1	(Published at <u>www.belaireks.gov</u> on May,, 2025.)	
2 3	RESOLUTION NO.	
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5 6 7 8 9	A RESOLUTION IN SUPPORT OF THE PRESERVATION OF TAX-EXEMPT FINANCING	
10 11 12	WHEREAS, tax-exempt municipal bonds are the primary means by which state and local governments finance three quarters of the critical infrastructure of our nation, including roads, bridges, hospitals, schools, and utility systems; and	
13 14 15	WHEREAS, through the tax exemption, the federal government continues to provide critical support for the federal, state and local partnership that develops and maintains essential infrastructure, which it cannot practically replicate by other means; and	
16 17	WHEREAS, the municipal tax exemption has enabled state and local governments to finance more than \$3 trillion in infrastructure investment from 2012 - 2022; and	
18 19 20	WHEREAS, this tax exemption is part of a more than century-long system of reciprocal immunity under which owners of federal bonds are, in turn, not required to pay state and local income tax on the interest they receive from federal bonds; and	
21 22	WHEREAS, municipalities benefit from this tax exemption through substantial savings on the interest cost of borrowed money; and	
23 24 25 26 27 28 29	WHEREAS, tax exempt bonds benefit state and local governments who need the support of investors to finance critical infrastructure, taxpayers across the country who depend on this infrastructure for reliable transportation systems, schools, public health facilities, energy, clean water and affordable housing, the federal government, who gets quite a bargain on their partnership with state and local government to provide the nation's infrastructure through the exemption; and investors who buy bonds for many reasons, including the safe nature of these financial products; and	
30 31	WHEREAS, municipal bonds are the second safest investment, aside from U.S. Treasuries, with state and local governments having nearly a zero-default rate; and	
32 33 34	WHEREAS, 72.4 percent of the total outstanding muni debt is held by individual investors, either directly or through mutual funds and money market funds (Source - 2010 Thomson Reuters); and	
35 36	WHEREAS, Proposals at the federal level would repeal the tax exemption on municipal bonds; and	
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WHEREAS, these proposals to reduce or repeal the tax exemption would have severely
 detrimental impacts on national infrastructure development and the municipal market, raising costs
 for state and local borrowers and creating uncertainty for investors; and

WHEREAS, total repeal of the exemption over the next decade (2026 – 2035) could cost
 state and local governments over \$800 billion in additional interest costs; and

WHEREAS, the municipal tax exemption has a long history of success, having been
maintained through two world wars and the Great Depression, as well as the recent Great Recession,
and it continues to finance the majority of our nation's infrastructure needs for state and local
governments of all sizes when no other source exists to do so;

47 BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF BEL AIRE, 48 KANSAS, AS FOLLOWS:

49 Section 1. The City of Bel Aire, Kansas (hereinafter the "City"), opposes any efforts by 50 Congress and the White House to reduce or repeal the federal tax exemption on interest earned 51 from municipal bonds; and

52 Section 2. The City opposes any action that would reduce or repeal the exemption on tax-53 exempt bond interest, and affirm that there should be no legislative action to apply any changes 54 retroactively to current outstanding bonds; and

- Section 3. The City shall have a copy of this resolution be sent to our Congressional
 Representatives (United States Representative Ron Estes, United States Senator Roger Marshall,
 United States Senator Jerry Moran) and key members of the Administration.
- 58 Section 4. Effective Date. This Resolution shall be in full force and effect from and after
 59 its adoption by the Governing Body of the City of Bel Aire.

60 Section 5. Publication. The City Clerk shall cause this resolution, as soon as practicable 61 after it has been passed and approved, to be published on the City's website as the designated official 62 city newspaper.

63 Section 6. Notification. The City Clerk shall cause a copy of this resolution, to be mailed 64 to the addresses of the Wichita Offices for the Congressional Representatives mentioned in this 65 resolution and the address of the White House for the key members of the Administration, to give 66 them notice of this resolution.

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75 76 77	Kansas on the 6^{th} day of May, 2025.		
78		CITY OF BEL AIRE, KANSAS	
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83		Jim Benage, Mayor	
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85	ATTEST:		
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89	Melissa Krehbiel, City Clerk		
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92	APPROVED AS TO FORM ONLY:		
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94			
95	Maria A. Calmada Cita Attauran		
96	Maria A. Schrock, City Attorney		