

May 14, 2010

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Climate Bill

In a move that has been reflective of Capitol Hill game changers, Senators John Kerry (D-Mass.) and Joe Lieberman (D-Conn.) unveiled their draft climate bill entitled the American Power Act. Instead of setting a mandatory industry wide emissions cap, the bill proposes to set required emission caps via a sector by sector approach. Additionally, the bill proposes to expand nuclear power production and off-shore gas and oil drilling. States can choose to opt-out of offshore drilling production up to 75 miles out. For states that choose to opt-in to offshore oil production, 37.5 percent of the revenues are shared with the states, while 12.5 percent is slated for the Land and Water Conservation Fund.

The outcome of the bill is uncertain. While there is much support for the bill, a Republican has yet to officially cross over to support it. While Republicans are supportive of off-shore drilling and nuclear energy, many have concerns about mandatory emission caps on the overall economy. The oil spill in the Gulf of Mexico has also had an impact. Some Senators have said the oil spill demonstrates the need for a climate bill while others believe the timing is wrong.

NACo does not have a position on cap and trade, however, NACo supports domestic oil and gas production on public and private lands, nuclear energy production, and revenue sharing with states that choose to allow off-shore drilling.

To read the draft bill, click here:
Contact: Julie Ufner 202/942-4269

Move to Make \$30 Million Bank Qualified Limit Permanent

On May 12, Senators Jeff Bingaman (D-N.M.) and Mike Crapo (R-Idaho) introduced the Municipal Bond Market Support Act of 2010 (S. 3350), which would permanently modify the limitations on the deduction of interest by financial institutions that hold tax-exempt bonds. Last year, the bank qualified debt limit was raised to \$30 million and the amount of bank qualified debt more than doubled from the year before. The proposed



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legislation would make these changes permanent, allowing thousands of counties, schools, and health care facilities to access lower cost debt in order to provide essential infrastructure and services.

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USDOT Asks for Comments on Strategic Plan

The US Department of Transportation (USDOT) is seeking public comments to help finalize its new Strategic Plan. The plan, Transportation for a New Generation, will help set the priorities for the USDOT. The Strategic Plan can be found at DOT website in the middle of the page and comments can be submitted electronically.

County officials are encouraged to share their comments as soon as possible but no later than June 15. The reason your thoughts are important is that the Strategic Plan really sets the transportation priorities for the Obama Administration at least through 2012 and gives an insight into what its' legislative proposals will be in many areas, including highways, transit, safety, aviation, and high-speed rail. If, for instance, you think counties need more funding and input into the federal highway program, this is a good opportunity to comment while the Obama Administration prepares its position on reauthorization. Since county and other local governments are very much involved in transportation and are often the recipients of federal transportation funds, it is important that county officials be heard on these issues. It is also essential to point out to the federal policy makers the key role of counties in transportation and areas, if any, where you think county views are overlooked.

[For the Strategic Plan, please click here:](#)
Contact: [Bob Fogel 202/942-4217](mailto:Bob.Fogel@legis.ga.gov)

Chairman of House Crime Subcommittee Underscores Importance of State-County Partnerships to Lower Recidivism and Reinvest the Savings

Rep. Robert C. "Bobby" Scott (D-Va.) Chairman of the House Subcommittee on Crime, Terrorism and Homeland Security at a hearing this week underscored the Importance of states and counties working together to implement effective reentry and reinvestment act programs. The Criminal Justice Reinvestment Act of 2009 (H.R.4080) is on a fast track in the House with significant bi-partisan support. It is expected to be approved on the Suspension Calendar before the August recess.

In the Senate the legislation was approved by the Senate Judiciary Committee. In calling attention to the unacceptably high recidivism rates in jail and prison, Rep. Scott noted that of "the 12.1 million jail admissions between July 1, 2004 and June 30, 2005, 71 percent had been incarcerated twice in 12 months..." He further noted that several states and counties had turned to "criminal reinvestment" projects to find solutions to the corrections crisis without compromising public safety.

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Institute discussed a research and technical assistance project that she has directed in three counties: Alachua County, Fla.; Allegheny County, Penn.; and Travis County, Texas. NACo sits on an advisory committee to the project. La Vigne noted that over the last ten years the growth of criminal justice populations has been “accompanied by an 80 percent spike in county correctional costs. These costs create difficult choices for public officials, many of whom are forced to freeze or reduce spending on education and human services to balance their budgets. In effect, she said “jail population growth can divert funds from programs and social services aimed at preventing people from entering the criminal justice system in the first place.”

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Geothermal Revenue Sharing Provision Added to Appropriations Supplemental

On May 13, the Senate Appropriations Committee successfully marked up H.R. 4899, which provides \$58.8 billion in emergency supplemental appropriations for FY2010. The supplemental bill would provide emergency funding provisions for a variety of critical matters including: ongoing military operations in Afghanistan and Iraq, relief efforts in Haiti, flood and tornado disaster recovery efforts in Tennessee, Rhode Island, and the Midwest, and funding for oil spill response activities in the Gulf of Mexico.

The legislation also includes language that would reverse the provision from the FY2010 Interior Appropriations Act (P.L. 111-88) that repealed the authority to make geothermal revenue sharing payments to counties. Similar provisions were also included on the Senate approved tax extenders bill (H.R. 4213), which is currently stalled in the House of Representatives. If the geothermal provisions are not enacted into law, the Department of the Interior will require counties to enter into an agreement to repay the FY2010 funds.

The President's FY2011 Budget request poses additional concerns to the future of the program as it calls for a permanent repeal of the county 25 percent share of revenues. The Western Governors' Association and NACo continue to press the Administration to support the continued historic sharing of geothermal revenues with counties.

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About NACo

National Association of Counties (NACo) is the only national organization that represents county governments in the U.S. NACo provides essential services to the nation's 3,068 counties. NACo advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research and provides value-added services to save counties and taxpayers money.

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