

April 7, 2020

Speaker of the House Brad Wilson Utah State Legislature 350 North State Street, Suite 350 Salt Lake City, UT 84114

Dear Mr. Speaker,

On behalf of our approximately 1,700 mayors, commissioners, council members, and other local elected officials, the Utah League of Cities and Towns (ULCT) and the Utah Association of Counties (UAC) applaud your leadership as we strive to mitigate the negative impacts of the COVID-19 pandemic. We thank you for the regular communication and coordination with local government.

The United States Congress enacted H.R. 748 Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which will inject \$2.2 trillion nationally into recovery efforts for individuals, businesses, and state and local governments. Of that amount, Congress will appropriate \$1.25 billion to the State of Utah by April 24, 2020.

We write this joint letter to express our support for Utah's cities, towns, metro townships, and counties receiving a justified and proportionate amount of the \$1.25 billion. We know that Congress intended for the State of Utah to retain at least \$688 million of that amount. We also know that Congress intended for the State of Utah to share the remaining \$562 million with local governments. As a result, ULCT and UAC request to be included in all CARES Act related deliberations about allocation formulas, criteria to qualify for the reimbursements, timing of distributions, and appropriations to local governments.

The CARES Act contemplates assisting state and local governments to cover only those costs that:

- 1. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19,
- 2. Were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and
- 3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

ULCT and UAC are currently collecting data from our members about necessary and unbudgeted expenditures and we will track them for the rest of the calendar year in order to qualify for the reimbursement. UAC and ULCT recognize that the CARES Act is vague on definitions about "necessary expenditures" and "local government" so we sent a letter seeking clarity on April 2 to the United States Department of the Treasury.

UAC and ULCT members will face drastic revenue shortfalls from the impact of COVID-19, including reductions in sales tax, property tax, utility bills, and motor fuel tax. Despite those shortfalls, local governments are still providing essential services at a heightened level for public health, infrastructure, and public safety. ULCT and UAC are collecting data about those potential revenue shortfalls for future consideration with Congress and the State of Utah. We also have a list of other policy issues for consideration this interim that we will share with you in another letter.

Thank you for your ongoing partnership in this unprecedented time. You can reach ULCT Executive Director Cameron Diehl at 801-910-3912 or cdiehl@ulct.org and UAC Chief Executive Officer Brandy Grace at 435-253-



1623 or <u>brandy@uacnet.org</u>. We look forward to working with you on the next steps on the CARES Act implementation to benefit the State of Utah, local governments, and our collective constituents.

Sincerely,

Mike Mendenhall

President; Spanish Fork Council Member

Mike Caldwell

Se Will

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1st Vice President; Ogden Mayor

Dawn Ramsey

Jon Pike

2nd Vice President; South Jordan Mayor

Gary Hill

Utah City Mgmt. Assoc.; Bountiful City Manager

Jon Pike

Immed. Past President; St. George Mayor

Cameron Diehl

Executive Director

Ricky Hatch

UAC President

Weber Co. Clerk/Auditor

Ricky Hotel

Shawn Milne

UAC Secretary

Tooele County Commissioner

Stan Summers

UAC 1st Vice President

Box Elder County Commissioner

Victor Iverson

UAC Past President

Washington County Commissioner

Shelley Brennan

UAC 2nd Vice President

Duchesne County Recorder

Brandy Grace

UAC Chief Executive Officer