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## OUTLINE

- **FEDERAL PRIORITY ISSUES**
  1. Payments to Public Lands Counties
  2. Infrastructure Law
  3. Inflation Reduction Act
  4. FY 2023 Appropriations
  5. Midterm Elections
  6. NACo Conference Updates

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## ISSUE: COUNTY PAYMENTS

### PILT

- PILT FY 22: \$549 million
- FY 2023 PILT payments under negotiation—both House and Senate bills included full funding language
- NACo PILT Fly-In September 14-16

### SRS

- SRS payments were issued April 15 with two more rounds authorized under Infrastructure Law
- **FY 2022 allocation elections for SRS Titles I-III due THIS FRIDAY**
- In FY23, counties will be able to decide whether to take SRS or 25% timber harvest receipts

### ARPA—Local Assistance and Tribal Consistency Fund (LATCF)

- \$1.5 billion in direct aid to “eligible revenue share counties” split into two equal payments for FYs 22 and 23
- NACo endorsed formula shared with Treasury last year with numerous meetings and follow-up correspondence from NACo, WIR, and state associations
- Congress attempted to raid this account to pay for covid relief bill, but effort stalled
- Treasury committed to having portal ready by September 30

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## INFRASTRUCTURE LAW

- [NACo Legislative Analysis](#)
- NACo hosted [events](#) with the Bipartisan Policy Center and National League of Cities on implementation
- \$550 billion in new investments over five years (FY 2022 – FY 2026):
  - Transportation: \$284 billion
  - Water: \$55 billion
  - Broadband: \$65 billion
  - Energy & Power: \$73 billion
  - Environmental remediation: \$21 billion
  - Western water infrastructure: \$8.3 billion
  - Resiliency: \$46 billion

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## INFRASTRUCTURE LAW—NATURAL RESOURCES

- NACo recently [hosted](#) an event where USFS Chief Randy Moore and DOI Infrastructure Coordinator Winnie Stachelberg unveiled how their agencies have implemented the law so far
- In January, US Forest Service unveiled a plan to treat an additional 20 million acres of federal and 30 million acres of non-federal forestlands with their infrastructure funds
- Focus on treating firesheds—250k acres
- April: Forest Service announced first round of projects in 8 states, including Idaho (Boise area)
- In first year, USFS will treat 4 million acres and reforest up to 400,000 acres
- Interior funding focused on legacy pollution cleanup—abandoned mines and oil/gas wells
- \$8.3 billion in western water investments for improved storage and conveyance, improving dam safety, and flexibility to use ARPA funds for Bureau of Reclamation matching funds.
- Interior also received over \$1 billion for wildfire prevention and mitigation

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## INFLATION REDUCTION ACT

- In August, Sens. Manchin (D-WV) and Sinema (D-AZ) agreed to a package of climate, tax and healthcare budget provisions (Inflation Reduction Act)
- 15% corporate minimum tax rate on companies that earn \$1 billion or more annually and 1% tax on stock buybacks
- Extends Obamacare subsidies through 2025
- Allows Medicare to negotiate drugs prices and limits annual out-of-pocket for prescriptions at \$2,000
- Increased funding for USDA conservation programs (NRCS, energy conservation loans/grants, etc.), technical assistance for ranchers/farmers
- Expands clean energy tax credits and allows counties to accept direct payment rather than just credits—will allow counties, co-ops, and other non-profits to invest in renewables without having to seek outside financing
- Projected to reduce deficits by \$102 billion over ten years
- Sen. Manchin secured a deal to include an energy permitting reform bill on a must pass piece of legislation

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## FY 2023 APPROPRIATIONS

- Federal fiscal year ends this Friday, September 30
- If no continuing resolution (CR) or omnibus appropriations agreement, government will shutdown at midnight this Saturday
- Senator Manchin currently trying to attach permitting reform legislation to a CR—legislation unveiled last week, along with a Republican rival bill sponsored by Senator Shelley Moore Capito (R-WV)
- Senator McConnell reportedly wants a “clean CR”—no extra policy riders
- NACo working to get S. 3011, which grants more ARPA flexibility to counties and ensures LATCF funding only goes to public lands counties as originally intended, included
- CR expected to pass before the end of this week (likely will keep government running through some point in December)

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## MIDTERM ELECTIONS A PURE TOSSUP

- **Republicans favored to win the House, but political dynamics have shifted in Democrats’ favor since early summer**
- Economic changes, political/legislative wins, overturning of Roe sparked Democratic enthusiasm and increase in President’s approval rating
- Abortion rights referendum in Kansas and major special election wins for Democrats in NY and Alaska
- Forecasters currently predict a narrow Republican majority—possibly as small as the current House Democratic majority (221-212; 2 vacancies)
- **50-50 Senate expected to remain narrowly divided**
- Rs defending 21 Senate seats; Ds 14
- Vulnerable Republican seats: PA, WI, NC, OH, FL
- Vulnerable Democratic seats: GA, NV, AZ, NH, CO
- Issues for Republican voters: economy/inflation, immigration/border, crime
- Issues for Democratic voters: elections, abortion, healthcare access

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## UPCOMING NACo CONFERENCES

- **WIR Board Meeting**
  - Oct 5-7, 2022
  - Ontario, Malheur County, Oregon
- **NACo Legislative Conference**
  - Feb. 11-14, 2023
  - Washington, DC
- **WIR Annual Conference**
  - May 17-19, 2023
  - St. George, Washington County, Utah
- **NACo Annual Conference**
  - July 21-24
  - Austin, Travis County, Texas

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