

**Resolution 2012-158**  
**A Resolution in Support of Municipal Bond Tax Exemption**

WHEREAS, for 200 years, municipal bonds have assisted states, cities and counties in financing their infrastructure needs, including roads, bridges, schools, hospitals, transit systems, housing, public power and gas systems and utilities, and other vital projects serving the public good; and

WHEREAS, there remains a tremendous need throughout the country, policymakers should encourage, not limit, financing for critical infrastructure projects, which will also create much-needed jobs; and

WHEREAS, taxing municipal bonds would immediately increase borrowing costs for state and local governments by as much as two percentage points, which would significantly decrease infrastructure spending by states and municipalities, further slow the economic and job recovery nationally, and cost taxpayers and ratepayers billions of dollars in higher interest costs each year; and

WHEREAS, the City of Rapid City routinely uses tax exempt municipal bonds for infrastructure improvements and construction, passing on the benefit of lower capital costs attributable to tax exempt financing to our property tax payers through reduced rates, greater local investments, or both; and

WHEREAS, from time to time Congress and the President have proposed legislation to tax or alter the federal tax exemption of interest on municipal bonds; and

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Rapid City, South Dakota, opposes any efforts by Congress and this, or any future, President to eliminate or limit the federal tax exemption on interest earned from municipal bonds.

Dated this \_\_\_\_ day of January, 2013.

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Sam Kooiker, Mayor

ATTEST:

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Pauline Sumption, Finance Officer

SEAL