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[Muni Impact of US Infrastructure Bill Could Prove Longer Term.](#)

While the new US infrastructure investment bill didn't have any initiatives directly targeting the municipal bond market, there are still implications for munis in the longer term, according to our Municipal Bond Director of Research Jennifer Johnston. She explains the ramifications for investors in the space.

On November 15, 2021, US President Joe Biden signed into law HR3684, the Infrastructure Investment and Jobs Act. This bipartisan infrastructure bill includes \$1.2 trillion of federal spending over the next five years. Of the \$1.2 trillion, \$550 billion is new spending, while the remainder will fund the reauthorization of the Highway Trust Fund. The final bill did not contain certain municipal bond market-related initiatives such as advance refunding, Build America Bonds (BABs) or elimination of the state-and-local tax (SALT) deduction cap.

The \$550 billion in new spending is spread out over a number of transportation subsectors. The largest spending categories include \$110 billion for roads and bridges, \$73 billion for electric grid infrastructure, \$66 billion for rail, \$65 billion for broadband projects and \$55 billion for water infrastructure. Moneys will be allocated using various formulas and distribution methods to states, local governments and agencies that will ultimately determine how the money is spent.

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