



City of Austin

Steve Adler, Mayor

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March 22, 2017

The Honorable Chris Turner
Texas House of Representatives
Room E1.408
P. O. Box 2910
Austin, TX 78768-2910

Dear Representative Turner,

I appreciate your introduction of House Concurrent Resolution 82 in support of retaining the tax exemption for municipal bonds. This issue is one of the City's top federal legislative priorities and we are grateful for your willingness to champion the need and significance of retaining the tax exemption for municipal bonds in the Texas Legislature. Your unwavering commitment to preserve municipal bonds and promote investments in our community's public infrastructure is commendable!

Tax-exempt municipal bonds are one of the most important tools a city has for financing investment in public infrastructure such as roads, housing, public safety, parks, and other public projects and HCR 82 strongly makes the case for the importance of retaining the tax exemption for municipal bonds. In December the City of Austin's financial advisor, Public Financial Management (PFM), provided an estimate of the increased interest costs that would potentially be borne by the City of Austin if all outstanding tax-exempt bonds were required to be originally sold as taxable bonds. It was estimated that the City would have paid an estimated \$1.05 billion (30.3%) more in interest costs on its outstanding debt if all presently outstanding bonds were sold on a taxable basis.

Thank you for your steadfast support for the preservation of municipal bonds and for all of your hard work on behalf of cities across Texas.

Cordially,

Steve Adler
Mayor