



Broward FLI

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Repeal of 3% Withholding Tax

Today, the United States Senate approved a House bill (H.R. 674) by a vote of 95-0 to repeal the 3% withholding law, set to take effect in 2013. The 3% withholding law mandates that federal, state and local governments that spend more than \$100 million per year on goods and services withhold from each contractor 3% of its contract payments. The bill passed the House on October 27 by a vote of 405-16, and is paid for with separate legislation restricting the eligibility of some recipients of Medicaid and other health care programs.

The Senate approved two amendments that include: 1) tax credits for businesses to hire veterans; and 2) a U.S. Treasury study of tax delinquency among federal contractors. The additions to the bill require the bill to return to the House for approval before going to President Obama for his signature.

“Minibus” Spending Package

The U.S. Senate passed the first in a series of “minibus” spending packages (H.R. 2112), by a vote of 69-30, on November 1. The bill includes three of the twelve annual appropriations bills (Agriculture; Commerce-Justice-Science; and Transportation-Housing and Urban Development) and would provide nearly \$128 billion in discretionary spending for FY 2012. The House and Senate held a conference to resolve differences in the bill on November 3, but have not yet come to a resolution.

Meanwhile, the Senate continues to struggle with a second “minibus” spending package, which is expected to contain the State-Foreign Operations (S. 1601), Financial Services (S. 1573), and Energy-Water (H.R. 2354) spending measures. The Office of Intergovernmental Affairs and Professional Standards (OIAPS) will closely monitor movement of these spending packages for any impacts to Broward County.

Wireless Tax Fairness Act

H.R. 1002, the Wireless Tax Fairness Act of 2011, passed the House of Representatives on November 1. The bill would:

- Ban state and local governments from imposing qualifying new taxes on mobile services, mobile companies, and mobile service property for five years.
- Prevent the institution of any tax that is not generally imposed on, or that

is generally imposed at a lower rate on, other types of services, providers, or property, unless the tax was imposed and actually enforced prior to the enactment of this act.

- Authorizes the Comptroller General to conduct a study, throughout the five-year moratorium imposed by this act, determining how, and the extent to which, taxes on mobile services, providers, or property impact the costs consumers pay for mobile services and the extent to which the moratorium has any impact on the costs consumers pay for mobile services.

The bill has now moved over to the Senate, where it has been referred to the Senate Committee on Finance.

Free Trade Agreements

The U.S. Senate and House of Representatives last month passed the free trade agreements with South Korea, Colombia, and Panama, along with an extension of Trade Adjustment Assistance (TAA) benefits. The TAA program is intended to provide financial assistance to workers disadvantaged by international trade. The President signed the agreements on October 18. The non-partisan U.S. International Trade Commission reported that the impact on employment would be negligible; meanwhile, gross domestic product may increase by about \$14.4 billion (0.1%).

Bipartisan Senate Transportation Reauthorization Bill Passes Committee

Bucking the partisan trend that has absorbed Congress since January, the U.S. Senate Environment and Public Works (EPW) Committee, yesterday, unanimously approved S. 1813, Moving Ahead for Progress in the 21st Century (MAP-21). The bill reauthorizes the nation's transportation programs for two fiscal years at current funding levels plus inflation. Unlike SAFETEA-LU, Congress' 2005 transportation act which contained over \$4.4 billion in earmarked projects, MAP-21 contains no earmarks. In addition, MAP-21 eliminates several transportation programs and consolidates others to make them more efficient. For example, MAP 21 reduces the number of core highway programs from seven to five, as follows:

- Establishes the National Highway Performance Program (consolidating the Interstate Maintenance, National Highway System, and Highway Bridge programs) to increase flexibility in maintaining and improving the National Highway System. This program will hold states accountable "improving outcomes and using tax dollars efficiently."
- Creates the Transportation Mobility Program to replace the existing Surface Transportation Program. The present structure, goals, and flexibility of the existing program are maintained, but the bill allows states and metropolitan areas to invest in projects that better fit their respective needs and priorities. The bill also broadens the types of surface transportation projects that can be constructed under this program.
- Establishes a National Freight Network Program which consolidates several existing programs. The new program will provide formula funding to states for projects that will improve regional and national freight movements on highways, including intermodal freight connectors.
- The current Congestion Mitigation and Air Quality Improvement Program is modified to address particulate matter and require a performance plan in large metropolitan area to ensure program funds are being utilized to improve air quality and congestion.

