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OF TOWNS AND TOWNSHIP

## Weekly Legislative Update Week of October 2, 2017

### Congressional Outlook

The House and Senate are both in session this week. The House will consider [10 bills](#) under suspension of the rules, including the Municipal Finance Support Act of 2017 (H.R. 1624), which reclassifies municipal bonds as high quality liquid assets to encourage banks to hold those assets, which will help ensure low-cost infrastructure financing remains available for state and local governments. For the remainder of the week, the House will vote on the Pain-Capable Unborn Child Protection Act (H.R. 36), which would ban abortions at or after 20 weeks of pregnancy, with exceptions for rape or incest or to save the mother's life; and the FY 2018 Budget Resolution (H. Con. Res. 71), which establishes the congressional budget for the federal government for FY 2018 at \$1.132 trillion (\$621.5 billion in defense discretionary spending and \$511 billion in non-defense discretionary spending), would reduce the deficit by a combined \$203 billion over 10 years, and includes reconciliation instructions to 11 House committees to achieve at least \$203 billion in mandatory savings and reforms.

On Monday, the Senate will vote on the nomination of Ajit Pai to serve as a member of the Federal Communications Commission (FCC) for another five-year term; Pai has served as Chairman since January 23, 2017 and as an FCC member since May 2012. On Wednesday and Thursday, the Senate Budget Committee will markup its FY 2018 Budget Resolution, which would allow a tax reform package to increase the deficit by \$1.5 trillion over a decade, charts a path that would cut spending by \$5.1 trillion over a decade, and includes reconciliation instructions for the Senate Finance and Energy and Natural Resources Committees in order to allow the Senate be able to pass tax reform legislation with only 51 votes (instead of 60 votes, to overcome a filibuster).

President Donald Trump is participating in a "deregulation summit" and is hosting Prime Minister Prayut Chan-o-cha of Thailand at the White House on Monday. He will travel to Puerto Rico on Tuesday and is hosting a Hispanic heritage celebration at the White House on Friday.

### Trump Administration and Congressional Republicans Release Unified Tax Plan

On September 27, the Trump Administration, the House Ways and Means Committee, and the Senate Finance Committee [released](#) their "[Unified Framework for Fixing Our Broken Tax Code](#)," which "will deliver a 21st century tax code that is built for growth, supports middle-class families, defends our workers, protects our jobs, and puts America first. It will deliver fiscally responsible tax reform by broadening the tax base, closing loopholes, and growing the economy." As expected, the Framework is light on details but provides broad goals and policies for the two tax-writing committees—House Ways and Means and Senate Finance—to determine through regular order and the committee process. Filling nine pages, it proposes simplifying and reducing—in some respects—individual tax rates, creating a maximum pass-through rate of 25%, shifting to a territorial tax system, implementing full expensing for at least five years, and reducing the corporate tax rate to 20%.

The Framework remains silent on the tax-exempt status of municipal bonds and the state and local tax deduction. However, it has been reported that on a Sept. 26 call between Congressional Republicans and the White House, it was stated that the tax-exempt status of municipal bonds will be preserved and the state and local tax deduction will be eliminated. The Framework specifically preserves the home mortgage interest deduction (HMID). However, it also doubles the standard deduction, which means that fewer taxpayers will itemize, and thus, fewer will take advantage of the mortgage interest deduction. Even though municipal bonds and the HMID are not targeted in the Framework, this is just the beginning. Changes will be plentiful and these could be among them. The Framework is only a framework—broad goals for tax reform. The committees are now responsible for filling in everything else, which will result in a slow, arduous process. Senate Finance Committee Chairman Orin Hatch (R-UT) has already indicated that his committee will be deliberate and bipartisan in drafting their tax reform legislation, and each member of the committee will have the opportunity to be heard. There is a lot of work ahead for the committees filling in not only the proposed Framework, but also everything on which the framework remains silent. [Read more...](#)

