



December 17, 2019

PRESS RELEASE

Council of Development Finance Agencies
100 East Broad Street, Suite 1200
Columbus, Ohio 43215
614-705-1300
www.cdfa.net

CONTACT:

Toby Rittner
President & CEO
trittner@cdfa.net

Reps. Murphy (FL) and LaHood (IL) Introduce Bi-Partisan H.R. 5422 Modernizing Agricultural and Manufacturing Bonds Act in U.S. House of Representatives

— Bill Will Reform Private Activity Bonds for Manufacturers and First Time Farmers —

Columbus, OH - **The Council of Development Finance Agencies** (CDFA) is pleased to announce that Reps. Stephanie Murphy (D-FL) and Darin LaHood (R-IL) have introduced the **Modernizing Agricultural and Manufacturing Bonds Act** (MAMBA) in the U.S. House of Representatives as **H.R. 5422**. CDFA has worked closely with the offices of Representatives Murphy and LaHood over the past several months to secure the introduction of MAMBA in the U.S. House of Representatives.

MAMBA would modernize the Internal Revenue Code (IRC) as it relates to small issue bonds, specifically the private activity bond rules for first-time farmers and manufacturing bonds. MAMBA will reform small issue bonds by making six key changes to the tax code. Those changes include:

1. Expand the definition of "manufacturing facility"
2. Eliminate restrictions on "directly related and ancillary facilities"
3. Increase the maximum IDB size limitation from \$10 million to \$30 million
4. Increase the limitation on small issue bond proceeds for first-time farmers
5. Repeal the separate dollar limitation on the use of bond proceeds for depreciable property
6. Modify the definition of "substantial farmland"

"We're thrilled that MAMBA has been reintroduced. It's a vital piece of legislation that will help lower the barriers for small manufacturers and first-time farmers to access affordable capital," said CDFA President and CEO Toby Rittner. "Representatives Murphy and LaHood have been great champions of private activity bonds and the development finance industry as a whole, and I'm thankful for their commitment to manufacturing and farming, pillars of the American economy."

"Our farmers and manufacturers deserve to have innovative and updated financing tools to invest in their local community and hire more workers," said Representative Stephanie Murphy. "I'm proud to lead this bipartisan bill with Rep. LaHood that will modernize the way farmers and manufacturers across the country acquire capital, providing them with the resources they need to grow, create more jobs, and bring their businesses into the 21st century."

"Farming and manufacturing are critical to the economic success of the constituents I represent in central and west-central Illinois," said Representative Darin LaHood. "Our legislation will help entrepreneurs and first-time farmers receive the financing they need to grow, create good-paying jobs, and bolster our economy in the Midwest. I am proud to join my Ways and Means colleague Rep. Stephanie Murphy in this bipartisan effort, and I'll continue to work in Congress to ensure farmers and manufacturers have the necessary tools to be successful in our 21st-century economy."

MAMBA is currently endorsed by hundreds of development finance agencies, private sector participants, and key industry stakeholders including the **National Council of State Agricultural Finance Programs** and the **National Association of Bond Lawyers**. Hear what others have to say:

"As President of the National Council of State Agricultural Finance Programs, I fully support the amendments proposed in bill H.R. 5422. Increasing the dollar amounts and the repeal of the used farm equipment restriction would be of great benefit to first-time farmers. In this tough farm economy, our young farmers need all the opportunities to financing options that they can find."

- Ryan Roles, President, National Council of State Agricultural Finance Programs, and Senior Loan Officer, Minnesota Department of Agriculture

"Tax-exempt financing has been used as a tool to encourage new manufacturing facilities. The current rules for small issue manufacturing bonds have some cumbersome provisions. We believe that an expanded use of this category of bonds will increase employment and manufacturing in the United States. This proposal reduces some of the impediments to the use of small issue manufacturing bonds."

- National Association of Bond Lawyers

"These proposed changes will make a big difference to businesses in Florida. These provisions would help many American small manufacturers and first-time farmers receive the financing they need to grow, create more jobs for Floridians, and build a strong local economy. The Florida Development Finance Corporation supports these proposed amendments and hopes for bi-partisan support to pass these much-needed improvements."

- Bill Spivey, Executive Director, Florida Development Finance Corporation

"America needs low-cost and efficient twenty-first-century financing tools to help our small manufacturers and small farmers compete in world markets as well as to grow the number of quality American middle-class jobs that these employers support," said Illinois Finance Authority Executive Director Chris Meister. "In Illinois, we know, first-hand, the power of federally tax-exempt manufacturing and farmer bonds – proven and effective private-public tools – to spur essential capital investment and to create jobs. The Modernizing Agricultural and Manufacturing Bonds Act ("MAMBA") reinvigorates these tools by substantially updating federal manufacturing and farmer finance law for the first time in decades in order to reflect the American economy of 2020, not the 1970s. We thank United States Representatives Stephanie Murphy (FL-7) and Darin LaHood (IL-18) for their bipartisan work to bring manufacturing and farm finance into the twenty-first century through the introduction of MAMBA in the 116th Congress."

- Chris Meister, Executive Director, Illinois Finance Authority

CDFA would like to thank Representative Murphy and Representative LaHood and their hardworking offices for their efforts and time spent working to introduce this bill. CDFA will be working with our members and partners across the country to encourage Congress to pass H.R. 5422. Development finance agencies are encouraged to let their voices be heard on Capitol Hill by supporting MAMBA. To learn more about the legislation, visit the [CDFA MAMBA page](#). To get engaged, contact [Katie Kramer](#).

The bill was previously introduced in the 115th Congress by Senators Sherrod Brown (D-OH) and David Perdue (R-GA), and in the House of Representatives by Congressmen Hultgren (R-IL), Neal (D-MA), and Renacci (R-OH).

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.

CDFA: Advancing Development Finance Knowledge, Networks & Innovation

###