

# Resolution No. 241-2025

By Council Member Griffin

AN EMERGENCY RESOLUTION  
Declaring support for the preservation of the  
Federal Tax Exemption of Municipal Bonds.

FOR ADOPTION  
February 24, 2025

WHEREAS, the tax-exempt municipal bond market is a widely used source of capital for states, local governments, tribes, territories, and non-profit borrowers that finances a tremendous share of the nation’s public infrastructure; and

WHEREAS, state and local governments finance about three-quarters of the public infrastructure in the United States and use tax-exempt bonds to do so, with the federal government providing only about one-quarter of the investment; and

WHEREAS, federal tax exemption for municipal bonds, dating back to the 1800s and incorporated into the modern tax code in 1913, has been crucial for state and local governments to affordably finance critical infrastructure projects; and

WHEREAS, tax-exempt bonds offer borrowers to achieve a multiplier effect of 2.11, meaning that for every dollar, borrowers achieve \$2.11 in borrowing cost savings thereby demonstrating the efficiency and effectiveness of this exemption in facilitating infrastructure investment; and

WHEREAS, tax-exempt bonds provide for essential infrastructure projects, such as roads, bridges, utilities, broadband, water and sewer systems, and hospitals, which are vital to the health and well-being of our community such that without such bonds, the cost of borrowing would be more expensive thereby causing an increase in taxes and fees that would place an undue burden on taxpayers; and

WHEREAS, this Council finds and determines that tax-exempt municipal bonds provide an opportunity for economic development along its path, better facilitate the movement of agriculture products, equipment, and other goods, and increase safety; and

WHEREAS, this resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety, now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council declares support for the preservation of the Federal Tax Exemption of Municipal Bonds.

Section 2. That the Clerk of Council is directed to transmit copies of this resolution to the Ohio Congressional Delegation.

Section 3. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

BAG:rns  
2/24/2025

Res. No. 241-2025

REPORT  
after second Reading

By Council Member Griffin

AN EMERGENCY RESOLUTION

Declaring support for the preservation of the Federal Tax Exemption of Municipal Bonds.

READ FIRST TIME  
and referred to

REPORTS

READ FIRST, SECOND AND THIRD TIME

CITY CLERK

READ SECOND TIME

CITY CLERK

READ THIRD TIME on FEBRUARY 24, 2025

PRESIDENT

CITY CLERK

APPROVED

MAYOR

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