
AIAI welcomes PABs bill

The Association for the Improvement of American Infrastructure (AIAI) has praised the introduction of a new bill to Congress to amend the funding limits on highway and surface freight transfer facility bonds.

Congressmen Earl Blumenauer (D-OR) and Mike Kelly (R-PA) introduced H.R.2541 on May 7 which proposes an amendment to the Internal Revenue Code of 1986 to increase the national limitation amount for Private Activity Bonds (PABs).

Known as the 'Building United States Infrastructure and Leveraging Development Act' or 'BUILD Act', if enacted the legislation would expand PABs allocation for surface transportation projects nationwide to USD20.8bn. Current statute limits the surface transportation PAB allocation to USD15bn.

The amendments proposed in the bill shall apply to bonds issued after the date of the enactment of the Act.

Introduction of the bill, similar to the BUILD Act (S.352) which was introduced earlier this year in the Senate by Senator John Cornyn (R-TX) and Senator Mark Warner (D-VA), significantly increases the chance of its inclusion in any infrastructure legislation this Congress, according to the AIAI.



“The American people are looking to Congress and to the President to act now to fix our roads, fix our bridges and invest in infrastructure systems of all types,” said Lisa Buglione, Executive Director of AIAI. “The BUILD Act is a critically important part of any infrastructure legislation, not only because it helps states develop major new surface transportation projects, but because it helps leverage billions of dollars of non-Federal financing and funding for infrastructure.”

As of May 7 2019, approximately USD10.73bn in PABs have been issued to date for highway and surface transportation projects across the US. PAB allocations approved by USDOT total approximately USD1.73bn to support currently active projects.

Buglione notes the completion of many of these projects may not have been possible without the issuance of PABs to help finance them.

“AIAI praises Congressman Blumenauer and Congressman Kelly for their leadership on this issue, as well as Senator Cornyn and Senator Warner,” she added.

“AIAI members are hopeful this and other important infrastructure bills are included in any major investment legislation this year, and that Congress and the President can soon come to an agreement on this effort to further strengthen our economy and help our working families and businesses thrive in our already strong economy.”

The text of H.R.2541 will be available here. <https://www.congress.gov/bill/116th-congress/house-bill/2541/actions?q=%7B%22search%22%3A%5B%22private+activity+bonds%22%5D%7D>