### President Trump Signs Six-Month FAA Extension Into Law

On September 29, President Trump signed the Disaster Tax Relief and Airport and Airway Extension Act of 2017 ([H.R. 3823](#)) into law, which provides a six-month extension of the Federal Aviation Administration's (FAA) tax authority, through March 31, 2018. The bill also extends three health programs that were set to expire on Sept. 30 (not including the Children's Health Insurance Program [CHIP], whose authorization expired on Sept. 30) and provides tax breaks for U.S. victims of Hurricanes Harvey, Irma, and Maria, including: an exception to the 10-percent early retirement plan withdrawal penalty for qualified hurricane relief distributions; a tax credit for 40% of wages (up to \$6,000 per employee) paid by a disaster-affected employer to an employee from a core disaster area; and temporarily suspends limitations on charitable contributions associated with qualified hurricane relief made before December 31, 2017. The House originally passed a version of the bill on Sept. 28, by a vote of [264-155](#), which included the text of the Flood Insurance Market Parity and Modernization Act ([H.R. 1422](#)), which clarifies that flood insurance offered by a private carrier outside of the National Flood Insurance Program (NFIP) can satisfy the mandatory purchase requirement established by the Flood Disaster Protection Act of 1973. However, the Senate passed a version of H.R. 3823 by

voice vote which stripped this private flood insurance section out of the bill, and the House then ultimately agreed to pass this version instead. [Read more...](#)

## Senate Declines to Vote on Graham-Cassidy Healthcare Legislation

On September 26, Senate Majority Leader Mitch McConnell (R-KY) announced that the Senate would not be voting on the Graham-Cassidy healthcare legislation, which would have drastically changed the Affordable Care Act (ACA) with only a simple majority vote of 50 GOP Senators (Vice President Mike Pence would break a 50-50 tie) before the deadline of Sept. 30, the last day of FY 2017. Sens. Rand Paul (R-KY), John McCain (R-AZ), and Susan Collins (R-ME) had previously announced that they would join with the 48 members of the Senate Democratic Caucus in voting against the bill, killing any possibility that the legislation could receive 50 votes. The legislation [would](#) have ended Medicaid expansion in 2020 and reduce the money given to Medicaid by changing how it is allocated. The bill also would have ended the individual mandate to buy insurance and dismantled the structure of the ACA. Instead, it would have given money to states to implement their own health care systems in the form of block grants. The bill also would not have prohibited insurance companies from charging people with pre-existing conditions more money. The Congressional Budget Office [stated](#) that "[t]he number of people with comprehensive health insurance that covers high-cost medical events would be reduced by millions compared with the baseline projections for each year during the decade." While the FY 2018 Budget Resolutions the House and Senate will pass in the coming weeks do not allow Congress the ability to pass legislation repealing and replacing the ACA with 51 votes in the Senate, they could use reconciliation procedures in the FY 2019 Budget Resolution to do so, most likely in early-mid 2018. [Read more...](#)

## House Passes MIECHV Program Reauthorization Bill

On Sept. 26, the House passed, by a vote of [214-209](#), the Increasing Opportunity and Success for Children and Parents through Evidence-Based Home Visiting Act ([H.R. 2824](#)), which would authorize five years of flat funding for the Maternal, Infant, and Early Childhood Home Visiting program (MIECHV) at \$400 million per year. MIECHV is a program that has provided over two million home visits to families in at-risk communities in order to help them improve their parenting skills and promote healthy living, child development, and school readiness. On Sept. 28, the House also passed, by a vote of [244-171](#), the Control Unlawful Fugitive Felons (CUFF) Act of 2017 ([H.R. 2792](#)), which would prevent Social Security benefits from being paid to individuals with an arrest warrant for committing a felony or violating parole, to offset the cost of H.R. 2824. Read more [here](#) and [here](#).

## Senate Votes to Confirm Trump Administration Nominees

During the week of Sept. 25, the Senate took recorded votes on the four Trump Administration nominees:

- **William Emanuel**, by a vote of [49-47](#), to be a Member of the National Labor Relations Board;
- **Heath Tarbert**, by a vote of [87-8](#), to be an Assistant Secretary of the Treasury, International Markets and Development;
- **Makan Delrahim**, by a vote of [73-21](#), to be an Assistant Attorney General, Anti-Trust Division; and
- **Ralph Erickson**, by a vote of [95-1](#), to be a U.S. Circuit Judge for the Eighth Circuit

Court of Appeals.

