

**Subject:** Policy Advocacy  
**Sent:** 2/6/2025, 7:31:36 PM  
**From:** Michael Schnetzer<michael.schnetzer@gahanna.gov>  
**To:** Jeremy VanMeter; Trenton Weaver

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A few items to perhaps guide Monday's discussion.

Re: Ways & Means Committee reconciliation bill [menu items](#)

[Budget Options](#)

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[www.finance.senate.gov](http://www.finance.senate.gov)

Resources:

University of Chicago [center for municipal finance](#)

[Center for Municipal Finance – Sandbox | University of Chicago](#)

The mission of the Center for Municipal Finance (CMF) is to improve the quality of life in our communities through better decisions about public money.. To that end, we strive to be the leading source for the best research, training and outreach on states’ and localities’ taxing, spending, borrowing and investing decisions.

[munifinance.uchicago.edu](http://munifinance.uchicago.edu)

Public Finance Network - [Built By Bonds](#)

[Public Finance Network - Government Finance Officers Association](#)

The Public Finance Network (PFN) is a collection of associations dedicated to protecting access to affordable capital for our communities. We have all heard of municipal bonds, but for many of us, our knowledge of the \$4 trillion municipal market stops there.

[www.gfoa.org](http://www.gfoa.org)

Data points:

- According to CBO data by way of the [Peterson Institute](#), state and local governments account for three-fourths of the nation's infrastructure spending, while the federal government accounts for one-fourth.

[State and Local Infrastructure Spending: A Closer Look](#)

Public spending on infrastructure applies to both capital investment as well as operation and maintenance: Capital investment refers to spending for new projects and the modernization of existing assets.; Spending for operation and maintenance includes outlays for the upkeep of infrastructure assets to ensure structural viability, as well as costs associated with administering public ...

[www.pgpf.org](http://www.pgpf.org)

- Municipal bonds are a critical tool for state and local governments to finance essential infrastructure projects that help to power America's economy.
- The latest [ASCE report card](#) gave the nation's infrastructure a grade of "C-".
- Interest on municipal bonds has been exempt from the federal income taxes for over a century, dating back to the Revenue Act of 1913 which re-established the federal income tax.
- Over \$4.3 trillion worth of municipal bonds have been issued over the last decade (2015-2024) to fund vital infrastructure projects including roads, bridges, airports, seaports, and water and sewer systems.
- It is estimated that elimination of the tax exemption would raise borrowing costs for municipal issuers by \$823.92 billion over the next decade (2026-2035). This would equate to a [tax and rate increase of \\$6,554.67](#) for each American household.
- The City of Gahanna recently benefitted from the municipal interest exemption when the city issued a total of \$64 million worth of tax-exempt municipal bonds to finance construction of 825 Tech Ctr Dr. Had the city issued bonds at then-prevailing taxable interest rates that were 2-ppts higher, it would have increased the total interest cost over the life of the bonds by \$15.5 million.

Michael Schnetzer  
Gahanna City Council, Ward 2