National Governors Association
The United States Conference of Mayors
National Association of State Treasurers
National Conference of State Legislatures
National Association of Counties
National League of Cities
International City/County Management Association
Council of State Governments
International Municipal Lawyers Association
National Association of State Auditors, Comptrollers and Treasurers
American Public Power Association
National Association of Local Housing Finance Authorities
National Council of State Housing Agencies
National Council on Teacher Retirement
National Association of Health & Educational Facilities Finance Authorities
American Hospital Association
Council of Infrastructure Financing Authorities
Airports Council International - North America
Large Public Power Association
National Association of Towns and Townships
American Public Transportation Association
American Public Works Association
American Society of Civil Engineers
American Water Works Association
International Public Management Association for Human Resources
National Association for County Community and Economic Development
National Association of Regional Councils
National Community Development Association
Government Finance Officers Association

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,

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American Public Works Association, Andrea Eales, 202-408-9541
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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