

**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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