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Snowe, Kerry, Brown, Smith Announce Bipartisan Bill to Aid Manufacturing Industry

WASHINGTON D.C. – U.S. Senators Olympia J. Snowe (R-Maine), John Kerry (D-Mass.), Sherrod Brown (D-Ohio) and Gordon Smith (R-Or) introduced today S. 2885, bipartisan legislation that would increase state and local access to the Industrial Development Bond (IDB) program. IDBs have been subject to outdated manufacturing definitions for the past two decades. Current law does not allow high-tech, innovation and intangible manufacturing practices to be eligible for IDB financing.

"Technology and innovation has changed the face of our economy and if we are to remain competitive, our manufacturing community will need access to programs that can help create jobs, expand business and foster growth," said Senator Snowe, the Ranking Member of the Senate Committee on Small Business and Entrepreneurship. "Maine has lost 28 percent of our total manufacturing employment over the last decade. At a time when our economy is slowing, it is critical that we provide states and localities with a wider range of options in promoting economic development. This legislation will do just that by expanding the availability small-issue IDBs to new economy industries, such as software and biotechnology, that have proven their ability to provide high-paying jobs."

Specifically, this bill would expand the definition of "manufacturing" as it pertains to the small-issue IDB program to include the creation of "intangible" property. These IDBs allow state and local development finance authorities to issue tax-exempt bonds for the purpose of raising capital to provide low-cost financing of manufacturing facilities. These bonds, therefore, provide local authorities with an invaluable tool to attract new employers and assist existing one's to grow. The result is a win-win situation for local communities providing them with much needed jobs.

"It's been a long, hard rough patch for manufacturing workers and businesses in New England, and this legislation is one small step we can take to help spur development in technology," said Senator Kerry, the Chairman of the Senate Committee on Small Business and Entrepreneurship. "Today, the reach of the Industrial Development Bond program is limited. It's time to bring the program in-step with the modern economy by broadening the definition of manufacturing to

include knowledge-based companies. Software and biotechnology manufacturing are now major staples of the American economy, supplying thousands of jobs in every state, especially Massachusetts. This reform recognizes that modernization promotes economic development and creates new jobs by fueling the industry in a new way.”

“It is critical we give manufacturers and localities the resources to promote economic development and create jobs. Ohio manufacturing can compete globally when it has the right tools and a level playing field,” Senator Brown said.

“Oregon is home to a booming high tech industry, one of the strongest in the nation. This legislation allows our high-tech industry keep innovating and growing,” said Senator Smith. “Granting access to these tax-exempt bonds will strengthen Oregon’s high-tech sector, ensuring that we continue to be a global leader in technological innovation.”

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