

# HOUSE BILL REPORT

## SJM 8001

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**As Passed House:**

April 12, 2023

**Brief Description:** Concerning a national infrastructure bank.

**Sponsors:** Senators Hasegawa, Kuderer, Wellman, Nguyen, Keiser, Conway, Dhingra, Frame, Hunt, Lias, Lovelett, Nobles, Saldaña, Stanford, Trudeau and Wilson, C..

**Brief History:**

**Committee Activity:**

Consumer Protection & Business: 3/17/23, 3/22/23 [DP].

**Floor Activity:**

Passed House: 4/12/23, 57-40.

**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.

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### HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

**Majority Report:** Do pass. Signed by 7 members: Representatives Walen, Chair; Reeves, Vice Chair; Chapman, Donaghy, Hackney, Ryu and Santos.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Corry, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Cheney, Connors, Sandlin and Volz.

**Staff:** Michelle Rusk (786-7153).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

### The National Infrastructure Bank Act of 2021.

The National Infrastructure Bank Act of 2021 is a bill that was introduced in the United States House of Representatives in May 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 projects.

To be eligible for a loan, a project is required to have a public sponsor and local, regional, or national significance, and a project that receives a loan is required to comply with several federal and state requirements, including: (1) paying all laborers and mechanics locally prevailing wages; and (2) using 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.
- 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 the United States 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 Joint Memorial:**

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) The sponsor has been working to create a publicly owned state bank for quite some time, and this joint memorial supports a national version of a publicly owned bank. The National Infrastructure Bank Act of 2021 follows an almost identical structure that

previous presidents have used when wanting to jump-start the economy. President Franklin Roosevelt used a similar entity to finance huge projects during the New Deal to build the Columbia Basin Project and build up our infrastructure capacity to win World War II and electrify the United States. The Bank is a really functional tool our country needs right now because national debt is increasing and impeding Congress's ability to do many other things. The Bank would operate without the use of taxpayer dollars and generate no increase in federal taxes or debt, and, based on capitalization of the bank, there would be up to \$5 trillion of lending capacity for infrastructure.

The American Society for Infrastructure has reported that our infrastructure is at a "C" or "D" in terms of grading the quality of our infrastructure. Looking to our global competitors, they are all building infrastructure using a public financing strategy similar to the Bank contemplated by the National Infrastructure Bank Act of 2021. In the United States we have been relying on commercial banks to finance our ability to build infrastructure, but we need a new tool and this bank structure is a proven tool.

(Opposed) None.

**Persons Testifying:** Senator Bob Hasegawa, prime sponsor; Martin Talarico; Helen McConnell; Randy Grein; and Dale Lehar.

**Persons Signed In To Testify But Not Testifying:** None.