

119TH CONGRESS
1ST SESSION

S. 2007

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 SENATE OF THE UNITED STATES

JUNE 10, 2025

Mr. BENNET (for himself and Mr. JUSTICE) 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 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”.

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

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

1 “(D) CLARIFICATION RELATING TO QUALI-
 2 FIED LEAD SERVICE LINE REPLACEMENT
 3 USE.—

4 “(i) IN GENERAL.—For purposes of
 5 this subsection, qualified lead service line
 6 replacement use shall not constitute pri-
 7 vate business use.

8 “(ii) DEFINITIONS.—For purposes of
 9 this subparagraph—

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

21 “(II) LEAD SERVICE LINE.—The
 22 term ‘lead service line’ has the mean-
 23 ing given such term in section
 24 1459B(a)(4) of the Safe Drinking
 25 Water Act.

1 “(III) NATIONAL PRIMARY
2 DRINKING WATER REGULATION FOR
3 LEAD.—The term ‘national primary
4 drinking water regulation for lead’
5 means a national primary drinking
6 water regulation for lead promulgated
7 under section 1412 of such Act.

8 “(IV) PUBLIC WATER SYSTEM.—
9 The term ‘public water system’ has
10 the meaning given such term in sec-
11 tion 1401(4) of such Act.”.

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

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