

HB 1725 -- MUNICIPAL GREEN BONDS

SPONSOR: O'Donnell

Under the provisions of this bill, to be rated as a green bond, at least 85% of the bond proceeds should be used for eligible green projects and interest on income from such bonds is exempt from income tax.

An "eligible green project" is a project or activity that supports a positive environmental impact that includes assets, investments and other related expenditures that relate to categories such as renewable energy, energy efficiency, pollution prevention and control, environmentally sustainable management of living natural resources and land use, clean transportation, terrestrial and aquatic biodiversity, climate change adaptation, circular economy adapted products, sustainable water and wastewater management and green buildings, all as defined in the bill.

This bill provides that a municipality that issues a municipal green bond shall establish a green bond holder protection fund separate from the municipality's debt service reserve fund or an equivalent fund.

This bill is similar to HB 863 (2023).