

NACCTFO ANNUAL MEETING MINUTES OF JULY 12, 2018 AT 11:25 AM IN NASHVILLE, TN

CALL TO ORDER BY PRESIDENT JOE GRISOLANO.

INVOCATION: BY NANCY WEEKS, HASKELL COUNTY, KANSAS

PLEDGE OF ALLEGIANCE: GIVEN BY STEPHEN HOLT, JASPER COUNTY, MISSOURI

SPECIAL GUEST: Roy Charles Brooks, Tarrant County, Texas Commissioner and NACO President. Mr. Brooks thank us "for the relationship that NACCTFO has formed with NACO that has worked so well for both organizations over so many years."

LEGISLATIVE REPORT: Jack Peterson & Mike Diskin both spoke on Tax Reform changes to include work arounds on the tax deduction issue and advance refunding bonds; Provisions in a Financial Regulations Bill that classifies municipal debt as a high-quality liquid asset which will change how bank will look at tax exempt bonds and make them more competitive; South Dakota vs. Wayfair Supreme Court Case and how that affects how sales tax collection by ending the physical presence standard; Awaiting the passing of the budget and tracking PILOT and Farm Bill funding; Affordable Care Act Excise Tax delayed to 2023. For Full notes: See attached

President Joe recognized 9 Past Presidents, 6 State Association Presidents, 18 State Directors, 26 First Time Attendees, 8 Retiring Members and 13 Vendors in attendance.

Secretary Jim McFadden took the roll call of state attendance.

The minutes of the March 2018 Business meeting from Washington D.C. were then read. No amendments being made a motion to approve was made by Mike Diskin and seconded by Ken Parrish. The motion was then voted on and approved.

NEWSLETTER REPORT: Michelle McBride requested input on articles from any member for the next publication. She requested pictures from the Conference be sent as well.

AWARD REPORT: Nancy Weeks, we have a winner a had more than one nomination. Those not selected will be held over for 3 years.

SPONSORSHIP/AMBASSADOR COMMITTEE: Barbara Ford-Coats, thanked committee members and reminded us that everyone is an ambassador to both our new attendees and sponsors. We raised \$68,750 total.

MEMBERSHIP/PUBLIC RELATIONS COMMITTEE: Linda Kizzire, sorry for emailing everyone multiple times to get people registered.

CONSTITUTION, BYLAWS, & RESOLUTIONS/POLICIES & PROCEDURES COMMITTEE: Charlotte Sandvik, no changes to the bylaws or constitution for the first time in about 3-4 years.

President Joe Grisolano announced that due to the hot button topic that PACE has become, they have decided to form an Ad-Hoc working Committee to inform our members about PACE. Sandie Arnott on behalf of Peggy Moak the Chair of that committee, presented a report the summary of which is attached. The next meeting has not yet been scheduled but if anyone is interested in serving on that committee please check with Tracey Marshall.

PRESIDENT ELECT: Tracey Marshall wanted to make sure everyone was having a good time and remind them of the President's reception and subsequent banquet. Reminder of the drawing sponsored by the Tennessee Association is having.

1<sup>ST</sup> VICE PRESIDENT: Michelle McBride recognized member of the education committee. Be sure to add suggestions to the bottom of your conference sheets. The Board has signed a new 'Memorandum of Understanding' with Wayne State University. All accreditation will be through that University going forward. Budget Committee presented the proposed budget for the coming fiscal year. Motion to accept budget as presented from Donna Peterson, seconded by Karen Kauffman. The motion was then voted on and approved.

2<sup>ND</sup> VICE PRESIDENT: Dolores Ortega Carter calls Jim Platt to speak on behalf of the Audit Committee. Jim stated that there were no appreciable discrepancies or finding. They had a recommendation for the Board, the first requesting a change in registration fee to differentiate from the dues so it is easier to determine if a check has nothing noted in the memo.

TREASURER: Donna Peterson, financial report is completed and filed for audit.

SECRETARY: Jim McFadden stated all correspondence had been passed out. He then gave the roll call results. 96 members from 20 states answered today's roll call.

PAST PRESIDENT'S REPORT: Cheryl Remington submitted the proposed slate of officers adding Chris Craft as newest member of the Board.

NACo REPRESENTATIVE: Debbie McGinnis, we have worked on two things this year. An offset program for the recovery of delinquent taxes using income tax withholdings and a VISA roundtable.

UNFINISHED BUSINESS: None.

NEW BUSINESS: Voting on the slate of Officers commenced. There were no nominations from the floor. Barbara Ford-Coates moved that the nominations cease, second by Mike Diskin. Motion to vote on the slate in its entirety made by Stephen Holt, seconded by Doug Lasher. There was no discussion and motion passed by unanimous vote. The approved slate as follows: President Tracey Marshall; President Elect Michelle McBride; First Vice President Dolores Ortega Carter; 2<sup>nd</sup> Vice President James McFadden; Secretary Chris Craft; Treasurer Donna Peterson; Past President Joe Grisolano; NACo Board Member Debbie McGinnis.

