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PRESS RELEASE

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The National Association of Bond Lawyers Endorses MAMBA
—CDFA Legislation Gains a Strong Ally on Capitol Hill—

Columbus, OH - **The Council of Development Finance Agencies** (CDFA) is pleased to announce that the **National Association of Bond Lawyers** has endorsed H.R. 2890, the **Modernizing American Manufacturing Bonds Act** (MAMBA). CDFA and NABL will work collaboratively during the next four months alongside Reps. Neal (D-MA), Renacci (R-OH), and Hultgren (R-IL) to push this important bond legislation through Congress.

MAMBA is a comprehensive reform package that will modernize and revolutionize Qualified Small Issue Manufacturing Bonds, more commonly known as Industrial Development Bonds (IDBs). Manufacturing bonds are a type of Private Activity Bond (PAB) that allow the public sector to pass considerable interest rate reductions on to private companies through the issuance of tax-exempt bonds. However, the last substantive improvements to IDBs occurred in the mid-1980s as part of tax reform. Since that time the manufacturing sector in the United States has changed and evolved rapidly. Manufacturing, a historically low-tech endeavor, has changed dramatically during the past two decades and today's manufacturing is focused on high-tech efficiency, innovative production models, and cutting-edge science.

By passing MAMBA, Congress would reform IDBs by making four key changes to the tax code. Those changes are:

1. Expand the Definition of Manufacturing to Include both Tangible and Intangible Manufacturing Production
2. Eliminate the Restrictions on "Functionally Related and Subordinate Facilities"
3. Increase the Maximum Bond Size Limitation from \$10M to \$30M
4. Increase the Capital Expenditure Limitation from \$20M to \$40M

"We are very excited to have NABL's endorsement," said Toby Rittner, President & CEO of CDFA. "The National Association of Bond Lawyers are a major player on Capitol Hill, and having their support will be a huge asset when meeting with legislators in the coming months. We are entering a critical time period with Congress nearing the lame-duck period, and having another voice on our side will be a big help."

Ken Artin, President of the National Association of Bond Lawyers, said, "Small issue manufacturing bonds have been a great economic development tool since they were created in 1986, but the provisions need to be updated to take into account changes in the economy and the scale of small business we have now. These legislative changes will make small issue bonds even more useful going forward."

CDFA is actively seeking support for H.R. 2890, and will over the coming months be conducting outreach to solicit support. Please contact **Tim Fisher** to get engaged and help support MAMBA.

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 non-profit entities alike. For more information about CDFA, visit www.cdfa.net.