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U.S. Muni Supply Tops \$4 bln Next Week, as Focus Stays on Tax Reform.

Nov 17 (Reuters) - New York's Metropolitan Transportation Authority will lead next week's U.S. municipal debt load, which includes \$4.2 billion of total bonds and \$69 million in notes.

The MTA will issue about \$2 billion in bonds to refinance outstanding transportation revenue bonds, so-called green bonds that support financing for projects that reduce the impact of climate change.

In another large negotiated deal, Virginia's Commonwealth Transportation Board will issue \$479 million to refund outstanding notes and help pay for a slew of repairs and work on Virginia state-owned roads.

That deal, set to price on Tuesday, is being underwritten by Wells Fargo.

The biggest competitive bond next week will come from New York's Orange County, which plans to issue some \$55.5 million in public improvement serial bonds.

Georgia will provide the largest note issuance, a negotiated, \$35 million deal from the Atkinson-Coffee County Joint Development Authority, underwritten by Raymond James.

The U.S. muni bond world will continue to watch tax reform efforts next week, as President Donald Trump and Republicans in U.S. Congress push tax legislation that could have an impact on municipal investing.

The so-called Tax Cuts and Jobs Act, which passed in the House of Representatives on Thursday, still must pass muster in the Senate before making it to Trump's desk.

The bill would terminate private activity bonds (PABs), and repeal advance refundings, which municipal issuers use to refund bonds ahead of their call dates to take advantage of lower interest rates.

While the bill preserves the tax-exempt status of some municipal bonds, PABs and refunding bonds account for some 40 percent of all tax-exempt bonds, PNC Managing Director and municipal strategist Thomas Kozlik said in a note on Wednesday.

"There are scenarios we envision where no tax-exempt advance refunding or private activity bonds are sold for the first three to four months, or perhaps maybe not at all in 2018, if there is no conclusion about tax reform," Kozlik wrote.

By Nick Brown