



The **Florida League of Cities** represents Florida's 411 cities, towns, and villages in the Sunshine State. The League's mission is to serve the needs of Florida's cities and promote local self-government. We support local voices making local choices to protect and enhance Florida's communities. The League and its members have identified the following federal issues as part of our 2025 Federal Action Agenda:

Tax-Exempt Municipal Bonds

ACTION NEEDED

We urge Congress and the Administration to support legislation that safeguards the tax-exempt status of municipal bonds, which are essential tools for local governments to finance critical infrastructure projects. Specifically, we request:

- ▶ **Protection of the Tax-Exempt Status of Municipal Bonds:** Ensure that the federal tax code continues to allow the interest on municipal bonds to be exempt from federal income taxation.
- ▶ **Support for Tax-Advantaged Financing Tools:** Expand access to and enhance programs such as Build America Bonds (BABs) or other tax credit bonds to provide flexible and cost-effective financing for local governments.
- ▶ **Opposition to Proposals that Increase Borrowing Costs:** Reject any legislative efforts to limit or eliminate the tax-exempt status of municipal bonds, as this would result in significantly higher borrowing costs for local governments and less investment in essential public infrastructure.

BACKGROUND

Tax-exempt municipal bonds are the cornerstone of local government financing, enabling cities, counties, and states to build and maintain essential infrastructure, including roads, bridges, schools, and water systems. Eliminating or limiting their tax-exempt status would result in increased borrowing costs for municipalities, directly impacting taxpayers and reducing the funds available for public services and infrastructure investments.

Since 1913, the federal tax exemption for municipal bond interest has served as a critical incentive for investors to lend to local governments at lower interest rates. Preserving this status is crucial to maintaining the ability of municipalities to meet infrastructure needs and ensure long-term economic growth and community resilience.

National Flood Insurance Program (NFIP)

ACTION NEEDED

We urge Congress to advocate for a long-term NFIP reauthorization package that provides:

- ▶ Affordability for existing and future policyholders
- ▶ More accurate flood mapping
- ▶ Resiliency incentives

BACKGROUND

The NFIP, which has seen 30 short-term extensions since 2017, is set to expire again on March 14, 2025. Instead of passing extensions to a fundamentally flawed program, Florida's

cities need a long-term comprehensive rewrite of the NFIP that adheres to insurance principles and ensures the following:

- ▶ **Rates** – Rates must not be excessive, inadequate, or unfairly discriminatory
- ▶ **Premiums** – Any necessary increases in premiums should be implemented with regard to the customer’s ability to absorb those increases
- ▶ **Property ratings** – Properties should be rated based on their ability to withstand risk, not on their use or ownership structure
- ▶ **NFIP participation** – Incentives should be created to encourage participation in the NFIP for property owners not located in high-risk flood zones. This participation will not only help protect those caught off guard by unpredicted flooding but also help the program become more financially stable.
- ▶ **Mapping** – Nationwide, NFIP flood maps are generally outdated and don’t accurately measure a community’s flood risk
- ▶ **Risk Rating 2.0 (RR2)** – Provide more details on the methodology for RR2 and ensure there are reasonable affordability controls that limit the percentage increase that policyholders will face.

Per- and Polyfluoroalkyl Substances (PFAS)

ACTION NEEDED

We urge Congress and the Administration to support legislation that addresses the growing concerns about PFAS in soil and water and provides:

- ▶ Liability protection for entities, including cities, that have legally used PFAS for fire suppression or have passively received PFAS, such as water utilities and solid waste facilities
- ▶ Additional direct funding for local governments to comply with new regulations to avoid creating an unfunded mandate that will disproportionately impact low-income residents and communities

- ▶ Tools and resources for testing and research, public education, and risk assessment guidelines
- ▶ Strategies for stopping the introduction of additional PFAS into the environment, which will allow local governments to stop spending limited resources on treating, mitigating, and disposing of these “forever chemicals”

BACKGROUND

PFAS have made their way into communities around the country.

These man-made chemicals have been manufactured and used in a variety of industries since the 1940s. Florida’s municipalities support the efforts for a long-term solution to PFAS management, recognize the need to protect public health and the environment, and share the goal of holding accountable those entities that are primarily responsible for PFAS contamination.

Simplifying Local Government Grants/Continue Funding CDBG

ACTION NEEDED

Congress needs to streamline and simplify the federal grant application process so that cities, towns, and villages with lower populations have equal opportunities to secure federal grant dollars.

We also urge Congress and the Administration to provide robust and sustained funding for the Community Development Block Grant (CDBG) program, which is a critical resource for cities to address housing, infrastructure, and economic development needs.

BACKGROUND

Numerous studies have shown that smaller cities, counties, and other local governments do not typically receive their fair share of federal grant dollars. The unequal distribution of federal dollars can be explained by numerous factors, including the complexity of the application

process. The problem is increasingly important as the total number of federal grants to state and local governments has grown significantly. Naturally, some larger local governments have more resources to hire dedicated grant writers and coordinators so they can submit more fully developed applications and are better equipped to effectively and efficiently implement awards – to the detriment of Americans in less populated areas.

Since its inception in 1974, the CDBG program has been a vital federal resource for local governments, providing flexible funding to address critical needs in communities. CDBG funds have been used to build affordable housing, upgrade infrastructure, create jobs, and support public services for low- and moderate-income residents.

The Florida League of Cities supports making it easier for smaller local governments to apply for funds under federal grants and fully funding the CDBG program.

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