

SENATE BILL REPORT

SJM 8001

As Passed Senate, February 8, 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: Business, Financial Services, Gaming & Trade: 1/24/23, 1/26/23 [DP, DNP].

Floor Activity: Passed Senate: 2/8/23, 29-19.

Brief Summary of Joint Memorial

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

SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

Majority Report: Do pass.

Signed by Senators Stanford, Chair; Frame, Vice Chair; Hasegawa, Lovick and Mullet.

Minority Report: Do not pass.

Signed by Senators Dozier, Ranking Member; Boehnke, Gildon and MacEwen.

Staff: Clinton McCarthy (786-7319)

Background: H.R. 3339, or the National Infrastructure Bank Act of 2021, is a bill that creates the National Infrastructure Bank to facilitate the long-term financing of infrastructure projects. Specifically, the bank must provide loans to public and private entities for financing, developing, or operating eligible infrastructure projects. An eligible project must have a public sponsor as well as local, regional, or national significance.

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 bill treats the bank as a government corporation exempt from tax, and treats contributions to the bank as charitable contributions.

Projects that receive a loan must pay all laborers and mechanics locally prevailing wages, and use only certain United States-produced construction materials unless a waiver is secured from the bank. The bank shall issue stock and may also issue bonds and maintain a discount line of credit with the Federal Reserve System. The bank must apply for a national bank charter, and once chartered, accept deposits from individuals, corporations, and public entities and pay interest on those deposits.

The bill imposes requirements related to the bank's operation, such as minimum reserve requirements, and requirements for handling loan losses.

Categorical benefits of projects include:

- certain transportation infrastructure projects;
- any environmental projects;
- any energy infrastructure projects;
- any telecommunications projects; and
- any community development infrastructure projects.

Summary of Joint Memorial: Requests that Congress pass and the President of the United States sign the National Infrastructure Bank Act or similar legislation.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill passed out of the Senate last year and made it out of the House Committee. This bill would create a \$5 trillion infrastructure bank. This bank idea gets accused of being socialist, so be it. Please responsibly fund this bank. This bill is a no brainer. It will help with affordable housing, infrastructure and tourism. Wages are good, they have benefits. Taxpayers pays nothing into the bank, and neither does the government, it is funded by bonds. This bank doesn't increase the debt or taxes. It would be capitalized by treasury bond owners, and the bank will not have a sunset clause.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Julianna Dauble, Washington Education Association; Ingrid Clair, National Infrastructure Bank; Dale Lehar.

Persons Signed In To Testify But Not Testifying: PRO: Alphecca Muttardy, Coalition

for a National Infrastructure Bank; Jennifer Manchester; Julie Olsen, OFCPros, Inc.; Dr Ruth Fruland; Martin Talarico; Randy Grein; Dale Lehar; Helen McConnell; Jack Hanna, Coalition for a National Infrastructure Bank; Dale Lehar.

CON: Jodi Dotson.