

111TH CONGRESS
1ST SESSION

H. R. 4243

To permit the issuance of tax-exempt bonds for air and water pollution control facilities.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2009

Ms. LINDA T. SÁNCHEZ of California (for herself and Mr. BRADY of Texas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To permit the issuance of tax-exempt bonds for air and water pollution control facilities.

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 “Clean Air and Water
5 Investment Act of 2009”.

6 **SEC. 2. TAX-EXEMPT BONDS FOR AIR AND WATER POLLU-** 7 **TION CONTROL FACILITIES.**

8 (a) IN GENERAL.—Subsection (a) of section 142 of
9 the Internal Revenue Code of 1986 (defining exempt facil-
10 ity bonds) is amended by striking “or” at the end of para-

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

4 “(16) air or water pollution control facilities.”.

5 (b) AIR OR WATER POLLUTION CONTROL FACILI-
 6 TIES.—Section 142 of such Code is amended by adding
 7 at the end the following new subsection:

8 “(n) AIR OR WATER POLLUTION CONTROL FACILI-
 9 TIES.—

10 “(1) IN GENERAL.—For purposes of subsection
 11 (a)(16), the term ‘air or water pollution control fa-
 12 cilities’ means any property—

13 “(A) to be used, in whole or in part, to
 14 abate or control water or atmospheric pollution
 15 or contamination by removing, altering, dis-
 16 posing, or storing pollutants, contaminants,
 17 wastes, or heat,

18 “(B) which is either—

19 “(i) of a character subject to the al-
 20 lowance for depreciation under section 167,
 21 or

22 “(ii) land, and

23 “(C) with respect to which either—

24 “(i) a Federal, State, or local agency
 25 exercising jurisdiction has certified that

1 the property, as designed, is in furtherance
2 of the purpose of abating or controlling at-
3 mospheric pollutants or contaminants, or
4 water pollution, as the case may be, or

5 “(ii) the property is designed to meet
6 or exceed applicable Federal, State, and
7 local requirements for the control of at-
8 mospheric pollutants or contaminants, or
9 water pollution, as the case may be, in ef-
10 fect at the time the obligations, the pro-
11 ceeds of which are to be used to provide
12 such facilities, are issued.

13 “(2) CERTAIN OTHER PROPERTY.—In the case
14 of property to be used to control water pollution, a
15 water pollution control facility includes the necessary
16 intercepting sewers, pumping, power, and other
17 equipment, and their appurtenances.

18 “(3) COSTS TAKEN INTO ACCOUNT.—

19 “(A) PROPERTY WITH NO SIGNIFICANT
20 PURPOSE OTHER THAN POLLUTION CONTROL.—

21 In the case of property which is designed for no
22 significant purpose other than the control of
23 pollution, the total expenditure for such prop-
24 erty shall be taken into account for purposes of
25 this subsection.

1 “(B) INCREMENTAL COST WHERE SIGNIFI-
 2 CANT PURPOSE OTHER THAN POLLUTION CON-
 3 TROL.—In the case of property to be placed in
 4 service for the purpose of controlling pollution
 5 and for a significant purpose other than con-
 6 trolling pollution, only the incremental cost of
 7 such property shall be taken into account for
 8 purposes of this subsection. For purposes of the
 9 preceding sentence, the term ‘incremental cost’
 10 means the excess of the total cost of such prop-
 11 erty over the portion of such cost expended for
 12 a purpose other than the control of pollution.

13 “(C) SIGNIFICANT PURPOSE.—For pur-
 14 poses of this paragraph, an expenditure has a
 15 significant purpose other than the control of
 16 pollution if such expenditure results in an in-
 17 crease in production or capacity, or in a mate-
 18 rial extension of the useful life, of a manufac-
 19 turing or production facility or a part thereof.”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply to bonds issued after December
 22 31, 2008.

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