

SENATE BILL REPORT

SJM 8006

As Reported by Senate Committee On:
Business, Financial Services & Trade, January 25, 2022

Brief Description: Concerning a national infrastructure bank.

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

Brief History:

Committee Activity: Business, Financial Services & Trade: 1/13/22, 1/25/22 [DP, DNP].

Brief Summary of Bill

- 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 & TRADE

Majority Report: Do pass.

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

Minority Report: Do not pass.

Signed by Senators Dozier, Ranking Member; Brown and Wilson, L.

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.

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

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.

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 project;
- any energy infrastructure project;
- any telecommunications projects; and
- any community development infrastructure project.

The Congressional Budget Office does not have an official cost estimate for this legislation. However, most agree that the cost is estimated to be approximately \$5 trillion.

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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: Since we're having such a hard time to establish a public bank at the local level, it is time to look at the federal government to establish a public bank. This boils down to the cost of financing. We have no capacity to do any of that stuff right now. We are at our bonding capacity. The bank will leverage the federal government's tremendous capacity to build out more infrastructure. The U.S. has a C- grade for the current state of its infrastructure. Washington's infrastructure grades out worse than that.

This is fantastic legislation at the right time. It would not add to the federal debt. The scale and range of the bank would be amazing, and it would be able to focus on regions rather than just states to facilitate projects like the I-5 bridge across the Columbia River. This has economic accelerator groups to help localities spend their money more efficiently. This

bank is needed to fix infrastructure in Washington and throughout the US. This is probably the most important bill in front of Congress right now. This bank is going to be the betterment of all Americans.

The appropriation process at the federal level is broken. The new bank will create new jobs, give young people more opportunities, and pull people out of despair. This is a win-win for the state. The bank is essential to ensure a recovery for people of all backgrounds. This will cost nothing because there is a debt for equity swap. Many big countries have big infrastructure banks—this is not a new idea. China has a national bank that they are leveraging to build out its new infrastructure faster than the U.S. The bank has been used four times in the past and each time it has made money. The beauty of the bank is that it leverages spending with no new taxes. We are falling behind our competitors. The state of Washington was rebuilt with federal funds. This bill has amazing potential to heal the public divide that so many of us are feeling. This bank will create 25 million jobs that pay a good wage. The last public bank got us out of the depression and help us win World War II. Previous banks had sunset clauses—this one does not. This will support hard and soft infrastructure. Passing this Memorial will give voice to Congress to get this bill passed. This is a great effort to improve our country and bring us together.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Dale Lehar; Alphecca Muttardy, Coalition for a National Infrastructure Bank; Stanley Forczek, Coalition for a National Infrastructure Bank; Linda Tosti-Lane, WA State National Organization for Women; Felix Ortiz, Advisory Board of the Coalition for National Infrastructure; Ellen Brown, Public Banking Institute; Jack Hanna, The Coalition for a National Infrastructure Bank; Maralyn Chase; Amber King; Martin Talarico, Washingtonians (Toners) for Public Banking; Alan Green, State of Missouri; Linda Jenkins, King County Democrat Central Committee; Lou Spencer; Ruth Fruland.

Persons Signed In To Testify But Not Testifying: No one.