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- Increases the amount of funding available under the Highway Safety Improvement Program because of the program’s strong results in improving safety and reducing traffic fatalities.
- Increases annual funding available through the Transportation Infrastructure Finance and Innovation Program (TIFIA) from \$122 million to \$1 billion, raises the maximum cost-share for projects from 33% to 49%, and creates a 10% funding set-aside for rural projects.

In addition, MAP-21 authorizes \$1 billion, under a new Projects of National and Regional Significance Program, to fund major projects that meet specified criteria and eligibility requirements. The bill also streamlines environmental reviews to ease project delivery time and associated costs, provides categorical exclusions for certain multi-modal projects, expands the use of construction-manager and general contractor methods of contracting in federal-aid highway system projects, and allows the acquisition of land during the NEPA process if the transaction causes neither a land use change nor adverse environmental effects.

Despite the EPW Committee’s passage of MAP-21, several important steps remain before the bill sees floor consideration. Specifically, the Senate Finance Committee must identify \$12 billion in new revenue to fully fund MAP-21, and the Senate Banking, Housing and Urban Affairs (transit) and Senate Commerce, Science and Transportation Committee (safety) must address and approve their respective of the bill.

Large Urban County Caucus Retreat

Commissioner Ilene Lieberman attended the National Association of Counties (NACo) Large Urban County Caucus (LUCC) Retreat October 26-28, held in Palm Beach to discuss and update the LUCC Priorities for 2012. These priorities reflect common issues of interest to local governments. The priorities discussed included:

- Criminal Justice
- Transportation
- Water Use, Infrastructure, and Reuse
- Health Care Reform



Commissioner Lieberman pictured with the Santa Clara County CA Supervisor Liz Kniss.

Some members of LUCC are on NACo Steering Committees and use the priorities as a way of advocating support for or opposition to certain proposed federal legislation.

On the last day of the retreat, members reviewed the schedule of conferences and meetings for next year. As of now, the calendar is as follows:

- March 3-7, 2012 – NACo Legislative Conference, Washington, DC
- April 17-19, 2012 – LUCC Legislative Fly-In, Washington, DC
- June 13-15, 2012 – LUCC Annual Meeting, TBD
- July 13-17, 2012 – NACo Annual Conference, Allegheny County, PA

If you plan to attend or need additional information on the above conferences, please contact the Office of Intergovernmental Affairs and Professional Standards at 954-357-7575.

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Marketplace Equity Act

Reps. Steve Womack and Jackie Speier introduced the Marketplace Equity Act on October 12, which would give states the authority to require out-of-state vendors to collect on legally-owed taxes. The bill:

- Requires online companies, such as Amazon and Overstock, to collect and remit sales taxes on goods sold in states that require the tax payment, whether the companies have a physical presence there or not.
- Exempts small and online retailers with sales of no more than \$100,000 in an individual state per year, or no more than \$1 million nationally.

The legislation would supersede a U.S. Supreme Court ruling that allows Amazon and other online retailers to avoid paying sales taxes in states where they have no physical presence, or "nexus." Some stakeholders argue that the sales tax issue needs to be resolved at the federal level.

Washington, DC Advocacy

Commissioner LaMarca participated in a Washington, DC Fly-In from November 2-4 to advocate on behalf of Broward County. The three day Fly-In included meetings on the following Broward County issues:

- Restoration of Shore Protection Beach Reimbursement Funds.
- Funding for Segment II Beach Renourishment Project.
- Funding for Port Everglades Projects.
- Harbor Maintenance Trust Fund (Ramp Act).
- Urban Area Security Initiative (UASI) Tier 1 Status.

In an attempt to gain much needed Congressional support for the above issues, meetings were held with the following Congressional and Executive branch agency officials:

- Rep. Mica, Chair, House Transportation and Infrastructure Chairman.
- John Anderson, Staff Director, House Subcommittee on Water Resources.
- Staff of Congressman Ander Crenshaw.
- Staff of Congressman Bob Gibbs.
- Staff of Congressman Bill Young.
- Staff of the U.S. Army Corps of Engineers.

Commissioner LaMarca was accompanied by staff from The Ferguson Group and Steinberg and Associates.

Broward County Advocacy Letters

The following advocacy letters on behalf of Broward County were processed and sent regarding the following issues:

- Support Port Everglades/Florida East Coast Railway Intermodal Container Transfer Facility Project – Florida Secretary of Transportation Prasad.
- Repeal 3% Withholding – Senators Nelson and Rubio.
- Support the Second Chance Act – Senators Mikulski, Hutchison; Reps. Fattah and Wolf and the Broward Congressional Delegation Members.
- Support Medicaid Eligibility for Incarcerated Persons – U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services.
- Support Coastal and Marine Resources Funding – Broward Congressional Delegation Members.

