



September 6, 2023

PRESS RELEASE

Council of Development Finance Agencies
100 East Broad Street, Suite 1200
Columbus, Ohio 43215
614-705-1300
www.cdfa.net

CONTACT:

Toby Rittner
President & CEO
trittner@cdfa.net

CDFA's Bipartisan Modernizing Agricultural and Manufacturing Bonds Act Introduced in U.S. Senate by Senators Brown (D-OH) and Ernst (R-IA)

— S. 2723 Reforms Private Activity Bonds for Manufacturers and First-Time Farmers —

Columbus, OH - **The Council of Development Finance Agencies** (CDFA) is pleased to announce that Senators Brown (D-OH) and Ernst (R-IA) have introduced the **Modernizing Agricultural and Manufacturing Bonds Act** (MAMBA) in the U.S. Senate as **S. 2723**. CDFA has worked closely with the offices of Senators Brown and Ernst to secure the introduction and eventual passage of MAMBA in the U.S. Senate.

MAMBA would modernize the Internal Revenue Code (IRC) as it relates to small issue bonds, specifically the private activity bond rules for manufacturing bonds and first-time farmers. MAMBA will reform small issue bonds by making six key changes to the tax code. Those changes include:

1. Expand the definition of "manufacturing facility"
2. Eliminate restrictions on "directly related and ancillary facilities"
3. Increase the maximum IDB size limitation from \$10 million to \$30 million, indexed it to inflation
4. Increase the limitation on small issue bond proceeds for first-time farmers to \$1 million, indexed to inflation
5. Repeal the separate dollar limitation on the use of bond proceeds for depreciable property
6. Modify the definition of "substantial farmland"

"We are thrilled that MAMBA has been introduced in the U.S. Senate with bipartisan support. In the wake of the COVID-19 pandemic and amid increased global economic competition, it has become clear that investments in farmers and manufacturers are necessary to shore up the United States' supply chains. By updating the 40-year-old rules around agricultural and manufacturing bonds, MAMBA allows for the innovative financing tools necessary to invest in local communities and provide a bulwark against future food and supply chain disruptions," said **CDFA President & CEO Toby Rittner**. "Senators Brown and Ernst have been great champions of farmers and manufacturers and the development finance industry as a whole, and I'm thankful for their commitment to those key pillars of the U.S. economy."

"Ohio farmers and manufacturers are eager to grow and produce more Ohio-made products and food, and we can help them achieve that goal by connecting them with the capital they need to grow," said **Senator Brown**. "A simple update to the way manufacturers can use private activity bonds will be a huge help to the next generation of farmers, manufacturers, and entrepreneurs as they work to hire Ohioans and grow our economy."

"Farming and manufacturing are critical to the success of Iowa's economy," said **Senator Ernst**. "By modernizing and clarifying the rules for Aggie Bonds and Industrial Development Bonds for the first time in over 30 years, we can ensure that first-time farmers and entrepreneurs can access the capital they need to get started, create jobs, and fuel our communities."

MAMBA is currently endorsed by hundreds of development finance agencies, private sector participants, and key industry stakeholders, including the **National Council of State Agricultural Finance Programs**. "The Iowa Finance Authority and National Council of State Agricultural Finance Programs are in full support of the MAMBA legislation. The enhancements to Aggie Bonds in the MAMBA legislation will allow more beginning farmers to qualify for the program as well as allow more bond dollars to be utilized when purchasing or constructing facilities," said **Tammy Nebola of the Iowa Finance Authority**. "With historically high land prices

and increasing interest rates, beginning farmers need as many financing opportunities as possible. Aggie bonds provide low-interest rate financing opportunities to help beginning farmers realize their dreams of farm ownership.”

CDFA would like to thank Senator Brown and Senator Ernst and their hardworking staff for their time and effort to introduce this bill. CDFA will be working with its members and partners across the country to encourage Congress to pass S. 2723.

Development finance agencies are encouraged to let their voices be heard on Capitol Hill by supporting MAMBA. To learn more about MAMBA, visit the [CDFA MAMBA page](#) and complete CDFA's [survey](#) to register your support for its passage. To get engaged, contact [Mitchell Smith](#).

The **Council of Development Finance Agencies** is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

CDFA: Advancing Development Finance Knowledge, Networks & Innovation

###