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PRESS RELEASE

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Bipartisan Modernizing Agricultural and Manufacturing Bonds Act Introduced in U.S. House of Representatives by Reps. LaHood (IL), Kildee (MI), Feenstra (IA), and Evans (PA)

— H.R. 3787 Reforms Private Activity Bonds for Manufacturers and First-Time Farmers —

Columbus, OH - **The Council of Development Finance Agencies** (CDFA) is pleased to announce that Reps. Darin LaHood (R-IL), Dan Kildee (D-MI), Randy Feenstra (R-IA), and Dwight Evans (D-PA) have introduced the **Modernizing Agricultural and Manufacturing Bonds Act** (MAMBA) in the U.S. House of Representatives as **H.R. 3787**. CDFA has worked closely with Congressional offices over the past several years to secure the introduction and eventual passage of MAMBA in the U.S. House of Representatives.

MAMBA modernizes the Internal Revenue Code (IRC) as it relates to small issue bonds, specifically the private activity bond rules for manufacturing bonds and first-time farmers, by making six key changes to the tax code that 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, indexed to inflation
4. Increase the limitation on small issue bond proceeds for first-time farmers to \$1 million
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 with such broad-based support. In the wake of the COVID-19 pandemic and amid increased global economic competition, it has become clear that investments in farmers and manufacturers are necessary to shore up the United States' supply chains. By updating the 40-year-old rules around agricultural and manufacturing bonds, MAMBA allows for the innovative financing tools necessary to invest in local communities and provide a bulwark against future food and supply chain disruptions," said CDFA President & CEO Toby Rittner. "Representatives LaHood, Feenstra, Kildee, and Evans 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—key pillars of the U.S. economy."

"When farmers and manufacturers succeed, our communities thrive in central and northwestern Illinois," **said Rep. LaHood**. "The Modernizing Agricultural and Manufacturing Bonds Act will provide entrepreneurs and first-time farmers with the financing tools they need to grow, creating good-paying jobs, and bolstering our economy. I am proud to join this bipartisan effort and I will continue to work in Congress to ensure farmers and manufacturers have the necessary tools to be successful in our 21st-century economy."

"Manufacturing and agricultural bonds can be powerful economic development tools to support farmers and small manufacturing businesses, but the bond programs need to better work for small businesses and farmers," **said Rep. Kildee**. "Modernizing these bonds and cutting government red tape will grow our local economy and create more good-paying jobs in mid-Michigan. I'm proud to introduce this bill with Republican and Democratic support."

"Industrial Development Bonds (IDBs) and First-Time Farmer Bonds (Aggie Bonds) are vital to economic development, manufacturing, and our farm economy in rural Iowa. However, outdated rules and regulations have hindered our domestic manufacturers and family farmers from utilizing these bonds," **said Rep. Feenstra**. "I'm proud to work with my colleagues Rep. Darin LaHood and Rep. Dan Kildee to modernize current law to reflect the intensive capital needs of Iowa farmers and manufacturers to be profitable and

productive. I will continue to support policies that grow our manufacturing capabilities, generate robust economic activity, and help our beginning farmers thrive.”

Rep. Evans said, “In the Philadelphia region alone, there are more than 60 certified manufacturing businesses that could benefit from expanded eligibility to retain or create jobs. And the farming sector is vital to Pennsylvania and the nation, both because of its sizable role in the economy and because we all need food!”

MAMBA has been 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 [Bond Dealers of America](#).

CDFA would like to thank Representative LaHood, Representative Kildee, Representative Feenstra, and Representative Evans and their hardworking staff for their time and effort to introduce this bill. CDFA will be working with its members and partners across the country to encourage Congress to pass H.R. 3787. 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 [Mitchell Smith](#).

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.

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