

109TH CONGRESS
1ST SESSION

H. R. 3451

To amend the Internal Revenue Code of 1986 to provide for the use of
redevelopment bonds for environmental remediation.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2005

Ms. HART 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 provide
for the use of redevelopment bonds for environmental
remediation.

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. USE OF REDEVELOPMENT BONDS FOR ENVI-**
4 **RONMENTAL REMEDIATION.**

5 (a) ENVIRONMENTAL REMEDIATION INCLUDED AS
6 REDEVELOPMENT PURPOSE.—Subparagraph (A) of sec-
7 tion 144(c)(3) of the Internal Revenue Code of 1986 (re-
8 lating to redevelopment purposes) is amended by striking
9 “and” at the end of clause (iii), by striking the period

1 at the end of clause (iv) and inserting “, and”, and by
2 adding at the end the following new clause:

3 “(v) the costs of environmental reme-
4 diation (as defined in paragraph (9)(B))
5 with respect to a qualified contaminated
6 site (as defined in paragraph (9)(C)) if
7 such costs are incurred pursuant to an en-
8 vironmental remediation plan which was
9 approved by the Administrator of the Envi-
10 ronmental Protection Agency or by the
11 head of any State or local government
12 agency designated by the Administrator to
13 carry out the Administrator’s functions
14 under this clause.”.

15 (b) CERTAIN REQUIREMENTS NOT TO APPLY TO RE-
16 DEVELOPMENT BONDS FOR ENVIRONMENTAL REMEDI-
17 ATION.—Subsection (c) of section 144 of such Code is
18 amended by adding at the end the following new para-
19 graph:

20 “(9) REDEVELOPMENT BONDS FOR ENVIRON-
21 MENTAL REMEDIATION.—For purposes of clause (v)
22 of paragraph (3)(A)—

23 “(A) CERTAIN REQUIREMENTS NOT TO
24 APPLY.—In the case of any bond issued as part
25 of an issue 95 percent or more of the proceeds

1 of which are to finance costs referred to in
2 paragraph (3)(A)(v)—

3 “(i) paragraph (2)(A)(i) shall not
4 apply,

5 “(ii) paragraph (2)(A)(ii) shall not
6 apply to any issue issued by the governing
7 body described in paragraph (4)(A) with
8 respect to the area which includes the site,

9 “(iii) the requirement of paragraph
10 (2)(B)(ii) shall be treated as met if—

11 “(I) the payment of the principal
12 and interest on such issue is secured
13 by taxes imposed by a governmental
14 unit, or

15 “(II) such issue is approved by
16 the applicable elected representative
17 (as defined in section 147(f)(2)(E)) of
18 the governmental unit which issued
19 such issue (or on behalf of which such
20 issue was issued),

21 “(iv) subparagraphs (C) and (D) of
22 paragraph (2) shall not apply,

23 “(v) subparagraphs (C) and (D) of
24 paragraph (4) shall not apply, and

1 “(vi) if the real property referred to in
2 clause (iii) of paragraph (3)(A) is 1 or
3 more dwelling units, such clause shall
4 apply only if the requirements of section
5 142(d) or 143 (as the case may be) are
6 met with respect to such units.

7 “(B) ENVIRONMENTAL REMEDIATION.—

8 The term ‘environmental remediation’ means—

9 “(i) abatement or control of haz-
10 ardous substances (as defined by section
11 101 of the Comprehensive Environmental
12 Response, Compensation, and Liability Act
13 of 1980 (42 U.S.C. 9601)),

14 “(ii) demolition of existing contami-
15 nated structures, permit fees necessary for
16 remediation, and environmental audits,

17 “(iii) health assessments or health ef-
18 fects studies related to the site, and

19 “(iv) remediation of off-site contami-
20 nation caused by activity on the site (other
21 than remediation activities of a type per-
22 mitted for the site).

23 “(C) QUALIFIED CONTAMINATED SITE.—

24 The term ‘qualified contaminated site’ means
25 any contaminated site if—

1 “(i) the condition of the contaminated
 2 site is such that without funding under
 3 this section redevelopment is unlikely,

4 “(ii) the contaminated site has not
 5 been in productive use for at least 1 year
 6 before such funding,

7 “(iii) there is a strong likelihood of re-
 8 development of the site for industrial or
 9 commercial use that will result in creation
 10 of jobs and expansion of the tax base, and

11 “(iv) environmental remediation and
 12 redevelopment are likely to be completed
 13 within a reasonable period of time.”.

14 (c) PENALTY FOR FAILURE TO SATISFACTORILY
 15 COMPLETE REMEDIATION PLAN.—Subsection (b) of sec-
 16 tion 150 of such Code is amended by adding at the end
 17 thereof the following new paragraph:

18 “(7) QUALIFIED CONTAMINATED SITE REMEDI-
 19 ATION BONDS.—In the case of financing provided for
 20 costs described in section 144(c)(3)(A)(v), no deduc-
 21 tion shall be allowed under this chapter for interest
 22 on such financing during any period during which
 23 there is a determination by the Administrator of the
 24 Environmental Protection Agency (or by the head of
 25 any State or local government agency designated by

1 the Administrator to carry out the Administrator's
2 functions under this paragraph) that the remedi-
3 ation plan under which such costs were incurred was
4 not satisfactorily completed.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to bonds issued after the date of
7 the enactment of this Act.

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