

(Published at www.belaireks.gov on May, _____, 2025.)

RESOLUTION NO. _____

**A RESOLUTION IN SUPPORT OF THE
PRESERVATION OF TAX-EXEMPT FINANCING**

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

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

WHEREAS, the municipal tax exemption has enabled state and local governments to finance more than \$3 trillion in infrastructure investment from 2012 - 2022; and

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

WHEREAS, municipalities benefit from this tax exemption through substantial savings on the interest cost of borrowed money; and

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

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

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

WHEREAS, Proposals at the federal level would repeal the tax exemption on municipal bonds; and

75 PASSED, ADOPTED, AND APPROVED by the Governing Body of the City of Bel Aire,
76 Kansas on the 6th day of May, 2025.

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CITY OF BEL AIRE, KANSAS

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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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96 Maria A. Schrock, City Attorney