



Great Lakes-St. Lawrence
Legislative Caucus

2020 Virtual Meetings of the Great Lakes-St. Lawrence Legislative Caucus

September 11-October 9

Recommending Lifting the Private Activity Bonds' Volume Cap for Water and Wastewater Projects

- WHEREAS,** communities nationwide face serious investment gaps to replace critical water, wastewater, and storm-water infrastructure as aging systems can threaten public health and economic vitality; and
- WHEREAS,** PABs are a form of tax-exempt financing for state and municipal governments that want to collaborate in financing a project with a private entity to meet a public need; and
- WHEREAS,** private activity bonds ("PABs") are an effective option for the federal government to support long-term, capital-intensive infrastructure projects; and
- WHEREAS,** Congress has already eliminated the volume cap on PABs issued to build airports, high speed rail, ports, and solid-waste disposal sites; and
- WHEREAS,** water and wastewater projects are similarly multi-year efforts; and
- WHEREAS,** a PAB partnership approach can make infrastructure repair and construction more affordable for municipalities and ultimately for users or customers, and would provide significant benefit to water-sector investments were the state volume cap to be lifted and the defeasance penalty eliminated; and
- WHEREAS,** the Government Accountability Office has forecast a \$500-billion shortfall in investment over the next 40 years, with local ratepayers currently providing more than 90% of water and wastewater funding for these projects; now therefore be it
- RESOLVED,** that the Great Lakes- St. Lawrence Legislative Caucus joins the Board of Directors of the National Association of Regulatory Utility Commissioners; National Association of Water Companies; the American Water Works Association; the Association of Regional Water Organizations; the Water and Wastewater Equipment Manufacturers' Association; the Water Environment Foundation; the Water Reuse Association; McWane, Inc.; and Earth and Water Law, in supporting the elimination of the volume cap on PABs for their use on water infrastructure projects, unleashing an effective tool for state and local governments to increase needed investment in water, wastewater and storm-water infrastructure; and be it further



MIDWEST

RESOLVED, that this resolution be submitted to appropriate state and federal officials.

Adopted on October 9, 2020.