



1997 ASSEMBLY JOINT RESOLUTION 100

February 3, 1998 – Introduced by Representative WARD. Referred to Committee on Rules.

1 **Relating to:** memorializing Congress to increase the limit on private activity bonds.

2 Whereas, a policy of the state of Wisconsin is to assure the health, safety and
3 welfare of its citizens; and

4 Whereas, a reasonable limit to the amount of tax-exempt private activity bonds
5 is essential and critically important to this state and nation for financing affordable,
6 decent, first-time, single-family homeownership opportunities, multifamily rental
7 developments and several other equally significant purposes that contribute to the
8 well-being of the citizens of the state; and

9 Whereas, private activity bonds provide the necessary financing that allows the
10 state of Wisconsin to remain a national leader in the creation of manufacturing jobs,
11 and an adequate supply of tax-exempt financing is critical for Wisconsin businesses
12 to expand productive capacity and provide additional family-supporting jobs to its
13 citizens; and

14 Whereas, the U.S. Congress, in the Tax Reform Act of 1986, established
15 restrictions on tax-exempt private activity municipal bonds, effective January 1,

1 1988, that imposed a limit, based on each state's population, not to exceed the greater
2 of \$50 per capita or \$150,000,000 per calendar year but failed to include an automatic
3 inflationary multiplier to ensure that the purchasing power of this resource did not
4 become diluted; and

5 Whereas, based on Wisconsin's population, the amount of private activity
6 bonding for this state is \$258,000,000 in 1997, an amount inadequate to meet the
7 tax-exempt private activity financing demands of the state of Wisconsin and its
8 agencies and political subdivisions; and

9 Whereas, since 1987 the effects of annual inflation have diluted the purchasing
10 power of Wisconsin's tax-exempt private activity bonding cap by 44.6%, thereby
11 reducing the real purchasing power of this bonding resource to only \$143,000,000 in
12 1997; and

13 Whereas, losing \$115,000,000 in the real value of tax-exempt private activity
14 bonding has been detrimental to the ability of this state to provide adequate
15 affordable housing opportunities to its lower-income constituents by reducing
16 nearly in half the number of single-family and multifamily housing units available
17 and affordable to the ever-increasing number of lower-income, first-time
18 homebuyers and renters; and

19 Whereas, if the state and its political subdivisions continue to be unable to
20 provide adequate levels of tax-exempt private activity bond financing, the health,
21 safety and welfare of the citizens of this state will be further negatively impacted;
22 now, therefore, be it

23 ***Resolved by the assembly, the senate concurring, That*** the legislature of
24 the state of Wisconsin urges the U.S. Congress to increase immediately the
25 tax-exempt private activity volume cap available to each state to a level that would

1 fully restore the purchasing power to offset the diluting effects of inflation since 1987
2 and to index increases for this resource to inflation in future years; and, be it further

3 ***Resolved, That*** the assembly chief clerk shall provide copies of this joint
4 resolution to the leadership of the majority and minority parties of the U.S. Congress,
5 to the President of the United States and to the members of Wisconsin's
6 congressional delegation.

7 (END)