



STATEMENT OF PRINCIPLES

Infrastructure Improvement Policies

As the Trump Administration and the 115th Congress begin to formulate strategies to improve America's basic infrastructure, stimulate the economy, and get America back to work, water agencies and associations nationwide have developed the following set of principles related to improving and enhancing the Nation's water supply and delivery systems.

Preserve Access to Tax Exempt Municipal Bonds

We support the preservation of the current tax-exempt status for municipal bonds and oppose any action that would undermine investor demand for municipal bonds, including placing a cap on the tax-exempt interest earned on municipal bonds, reducing the rate at which interest earned on taxable bonds is taxed, or eliminating the tax exemption for interest earned on municipal bonds altogether. Not maintaining the tax-exempt status of municipal bonds would increase the cost and defer the implementation of critical public infrastructure needed to support economic sustainability and growth.

Authorize the Use of Tax Credit Bonds to Finance Water Related and Other Infrastructure Projects

We support the use of Tax Credit Bonds, similar to the "Build America Bonds" briefly authorized in 2009, which would provide an effective and flexible method for the Federal government to encourage the mobilization of private capital to assist in financing infrastructure projects, including water and sanitation, without relying on Congressionally appropriated dollars. In authorizing the use of Tax Credit Bonds we encourage Congress to set aside a specific allocation of these bonds for new water supply projects and the rehabilitation of aging water systems. The use of Tax Credit Bonds should be done without impacting local governments' access to tax exempt municipal bonds.

Increase Appropriations for Federal Water Infrastructure Programs

We support additional funding for federal agencies to pursue water infrastructure projects through existing, but historically underfunded programs, including the Bureau of Reclamation, the Army Corps of Engineers, and the EPA's Safe Drinking Water and Clean Water Revolving Funds.