

# ADVOCATING LEGISLATION TO STRENGTHEN INDUSTRIAL DEVELOPMENT BONDS



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This past March, CDFA once again addressed the critical importance of tax-exempt bonds in Washington.

During the first Capitol Hill Day of 2012, CDFA staff and members met with over 25 Congressional

offices to brief leadership on the importance of these critical bedrock financing tools. Included in CDFA's message was an emphasis on comprehensive reforms to Industrial Development Bonds (IDBs), which finance small- to mid-sized manufacturers, a driver of the American economy.

The sentiment has certainly shifted on Capitol Hill since 2011. Last year, CDFA spent the bulk of the legislative season defending and preserving tax-exempts in the face of potential elimination of the program. This year, Congressional offices have been eager to talk about reform and ways to improve the tax code that benefit state and local governments and that provide resources for business and industry expansion. Tools such as IDBs spur considerable investment in manufacturing facilities that in turn create jobs.

CDFA will be working with several offices to introduce comprehensive reform legislation addressing the Council's primary policy area: Maximize and Improve Private Activity Bonds (PABs). The Council is working with a team of six bond counsels nationwide to draft the reform package, and introduction of the bill is scheduled for mid-year in both the Senate and House, depending on the legislative season. The legislation is tentatively

titled the American Manufacturing Bond Finance Act of 2012.

The legislation addresses the seven most critical reforms to IDBs. These seven fixes were developed after long consultation with CDFA members and industry experts. These fixes would expand IDBs and provide low-cost financing to thousands of manufacturers nationwide.

In an April 2012 survey of industry participants, 100% of respondents indicated that Congress should reform IDBs. Respondents named increasing the capital expenditure limitation for IDBs to \$40M and renewing the expanded definition of manufacturing to include tangible and intangible production as the two most important IDB reforms, with bond size and bank deductibility a close third and fourth. CDFA's entire 2012 Policy Agenda is available at [www.cdfa.net](http://www.cdfa.net).

## Call To Action

On Wednesday, August 1, in conjunction with the 2012 CDFA National Development Finance Summit, CDFA will hold the second Capitol Hill Day of 2012. This particular Capitol Hill Day may be the most exciting in the Council's history, and perhaps the largest. We need everyone who has a stake in development finance to help share CDFA's message on Capitol Hill as we encourage Congress to introduce and pass the American Manufacturing Bond Finance Act of 2012. Attendees will be briefed and given supporting documentation to help secure passage of this critical legislation.

If you would like be a part of this important—and exciting—event, contact CDFA and sign-up to attend the National Development Finance Summit and Capitol Hill Day on Wednesday, August 1 from 1:00-5:00 PM.

## CDFA President & CEO Toby Rittner Participates in White House Business Council Jobs Discussion



CDFA President & CEO Toby Rittner and CDFA Board Member Bob Lind from the City of Minneapolis joined Minneapolis Mayor R.T.

Rybak at the White House in March to participate in a jobs discussion with the Obama Administration. CDFA was invited by Mayor Rybak to bring development finance expertise to the discussion, as the Obama Administration is actively looking for development finance solutions for helping U.S. businesses create jobs.

The four-hour meeting included briefings from the Executive Director of the White House Business Council, the Principal Deputy Director of the National Economic Council, the Chief Economist of the Department of Commerce, Deputy Cabinet Secretary, and the Administrator of the Federal Transit Administration. Several other White House staff members attended as well.

"CDFA would like to thank Mayor R.T. Rybak for inviting the Council to participate in this important discussion concerning job creation in the United States," said CDFA President & CEO Toby Rittner. "We commend the Obama Administration for reaching out to our leaders to cultivate ideas and solutions for unlocking access to capital and giving businesses the means to invest, build revenue, and create jobs."

The meeting wrapped-up with a roundtable discussion lead by Mayor Rybak and Ari Matusiak, Executive Director of the White House Business Council. The roundtable discussion included suggestions for creating jobs and making critical investments in business, including access to capital and infrastructure needs. CDFA contributed a number of recommendations concerning expanding access to capital, particularly for small manufacturers. A full list of recommendations made by CDFA can be found online at [www.cdfa.net](http://www.cdfa.net).