

RESOLUTION

WHEREAS, municipal bonds are the primary financing tool used by state and local governments to fund essential infrastructure projects, such as roads, schools, water and wastewater systems, airports, affordable housing, and public and non-profit hospitals; and

WHEREAS, more than 50,000 state and local governments across the United States currently rely on municipal bonds to finance vital infrastructure projects, collectively investing over \$3.5 trillion in recent years, financing approximately 75% of all US infrastructure; and

WHEREAS, in exchange for investing in public infrastructure, investors in municipal bonds receive favorable tax treatment on the interest they earn, which reduces the borrowing costs for state and local governments, enabling access to affordable financing for necessary projects; and

WHEREAS, one recent analysis found that the tax benefit provided by municipal bonds reduces borrowing costs for state and local governments by an average of 54% compared to taxable debt; and

WHEREAS, in the State of Illinois, municipal bonds have played a significant role in financing the development of public infrastructure, with over \$137.4 billion invested in projects since 2015 through tax-exempt municipal bonds; and

WHEREAS, since 2015, Illinois taxpayers have saved an estimated \$2.9 billion on projects financed with tax-exempt municipal bonds, and as of January 23, 2025, there are \$113.19 billion of active municipal bonds in Illinois, with 1,464 state and local governments having tax-exempt municipal bonds outstanding; and

WHEREAS, any proposal to eliminate or limit the tax-exempt status of municipal bonds would increase borrowing costs for state and local governments, making it more difficult to fund critical infrastructure projects, thus harming public investment and the quality of life for citizens; and

WHEREAS, the City of Chicago recognizes the essential role that tax-exempt municipal bonds play in funding infrastructure projects across Illinois and the United States, ensuring the continued development of essential public services, job creation, and economic growth; now, therefore

BE IT RESOLVED, that we, the Mayor and members of the Chicago City Council, do hereby call upon the United States Congress to preserve the tax-exempt status of municipal bonds, recognizing the important role they play in financing public infrastructure; and

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the members of the Illinois Congressional delegation, the President of the United States, and other relevant federal officials.



GILBERT VILLEGAS
Alderman, 36th Ward