



For period ending June 20, 2008

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Transportation Program Political Convention Update

NLC will be hosting a number of events at the Republican and Democratic National Conventions this summer. If you are planning to attend either of the Conventions and would like to get information regarding NLC activities, please contact Brenda Ramirez at ramirez@nlc.org or (202) 626.3020 to make sure you are on our mailing list.

Also, be sure to visit the American Cities '08 website at www.americancities08.org to learn more about the presidential candidates' positions on issues affecting cities and towns and how you can help get out the message from our hometowns to the campaigns.

Senate Continues Debate on Housing Legislation

Earlier this week, the Senate began consideration of H.R. 3221, the Housing and Economic Recovery Act of 2008; debate will likely stretch into next week. The landmark bill, which passed the House last May, would address the housing and mortgage foreclosure crisis, and strengthen and stabilize the housing market. NLC is working closely with Senate leaders to advance the legislation, a legislative priority for NLC, despite a Presidential veto threat. If the bill passes, it will then go to a conference committee to resolve differences with the House version.

The bill, which has the bipartisan support of both Senate Banking Committee Chairman Chris Dodd (D-CT) and Ranking Member Richard Shelby (R-AL), would permit the Federal Housing Administration and Fannie Mae, Freddie Mac, and the Federal Home Loan Banks to take much more active roles in helping families at risk of foreclosure. The bill also creates a new Affordable Housing Fund that would generate funding for the construction of new affordable housing. One provision of the bill, which NLC is actively supporting, is at the center of the President's veto threat. This provision would direct nearly \$4 billion

in additional Community Development Block Grant (CDBG) funds to cities and states to help stabilize neighborhoods distressed by rising rates of vacant housing caused by foreclosure.

The bill also includes a number of tax incentives to support homebuyers and affordable housing. The bill would temporarily increase the number and flexibility of Low-Income Housing Tax Credits to spur the construction of new rental housing and would give the Federal Home Loan Banks the authority to guarantee tax-exempt municipal bonds. This would allow the FHLBs to expand their financing capacity into broader community and economic development activities, including infrastructure improvement programs.

Finally, the legislation provides a temporary new standard deduction for homeowners who pay state and local property taxes but do not itemize their income tax deductions on their federal returns. Unlike the House-passed bill, which provides an unconditional deduction, in the Senate version, homeowners would be ineligible for the deduction if the state or local jurisdiction raises property taxes. NLC opposes this unwarranted interference in local tax matters and, along with other national groups, has asked the Senate to drop this condition on the deduction. If the bill passes with this language, we will urge the conference committee to retain the House version of the tax title.

New ADA Regulations Proposed

On June 17, the Administration issued a Notice of proposed new regulations designed to give people with disabilities greater access to public and private facilities and to expand enforcement of the landmark 1990 civil rights statute known as the Americans with Disabilities Act or ADA.

Among the proposed changes are requirements that courts ensure that jury boxes and witness stands are accessible, that public and private golf courses, swimming pools, stadiums and auditoriums be retrofitted to ensure easy access, and that new facilities meet new and tougher standards than in the past. The overall cost to the public and private sectors is estimated at \$23 billion; the benefits to persons with disabilities are estimated at \$56 billion. NLC intends to submit comments in response to the proposed rules later this summer.

House Passes Amtrak Reauthorization

On June 11, the House voted 311-104 in support of H.R. 6003, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA). The bill authorizes \$14.4 billion for Amtrak for capital and operating grants, state intercity passenger grants and high-speed rail over the next five years. Last fall, the Senate voted 70-22 in support of a similar Amtrak reauthorization bill that authorizes \$11.4 billion over six years but does not include the high-speed rail provision. The House and Senate will now meet to reconcile the differences between the two bills before it heads to the President, who has issued a veto threat against the legislation. NLC supports Amtrak reauthorization, which expired in 2002.

Senate Deliberating Extension of Airport Programs

Senators are making another try to reach agreement on extension of federal airport programs and the taxes that support them after they failed to reach consensus during floor debate of S. 1300, a proposed four-year reauthorization bill. The current short term extension expires on June 30. Disagreement arose over an \$8 billion allocation from the Treasury into the Highway Trust Fund that would have averted an anticipated shortfall in federal transportation dollars that go out to states. Republicans disagreed over the revenue raisers proposed to pay for the one-time allocation, and the President threatened to veto the legislation.

Cooperative Purchasing Bill Awaits President's Signature

State and local governments may soon have the ability to purchase firefighting, law enforcement, and security products at the discounted rates now available to federal government agencies. Last week, the Senate followed the House's lead and passed the Local Preparedness Acquisition Act (H.R. 3179). With the President's signature, the bill will give local governments access to the General Service Administration (GSA)'s Schedule 84, which provides security and law enforcement products and services, such as marine craft, body armor, surveillance equipment, gas masks, bomb detection tools, and fire equipment. GSA has long-term purchasing contracts with various suppliers that allow designated purchasers access to a large number of vendors at "most-favored customer prices." The White House has not indicated whether the President will sign the bill.

Last Call! Participate in a Survey on the Future Surface Transportation Program

Beginning this fall, Congress will turn to legislation authorizing federal surface transportation programs, which expire on September 30, 2009. The current legislation, SAFETEA-LU provides \$244.1 billion in funding for highways, highway safety, and public transportation and represents the largest surface transportation investment in our Nation's history. As the owners and operators of 77 percent of the roadways, half of the nation's bridges, and 94 percent of the nation's transit systems, local governments are important stakeholders in this discussion.

State and local organizations have joined together to gather the opinions of elected officials on the next surface transportation program; we will share these results with Congress as the debate on the future of surface transportation gets underway. If you have not already done so, you are encouraged to add your voice to this debate by filling out the online survey at <http://www.zoomerang.com/survey.zgi?p=WEB22789B58MCQ> before July 2, 2008.