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No Muni Provisions in Latest Infrastructure Counter Offer - Bipartisan Infrastructure Talks Falter Searching for Offsets.

This weekend, bipartisan infrastructure negotiations continued with Senate Democrats and the White House presenting their “global offer,” an extensive list of revenue compromises, **which includes removing all bond provisions from the agreement outline amongst other changes to the spending plan.**

The original bipartisan agreement included provisions that would raise the PABs cap for transportation purposes and create a new direct-pay bond the American Infrastructure Bond. The provisions were removed as a way to find needed revenue to ensure the package would be “revenue neutral.” This offer was publicly rejected by both Republican and some Democratic negotiators, and we continue to work with our partners on the Hill and in the Administration promoting these key financing options. The next steps for the package at this time remain murky, with portions of the upcoming August recess likely to be cut short.

The MBFA and BDA have learned through conversations with senior Administration staff and key Capitol Hill contacts that muni provisions remain a priority for Congressional tax writers as Democrats eye the next spending opportunity, the likely \$3+ trillion-dollar budget reconciliation package later this summer.

These muni provisions under consideration include:

- The restoration of tax-exempt advance refundings
- Raising the BQ limit;
- The direct-pay American Infrastructure Bond;
- Further consideration of expanding PABS.

The MBFA is in the process of setting up virtual meetings with key Hill staff during August recess to discuss these and other municipal bond priorities for infrastructure. More details are expected later this week.

If you are interested in participating, please email Brett Bolton at brettbolton@munibondsforamerica.org

Bond Dealers of America

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