

RESOLUTION

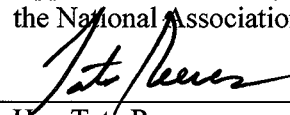
Supporting Legislation to Assist State and Local Governments to More Efficiently Finance Vital Public Services

Urging the President and the Congress of the United States to enact legislation to help state and local governments to more effectively finance the cost of vital public services and infrastructure projects.

- WHEREAS,** State and local governments use tax-exempt bonds to finance vital public programs and infrastructure projects; and
- WHEREAS,** Currently, issuers of municipal debt are restricted in their ability to refinance, or “advance refund,” existing debt. These federal tax law restrictions include a prohibition on multiple advance refunding, permitting only one refunding; and
- WHEREAS,** Advance refunding permits state and local governments to refinance outstanding high-interest debt, saving substantial amounts in interest expense.; and
- WHEREAS,** If interest rates fall to a point where a refinancing would generate enough interest savings to be attractive, and state and local governments have already exhausted their one permitted advance refunding, they are precluded from taking advantage of lower interest rates; and
- WHEREAS,** Current interest rates have reached near historic lows, offering state and local governments the opportunity for significant costs savings on debt issuance; and
- WHEREAS,** Permitting additional advance refunding will provide state and local governments with substantial interest costs savings, thereby permitting increased investment in schools, roads, bridges, and other vital public infrastructure needs.

NOW, THEREFORE BE IT RESOLVED, that National Association of State Treasurers urges the President and the Congress of the United States to enact legislation to help state and local governments to more effectively finance the cost of vital public services and infrastructure projects.

Approved this 15th Day of September, 2007, by
the National Association of State Treasurers



Hon Tate Reeves,
NAST President and Mississippi State
Treasurer