

Bond Case Briefs

Municipal Finance Law Since 1971

Infrastructure Deal Within Reach - Muni Provisions Remain a Priority

A bipartisan group of 21 Senators has come to a soft agreement with the Biden Administration on a \$1 trillion infrastructure package. While the deal has yet to receive support from Congressional Leadership, this is a promising step. The group plans to meet with the President this afternoon.

The [framework](#) includes nearly \$600 billion in new spending and [relies heavily on muni provisions](#) such as the expansion of Private Activity Bonds and creates a new direct pay bond, the American Infrastructure Bond. The AIB 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 original document.

While there was no direct mention of the reinstatement of tax-exempt advance refundings or raising the BQ debt limit, the MBFA and BDA remain committed to ensuring all priorities be included in the final package once Congress and the Administration begin to write legislative text.

Bond Dealers of America

June 24, 2021