

# **Bond Case Briefs**

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## **BDA Support for HR 2 and Muni Bond Provisions - Including IDB Expansion.**

### **AR bill being introduced in Senate today**

BDA today sent a letter to House Speaker Nancy Pelosi (D-CA) and House Minority Leader Kevin McCarthy (R-CA) in support of HR 2, the Moving Forward Act. HR 2 would reauthorize federal surface transportation grant programs as well as restore tax-exempt advance refundings and make other improvements to tax-exempt bond law.

Our letter to the congressional leaders emphasizes provisions in HR 2 intended to expand the use of small issue industrial development and first-time farmer bonds. HR 2 incorporates the provisions of HR 5422, legislation sponsored by Reps. Stephanie Murphy (D-FL) and Darin LaHood (R-IL). Their bill would raise the capitalization limit for small manufacturing companies eligible to use small issue IDBs from \$10 to \$30 million and index that number for inflation annually. The bill would raise the issuance cap for first time farmers from \$450,000 to \$552,500, also indexed for inflation going forward, and make other related changes. All those provisions are included in HR 2.

Our letter on HR 2 also emphasized our support for provisions in the bill intended to expand bank qualified bonds and reinstate tax-exempt advance refundings and direct pay bonds. We expect the House to vote on HR 2 as early as today, but certainly before the July 4 recess.

In addition, we expect that legislation to restore advance refundings will be introduced today in the US Senate. We anticipate that Sens. Roger Wicker (R-MS) and Debbie Stabenow (D-MI) will introduce a bill which would restore advance refunding law to its status before the 2017 tax bill was enacted. This would be a companion bill to HR 2772, advance refunding legislation introduced last year in the House of Representatives. HR 2772 has been incorporated into HR 2 and will be voted on by the House this week. Other expected original coposnors in the Senate include Sens. Michael Bennet (D-CO), Shelly Moore Capito (R-WV), John Barrasso (R-WY), Bob Menendez (D-NJ), Jerry Moran (R-KS), and Tom Carper (D-DE).

A copy of our letter is available [here](#). Please call if you have any questions.

### **Bond Dealers of America**

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