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'Build America Bonds' Revival Draws Bipartisan Support in Congress.

- **Obama-era subsidized debt raised more than \$180 billion**
- **'An outbreak of major bipartisanship around' subsidizing bonds**

Democrats and Republicans in Congress are in favor of reviving an Obama-era bond program for states and cities to help spur increased spending on infrastructure projects.

Senator Ron Wyden, a Democrat from Oregon who chairs the Senate Finance committee, said at a hearing of the panel Tuesday that there is bipartisan support for creating a new borrowing program akin to Build America Bonds as President Joe Biden seeks to enact a major infrastructure spending plan. The federal government paid some of the interest bill for such securities under a temporary program enacted after the last recession.

"We're only 19 minutes into this morning hearing, and we have already had an outbreak of major bipartisanship around Build America Bonds," said Wyden, who advocated for the creation of the financing tool in 2007.

The hearing on infrastructure financing is promising sign for Wall Street and local government groups that have pushed for the revival of a directly subsidized bond program.

The Build America Bonds program unleashed a wave of debt sales by municipalities, with more than \$180 billion of the securities sold before the program lapsed at the end of 2010, according to data compiled by Bloomberg. The securities were a taxable alternative to traditional tax-exempt bonds, which both took the pressure off the municipal-debt market and allowed underwriters to market them to overseas investors and others who don't typically buy state and local government debt.

In April, a group of Senators including Roger Wicker, a Republican from Mississippi, and Michael Bennet, a Democrat from Colorado, reintroduced a bill that would create similar securities called American Infrastructure Bonds. In the House, Representative Terri Sewell, a Democrat from Alabama, also introduced a bill that would create the tool.

State and local lobbying groups have also pushed for the return of tax-exempt advance refundings, a key debt refinancing tool that was curbed as part of the GOP's 2017 tax overhaul. Senator Debbie Stabenow, a Democrat from Michigan, said during the hearing that she'd like to see that refinancing tool included in the next infrastructure package.

Bennet, a sponsor of the American Infrastructure Bonds bill, said at the hearing that the comments on Build America Bonds gave him "hope."

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