

On behalf of the 345 cities and towns in Tennessee, the Tennessee Municipal League (TML) thanks you again for your continued efforts to address challenges presented by the COVID-19 pandemic.

As Congress debates the interim Emergency Coronavirus Package, TML strongly urges you to support including \$150 billion in direct funding to all local governments, regardless of population. Funding provided in the interim package should be flexible and include relief for lost revenues. In addition, we support including language in the interim package clarifying that the Coronavirus Aid, Relief, and Economic Security (CARES Act) funding can be used for the same purpose.

Municipalities in Tennessee are working on the front lines of the emergency response to the COVID-19 pandemic and incurring unbudgeted costs to meet the needs of their residents. As you well know, the sales tax is a primary source of revenue for the State as well as local government. Consequently, cities are facing severe fiscal challenges as a result of the closing of nonessential businesses and services in compliance with state and local emergency and stay-at-home orders. In addition, Tennessee's cities are the primary provider of essential services to the residents and businesses in Tennessee. This unprecedented combination of unplanned expenditures and historic loss of revenues has resulted in a funding shortfall that threatens cities' ability to continue to provide essential services, nurture an economic environment, and afford the quality of life that fuels our state's economy and will impair our recovery.

As deliberations on the interim emergency coronavirus package move forward, I ask you to please consider the urgent funding need for local government and encourage you vote to include direct and flexible funding to local governments in the package.

I appreciate your attention to this matter, and if my office can be of any assistance, please do not hesitate to contact me.

Sincerely,

Margaret Mahery

TML Executive Director