The Senate also approved, by voice vote, the following Trump Administration nominees:

- **General Joseph Dunford** for reappointment as Chairman of the Joint Chiefs of Staff;
- **John Bass** to be U.S. Ambassador to Afghanistan;
- **Jon Huntsman** to be U.S. Ambassador to Russia;
- **Justin Sibereil** to be U.S. Ambassador to Bahrain;
- **A. Wess Mitchell** to be Assistant Secretary of State, European and Eurasian Affairs;
- **Robert Higdon, Jr.** to be U.S. Attorney for the Eastern District of North Carolina;
- **J. Cody Hiland** to be U.S. Attorney for the Eastern District of Arkansas;
- **Joshua Minkler** to be U.S. Attorney for the Southern District of Indiana; and
- **Byung Pak** to be U.S. Attorney for the North District of Georgia.

## Senate Passes 10 Bills

During the week of Sept. 25, the Senate passed 10 bills by voice vote or Unanimous Consent, including:

- **Creating High-Quality Results and Outcomes Necessary to Improve Chronic (CHRONIC) Care Act of 2017** ([S. 870](#)): the bill is aimed at strengthening and improving health outcomes for Medicare beneficiaries living with chronic conditions by targeting traditional fee-for-service, Medicare Advantage, and Accountable Care Organizations (ACOs);
- **Recognize, Assist, Include, Support, and Engage (RAISE) Family Caregivers Act of 2017** ([S. 1028](#)): establishes a coordinated strategy to support family caregivers by directing the Secretary of Health and Human Services to develop and sustain a strategy to recognize and support the more than 40 million family caregivers in the United States;
- **Harmful Algal Bloom and Hypoxia Research and Control Amendments Act of 2017** ([S. 1057](#)): provides the heads of the National Oceanic and Atmospheric Administration (NOAA) and the U.S. Environmental Protection Agency (EPA) the authority to declare a severe algae bloom as a nationally significant event, and would make federal resources available to those impacted by the outbreak, including setting aside an additional \$110 million over five years for research into the causes and control of large algae blooms and hypoxia; and
- **Making Available Information Now to Strengthen Trust and Resilience and Enhance Enterprise Technology (MAIN STREET) Cybersecurity Act of 2017** ([S. 770](#)): ensures that the National Institute of Standards and Technology (NIST) considers the needs of small businesses as it updates its 2014 NIST Cybersecurity Framework and provide simplified, consistent resources based on the NIST framework specifically for small businesses.

## Trump Signs Three Bills Into Law

During the week of Sept. 25, President Trump signed the following three bills into law:

- [H.R. 3110](#), the "**Financial Stability Oversight Council Insurance Member Continuity Act**," which allows the independent member of the Financial Stability Oversight Council to continue to serve on the Council until the earlier of 18 months

after the end of such member's term of service or the date on which a successor is confirmed and appointed;

- [H.R. 3819](#), the "**Department of Veterans Affairs Expiring Authorities Act of 2017**," which extends certain expiring authorities affecting veterans and their families, including: health care; benefits; homelessness; miscellaneous authorities; and makes a number of technical corrections; and
- [S. 1866](#), the "**Hurricanes Harvey, Irma, and Maria Education Relief Act of 2017**," which provides the Department of Education with administrative authority to assist institutions of higher education affected by, or enrolling students affected by, recent hurricanes and tropical storms under two campus-based financial aid programs, and to require a grant program to provide equitable services to children and teachers in private schools.

## HHS Secretary Tom Price Resigns

On September 29, Secretary of Health and Human Services Tom Price [resigned](#), in part, due to his spending several hundreds of thousands of dollars in taxpayer-funded flights on chartered private jets, and also, for the failure of Congress to pass legislation repealing and replacing the Affordable Care Act. President Trump designated Don Wright, Deputy Assistant Secretary for Health and Director of the Office of Disease Prevention and Health Promotion, to serve as Acting HHS Secretary until the Senate confirms a new HHS Secretary. [Read more...](#)

