

**FROM THE DESK OF LENNY ELIASON  
ATHENS COUNTY COMMISSIONER AND NACo 1<sup>ST</sup> VICE PRESIDENT**

## **NACo'S LATEST EFFORTS ON YOUR BEHALF**

This past week NACo President-elect Glen Whitley told a Congressional panel that federal lawmakers need to fully consider the impact of federal legislation on local government revenues and budgets before taking action.

Whitley, county judge, Tarrant County, Texas, testified before the House Judiciary Subcommittee on Commercial and Administrative Law considering the impact of Congressional legislation on state and local government revenues. Whitley said it is inescapable that federal legislation can have both a positive and negative impact on local government revenues. "But while federal legislation can have a positive impact on local government revenue streams, it can also cause just the opposite," Whitley said. "Unlike the federal government, local governments must balance their budgets, which is not an easy thing to do in today's financial climate."

Whitley cited an October 2009 NACo survey which said 56 percent of counties reported that they will start their fiscal year with projected shortfalls of up to \$10 million; 47 percent of counties reported that those shortfalls will increase after the start of the fiscal year; and a whopping 82 percent of counties stated that they anticipate shortfalls into the next fiscal year.

"County governments urge Congress, when it considers tax and revenue related legislation, to avoid preempting local taxing authority, preserve local budgeting flexibility and resist imposing unfunded federal mandates," Whitley said.

Whitley urged the Subcommittee to reject efforts by online travel companies to preempt state and local taxing authority over hotel taxes. He also voiced NACo's continuing objection to the Cell Tax Fairness Act (H.R. 1521 and S. 1192), which would impose a 5-year moratorium on new "discriminatory" taxes on mobile services, providers, and property.

"Moratoriums," Whitley said, "harm local governments' ability to reform their tax systems, and are especially troubling for local jurisdictions that rely on wireless taxes."

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