

THE CITY OF NEWPORT

RESOLUTION

OF THE

COUNCIL

No.2025-28


- WHEREAS, tax-exempt municipal bonds are a critical financing tool that enables state and local governments to fund essential infrastructure projects efficiently and affordably; AND
- WHEREAS, these bonds have historically provided the backbone of community investment, funding over 75% of public infrastructure projects nationwide, including schools, hospitals, roads, water systems, and public safety facilities; AND
- WHEREAS, eliminating or reducing the federal tax exemption for municipal bonds would significantly increase borrowing costs for local governments, adding an estimated \$823.92 billion in additional costs over the next decade, including approximately \$1.5 million annually to the City of Newport's recently voter-approved infrastructure bond; AND
- WHEREAS, these increased costs would place a financial burden of approximately \$6,554.67 per American household, leading to either higher taxes or reductions in essential public services; AND
- WHEREAS, limiting or eliminating the tax-exempt status of municipal bonds would result in delayed or canceled infrastructure projects, threatening economic growth, job creation, and public safety; AND
- WHEREAS, municipal bonds play a vital role in supporting local economies by stimulating business activity and creating jobs, ensuring long-term economic stability for communities across the country;
NOW, THEREFORE BE IT
- RESOLVED, that the City Council of Newport hereby authorizes the Mayor to send a letter to our U.S. representatives in Congress, expressing our community's strong opposition to any legislative or regulatory efforts that would eliminate or reduce the federal tax exemption for municipal bonds; AND BE IT FURTHER

RESOLVED, that this letter should emphasize the critical role that tax-exempt municipal bonds play in financing essential public infrastructure, protecting taxpayers from increased financial burdens, and preserving the long-term economic stability of our community; AND BE IT FURTHER

RESOLVED, that a copy of this resolution be transmitted to our U.S. and state congressional delegations to ensure our collective voice is heard in the effort to protect tax-exempt municipal bonds.

XAY KHAMSYVORAVONG

IN COUNCIL
READ AND PASSED
FEBRUARY 12, 2025


LAURA C. SWISTAK, CMC
CITY CLERK