

# **Bond Case Briefs**

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## **City, County Leaders: U.S. Infrastructure Policy Must Protect Tax-Exempt Bonds, Enhance Long-Term Funding.**

CLEVELAND, July 21, 2016 /PRNewswire/ — Republican elected officials from across the nation explained how infrastructure investments have fueled growth in their local economies, and said those successes support the case for more federal resources for infrastructure, as well as the preservation of tax-exempt municipal bonds in any tax-reform legislation. Their comments came during a policy briefing at the Republican National Convention sponsored by the National League of Cities (NLC), the nation's largest and most representative organization for city officials, and Build America Mutual (BAM), the first mutual insurer of municipal bonds.

Hon. Ray LaHood, a Republican who represented Illinois' 18th Congressional District for 14 years before being named Secretary of Transportation in 2009, opened the session by arguing that the federal government should raise the gas tax to generate more money for infrastructure investment — particularly focused on urban areas.

"The next generation of transportation is going to take place in the cities. It's not about building more Interstates or bridges, it's about how people are going to live in communities without needing automobiles," Secretary LaHood said. "Until we get politicians in Washington and a new administration thinking along the lines of a big pot of money to jumpstart these opportunities, we're selling ourselves short."

Clarence Anthony, NLC's CEO and executive director, said preserving the tax-exemption for municipal bonds, which cuts the cost of infrastructure investment for states, cities, counties and other municipal governments, is a key priority for local government leaders. The tax exemption must come alongside long-term, stable funding for infrastructure and transportation, comprehensive transportation planning, and support for local broadband access.

"We are going to both the Republican and Democratic conventions because cities need to be partners with the next president of the United States, whoever that will be. We need the candidates to understand that we must make infrastructure a priority for America," Mr. Anthony said. "Cities are a crucial part of that conversation because when cities succeed, the nation succeeds."

BAM Chairman Robert Cochran said the tax-exempt municipal bond market is uniquely positioned to provide U.S. states, cities, counties and other government agencies with affordable funding to meet the nation's infrastructure needs.

"There is no doubt that there is municipal market demand and investors that will provide that additional \$100-\$150 billion of annual investment that it will take to get to that \$1.5 trillion of infrastructure funding that we need in order to make up the gap over the next 10 years," Mr. Cochran said.

Additional panel participants included Oklahoma City Mayor Mick Cornett, the president of the US Conference of Mayors; Fort Worth, Tex., Mayor Betsy Price, who co-chairs the NLC's presidential elections task force; El Paso County, Colo., Commissioner Sallie Clark, president of the National

Association of Counties; and Sheila Amoroso, who manages the municipal bond department at Franklin Resources, one of the largest investors in municipal bonds.

## **Build America Mutual**

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### **About the National League of Cities**

The National League of Cities (NLC) is dedicated to helping city leaders build better communities. NLC is a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans. [www.nlc.org](http://www.nlc.org).

### **About Build America Mutual**

BAM is the first mutual insurer of municipal bonds and the leading insurer of new-issue municipal bond transactions. BAM's members are the more than 2,000 municipal bond issuers – including cities, counties, school districts and utility systems nationwide – who have used BAM insurance to save more than \$300 million on their infrastructure investments since 2012. To improve transparency in the municipal market, BAM publishes a Credit Profile for every transaction it guarantees, which can be downloaded for free at [www.buildamerica.com/credit-profiles](http://www.buildamerica.com/credit-profiles). BAM-insured bonds are rated AA with a stable outlook by S&P Global Ratings.