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NEWS RELEASE

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**CDFA's Updated Manufacturing Definition for Industrial Development Bonds
Legislation Reintroduced in Senate
-- Change Would Allow High-Tech & Innovation Companies to Access IDBs --**

Cleveland, OH – The Council of Development Finance Agencies (CDFA) announces that legislation expanding the use of industrial development bonds (IDBs) for high-tech and new technology manufacturers has been reintroduced as Senate Bill 158. The bipartisan effort builds on CDFA's 2008 work on Capitol Hill and briefing with the Obama Transition Team as CDFA works to have this legislation included in the forming stimulus package.

Senator Olympia Snow, ME, reintroduced the bill on the first day of the 111th Congress with co-sponsorship from Senators John Kerry, MA, Blanche Lincoln, AR, and Sherrod Brown, OH. These same four Senators were also co-sponsors on this bill in the last Congress. The bill has been sent to the Senate Finance Committee, of which Senators Snowe and Lincoln are members.

"We are very grateful to have this bi-partisan group be the leaders for us in the Senate," CDFA President and CEO Toby Rittner said. "They were very supportive of us last year, and we look forward to working with them in the 111th Congress to get this important economic development finance legislation passed."

IDBs, a bedrock financing tool for the economic development industry, have been subject to outdated manufacturing definitions for the past two decades.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.

The proposed change would allow for companies who produce both tangible and intangible property to access IDBs. The changing U.S. economy is providing new and exciting employment opportunities in the area of software development and biotechnology. Traditional tax-exempt bond finance programs operated by state and local finance agencies do not extend to these important and growing sectors of the manufacturing economy.

"We feel that this legislation could have a tremendous impact as part of the stimulus package," said Bob Lind, chair of CDFA's Legislative Committee and director of business finance for the city of Minneapolis. "IDBs are a proven financing tool, and this legislative change would allow even more communities and companies access to capital for job growth."

[>>>Read the legislation](#)

Based on the impact of CDFA's successful legislative increase of the capital expenditure limit in 2006 from \$10 million to \$20 million, S. 158 would have a positive impact on IDB issuance and job creation if included in the stimulus package.

CDFA is asking its members and other supportive industry participants for assistance in contacting their Senators to ask for support and additional co-sponsorship of this key development finance legislation. CDFA members should also ask their Senators to urge Senator Max Baucus, MT, who serves as chairman of the Senate Finance Committee, to include S. 158 in the stimulus package.

[>>>Sample Senate Letter](#)

CDFA is also supporting legislation introduced by Senator Kerry (S. 138) that would exempt all private-activity bonds from the alternative minimum tax. This is another key point on CDFA's Legislative Agenda and would allow more companies to use IDB financing.

For more information or questions about CDFA's legislative efforts, please contact [CDFA](#).

The [Council of Development Finance Agencies](#) is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and nonprofit entities alike. For more information about CDFA, visit www.cdfa.net or e-mail info@cdfa.net.

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