Democrats' Legislative Agenda Could Begin With $2K Payments, Relief, & Infrastructure Totaling $3 Trillion

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- We expect the legislative agenda for the Democrats to move quickly and include substantial relief that could contain meaningful, direct, and unencumbered aid for state and local governments.
- There is a preliminary report noting that President-elect Joe Biden is considering a proposal that would follow through on the delivery of a $2,000 payment to select individuals and include a $3 trillion relief and infrastructure package. This is not a surprise.
- What is coming as a surprise is that Democrats are already facing inter-party disagreements about the legislative agenda. Senator Joe Manchin (D from West Virginia) has already voiced opposition to the idea of $2,000 stimulus checks. The Democrats' "Blue Wave" is perhaps not as durable as initially expected.
- Additionally, we expect any of the items formerly included in the HEROES Act or Moving Forward Act could be included in the $3 trillion package. This package could include municipal bond-friendly elements like the return of tax-exempt advance refundings and a sequester-proof BAB-like infrastructure bond program.
- We will update our $375 billion 2021 issuance forecast. We now expect to see 2021 primary market municipal bond issuance that is between $500 and $600 billion. There is a small chance we could see just over $600 billion. We expect to publish our updated forecast by the end of the month.

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