

RESOLUTION NO. 993

A RESOLUTION OF THE BROKEN ARROW CITY COUNCIL URGING THE UNITED STATES CONGRESS AND PRESIDENT OF THE UNITED STATES OF AMERICA TO PRESERVE THE TAX-EXEMPT STATUS OF MUNICIPAL BONDS; AND STRONGLY OPPOSES ANY FEDERAL LEGISLATION OR EXECUTIVE ACTION THAT WOULD ELIMINATE THE FEDERAL TAX EXEMPTION ON MUNICIPAL BONDS

WHEREAS, the federal tax exemption for municipal bonds has been in place since the federal income tax was instituted in 1913; and

WHEREAS, tax-exempt municipal bonds are the primary funding mechanism for state and local government infrastructure projects with three-quarters of the total United States investment in infrastructures being accomplished with tax-exempt financing from over 50,000 state and local governments and authorities; and

WHEREAS, the tax-exemption for municipal bonds was granted to ensure affordable access to credit for municipal projects that, among other things, provide for public health and well-being, and as a result, local governments have saved taxpayers an average of 20 to 25 percent on interest costs with tax-exempt municipal bonds as compared to taxable bonds; and

WHEREAS, the cap or elimination of the federal tax exemption for municipal bonds would place federal, state, and local governments at cross-purposes because any savings realized by the federal government would be more than offset by economic losses at the state and local level due to higher credit costs, cancelled infrastructure projects, fewer job opportunities, and a greater burden on local taxpayers; and

WHEREAS, stability in the municipal bond market rests on the tax exemption for municipal bonds, and market stability is essential to the state, national and local economy.

NOW, THEREFORE, BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF BROKEN ARROW urge Congress and the President of the United States to preserve the tax exempt status of municipal bonds; and

BE IT FURTHER RESOLVED that the City Council strongly opposes any federal legislation or executive action that would eliminate the federal tax-exemption on municipal bonds.

PASSED, APPROVED AND EFFECTIVE on this 7th day of March, 2017, in an open meeting by the City Council of the City of Broken Arrow, Oklahoma.

MAYOR

ATTEST:

(seal) City Clerk

APPROVED AS TO FORM:

Assistant City Attorney