Dear Senators and Congressmen:

For more than 100 years, the organizations listed above have consistently depended on the preservation of the municipal bond tax exemption as a fundamental component of our nation’s intergovernmental partnership. It is the bedrock by which State and local governments, authorities and nonprofits of all sizes can cost effectively access the capital markets and in turn provide essential infrastructure for their citizens.

As the new Administration and Congress seek ways to increase infrastructure investments, we would note an incredibly powerful tool already in hand – tax-exempt municipal bonds. Tax-exempt municipal bonds have financed more than $2 trillion in new infrastructure investments over the past ten years and are on a path to finance another $2 trillion in the next ten years. They are the best way to implement the infrastructure needs of each community effectively, as the decision to issue bonds for various projects is determined and approved by either the citizens themselves through bond referenda or their elected legislative bodies.

Tax-exempt municipal bonds have been used to finance repairs to and construction of: roads, highways, and bridges; public transportation; seaports and marine terminals; airports; water and wastewater facilities; elementary schools, high schools, and colleges and universities; acute care hospitals; single- and
multi-family housing; libraries; parks; town halls; electric power and natural gas facilities; and other public projects. Municipal bonds are used by over 50,000 state and local governments, authorities and nonprofits to satisfy a variety of critical infrastructure needs and nearly 75% of all public infrastructure funding is derived from tax-exempt bonds. State and local governments save, on average, approximately two percentage points on their borrowing to finance investment in public infrastructure, which translates into substantial savings to local taxpayers. These public infrastructure investments remove barriers to commerce and make our communities livable.

We welcome the chance to work with you to develop new tools as a complement to tax-exempt municipal bonds. State and local governments have been laboratories for innovative finance and have many insights to share. We would note that even new ideas—including variations of public-private partnership models—will likely rely on municipal bonds. State and local governments consider the feasibility of alternative financing models for projects in the context of the community’s other public infrastructure, much of which is financed by municipal bonds.

If you have any questions, please do not hesitate to reach out to any of our organizations. Likewise, we would recommend as a resource the Municipal Finance Caucus, led by your colleagues Congressmen Randy Hultgren and Dutch Ruppersberger.

Sincerely,

National Governors Association, David Parkhurst, 202-624-5328
The United States Conference of Mayors, Larry Jones, 202-861-6709
National Association of State Treasurers, Preston Weyland, 202-347-3863
National Conference of State Legislatures, Max Behlke, 202-624-3586
National Association of Counties, Michael Belarmino, 202-942-4254
National League of Cities, Brett Bolton, 202-626-3183
International City/County Management Association, Elizabeth Kellar, 202-962-3611
Council of State Governments, Andy Karellas, 202-624-5460
International Municipal Lawyers Association, Chuck Thompson, 202-466-5424
National Assn of State Auditors, Comptrollers and Treasurers, Cornelia Chebinou, 202 624-5451
American Public Power Association, John Godfrey, 202-467-2929
National Association of Local Housing Finance Authorities, Marc Selvitelli, 202-367-1211
National Council on Teacher Retirement, Leigh Snell, 540-333-1015
National Council of State Housing Agencies, Garth Rieman, 202-624-7710
National Assn of Health & Educational Facilities Finance Authorities, Chuck Samuels, 202-434-7311
American Hospital Association, Mike Rock, 202-638-1100
Council of Infrastructure Financing Authorities, Rick Farrell, 202-547-1866
Airports Council International - North America, Annie Russo, 202-293-8500
Large Public Power Association, Noreen Roche-Carter, 916-732-6509
National Association of Towns and Townships, Jennifer Imo, 202-454-3947
American Public Transportation Association, Andrew Brady, 202-496-4897
American Public Works Association, Andrea Eales, 202-408-9541
American Society of Civil Engineers, Laura Hale, 202-789-7852
American Water Works Association, G. Tracy Mehan, III, 202-326-6125
International Public Management Association for Human Resources, Neil Reichenberg, 703-549-7100
National Association for County Community and Economic Development, Laura DeMaria, 202-367-1149
National Association of Regional Councils, Leslie Wollack, 202-618-5696
National Community Development Association, Vicki Watson, 540-656-9552
Government Finance Officers Association, Emily Swenson Brock, 202-393-8467