



City of North Richland Hills



2017 Federal Legislative Positions

FEDERAL LEGISLATIVE INTRODUCTION

The United States Congress frequently creates new laws that greatly affect municipalities. Due to this relationship, the City of North Richland Hills must develop and adopt positions on **the most critical** federal issues that directly impact the City and its citizens, especially issues involving 1.) local control, 2.) quality of life, and 3.) municipal revenues (including unfunded mandates). Therefore, the City of North Richland Hills uses three primary principles in developing positions on legislative issues:

1. The City vigorously **opposes** any legislation that erodes the authority to govern our own local affairs.
2. The City **opposes** any legislation that dramatically impacts our ability to pay for public services and **opposes** the imposition of any federal mandates which do not provide for a commensurate level of compensation.
3. The City **supports** legislation that increases the quality of life for our citizens including legislation that encourages equitable services that increase pride and growth in our community.

If an issue arises in Congress that is not included in this document, we urge our Congressional delegation to keep the City's guiding principles in mind as they make important decisions which will impact our joint-constituents.

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GENERAL LEGISLATIVE POLICY

STATEMENT OF PRESERVATION

As a general policy, the City of North Richland Hills seeks to preserve its current authority to govern the city, its citizens, and its property. As such, the City **opposes** legislation that:

- diminishes the fundamental authority of the City;
- mandates increased costs without adequate compensation;
- forces a loss of revenues or a decrease in public services;
- erodes requirements for reasonable compensation for use of public lands; or
- erodes municipal control over local water systems.

STATEMENT OF SUPPORT

Likewise, the City **supports** legislation that:

- advances municipal authority to conduct the public's business;
- improves the health, safety, and welfare of our citizens;
- responsibly and fairly increases revenues to pay for essential services;
- reduces the cost of providing services;
- responsibly promotes economic development; or
- improves the economy and creates jobs.

MARKET PLACE FAIRNESS

BACKGROUND

E-fairness legislation, such as The Market Place Fairness Act (MFA) in the Senate (S. 698) and the Remote Transactions Parity Act in the House (H.R. 2775) would allow local governments the flexibility to collect the taxes already owed to them on remote online purchases and removes an unfair disadvantage for local businesses

Part of doing business as a brick-and-mortar retailer is collecting sales tax. Online retailers continue to hide behind an outdated system and do not collect the tax, providing a competitive price advantage over their brick-and-mortar counterparts. Increasingly community-based stores find themselves serving as “showrooms” for unrelated internet and catalog sellers, as prospective customers check out merchandise in person but ultimately buy online, erroneously thinking that they can avoid the sales tax.

On the contrary, these consumers are required to pay the applicable sales tax for their online purchases. While the brick-and-mortar retailer collects the sales tax at the time of purchase in a store, right now the responsibility shifts to the internet customer who is supposed to pay the sales tax when filing their annual state tax return. However, most taxpayers are not aware of their responsibility and state and local governments do not have the resources to enforce payment. This puts brick-and-mortar retailers at a competitive price disadvantage compared to remote sellers. It is estimated that state and local governments lose approximately \$23 billion per year in uncollected sales tax.

Brick-and-mortar stores invest in their communities and play a major role in the overall quality of life. They keep workers employed and are an integral part of many civic and charitable organizations. Without a competitive retail environment in our communities and efficient delivery of goods and services, the economic health and local flavor of our communities will be jeopardized.

POSITION

- The City of North Richland Hills **supports** federal legislation to level the playing-field between e-commerce and brick-and-mortar retailers by giving state and local governments the authority to collect sales taxes on remote sales.

MAINTAINING TAX EXEMPT STATUS OF MUNICIPAL BONDS

BACKGROUND

As Congress and the Administration look for revenue to reduce the deficit and fund programs, the federal income tax exemption provided to interest paid on state and municipal bonds is under threat. Removal of the exemption would result in double taxation by increasing federal and state taxes on bond interest income and local taxes for higher interest cost on municipal bonds.

Since the federal income tax was instituted in 1913, interest earned from municipal bonds issued by state and local governments have been exempt from federal taxation. These bonds are the primary financing mechanism for state and local infrastructure projects, with three-quarters of the infrastructure projects in the U.S. built by state and local governments. Local governments save an average of 25 to 30 percent on interest costs with tax-exempt municipal bonds as compared to taxable bonds. This is true because investors are willing to accept lower interest income on tax-exempt bonds in conjunction with the tax benefit. If the federal income tax exemption is eliminated or limited, states and localities will pay more to finance projects, leading to less infrastructure investment or a greater burden on citizens who will have to pay higher taxes and fees to do the same projects.

The need for infrastructure investment is critical. Much of this need must be met by states, counties and cities. Tax-exempt municipal bonds are the primary tools for doing so.

POSITION

- The City of North Richland Hills **supports** continuation of the tax-exempt status for municipal bonds, thereby providing the primary funding source for local infrastructure projects.

AFFORDABLE HEALTHCARE

BACKGROUND

The ever increasing cost of healthcare in the United States creates a burden to consumers and businesses alike. It has not only become a greater out of pocket expense for consumers seeking medical attention, it has driven up costs across all industries as it can often times be the largest input price to the cost of production for manufacturing.

The City of North Richland Hills has seen health insurance costs increase from \$5.3 million in FY 06/07 to \$11.3 million in FY 15/16, an increase of 113%. The increase during this time would have been even greater had we not made plan design changes that reduced benefits, as well as pass on more costs to employees through higher out of pocket expenses. There is only so much we can do to control costs. The federal government has the most power to effect change in the healthcare industry.

POSITION

- The City of North Richland Hills **supports** cost containment initiatives to stabilize healthcare costs for our employees as well as the City itself.

IMMIGRATION REFORM

BACKGROUND

The City of North Richland Hills believes immigration reform should be addressed in a comprehensive, thoughtful manner at the federal level. The safety and security of the public should be the primary objective.

The City of North Richland Hills supports cooperation between local law enforcement and Federal agencies in the enforcement of immigration laws. Local law enforcement agents should not be the primary enforcement arm of immigration laws as this would divert local resources from their core duties. Shifting the primary enforcement of immigration rules to local law enforcement agencies would also result in a patchwork of rules, procedures and efforts for an issue that truly extends beyond municipal boundaries.

POSITION

- The City of North Richland Hills **supports** immigration reform that addresses border security and interior enforcement in cooperation with federal agencies.
- The City **opposes** any proposal that makes local law enforcement the primary enforcement agency of federal immigration laws.

CONTACTS

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