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## **Mayors Startled When Trump Promises to Keep Tax-Exempt Bonds.**

Tax exemptions on municipal bonds are hardly the sexiest political issue surrounding Donald Trump's transition. But a group of mayors, meeting with the president-elect at Trump Tower on Thursday, were surprised with welcome news when they pressed Trump to keep the exemptions.

"He's the president-elect, and he said he would keep it," said Tom Cochran, the CEO and executive director of the U.S. Conference of Mayors. "My lobbyist has been up on the Hill, and they said to us everything is on the table. We didn't know what would happen."

He added: "As soon as the sun comes up, I will be contacting the authorities in Speaker Ryan's office and others on the Democratic side that we were encouraged by the president-elect."

A spokesman for Trump, who convened the mayors in Trump Tower for about 30 minutes, didn't respond to a request for comment. Trump has vowed to overhaul the country's tax code when taking office, and mayors have feared the exemption could be in jeopardy. It has been targeted by some Republicans as too pricey, particularly when the bonds are used to build sports arenas and stadiums.

In a 2009 report, the Congressional Budget Office called the tax-exempt bonds a "costly mechanism." A 2015 report from the Joint Committee on Taxation said the tax-exempt bonds will cost the government more than \$180 billion between that year and 2019.

The exemptions are vitally important to mayors, they say, because they enable cities and counties to build roads, schools and other projects without paying the burden of taxes on the borrowing. Between 2003 and 2012, states and local governments financed \$3.2 trillion in projects, according to the National Association of Counties. Trump seemed to understand that and emphasized how committed he was to spending money on infrastructure, the mayors said.

Two other mayors in the room said they were also surprised with Trump's declaration. "I didn't necessarily think we'd hear an opinion back," said Mick Cornett, the Republican mayor of Oklahoma City. "I was very encouraged."

"He definitely said he would keep the exemptions," said Steve Benjamin, the Democratic mayor of Columbia, S.C. A spokesman for New Orleans Mayor Mitch Landrieu, a Democrat also present at the meeting, said he wasn't available for comment.

The U.S. Conference of Mayors, had struggled to secure Trump's attention during the presidential race. And a number of liberal mayors have vowed to oppose many of Trump's proposals, like on immigration.

On Thursday the mayors present said he seemed interested in attending their next meeting and sending members of his Cabinet.

The mayors said they discussed a number of other municipal issues, like community block grants for

cities. Trump seemed interested in how cities received money, the mayors said, and how they spent it.

Benjamin said that while he vociferously opposed Trump's candidacy, he was trying to be "optimistic" after the meeting. Cornett said "because Trump has lived in cities, I think he has a good understanding."

"You didn't know what to expect going in," Cochran, the CEO and executive director said. "We're in uncharted waters with this president-elect. We felt like that he was listening to us. We're trying to get to know him. He's the president. We got to get to know him."

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