

115TH CONGRESS
1ST SESSION

S. 326

To amend the Internal Revenue Code of 1986 to provide for the tax-exempt financing of certain government-owned buildings.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7 (legislative day, FEBRUARY 6), 2017

Mr. HELLER (for himself, Mr. NELSON, Mr. CASSIDY, Mr. BENNET, Mr. GARDNER, and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for the tax-exempt financing of certain government-owned buildings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Public Buildings Re-
5 newal Act of 2017”.

6 **SEC. 2. TAX-EXEMPT FINANCING OF QUALIFIED GOVERN-**
7 **MENT BUILDINGS.**

8 (a) IN GENERAL.—Section 142(a) of the Internal
9 Revenue Code of 1986 is amended by striking “or” at the

1 end of paragraph (14), by striking the period at the end
 2 of paragraph (15) and inserting “, or”, and by adding at
 3 the end the following new paragraph:

4 “(16) qualified government buildings.”.

5 (b) QUALIFIED GOVERNMENT BUILDINGS.—Section
 6 142 of such Code is amended by adding at the end the
 7 following new subsection:

8 “(n) QUALIFIED GOVERNMENTAL BUILDINGS.—

9 “(1) IN GENERAL.—For purposes of subsection
 10 (a)(16), the term ‘qualified governmental buildings’
 11 means any building or facility that consists of one
 12 or more of the following:

13 “(A) An elementary school or a secondary
 14 school (within the meanings given such terms
 15 by section 14101 of the Elementary and Sec-
 16 ondary Education Act of 1965 (20 U.S.C.
 17 8801), as in effect on the date of the enactment
 18 of this subsection).

19 “(B) A facility of a State college or univer-
 20 sity used for educational purposes.

21 “(C) A library maintained for, and open
 22 to, the general public.

23 “(D) A court of law.

24 “(E) A hospital, health care facility, lab-
 25 oratory facility or research facility.

1 “(F) A public safety facility (including po-
 2 lice, fire, enhanced 911, emergency or disaster
 3 management, and ambulance or emergency
 4 medical service facilities and jails and correc-
 5 tional facilities).

6 “(G) An office for employees of a govern-
 7 mental unit.

8 Such term shall include any equipment, functionally
 9 related and subordinate facility, or land (and any
 10 real property rights appurtenant thereto) with re-
 11 spect to any such building or facility.

12 “(2) SPECIFICALLY EXCLUDED FACILITIES.—
 13 Such term shall not include—

14 “(A) a building or facility the primary pur-
 15 pose of which is one of the following: retail food
 16 and beverage services, or the provision of recre-
 17 ation or entertainment, or

18 “(B) any building or facility that includes
 19 any of the following: any private or commercial
 20 golf course, country club, massage parlor, ten-
 21 nis club, skating facility (including roller skat-
 22 ing, skateboard, and ice skating), racquet
 23 sports facility (including any handball or
 24 racquetball court), hot tub facility, suntan facil-

1 ity, racetrack, convention center, or sports sta-
2 dium or arena.

3 “(3) NATIONAL LIMITATION ON AMOUNT OF
4 TAX-EXEMPT FINANCING FOR QUALIFIED GOVERN-
5 MENTAL BUILDING.—

6 “(A) NATIONAL LIMITATION.—The aggre-
7 gate amount allocated by the Secretary under
8 subparagraph (C) shall not exceed
9 \$5,000,000,000.

10 “(B) ENFORCEMENT OF NATIONAL LIM-
11 TATION.—An issue shall not be treated as an
12 issue described in subsection (a)(16) if the ag-
13 gregate face amount of bonds issued pursuant
14 to such issue for any qualified governmental
15 building (when added to the aggregate face
16 amount of bonds previously so issued for such
17 facility) exceeds the amount allocated to such
18 qualified governmental building under subpara-
19 graph (C).

20 “(C) ALLOCATION BY THE SECRETARY.—
21 The Secretary shall allocate a portion of the
22 amount described in subparagraph (A) to a
23 qualified governmental building if the Secretary
24 determines that—

1 “(i) the application for financing of
2 such qualified governmental building meets
3 the requirements set forth in subparagraph
4 (D), and

5 “(ii) the amount of the allocation re-
6 quested, if allocated by the Secretary,
7 would not cause the national limitation set
8 forth in subparagraph (A) to be exceeded.

9 “(D) APPLICATIONS FOR FINANCING.—An
10 application for financing a qualified govern-
11 mental building meets the requirements of this
12 subparagraph if such application includes—

13 “(i) the amount of the allocation re-
14 quested,

15 “(ii) the name of the governmental
16 unit that will own the project, together
17 with complete contact information,

18 “(iii) a description of the project as a
19 whole and the proposed organizational and
20 legal structure of the project,

21 “(iv) a timeline showing the estimated
22 start and completion dates for each major
23 phase or milestone of project development
24 and an indication of the current status of
25 milestones on this timeline, including all

1 necessary permits and environmental ap-
2 provals,

3 “(v) a statement of anticipated
4 sources and uses of funds for the project,
5 and

6 “(vi) the following declaration signed
7 by an individual who has personal knowl-
8 edge of the relevant facts and cir-
9 cumstances: “Under penalties of perjury, I
10 declare that I have examined this docu-
11 ment and, to the best of my knowledge and
12 belief, the document contains all the rel-
13 evant facts relating to the document, and
14 such facts are true, correct, and complete.”

15 “(E) USE OF ALLOCATION IN A TIMELY
16 MANNER.—If, following an allocation by the
17 Secretary under subparagraph (C), bonds are
18 not issued in the amount of such allocation
19 after the date that is 2 years after the date of
20 such allocation, then the unused portion of the
21 allocation shall be withdrawn, unless the Sec-
22 retary, upon a showing of good cause by the ap-
23 plicant, grants an extension of such date.

24 “(4) EXCEPTION FOR CURRENT REFUNDING
25 BONDS.—Paragraph (3) shall not apply to any bond

1 (or series of bonds) issued to refund a bond issued
 2 under subsection (a)(16) if—

3 “(A) the average maturity date of the issue
 4 of which the refunding bond is a part is not
 5 later than the average maturity date of the
 6 bonds to be refunded by such issue,

7 “(B) the amount of the refunding bond
 8 does not exceed the outstanding amount of the
 9 refunded bond, and

10 “(C) the refunded bond is redeemed not
 11 later than 90 days after the date of the
 12 issuance of the refunding bond.

13 For purposes of subparagraph (A), average maturity
 14 shall be determined in accordance with section
 15 147(b)(2)(A).

16 “(5) OFFICE SPACE.—Subsection (b)(2) shall
 17 not apply with respect to any qualified governmental
 18 building.

19 “(6) NO DEPRECIATION OR INVESTMENT CRED-
 20 IT.—No depreciation, amortization, or business cred-
 21 it under section 38 shall be allowed with respect to
 22 any facility described in subsection (a)(16) which
 23 has been financed by the net proceeds of the issue
 24 for so long as such bonds are outstanding.”.

1 (c) GOVERNMENTALLY OWNED REQUIREMENT.—

2 Section 142(b)(1)(A) of such Code is amended by striking

3 “or (12)” and inserting “(12), or (16)”.

4 (d) EXEMPTION FROM VOLUME CAP ON PRIVATE

5 ACTIVITY BONDS.—Section 146(g)(3) of such Code is

6 amended by striking “or (15)” and inserting “(15), or

7 (16)”.

8 (e) EFFECTIVE DATE.—The amendments made by

9 this section shall apply to bonds issued after the date of

10 the enactment of this Act.

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