

Year in Review



Keeping America's Towns and Townships Prosperous

Who We Are



There are approximately 39,000 units of local government in the United States today. Of that number, 85 percent serve communities with less than 10,000 people and nearly half have fewer than 1,000 residents. Approximately one quarter of all Americans live in rural areas, roughly the same percentage as live in central cities. The National Association of Towns and Townships (NATaT) was formed more than 30 years ago to provide America's smaller communities – towns, townships, and other suburban and rural localities – a strong voice in Washington, D.C. NATaT's purpose today, as it was then, is to champion pro-town and -township federal initiatives and to promote legislative and regulatory policies designed to strengthen smaller units of local government. Since 1976, NATaT's staff and members have strived to educate lawmakers and other federal officials about the unique nature of small town government operations and the need for policies that meet the special needs of suburban and non-metro communities.

NATaT seeks flexible and alternative approaches to federal policies to ensure that small communities can meet federal requirements. As part of these efforts, NATaT's federal advocacy is centered on addressing the inherent disadvantages that small governments face in our present intergovernmental system.



NATaT Federal Platform for the Next Administration and 111th Congress



As the voice for more than 13,000 towns and townships across America, NATaT has developed a proactive federal agenda to ensure that the needs and interests of the nation's smaller communities are reflected in all major federal statutory, regulatory, funding, and policy decisions made in Washington. NATaT is eager to work in collaboration with the other local government associations, the Administration, and Congress to achieve these goals.

NATaT members include town, township, and other municipal officials represented by the following state associations:

- Connecticut Council of Small Towns
- Township Officials of Illinois
- Indiana Township Association
- Michigan Townships Association
- Minnesota Association of Townships
- Association of Towns of the State of New York
- North Dakota Township Officers Association
- Ohio Township Association
- Pennsylvania State Association of Township Supervisors
- South Dakota Association of Towns and Townships
- Wisconsin Towns Association

Highlights



NATaT Advocates to Reinstatement General Revenue Sharing Program

From 1972 to 1986, towns and townships enjoyed a tremendous benefit from the Federal General Revenue Sharing Program. In light of the severe economic conditions, NATaT is working to reinstate this popular program in the 111th Congress.

NATaT Helps Secure Tax Benefits for Volunteer Fire and EMS Personnel

On December 20, 2007, President Bush signed into law the Mortgage Forgiveness Debt Relief Act (H.R. 3648, P.L. No. 110-142). The Act exempts from federal income and FICA taxes certain tax benefits provided to volunteer fire and EMS personnel by state and local governments. It also exempts the first \$360 per year of any other type of benefit received by those volunteers. These tax benefits began in 2008. After nearly a year of inquiries and NATaT advocacy, in December 2008 the IRS finally ruled that this tax benefit also applies to municipally-owned departments.

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...Highlights

NATaT Builds Support for Tax Benefits for Local Public Officials

On July 24, 2008, the Local Officials Tax Relief Act (H.R. 6603) was introduced in the House of Representatives. (The Senate version of the bill, S. 2154, was introduced in October 2007.) This bill would amend the Internal Revenue Code and Social Security Act to exempt small payments to public officials from FICA (Social Security and Medicare) tax withholding and reporting requirements. NATaT is currently working to get this bill introduced in the 111th Congress. Please encourage your Congressional delegation to support this measure.



NATaT Helps Secure Tax Exemption for Guaranteed Municipal Bonds

On July 30, 2008, President Bush signed into law major housing reform legislation, which included a provision that permits municipal bonds that are issued by state and local governments and guaranteed by a Federal Home Loan Bank to be treated as tax-exempt bonds. The interest from those bonds is therefore excluded from income for tax purposes. The law applies to bonds guaranteed by a Federal Home Loan Bank between July 30, 2008 and January 1, 2011. This provides another source of low-cost financing for local housing, infrastructure, and economic development projects. NATaT worked with a coalition lead by the Council of Federal Home Loan Banks to get this provision included in the new law.

NATaT Continues to Strengthen Coalition Efforts

Over the past year, NATaT has worked closely with the following organizations to promote our federal priorities:

- *National League of Cities*
- *National Association of Counties*
- *U.S. Conference of Mayors*
- *International City/County Management Association*
- *International Municipal Lawyers Association*
- *National Volunteer Fire Council*
- *National Sheriffs' Association*
- *International Association of Chiefs of Police*
- *International Public Management Association for Human Resources*
- *The Census Project*
- *Council of Federal Home Loan Banks*
- *Environmental Protection Agency*

NATaT's Census Work Leads to Congressional Recognition

NATaT Board Member Larry Merrill's work with the U.S. Census Bureau's Census Advisory Committee led to an invitation to testify at a Congressional hearing. NATaT President Keith Hite delivered testimony before the House Oversight and Government Reform Subcommittee on Information Policy, Census, and National Archives about the impact of the Local Update Census Addresses (LUCA) Program on local governments.

