U.S. CONFERENCE OF MAYORS, NATIONAL ASSOCIATION OF COUNTIES APPLAUDS CONGRESSIONAL EFFORT TO SAVE MUNICIPAL BONDS

Washington, D.C. – U.S. Conference of Mayors (USCM) and National Association of County (NACo) officials, along with a larger Coalition to save municipal bonds, today met with Illinois Congressman Randy Hultgren and Maryland Congressman Dutch Ruppersberger to thank the Congressional members for their leadership in the effort to beat back attempts to eliminate or cap the deduction on tax-exempt municipal bond interest in the Fiscal Year 2014 Budget Proposal. Congressmen Hultgren and Ruppersberger sent a joint letter to Speaker Boehner and Leader Pelosi, with the support of 138 House colleagues, urging preservation of the program “as is.”

The Don’t Mess With Our Bonds Coalition, comprised of more than 60 groups and associations, is calling on Congress and the Administration to reject any proposal to hamstring the financing of local infrastructure projects by changing the tax-exempt status of municipal bond interest, which provide a low-cost and efficient way for cities and counties to finance much of America’s critical infrastructure, including schools, hospitals, airports, water and sewer systems, and roads and bridges.

During a meeting of the Coalition at the headquarters office of USCM, Congressman Hultgren said, “My background is in the bond community as well as local government, so I understand how critical municipal bonds are to communities and economic investment. Municipal bonds allow for real work to be accomplished in our communities. It is hard to think of my community without the crucial projects that municipals bonds enable, or to think of how much worse our debt crisis would be if we are forced to raise taxes or dip further into the pot.”

Congressman Ruppersberger agreed, “As a former county executive, I understand how municipal bonds work and I am committed to this issue. There is no question that municipal bonds create jobs and save money. This is a program that is proven and we know it works. The proposed changes would be detrimental and would adversely impact local property taxes. Municipal bonds are a priority because they are good for America.”

The Coalition also sent a letter to Nevada Senator Harry Reid on July 24 requesting the support of the Senate Finance Committee in the effort to preserve the municipal bond program. See copies of both letters as well as a full listing of the DON’T MESS WITH OUR BONDS COALITION at www.usmayors.org.

USCM CEO and Executive Director Tom Cochran who hosted today’s meeting said, “Municipal bonds are the country’s most important source of financing for vital infrastructure and are used to finance everything from multibillion dollar transportation projects to school expansions in cities and counties large and small. Municipal bonds allow communities to build the streets, bridges, water lines, and police and fire stations that not only serve the needs of citizens, but also create jobs and drive the economy. Saving the program as is a top priority for our organization.”

NACo Executive Director Matt Chase and meeting co-host said, “We appreciate and thank the Congressmen for understanding the importance of this issue. This is not about state and local governments. It is about the quality of life, global competitiveness and investments for the future. Bonds finance projects that affect everyday life for all Americans.”
In February, The U.S. Conference of Mayors, The National League of Cities and The National Association of Counties held a joint roundtable discussion at the National Press Club to release a report highlighting the broad use of municipal bonds in more than thirty locales around the country. The joint report showed in the last decade, state and local governments financed over $1.65 trillion of infrastructure investment using tax-exempt bonds – nearly all in just six categories: public schools; hospitals; water and sewer facilities; roads, highways and streets; public power projects and mass transit.

The report also shows that curtailing or eliminating the tax-exemption would raise costs for financially strapped state and local governments, and would result in less investment in infrastructure, particularly at a time when jobs are scarce and the physical state of public works and infrastructure is deteriorating. The full report can be found at www.usmayors.org.

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