monday, February 22.

Small Business Tax – The Small business Job Creation Tax Act of 2010, S. 2973, which would provide a temporary payroll tax credit for certain employers, was referred to the Senate Committee on Finance. This initiative can help create jobs and have a multiplier

effect by boosting local banks, small businesses and entire communities. Increasing access to capital and providing a job creation tax credit, can provide a significant boost to local businesses and encourage hiring. It would provide small employers with a tax credit of 20% for increases in payroll. Employers with more than 100 full-time employees would receive a 15% credit. This may be incorporated into an overall "Jobs Bill" which has passed the House and is pending in the Senate.

Online Travel Companies - Hotel Occupancy Taxes – On January 28th, the Senate Finance Committee put out an outline of topics under consideration for a proposed jobs bill. One such item, the County learned, was a provision sought by the online travel industry that would have preempted state and local government authority to impose and collect taxes relating to the rental of hotel and other transient accommodations. Despite the industry's intense lobbying efforts, swift action

by state and local governments, including Broward County, assured the proposed preemption did not make it into the Senate Finance Committee's draft bill, the "Hiring Incentives to Restore Employment Act," which Senators Baucus and Grassley released on February 11th but was later rejected by Senate Leadership in favor of a paired-back, more targeted jobs proposal. While it is unlikely the online industry's proposal will succeed, state and local governments' lobbying efforts must persist since the industry will likely continue pursuing preemption in light of their sustained losses in the courts and unwillingness to make their business model compliant with hotel tax laws and more transparent for consumers.

Neighborhood Stabilization Program II -

The second round of the Neighborhood Stabilization Program awards was announced on January 14th. While Florida received \$348 million in funding, neither Broward County nor any Broward city was a recipient of funding. Palm Beach County received \$50 million and the City of Sarasota received \$23 million. Neighborhood Housing Services of South Florida which provides services in Miami Dade County and Broward received \$89 million.

Representative Wasserman-Schultz (D-FL) has initiated an inquiry regarding the grant application ratings and rankings of the awards. The Office of Intergovernmental Affairs and Professional Standards has also inquired regarding ratings and been notified that information will not be available for 30 days from the award date.

Haitian Immigration Visa Bill

On February 5th, Representative Clarke of New York introduced H.R. 4616 to temporarily expand the V nonimmigrant visa category (for a spouse or child of a lawful permanent resident also referred to as a green card holder) to include Haitians whose petition for a family-sponsored immigrant visa was approved on or before January 12, 2010.

Building Resilient Coastal Communities

In order to educate and prepare coastal communities to protect lives and property, NACo queried county officials and staff nationwide about the issues facing coastal managers and policy makers. The effects of a 50 centimeter sea-level rise could cost \$2.7

billion. NACo recommends using an interactive NOAA web page to create plans for adaptation. It can be viewed at: <http://www.csc.noaa.gov/digitalcoast/>. It includes user-driven tools to mitigate the effects of climate change, engage & educate residents, raise awareness and provide proactive solutions. These tools will help Broward County plan strategic green infrastructure, explore practical, locally relevant policy solutions.

New EPA Programs for Sustainable Communities Announced

The U.S. Environmental Protection Agency announced three new steps to support communities in their efforts to provide them with economic opportunity while reducing impacts on the environment. The EPA's actions are intended to encourage state and local governments to make their communities more sustainable through strategic alignment of environmental, transportation and housing investments. The steps announced on February 5th are:

- The creation of a new Office of Sustainable Communities to encourage communities to take an integrated approach in making environmental, housing and transportation decisions.
- A new pilot grant program designed to help three states – New York, Maryland and California – use their clean water funding programs to support efforts to make communities more sustainable.
- A pilot program to clean up and redevelop contaminated sites, known as brownfield sites, in coordination with communities' efforts to develop public transportation and affordable housing.

These steps build on the work EPA, U.S. Department of Housing and Urban Development and the U.S. Department of Transportation are doing through their existing Interagency Partnership for Sustainable Communities. The partnership is centered on making sure that housing and transportation goals are met while protecting the environment, promoting equitable development, and addressing the challenges of climate change.