

HOUSE BILL REPORT

SJM 8006

As Reported by House Committee On:
Consumer Protection & Business

Brief Description: Concerning a national infrastructure bank.

Sponsors: Senators Hasegawa, Hunt, Nguyen, Saldaña and Stanford.

Brief History:

Committee Activity:

Consumer Protection & Business: 2/21/22, 2/23/22 [DP].

Brief Summary of Joint Memorial

- Requests that the United States Congress pass and the President of the United States sign the National Infrastructure Bank Act of 2021 or similar legislation.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 4 members: Representatives Kirby, Chair; Walen, Vice Chair; Ryu and Santos.

Minority Report: Do not pass. Signed by 3 members: Representatives Vick, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Corry.

Staff: Corey Patton (786-7388).

Background:

The National Infrastructure Bank Act of 2021 is a bill that was introduced in the United States House of Representatives on May 19, 2021. The bill creates the National Infrastructure Bank (Bank) to facilitate the long-term financing of infrastructure projects by providing loans to public and private entities for financing, developing, or operating eligible

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projects. To be eligible for a loan, a project is required to have a public sponsor and local, regional, or national significance. A project that receives a loan is required to pay all laborers and mechanics locally prevailing wages and to use only certain nationally produced construction materials, unless the Bank waives those requirements.

The bill provides the following with regard to the establishment and operation of the Bank:

- the Bank is established as a government corporation exempt from tax;
- contributions to the Bank are designated as charitable contributions;
- the Bank is required to issue stock and may also issue bonds and maintain a discount line of credit with the Federal Reserve System;
- the Bank is required to apply for a national bank charter and, once chartered, accept deposits from individuals, corporations, and public entities and pay interest on those deposits; and
- the Bank is required to facilitate the organization of at least seven regional economic accelerator planning groups to, among other activities, identify infrastructure needs and priorities.

Within five years of the bill's enactment, the Comptroller General of the United States is required to submit a report to Congress evaluating activities of the Bank, including an assessment of the impact and benefits of each funded infrastructure project and a review of how effectively each project accomplished the goals prioritized by the Bank's project criteria.

Summary of Bill:

The Legislature requests that the United States Congress pass and the President of the United States sign the National Infrastructure Bank Act of 2021 or similar legislation.

Appropriation: None.

Fiscal Note: Not requested.

Staff Summary of Public Testimony:

(In support) There is a statewide and nationwide infrastructure financing crisis. Many communities lack housing, various utilities, workable transportation networks, and food protection networks. It is not possible to finance these infrastructure needs solely through federal, state, or local budgets. The bill currently before the United States Congress would create a National Infrastructure Bank (Bank) and provide \$5 trillion of lending capacity without public investment or appropriation. This new Bank is a concept based on historical precedent set by other institutions, such as the Reconstruction Finance Corporation. Other

countries that have faced similar infrastructure issues, such as Japan in the aftermath of World War II, have created infrastructure banks that demonstrate the success of this model. The creation of the Bank will generate tens of millions of high paying jobs, provide training and certification opportunities, lift many disadvantaged persons out of poverty, fund the completion of large projects that have accumulated over time, and depoliticize the process of infrastructure funding. This is especially important for workers reentering the work force, particularly those without a college degree. In addition to offering low-interest, low-cost loans, the Bank will provide a grant program to communities that cannot afford to take out loans. Every United States citizen will be positively affected by the Bank.

(Opposed) None.

Persons Testifying: Senator Bob Hasegawa, prime sponsor; Linda Tosti-Lane, Washington State National Organization for Women; Stanley Forczek and Alphecca Muttardy, Coalition for a National Infrastructure Bank; Martin Talarico; Linda Jenkins; Dale Lehar, National Infrastructure Bank; Toyoko Tsukuda; Ellen Brown; Carolyn Barclift; and Scott Koons, National Association of Development Organizations.

Persons Signed In To Testify But Not Testifying: None.