



RESOLUTION

GUIDING PRINCIPLES FOR A PROSPEROUS PATH FORWARD WITH NEW NATIONAL INFRASTRUCTURE INVESTMENT

- WHEREAS,** State governments and other levels of government rely on the issuance of tax-exempt bonds or other tax-advantaged bonds to finance the construction of critically needed infrastructure; and
- WHEREAS,** Our nation's infrastructure is slowly crumbling and is unable to meet the education, transportation, utility, health care, housing, environmental, and other needs of our citizens; and
- WHEREAS,** More than 140,000 state or locally owned bridges are deficient and nearly one third of our schools require major infrastructure investment; and
- WHEREAS,** The critical need for infrastructure investment has never been greater; and
- WHEREAS,** Inadequate infrastructure is constraining economic growth and harming the productivity of our nation's businesses; and
- WHEREAS,** Now is not the time to raise the cost of these projects by compromising the demonstrated success of the tax-exempt municipal bond market or by reducing direct federal aid for infrastructure.

NOW, THEREFORE BE IT RESOLVED, that the National Association of State Treasurers fully supports the following guiding principles for infrastructure investment.

1. NAST supports the retention and protection of the tax-exemption of municipal bond interest from federal and state income taxation.
2. NAST opposes preemption of state and local finance authority and oversight of the debt issuance process through revision or repeal of the Tower Amendment or enactment of legislation to subject state and local government issuers to federal disclosure laws.
3. NAST supports the self-regulatory structure of the municipal market, and the commitment of all issuers of the municipal securities to provide annual financial, operating, and other information in a timely manner consistent with federal and state laws and Securities and Exchange Commission rules.

4. NAST supports federal investment in state infrastructure projects with reliable and sustainable direct federal aid that meets infrastructure needs, including those for transportation, water, health, education and telecommunication.
5. NAST supports federal infrastructure financing programs, including but not limited to, the Transportation Infrastructure Finance Innovation Act (TIFIA) that are intended to support specific infrastructure investments with lower cost or longer-term funding.
6. NAST supports direct subsidy bonds, similar to Build America Bonds (BABs), provided that their subsidies are exempt from future sequestrations.
7. NAST supports efforts to amend the Liquidity Coverage Ratio Rule (LCR) to require municipal bonds that are liquid, readily marketable and investment grade to be treated as level 2A High Quality Liquid Assets (HQLA).

BE IT FURTHER RESOLVED, that the National Association of State Treasurers urges Congress and the Administration to adopt these principles as it crafts new and important infrastructure policies, regulations, legislation and laws.

Approved this 15th Day of September 2020, by the
National Association of State Treasurers