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Columbia Mayor Steve Benjamin appointed chairman of Municipal Bonds for America.

Columbia Mayor Steve Benjamin has been selected to lead Municipal Bonds for America, a nationwide nonpartisan coalition of state and local governments along with brokers and dealers to protect and promote the value of tax-exempt municipal bonds.

Those bonds, which are the chief tool used by state and local governments, help build and maintain roughly 75 percent of the nation's infrastructure.

"It became clear to us that a lot of folks in Washington and across America didn't understand just how important this tool is in providing vital services to our citizens and how devastating it would be to lose it," Benjamin said. "Our job is to change that by educating policy makers, the media and the public and promoting reasonable and fair regulation that preserves the municipal bond market's integrity and supports our cities, counties and states for generations to come."

Benjamin already has served on the organization's executive committee and now will replace outgoing MBFA chairman and president of the New York City Housing Development Corp. Marc Jahr.

MBFA was created in response to last year's sequestration debate on Capitol Hill after lawmakers discussed eliminating the tax-exempt status for municipal bonds, a move that would have increased significantly the cost of necessary infrastructure improvements and led to widespread utility rate and tax increases.

According to a June 2013 report from the National Association of Counties, the debt service burden for countries would have topped \$9 billion if municipal bonds had been taxable over the last 15 years.

Municipal bonds typically are used to finance various projects including roads, bridges, public housing, hospitals, schools, public utilities and water and sewer systems. If structured properly, they should come at a low cost to taxpayers.

The two most commonly used bonds by municipal governments are general obligation bonds and revenue bonds. General obligation bonds are secured by the full faith and credit of the issuer and supported by the government's ability to use its taxing power. Often times, they are voted in by citizens through bond referendums.

Revenue bonds are supported through various funds generated by the facility financed from the bond. Those could include tolls, rents or charges.

Bonds typically have a life-span of 20, 30 or 40 years.

Municipal bonds could be of particular interest to Benjamin as he looks to finance the Bull Street development and baseball stadium with a combined \$92 million in cash reserves, as well as

hospitality and installment purchase revenue bonds.

Benjamin has said that the huge investment by taxpayers would provide a big return by putting the 180 acre property on the city's tax rolls.

"Tax-exempt municipal bonds represent a century-old compact between the federal government, state and local government, the public and investors that has built much of our nation's core infrastructure," Benjamin said. "I am honored to have this opportunity to protect that promise and help cities like ours continue to invest in roads and bridges, improve water and sewer systems and create tens of thousands of jobs."

February 25, 2014 By Kelly Petty

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