



Washington Update



TAX EXTENDERS BILL STALLS

After moving at a decent pace earlier this year, it appears that the tax extenders bill known as the EXPIRE Act (S. 2260) has stalled. The bill, sponsored by Sen. Ron Wyden (D-OR), would extend several expiring tax provisions pertaining to individual and business taxpayers and the energy sector. The legislation appears to be stalled due to a debate over amendments to the act. Specifically, the bill would extend through 2015 the tax deduction of state and local general sales taxes in lieu of state and local income taxes, the tax credit for purchasing health insurance, and the tax credit for residential energy efficiency improvements. Sen. Wyden has indicated that he will continue to speak with Republicans about a list of possible amendments for the bipartisan package, but due to the Memorial Day recess any new floor action on S. 2260 has been pushed out well into the future.

HOUSE OVERSIGHT SUBCOMMITTEE REVIEWS FRAUD IN PUBLIC HOUSING

Last Thursday the House Oversight and Government Reform Subcommittee on Government Operations held a hearing entitled “Evaluating Public Housing in the U.S.: Reigning in Waste, Fraud, Abuse and Mismanagement at Public Housing Authorities (PHAs)”. This hearing featured testimony from David Montoya, inspector general at the Department of Housing and Urban Development. Mr. Montoya listed some of the critical problems surrounding PHAs: they often run with little oversight, are prone to ethical lapses that attract media attention, and operate under state laws where ethics rules and requirements vary from state to state. He noted that oversight responsibility “...extends to levels above the housing authority governance structure to city, county and state government authorities. These units of government must take a more active and aggressive role in their oversight obligations.” Mr. Montoya gave several examples of the types of fraud that his office has uncovered during audits of these authorities:

- Inappropriately using a PHA credit card for personal use.
- Embezzling capital funds by over-paying relatives for maintenance/rehabilitation work that in some instances was never performed.
- Soliciting/accepting bribes for resident waiting list priority.
- Embezzling receivables from tenant rent payments.

Testimony from all panelists, including representatives from the New York and Philadelphia Housing Authorities, can be found at <http://oversight.house.gov/hearing/evaluating-public-housing-u-s-reigning-waste-fraud-abuse-mismanagement-public-housing-authorities/>.



SENATE SUBCOMMITTEE EXAMINES STATE INFRASTRUCTURE NEEDS

The discussion on how states can creatively finance new infrastructure projects was one of the last hearings scheduled last week before the Memorial Day recess. The hearing, held in the Senate Banking, Housing, and Urban Affairs Subcommittee on Housing, Transportation, and Community Development, looked at ways to generate new state revenues dedicated to funding transportation. General Manager Beverly Scott of the Massachusetts Bay Transportation Authority told the subcommittee that her state has raised the state gasoline tax to fund transportation initiatives, something that the federal government has failed to increase since 1993.

Using specific examples, Chief Counsel Dorval Carter, Jr., of the Federal Transit Administration told the subcommittee that the transit industry's deferred maintenance and replacement backlog directly affects average transit riders every day—including transit systems in states represented by members of the subcommittee:

- In New Jersey, roughly a third of county-wide community transit vehicles (over 300 vehicles) have each logged at least 175,000 miles—a point at which repair bills mount and breakdowns occur more frequently.
- In downstate Illinois, nearly 600 buses and paratransit vehicles that serve riders with disabilities are operating well past their recommended retirement date.
- In Kansas, the city of Paola provides nearly 45,000 rides per year on a single 10-year-old bus.

The archived webcast and testimony from all panelists can be found at www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=70076f75-470b-4569-846e-808c82b473bb.

CONGRESS ENTERS MEMORIAL DAY RECESS

The House and Senate have now entered their extended Memorial Day recess. Both chambers will return to action on June 9. The next Washington Update will appear on June 16.

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