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Infrastructure Update: BDA Discusses Potential Legislation with Federal Agencies

The BDA hosted conversations with senior-level staff, both political and career, at the U.S. Department of Treasury and the Department of Transportation regarding potential infrastructure legislation this year, and the inclusion of municipal bond provisions.

Key points include:

- **DOT Secretary Pete Buttigieg recently [promoted the reinstatement of tax-exempt advance refundings](#) during his confirmation hearing in the Senate and his staff reaffirmed his support for such a provision;**
- Both DOT and Treasury expect the Administration to push infrastructure shortly after the current COVID bill is signed into law;
- The expected legislation will feature many grant programs, but we were reassured these programs will work to support and embolden the municipal market;
- The vehicle for the legislation has yet to be decided. The Administration may still push for a much larger package via additional budget reconciliation, much like COVID relief, or push these provisions through the surface transportation reauthorization later this year.

The BDA continues to work with our partners on the Hill to promote legislation that would:

- Restore the ability of state and local governments to save taxpayer dollars and generate additional funds for infrastructure and other key initiatives by restoring tax-exempt Advanced Refundings (ARs);
- Expand the use of tax-exempt Private Activity Bonds (PABs)
- Raise the Bank Qualified Debt limit from \$10 million to \$30 million and tie to inflation
- Create a direct pay bond similar to the former Build America Bond (BAB) program exempt from sequestration;
- Expand the utilization of green bonds for state and local governments to invest in resilient infrastructure.

The BDA will continue to provide updates as they come available.

Bond Dealers of America

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