

111TH CONGRESS  
2D SESSION

# H. R. 4606

To amend the Internal Revenue Code of 1986 to expand the purposes for which Build America Bonds may be issued.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 2010

Ms. EDDIE BERNICE JOHNSON of Texas introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to expand the purposes for which Build America Bonds may be issued.

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. MODIFICATION OF BUILD AMERICA BONDS.**

4       (a) IN GENERAL.—Section 54AA of the Internal Rev-  
5       enue Code of 1986 is amended by redesignating subsection  
6       (h) as subsection (i) and by inserting after subsection (g)  
7       the following new subsection:

8       “(h) SPECIAL RULE FOR CERTAIN BUILD AMERICA  
9       BONDS.—For purposes of this section and section 6431—

1           “(1) IN GENERAL.—A bond shall be treated as  
2       a Build America bond which is a qualified bond, if—

3           “(A) the issuer makes an irrevocable elec-  
4       tion to have this subsection apply,

5           “(B) the bond is issued as part of an issue  
6       of which 100 percent of the nonreserve proceeds  
7       are to be used for a specified purpose,

8           “(C) at least 15 percent of the payment of  
9       debt service on the issue of which such bond is  
10      a part is directly or indirectly to be derived  
11      from generally applicable taxes,

12          “(D) the issuer satisfies the requirements  
13      of section 148 with respect to the proceeds of  
14      the issue of which such bond is a part, and

15          “(E) the issuer submits a report similar to  
16      the report required by section 149(e).

17          “(2) DEFINITIONS.—For purposes of this sub-  
18      section—

19          “(A) NONRESERVE PROCEEDS.—The term  
20      ‘nonreserve proceeds’ with respect to an issue  
21      means an amount equal to the excess of—

22          “(i) the available project proceeds (as  
23      defined in section 54A) of such issue, over

1 “(ii) the amounts in a reasonably re-  
2 quired reserve (within the meaning of sec-  
3 tion 150(a)(3)) with respect to the issue.

4 “(B) SPECIFIED PURPOSE.—The term  
5 ‘specified purpose’ means providing a facility  
6 (including any land, building or other property  
7 functionally related and subordinate to such fa-  
8 cility) which is located within 2,000 feet of an  
9 enclosed convention center facility that is more  
10 than 150,000 square feet and is owned by or on  
11 behalf of a governmental unit having a popu-  
12 lation (determined by using 2000 census data)  
13 of not more than 250,000.

14 “(3) LIMITATION.—The face amount of bonds  
15 with respect to which an issuer may make an elec-  
16 tion to have this subsection apply shall not exceed  
17 \$250,000,000. Rules similar to the rules of section  
18 265(b)(3)(E) (relating to aggregation of issuers)  
19 shall apply for purposes of the preceding sentence.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to obligations issued after the date  
22 of the enactment of this Act.

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