

Resolution Supporting Efforts to Maintain the Tax-Exempt Status of Municipal Bonds

(COMMISSIONERS)

WHEREAS, tax-exempt municipal bonds were written into the first tax code in 1913, and for 100 years, have been vital to funding local infrastructure and economic development; and

WHEREAS, of the \$1.65 trillion of local infrastructure investment over the last decade using tax-exempt bonds, nearly all of it was in six categories: \$514 billion for primary and secondary schools; \$288 billion for hospitals; \$258 billion for water and sewer facilities; \$178 billion for roads, highways and streets; \$147 billion for public power projects; and \$106 billion for mass transit; and

WHEREAS, the Franklin County Commissioners have urged Congress to ensure that any comprehensive tax reform legislation does not eliminate or cap the current tax-exempt deduction of municipal bond interest; and

WHEREAS, in the 2013 Budget for Franklin County, the tax-exempt status of municipal bonds saved taxpayers approximately \$5 million; and

WHEREAS, any move to change the current tax treatment of local government bonds would lead to higher borrowing costs for local governments; and

WHEREAS, the budget for Franklin County is already constrained by \$41 million in state and congressional budget cuts; and

WHEREAS, Franklin County is now the fastest growing county in Ohio, and that at a time of continued growth when infrastructure demands are great, increasing the cost of local government borrowing could have a serious impact on the economy; and

WHEREAS, tax-exempt bonds are a critical tool for Ohio counties to facilitate budgeting and financing of long-term investments in the

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infrastructure and facilities necessary to meet public demand for government services; and

WHEREAS, without the tax-exemption, the effectiveness of the bond market would be significantly dampened, creating higher borrowing costs for county governments, less investment in infrastructure, and fewer jobs; now therefore

BE IT RESOLVED BY THE BOARD OF THE COUNTY COMMISSIONERS OF THE COUNTY OF FRANKLIN, OHIO:

1. That Franklin County does hereby support maintaining the current tax-exempt status of municipal bonds.
2. That the Clerk of the Franklin County Board of Commissioners is hereby directed to forward a copy of this resolution to Ohio's U.S. Senators and to the Central Ohio Congressional Delegation.