

By: Mallory Caraway

H.R. No. 1138

R E S O L U T I O N

1           WHEREAS, Deteriorating conditions in the credit markets have  
2 severely diminished the ability of cities to access traditional  
3 sources of funding for projects that meet critical local needs;  
4 consequently, many municipal projects today are in jeopardy or are  
5 being delayed, with prospects for their future realization highly  
6 uncertain; and

7           WHEREAS, Municipal projects provide important, effective  
8 economic stimulus and are worthy of partnership with the federal  
9 government; civic projects instantly create and cause the retention  
10 of multiple thousands of jobs in many different industries; city  
11 projects often include partnerships with the private sector that  
12 create a leveraging of mutual interests and maximum economic  
13 benefit for the greater community; many city projects are transit  
14 oriented, which spurs additional economic benefit; moreover, when  
15 projects involve the enhancement or development of public mass  
16 transit, they result in reduced highway congestion, reduced air  
17 pollution, and reduced dependence on foreign oil; and

18           WHEREAS, Projects supported by municipal bonds are vetted  
19 locally, approved in elections by local voters, and administered  
20 locally, conditions that promote the highest level of transparency  
21 and accountability; and

22           WHEREAS, Recently passed amendments to the Troubled Assets  
23 Relief Program (TARP) legislation that are contained in H.R. 384,  
24 Section 402, clarify the authority of the U.S. Treasury regarding

1 municipal securities; exercising the authority to directly  
2 purchase such bonds, and/or provide credit enhancements for them,  
3 would provide an opportunity to realize immediate, significant  
4 contributions to our economic recovery; and

5 WHEREAS, Directly purchasing municipal securities at  
6 appropriate interest rates, or providing credit enhancements that  
7 allow cities access to traditional market interest rates for bonds,  
8 would give the federal government the opportunity to be repaid,  
9 with interest, the entire sum it furnishes through the partnership;  
10 in addition, providing this relief in the municipal credit markets  
11 would result in a significant tax reduction for local taxpayers in  
12 the form of dramatically reduced publicly funded interest costs;  
13 and

14 WHEREAS, Working together to construct an efficient  
15 application of the authorization provided in H.R. 384, Section 402,  
16 would greatly enhance our country's progress toward economic  
17 recovery; now, therefore, be it

18 RESOLVED, That the House of Representatives of the 81st Texas  
19 Legislature hereby respectfully urge U.S. Secretary of the Treasury  
20 Timothy Geithner to implement a plan that will allow cities  
21 affected by the credit crisis to access traditional market interest  
22 rates for bonds; and, be it further

23 RESOLVED, That the chief clerk forward an official copy of  
24 this resolution to the U.S. secretary of the treasury.