

119TH CONGRESS
1ST SESSION

H. R. 3892

To amend the Internal Revenue Code of 1986 to modify the private business use requirements for bonds issued for lead service line replacement projects.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2025

Ms. TENNEY (for herself, Ms. MOORE of Wisconsin, Mr. KELLY of Pennsylvania, and Ms. STEVENS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the private business use requirements for bonds issued for lead service line replacement projects.

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 “Financing Lead Out
5 of Water Act of 2025”, or the “Flow Act”.

1 **SEC. 2. MODIFICATION OF PRIVATE BUSINESS USE RE-**
2 **QUIREMENTS FOR CERTAIN BONDS.**

3 (a) IN GENERAL.—Section 141(b)(6) of the Internal
4 Revenue Code of 1986 is amended by adding at the end
5 the following new subparagraph:

6 “(D) CLARIFICATION RELATING TO QUALI-
7 FIED LEAD SERVICE LINE REPLACEMENT
8 USE.—

9 “(i) IN GENERAL.—For purposes of
10 this subsection, qualified lead service line
11 replacement use shall not constitute pri-
12 vate business use.

13 “(ii) DEFINITIONS.—For purposes of
14 this subparagraph—

15 “(I) QUALIFIED LEAD SERVICE
16 LINE REPLACEMENT USE.—The term
17 ‘qualified lead service line replacement
18 use’ means, with respect to any public
19 water system, use of the proceeds of
20 an issue to replace any privately-
21 owned portion of a lead service line
22 connected to such system to facilitate,
23 achieve or maintain compliance with a
24 national primary drinking water regu-
25 lation for lead.

1 “(II) LEAD SERVICE LINE.—The
2 term ‘lead service line’ has the mean-
3 ing given such term in section
4 1459B(a)(4) of the Safe Drinking
5 Water Act, as amended.

6 “(III) NATIONAL PRIMARY
7 DRINKING WATER REGULATION FOR
8 LEAD.—The term ‘national primary
9 drinking water regulation for lead’
10 means a national primary drinking
11 water regulation for lead promulgated
12 under section 1412 of such Act.

13 “(IV) PUBLIC WATER SYSTEM.—
14 The term ‘public water system’ has
15 the meaning given such term in sec-
16 tion 1401(4) of such Act.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to obligations issued after Decem-
19 ber 31, 2025.

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