

Bond Case Briefs

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Direct Pay Bonds and PABs Remain in Spotlight - Other Muni Provisions Expected to Receive Continued Support

As noted yesterday, a bipartisan group of 21 senators released the [latest infrastructure compromise](#), a \$1 trillion package with nearly \$600 billion of new spending. While [light on pay-for details](#), the package did include some details on how the group plans to finance the plan, which includes a new direct-pay bond and references to increased private investment and P3 financing.

Muni Financing and Infrastructure

The most recent package includes a new direct-pay bond the American Infrastructure Bond (AIB). The legislation introduced by Senators Wicker (R-MS) and Bennet (D-CO) would create a new direct-pay bond with a flat 28% reimbursement rate. **In the original legislation, the AIB would be exempt from sequestration, however, no details on the sequestration treatment were included in the document released yesterday.**

While there was no direct mention of the reinstatement of tax-exempt advance refundings, or other muni priorities such as raising the BQ debt limit, the document did allude to the expansion of Private Activity Bonds to further finance the package. The MBFA and BDA remain committed to ensuring all priorities are included in the final package and continue to work to ensure more muni priorities are outlined once Congress and the Administration begin to write legislative text.

Bond Dealers of America

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