

RESOLUTION NO. 86-146

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DELTA, UTAH, EXPRESSING OPPOSITION TO PASSAGE OF H.R. 3838, OF THE TAX REFORM ACT OF 1985, AMENDING SECTION 103 AND CERTAIN OTHER SECTIONS OF THE INTERNAL REVENUE CODE OF 1954, AS AMENDED, AS THEY PERTAIN TO TAX EXEMPT STATE AND LOCAL GOVERNMENT FINANCINGS, WHICH PROPOSED PROVISIONS WOULD SEVERLY LIMIT THE ABILITY OF STATE AND LOCAL GOVERNMENTS TO FINANCE AND RE-FINANCE PROJECTS BENEFICIAL TO THE PUBLIC BY MEANS OF TAX EXEMPT FINANCING.

The City Council of the City of Delta, Utah, referred to herein as the "City Council" hereby recites the following as the basis for adopting this resolution:

A. The United States House of Representatives has approved H.R. 3838, the Tax Reform Act of 1985, and H.R. 3838 is to be considered by the United States Senate.

B. H.R. 3838, among other things, imposes burdensome, costly and complicated requirements on state and local governments to be satisfied in order for state and local government financings to retain their tax exempt status and which prohibit the use of tax exempt financing for certain types of facilities which are beneficial to the public. H.R. 3838 also requires state and local governments to pay a portion of the interest earned on proceeds of municipal financings to the Federal government and imposes new requirements on certain holders of tax exempt securities and users of facilities financed by tax exempt securities; including, in certain cases, the payment of new or additional taxes.

C. State and local governments have long relied on the use of tax exempt financing to provide necessary and useful public facilities and services which promote and provide for growth and development in the City of Delta, Utah.

D. State and local governments also face the immediate prospect of losing federal revenue sharing due to federal budget reductions, which will further limit and hamper the ability of the City of Delta, Utah to cope with local needs, especially in light of the significant revenue decreases resulting from completion of the Intermountain Power Project near Delta, Utah and the resultant loss of impact alleviation funding and additional sales and use tax revenues.

E. For the reasons set forth above, passage of those portions of HR 3838 relating to tax exempt municipal financing or any similar legislation with the same or similar effect would be adverse to the interests of the residents of Delta, Utah.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Delta, Utah:

1. Opposition to HR 3838. The City Council is opposed to passage of those portions of HR 3838 amending Section 103 and certain other sections of the Internal Revenue Code of 1954, as amended, pertaining to tax exempt state and local financings.

2. Notice of Resolution. The Mayor and City Manager are directed to send a copy of the resolution, together with certification of its adoption to United States Senator E.J. "Jake" Garn and United States Senator Orin G. Hatch.

3. Effective Date. This resolution shall become effective upon adoption.

PASSED AND APPROVED this 5th day of May, 1986.

1s/ Ruth Hansen
RUTH HANSEN, Mayor

Attest: 1s/ Dorothy Jeffery
DOROTHY JEFFERY,
City Recorder