



November 3, 2017

Executive Committee

Chair

*Stephen K. Benjamin
Mayor, Columbia, SC*

Vice Chair

*Kevin M. Burke
President and CEO
Airports Council
International—N.A.*

Secretary

*Michael Nicholas
CEO
Bond Dealers of America*

*Clarence E. Anthony
Executive Director
National League of Cities*

*Sue Kelly
President and CEO
American Public Power
Association*

Ex-Officio

*Debra Chromy
President
Education Finance Council*

*George Friedlander
Managing Partner
Court Street Group*

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Charles Schumer
Minority Leader
U.S. Senate

The Honorable Paul Ryan
Speaker
U.S. House of Representatives

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives

Dear Majority Leader McConnell, Speaker Ryan and Minority Leaders
Schumer and Pelosi:

The Municipal Bonds for America (MBFA) Coalition is devoted to preserving the tax-exempt status of all municipal bonds, including advanced refundings and private activity bonds (PABs). MBFA is a non-partisan stakeholder coalition, led by state and local government officials who rely upon affordable borrowing through the critical financing tools mentioned above to finance airports, universities, schools, roads, bridges, electric facilities, hospitals, affordable housing, and student loan financing.

As Congress considers enacting tax reform legislation in the coming weeks, we strongly support the decision to maintain the current-law tax exemption for most municipal bonds, but urge you to oppose provisions in the Tax Cuts and Jobs Act that would eliminate the tax exemption for PABs and advance refunding bonds.

PABs provide a critical source of funding for a variety of public-private partnerships, including multi-family housing projects, toll-roads, airports and seaports, hospitals, and even state-run student loan programs. These projects and programs foster job creation and economic development.

Tax-exempt advanced refundings allow state and local governments' to efficiently and successfully manage their finances, giving the most flexibility

to take advantage of market conditions and interest rates when refinancing existing debt. This lowers the cost of borrowing for basic infrastructure projects that directly benefit taxpayers.

Eliminating the exclusion of tax-exempt PABs and advanced refundings will only burden the taxpayer, as the added cost of this infrastructure financing is passed on, which is in direct conflict to the stated objective of the Act. It is imperative, now, more than ever, that Congress protects the ability of state and local governments to access cost effective capital through the use of tax-exempt municipal bonds. However, eliminating PABs and advanced refundings will make state and local investments, directly and through public-private partnerships, more costly and more difficult.

Sincerely,

The undersigned

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