## Roy Moore Wins Special Alabama Senate GOP Primary Runoff, Tennessee Sen. Bob Corker Announces Retirement

On September 26, in a blow to Senate Majority Leader Mitch McConnell (R-KY) and the Republican establishment, former Alabama Supreme Court Chief Justice Roy Moore defeated incumbent Senator Luther Strange (R-AL) in the special GOP U.S. Senate primary runoff election for the Senate seat previously held by U.S. Attorney General Jeff Sessions. Moore received 54.6% of the vote and Strange received 45.4%. Moore will face off on December 12 against Democrat Doug Jones, a former U.S. Attorney. [Read more...](#)

Also, on Sept. 26, two-term Sen. Bob Corker (R-TN), Senate Foreign Relations Committee Chairman, announced that he would be retiring from his Senate seat when his current term ends on January 3, 2019. His exit paves the way for a wide open nominating contest: Rep. Marsha Blackburn (R-TN) and retired football player Peyton Manning have been mentioned as possible candidates, and conservative activist Andy Ogles has already announced his candidacy. [Read more...](#)

## Trump Signs Two Executive Orders and Four Memoranda

On September 29, President Trump signed the two following Executive Orders (E.O.):

- [E.O. 13811](#), "**Continuance of Certain Federal Advisory Committees**": allows the continuance of 32 federal advisory committees until September 30, 2019, including:
  - President's National Security Telecommunications Advisory Committee;
  - Trade and Environment Policy Advisory Committee;
  - Good Neighbor Environmental Board;
  - Invasive Species Advisory Committee;
  - National Infrastructure Advisory Council;

- President's Council of Advisors on Science and Technology; and the
- State, Local, Tribal, and Private Sector (SLTPS) Policy Advisory Committee;
- [E.O. 13812](#), "**Revocation of Executive Order Creating Labor-Management Forums**": revokes former President Obama's [E.O. 13522](#) of December 9, 2009 (Creating Labor-Management Forums to Improve Delivery of Government Services), which established the National Council on Federal Labor-Management Relations and implemented labor-management forums throughout the executive branch.

Trump also signed four Presidential Memoranda, including:

- Sept. 25 [Memorandum](#) to Education Secretary Betsy DeVos on "**Increasing Access to High-Quality Science, Technology, Engineering, and Mathematics (STEM) Education**,": directs Secretary DeVos to:
  - establish high-quality STEM education, with a particular focus on Computer Science, as one of the Department of Education's priorities;
  - establish a goal of devoting at least \$200 million per year in grant funds towards this priority; and
  - explore administrative actions that will add or increase focus on Computer Science in existing K-12 and post-secondary programs.
- Sept. 29 [Memorandum](#) to Secretary of State Rex Tillerson on "**Presidential Determination on Refugee Admissions for Fiscal Year 2018**": directs Secretary Tillerson to lower the number of refugees admitted to the United States down to 45,000 refugees during FY 2018, including:
  - Africa: 19,000
  - East Asia: 5,000
  - Europe and Central Asia: 2,000
  - Latin America/Caribbean: 1,500
  - Near East/South Asia: 17,500

## Trump Announces Nominations to Administrative Posts

Last week, the White House announced that 28 nominations had been sent to the Senate for consideration, including:

- **Thomas Harker** to be an Assistant Secretary of the Navy, Financial Management and Comptroller;
- **Bruce Landsberg** to be a Member of the National Transportation Safety Board for a term expiring December 31, 2022;
- **Dana Baiocco** to be a Commissioner of the Consumer Product Safety Commission for a term of seven years from October 27, 2017;
- **Robert Kurtz** to be an Assistant Secretary of Housing and Urban Development, Public and Indian Housing;
- **Raymond Martinez** to be Administrator of the Federal Motor Carrier Safety Administration;
- **Robert McMahon** to be an Assistant Secretary of Defense, Logistics and Material Readiness; and
- **John Roth** to be an Assistant Secretary of the Air Force, Financial Management.

The White House also announced Trump's intent to nominate seven individuals last week,

including:

- **Diana Furchtgott-Roth** to be an Assistant Secretary of Transportation, Research and Technology; and
  - **Nazakhtar Nikakhtar** to be an Assistant Secretary of Commerce, Industry and Analysis.
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