

RESOLUTION NO. 034-14

A RESOLUTION URGING THE ADMINISTRATION AND THE CONGRESS OF THE UNITED STATES TO REJECT EFFORTS TO TAX THE INTEREST ON MUNICIPAL BONDS OR OTHERWISE ALTER THE FEDERAL TAX TREATMENT OR FUNDAMENTAL STRUCTURE OF MUNICIPAL BONDS; AND DECLARING AN EMERGENCY

WHEREAS, tax-exempt bonds are the basic tool used by states, cities, counties, towns, universities, school districts, and other governmental entities to fund public purpose projects necessary to provide needed infrastructure and services; and,

WHEREAS, municipal bonds are celebrating a century of success as essential financing mechanisms that have been exempt from federal taxation since 1913; and,

WHEREAS, today, three-quarters of the infrastructure investment in the U.S. is financed by state and local government bonds, including roads, bridges, sewers, hospitals, libraries, schools, town halls, police stations, electric and gas infrastructure for public power utilities, and other government purpose investments made by state and local governments; and,

WHEREAS, every year, on average, public power utilities nationwide make \$15 billion in new investments financed with municipal bonds for power generation, distribution, transmission, reliability, demand control, efficiency, and emissions controls, all of which are needed to deliver safe, affordable, and reliable electricity to customers; and,

WHEREAS, the ability of these governmental entities to issue tax-exempt bonds so that they are attractive to investors is essential to the daily life of hundreds of millions of Americans; and,

WHEREAS, pressure to reduce the federal budget deficit has resulted in an ongoing review by Congress and the Administration of nearly all federal tax and spending programs, including tax-exempt financing; and,

WHEREAS, contrary to the perception that tax-exempt bonds only benefit high net-worth individuals, more than half of all municipal bond interest paid to individuals is earned by those with income of less than \$250,000; and,

WHEREAS, proposals to tax the interest on municipal bonds for some taxpayers would also likely alter the ability of state and local governments to access cost-effective financing, jeopardizing essential infrastructure projects nationwide that would benefit all citizens, not just those in the higher-income brackets; and

WHEREAS, tax credit and direct payment bonds would offer a poor substitute for traditional tax-exempt financing because they lack certainty and do not generally appeal to traditional municipal bond investors, including those who participate in the market through mutual funds; and,

WHEREAS, reductions in the availability of tax-exempt financing to municipal governments, or increases in their cost of issuing tax-exempt bonds,

would impose significant fiscal injury on these local governments and seriously impair their ability to maintain essential safety and services for their citizens; and, **WHEREAS**, the loss of tax exempt financing would likely force local governments to significantly increase income taxes and utility rates, and therefore impose serious negative financial hardships on lower and middle-class families in municipal electric communities, **Now therefore:**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NAPOLEON, OHIO:

Section 1. That the City of Napoleon, Ohio urges the Administration and the Congress of the United States to reject efforts to tax the interest on municipal bonds or otherwise alter the federal tax treatment or fundamental structure of municipal bonds.

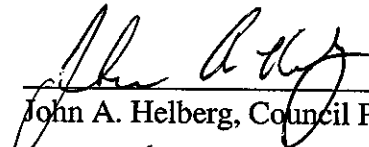
Section 2. That a copy of this Resolution shall be sent to the City of Napoleon's U.S. congressional delegation and the President of the United States.

Section 3. That, it is found and determined that all formal actions of this City Council concerning and relating to the adoption of this Resolution were adopted in open meetings of this City Council, and that all deliberations of this City Council and any of its committees that resulted in such formal actions were in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Codified Ordinances of Napoleon Ohio.

Section 4. That, if any other prior Ordinance or Resolution is found to be in conflict with this Resolution, then the provisions of this Resolution shall prevail. Further, if any portion of this Resolution is found to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Resolution or any part thereof.


Section 5. That, this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the City and its inhabitants, and for the further reason that this legislation must be in effect at the earliest possible time so that the City of Napoleon's federal representatives know the City's stance on this subject which is related to public peace, health or safety accessible to our citizens; therefore, provided it receives the required number of votes for passage as emergency legislation, it shall be in full force and effect immediately upon its passage; otherwise, it shall be in full force and effect at the earliest time permitted by law.

Passed: May 19, 2014



John A. Helberg, Council President

Approved: May 19, 2014



Ronald A. Behm, Mayor

VOTE ON PASSAGE 6 Yea 0 Nay 0 Abstain

Attest:



Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 034-14 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the 14th day of July 2014 & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.



Gregory J. Heath, Clerk/Finance Director

CERTIFICATION

I, Gregory J. Heath, Finance Director/Clerk of Council for the City of Napoleon, Ohio, do hereby certify that this document is a True and Correct copy of Ordinance No. 034-14, passed May 19, 2014.



Gregory J. Heath, Finance Director/Clerk of Council

June 5, 2014
Date

Attest:



Gregory J. Heath, Clerk/Finance Director

I, Gregory J. Heath, Clerk/Finance Director of the City of Napoleon, do hereby certify that the foregoing Resolution No. 034-14 was duly published in the Northwest Signal, a newspaper of general circulation in said City, on the _____ day of _____; & I further certify the compliance with rules established in Chapter 103 of the Codified Ordinances Of Napoleon Ohio and the laws of the State of Ohio pertaining to Public Meetings.

Gregory J. Heath, Clerk/Finance Director