

RESOLUTION NO. 5866-25

A RESOLUTION DECLARING SUPPORT FOR THE PRESERVATION OF THE FEDERAL TAX EXEMPTION OF MUNICIPAL BONDS.

WHEREAS, the tax-exempt municipal bond market is a widely used source of capital for states, local governments, tribes, territories, and non-profit borrowers that finances a tremendous share of the nation's public infrastructure; and

WHEREAS, state and local governments finance about three-quarters of the public infrastructure in the United States and use tax-exempt bonds to do so, with the federal government providing only about one-quarter of the investment; and

WHEREAS, federal tax exemption for municipal bonds, dating back to the 1800s and incorporated into the modern tax code in 1913, has been crucial for state and local governments to affordably finance critical infrastructure projects; and

WHEREAS, tax-exempt bonds offer borrowers to achieve a multiplier effect of 2.11, meaning that for every dollar, borrowers achieve \$2.11 in borrowing cost savings thereby demonstrating the efficiency and effectiveness of this exemption in facilitating infrastructure investment; and

WHEREAS, tax-exempt bonds provide for essential infrastructure projects, such as roads, bridges, utilities, broadband, water and sewer systems, and hospitals, which are vital to the health and well-being of our community such that without such bonds, the cost of borrowing would be more expensive thereby causing an increase in taxes and fees that would place an undue burden on taxpayers; and

WHEREAS, the City of Tualatin has used tax-exempt general obligation bonds for essential water infrastructure, vital transportation improvements, parks and trails, and library and police facilities; and

WHEREAS, the City Council finds and determines that tax-exempt municipal bonds provide an opportunity for economic development along its path, better facilitate the movement of agriculture products, equipment, and other goods, and increase safety.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

**Section 1.** The City Council hereby encourages the Oregon Congressional Delegation to assist the City of Tualatin by preserving the tax-exempt status of municipal bonds by supporting and ensuring the protection of the federal tax exemption of municipal bonds.

**Section 2.** Copies of this resolution shall be furnished to members of the Oregon Congressional Delegation.

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**Section 3.** This resolution is effective upon adoption.

INTRODUCED AND ADOPTED this 10th day of February, 2025.

CITY OF TUALATIN, OREGON

BY \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

ATTEST:

BY \_\_\_\_\_  
City Attorney

BY \_\_\_\_\_  
City Recorder