

108TH CONGRESS
2D SESSION

H. R. 4297

To provide loan guarantees for renewable energy projects using biomass material.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2004

Mr. SIMPSON (for himself and Mr. OTTER) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide loan guarantees for renewable energy projects using biomass material.

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. RENEWABLE ENERGY SYSTEM LOAN GUARAN-**
4 **TEES.**

5 Section 9006 of the Farm Security and Rural Invest-
6 ment Act of 2002 (7 U.S.C. 8106) is amended—

7 (1) in subsection (c)(1), by striking “The” each
8 place it appears and inserting “Except as provided
9 in subsection (e), the”;

1 (2) by redesignating subsections (e) and (f) as
2 subsections (f) and (g), respectively; and

3 (3) by inserting after subsection (d) the fol-
4 lowing:

5 “(e) LOAN GUARANTEES FOR MAJOR PROJECTS.—

6 “(1) DEFINITION OF SUBSIDY COSTS.—In this
7 subsection, the term ‘subsidy costs’ has the meaning
8 given the term ‘cost’ in section 502 of the Federal
9 Credit Reform Act of 1990 (2 U.S.C. 661a).

10 “(2) PROJECTS.—Subsection (c)(1) shall not
11 apply to a loan guarantee made under this section
12 to carry out a project if—

13 “(A) the loan will be used—

14 “(i) to purchase a renewable energy
15 system associated with a commercial pro-
16 duction agricultural enterprise; and

17 “(ii) to promote a solution to an envi-
18 ronmental problem of the State in which
19 the project will be carried out;

20 “(B) the principal amount of the loan is
21 not less than \$50,000,000 and not more than
22 \$100,000,000;

23 “(C) the lender of the loan exercises due
24 diligence with respect to the borrower of the
25 loan;

1 “(D) the borrower of the loan pays in full,
2 before the guarantee is issued, a guarantee fee
3 in the amount of the estimated subsidy cost of
4 the guarantee, as determined by the Director of
5 the Office of Management and Budget;

6 “(E) the project is certified by the appro-
7 priate State agency, as designated by the Gov-
8 ernor of the State in which the project will be
9 carried out;

10 “(F) the project requires no Federal or
11 State financial assistance, other than the loan
12 guarantee provided under this subsection; and

13 “(G) the project complies with all nec-
14 essary permits, licenses, and approvals required
15 under the laws of the State.

16 “(3) PRIORITY.—In making loan guarantees
17 under this section for projects described in para-
18 graph (2), the Secretary shall give priority to renew-
19 able energy projects that promote the production of
20 an agricultural commodity that is imported into the
21 United States.

22 “(4) COST SHARING.—

23 “(A) IN GENERAL.—The amount of a loan
24 guarantee under this section for a project de-

1 scribed in paragraph (2) shall not exceed 80
2 percent of the total project cost.

3 “(B) SUBORDINATION.—Any financing for
4 the non-Federal share of the total project cost
5 shall be subordinated to the federally guaran-
6 teed portion of the total project cost.

7 “(5) MAXIMUM AMOUNT.—

8 “(A) INDIVIDUAL LOANS.—The amount of
9 principal for a loan under this section for a
10 project described in paragraph (2) shall not ex-
11 ceed \$100,000,000.

12 “(B) ALL LOANS.—The total outstanding
13 amount of principal for loans under this section
14 for all projects described in paragraph (2) shall
15 not exceed \$1,000,000,000 for fiscal year
16 2004.”.

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