

Although these restrictions did somewhat slow the growth of the municipal securities market, they did not curtail its growth, and, in some respects, the restrictions enhanced the municipal securities market by encouraging more conservative fiscal debt policies, thus enhancing investor confidence.⁹⁹ Restrictions on tax millage also cleared the path for non-tax supported debt (e.g., revenue bonds). From that first reported issuance in 1812 through 1890, the total volume of outstanding state and local government obligations grew to \$2 billion.¹⁰⁰ In 1996, the total volume of outstanding municipal debt was \$1.26 trillion, and in 2019 it was \$3.85 trillion.¹⁰¹ The following table reflects the growth of the municipal securities market since 1950.

B. Growth of the Municipal Securities Market

The growth in the size of the municipal securities market has also been a function of the growth in the number of municipal issuers, as well as the transition from primarily general-obligation debt to predominately revenue-backed debt. With the introduction of special purpose governmental entities (e.g., special districts), the number of municipal issuers is estimated by various regulatory agencies at approximately 50,000 in 2020.¹⁰²

State and Local Debt Outstanding¹⁰³

Year	\$ in billions
1950	24.4
1960	70.8
1970	144.4
1980	350.3
1989*	784.0
2000	1,480.7
2005	3,099.3
2010	3,968.3
2015	3,840.4
2020	3,949.9

*1990 data not available

C. Bankruptcy Law

Municipal bankruptcy is another legal arena where constitutional principles and tensions have driven legislative evolution in a direction quite different than that applicable in the corporate markets. Governmental units cannot liquidate under federal bankruptcy, and a municipal bankruptcy under

99. *Id.* at 97.

100. PUB. SECS. ASS'N, FUNDAMENTALS OF MUNICIPAL BONDS (Gordon L. Calvert ed., 3d ed. 1990).

101. *Fixed Income Outstanding*, SIFMA, <https://www.sifma.org/resources/research/fixed-income-chart> (last visited Jan. 13, 2023).

102. See, for example, the May 4, 2020, joint statement by then U.S. Security and Exchange Commission Chairman Jay Clayton and Office of Municipal Securities Director Rebecca Olson, *The Importance of Disclosure for Our Municipal Markets*, SEC (May 4, 2020), <https://www.sec.gov/news/public-statement/statement-clayton-olsen-2020-05-04>.

103. Compiled from PUB. SECS. ASS'N, *supra* note 100, and SIFMA, *supra* note 101. Data based upon fixed income account information compiled by the Federal Reserve System.