

RESOLUTION 19-89

A RESOLUTION TO OPPOSE HR 1761  
WHICH WOULD PLACE NEW RESTRICTIONS UPON TAX-EXEMPT BONDS FOR  
STATE AND LOCAL GOVERNMENTS

WHEREAS, the federal, state and local governments all share in the responsibility of building and maintaining the schools, roads, airports, sewer, water, electric and natural gas systems and other basic facilities necessary to the functions of a modern society; and

WHEREAS, the federal government has steadily reduced its responsibility for these requirements in recent years and has shifted more of the financial burden to states and local governments; and

WHEREAS, financing state and local government projects through the issuance of bonds the interest on which is not taxed by the federal government is critical if these entities are to exercise the increasing responsibilities entrusted to them; and

WHEREAS, in recent years the federal government has limited the use of tax-exempt bonds by state and local governments and made municipal bonds less attractive to significant groups of purchasers, thereby driving up the cost of public service projects; and

WHEREAS, HR 1761, currently before the Congress, would further restrict the use of tax-exempt bonds by further shrinking the market for those bonds through the virtual elimination of property and casualty insurance companies from the bond market; and

WHEREAS, this further restriction would seriously impair the ability of state and local governments to finance essential services and facilities,

**NOW, THEREFORE, BE IT RESOLVED:** that the President and the Board of Trustees of the Village of Chatham call upon Congress to reject HR 1761 and any legislation like it that would increase the cost of financing through tax-exempt bonds, thus limiting the ability of state and local governments to shoulder those projects that it has fallen upon them to undertake in the public interest.

PASSED July 25, 1989

APPROVED July 25, 1989

Carl D. Oblinger  
CARL D. OBLINGER  
PRESIDENT, BOARD OF TRUSTEES  
VILLAGE OF CHATHAM

ATTEST: Rose M. Miller  
ROSE MILLER, VILLAGE CLERK