

(Lone Tree, CO) – U.S. Rep. Mike Coffman, R-Aurora, introduced legislation last week that will give school districts, nonprofits, and other local governments the ability to refinance their debt and benefit from lower interest rates using tax exempt financing. Current law allows school districts, nonprofits, and other local governments to be able to refinance their debt only once using tax exempt financing.

“We need to provide local entities with the opportunity to take advantage of record low interest rates to complete important projects that will benefit schools and local governments. After consulting with local officials, I have come to the conclusion that we should revise our tax laws to allow school districts, municipalities, nonprofits and other local governments to refinance their bonds for a second time to save taxpayer dollars,” said Coffman.

Coffman, a former State Treasurer in Colorado, introduced House Resolution 6560, the Local Schools and Infrastructure Improvement Act of 2012, after consulting with local officials from school districts in Colorado. Budget constraints and an inability to refinance bonds to lower interest rates have left many cash-strapped school districts and municipalities in the difficult position of not being able to refinance their bonds to lower debt service payments and so use the savings to help relieve pressure on their already tight budgets.

“Congressman Coffman’s bill will provide significant help to schools, governments, and charities in Colorado and around the country. Because we work with these issuers every day, we at the National Association of Bond Lawyers know just how important this will be,” said Dee Wisor, an attorney in the Denver office of Sherman and Howard, LLC and a member of the Board of Directors of the National Association of Bond Lawyers.

The legislation has been endorsed by Superintendent John Barry and of Aurora Public Schools and Superintendent Christopher Gdowski of Adams County 12 Five Star Schools, who helped with the drafting of the bill.

“I am hopeful that with passage of the Local Schools and Infrastructure Improvement Act of 2012 we can help school districts, nonprofits and local governments save money by refinancing their bonds at lower interest rates and benefit communities all across the country.”

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