

RESOLUTION NUMBER 13-3

“RESOLUTION SUPPORTING EFFORTS TO MAINTAIN THE TAX- EXEMPT STATUS OF MUNICIPAL BONDS”

WHEREAS, the tax exempt status of municipal bonds is nearly a century old and is vital to funding local infrastructure and economic development; and

WHEREAS, of the \$1.65 trillion of local infrastructure investment over the last decade using tax-exempt bonds, nearly all of it was six categories: \$514 billion for primary and secondary schools; \$288 billion for hospitals; \$258 billion for water and sewer facilities; \$178 billion for roads, highways, and streets; \$147 billion for public power projects; and \$106 billion for mass transit.

WHEREAS, any move to change the current tax treatment of local government bonds would lead to higher borrowing costs for local governments; and

WHEREAS, without tax exempt financing much-needed infrastructure improvements would be likely delayed; and

WHEREAS, tax-exempt bonds are a critical tool for South Dakota counties to facilitate budgeting and financing of long-term investments in the infrastructure and facilities necessary to meet public demand for government services; and

WHEREAS, at a time when infrastructure demands are great, increasing the cost of local government borrowing could have serious impacts on the national, state and local economies; and

WHEREAS, without the tax exemption, the effectiveness of the bond market would be significantly dampened, creating higher borrowing costs for county governments, less investment in infrastructure, and fewer jobs.

NOW, THEREFORE, BE IT RESOLVED that McPherson County does hereby support maintaining the current tax-exempt status of municipal bonds.

Dated this 2nd day of April 2013 at Leola, SD

ATTEST:

JENNIFER GUTHMILLER
McPherson County Auditor

DELMAR METZGER
Chairman of the Board of Commissioners

Neuharth moved for the adoption of Resolution Number 13-3, Beilke seconded the foregoing motion. Upon roll call vote, thereon, all vote "AYE". Motion carried and Resolution Number 13-3 was declared and duly adopted.