
Municipal Finance is the Key to Rebuilding Cities After Disasters.

Much of our nation's infrastructure is in great need of maintenance, repairs or rebuilding. This will be especially true as cities and communities in Texas, Louisiana, Florida and the Caribbean, as they start recovering after the damage left behind by Hurricane Harvey and Hurricane Irma. I know from personal experience that these communities will face the long and challenging task of rebuilding damaged roads, water and sewer infrastructure, bridges and public buildings to not only restore them to what they were, but also to make them stronger, smarter and more resilient.

In October 2015, my city faced the worst flooding disaster known in our history. More than 11 trillion gallons of water fell from the sky during the historic flood, which saw a record 16 inches of rain and caused $12 billion in damages in Columbia, South Carolina. While the historic flood was an incredibly devastating time for our city, it allowed our resilience to be shown. While this historic event occurred almost two years ago, Columbia residents and businesses still continue to face many challenges as we rebuild our homes, restore our businesses and regain normalcy in our lives.

As a part of our recovery efforts and continued investment in infrastructure, the Columbia City Council last year issued more than $210 million in water and sewer revenue bonds and will issue an additional $153 million in both revenue and general obligation bonds this year that includes $43 million in storm water improvements and $100 million in wastewater and general water improvements. This will help protect future generations from such catastrophes. Infrastructure investments like these could not be made without using tax-exempt municipal bonds.

Tax-exempt municipal bonds are the primary tool that state and local governments use to finance investment in schools, transportation, housing, health care clinics, water and wastewater treatment, police, fire, ambulance services and other public services that are vital support mechanisms to a growing and well-functioning economy. Keeping infrastructure costs low is critical to job creation and to the infrastructure investments that are the backbone of our economy. All Americans benefit from core infrastructure projects financed by tax-exempt bonds.

The City of Columbia and local governments across the nation make responsible public infrastructure investments with tax-exempt municipal bonds to create jobs, improve the quality of life and spur economic development in our communities, and we do not take this responsibility lightly. Our disaster recovery efforts would not be where they are today without the aid of this financial tool.

Removing or capping the tax exemption for municipal bonds would increase our borrowing costs significantly, an increase that would impact our taxpayers and utility ratepayers directly. If either proposal were enacted, we would have to choose between delaying needed investments or pushing these higher costs onto the public.

Taxing municipal bonds for the first time in history would be counterproductive to creating jobs and ensuring American competitiveness. This would ultimately discourage investments in infrastructure and increase costs that will be borne disproportionately by small businesses and low or fixed-income households that can least afford it. Given what is at stake in the Gulf Coast and cities across the nation, I urge members of Congress and the administration to support preserving the tax exemption of municipal bonds as they consider infrastructure financing and tax reform proposals this fall.

THE HILL

BY MAYOR STEPHEN BENJAMIN, OPINION CONTRIBUTOR — 09/14/17 10:00 AM EDT

Stephen K. Benjamin is mayor of Columbia, South Carolina. He is vice president of the U.S. Conference of Mayors and chairman of the Municipal Bonds for America.