President Joe adjourned the meeting at 1:28 pm

Respectfully Submitted,

Jim McFadden, NACCTFO Secretary

## NACCTFO LEGISLATIVE COMMITTEE REPORT – 7/12/18

### Members

Michael Diskin - Essex Co., NY (Chair)

John Drew - Nassau Co., FL

Deanna Curry - Power Co., ID

Jim McFadden - Tioga Co., NY

1. On June 21 The United States Supreme Court, by a split vote of 5-4, ruled that states can require internet sellers to collect sales taxes, even if they do not have a physical presence in the state. The case, *South Dakota v. Wayfair*, sought to overturn a 1992 ruling in the Supreme Court case, *Quill v. North Dakota*. However, it does not provide for a single, nationwide standard solution, leaving that instead to the states to pass legislation to require internet sellers to collect sales taxes. Estimates of lost revenue have ranged from \$9 to \$13 Billion; with some estimates believing it might be as high as \$26 Billion. The majority opinion stated that a vendor who has a “substantial nexus” within a state should be required to collect sales taxes. “Substantial nexus” is interpreted as having economic and virtual contacts. It also stated that local “bricks and mortar” type businesses had been at a disadvantage that was now leveling the playing field.
2. On May 24 the Economic Growth, Regulatory Relief and Consumer Protection Act was signed into law. A key provision of this law – Section 403 – benefits counties by reclassifying certain municipal debt as a “High- Quality Liquid Asset”. Classifying these investments will help insure that low-cost infrastructure financing continues to be attractive to investors and keeps interest rates lower.
3. Both Houses of Congress continue to offer their own bills to repeal the 40% Excise Tax on Employer- Sponsored Health Insurance that was included in the 2010 Affordable Care Act, and due to become effective in 2020. House Bill H.R. 173 has 294 bipartisan co-sponsors, and remains in the House Sub-committee on Health, while Senate Bill S.58 has 24 bipartisan co-sponsors, but remains in the Senate Committee on Finance. NACCTFO has supported NACo’s opposition to this part of the Affordable Care Act. Implementation of the 40% Excise Tax will have possible significant impacts on county budgets and ultimately the workforce.

4. New York, New Jersey, and California continue to try finding a way to work around the SALT (State and Local Tax) deduction limitations put in place last year. New York has created charitable trusts where people may designate that up to 95% of their taxes may be directed to the charitable trust. In turn, the municipalities may eventually redirect the contribution to their own general fund, as long as they can demonstrate that it is being used to the charitable purpose for which it was originally designated. Taxpayers could then use the contribution as a deduction on their federal taxes and a credit against their state taxes. In response, the I.R.S. sent out Notice 2018 – 54, saying it intended to propose regulations addressing the federal treatment of certain payments made where the taxpayer received a credit against their state and local taxes. It further stated, “Despite these state efforts to circumvent the new statutory limitation on state and local tax deductions, taxpayers should be mindful that federal law controls the proper characterization of payments for federal income tax purposes”.
5. Another recent United States Supreme Court ruling, *Janus v. AFSCME* (*American Federation of State, County, and Municipal Employees*) dealt a major blow to those states where unions are strong by ruling that employees who are represented by a union but choose not to join, cannot be forced to pay agency shop fees. For those states where unions are present, this may signal a withdrawal by current union members, possibly to the point where the union does not have a strong presence. It remains to be seen how this will ultimately affect unionized municipal governments.

## Kate Becker

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**From:** Sandie Arnott <sarnott@smcgov.org>  
**Sent:** Thursday, July 12, 2018 2:05 PM  
**To:** Kate Becker  
**Subject:** PACE Report at NACCTFO

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Kate,

Here are my notes on PACE per your request:

The PACE Committee met on 6/21 via conference call. Chair Peggy Moak of Butte County, CA was unable to attend NACCTFO.

Discussion was held on how different states handle PACE and the need to amend NACO's policy platform regarding the collection activity of PACE assessments ensuring provisions for consumer lending protections are implemented.

Recommendation for the Group:

Tax Collectors should document all consumer issues, any delinquencies and also note the areas of concern addressed in California.

Participants may wish to rally consumer advocacy groups and banker, realtor, title company associates to work with them to outline concerns and draft proposals and relevant justifications prior to contacting legislators.

Hard copies are provided of the proposed regulations developed in California working with the State Department of Business Oversight (DBO). Anyone requiring a soft copy may send me their email address and I will forward. Sarnott@smcgov.org

The legislative actions are effective Jan 1, 2019 but is still in comment period. Highlights include:

- \* A standard brochure approved by the DBO must be used by all administrators for consistency.
- \* Strict guidelines for the complaint process & resolution and record keeping standards.
- \* Good faith estimates required before an agreement is signed.
- \* Truth in lending laws should be utilized.
- \* DBO maintains a list of PACE solicitors that have been the subject of complaints which list should be public and accessible.
- \* Documents should only be in printed form.
- \* The ability to pay language should be standard across the industry.
- \* Life expectancy of the improvements needs to, at least, match, if not exceed, the repayment terms.

Our next meeting has not yet been scheduled.

If anyone has any interest in serving on this committee, they should contact Tracy Marshall.

Sandie Arnott  
San Mateo County Treasurer-Tax Collector California