

111TH CONGRESS
1ST SESSION

S. 222

To amend the Internal Revenue Code of 1986 to increase the national limitation on qualified energy conservation bonds and to clarify that certain programs constitute a qualified conservation purpose, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 2009

Mr. FEINGOLD 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 increase the national limitation on qualified energy conservation bonds and to clarify that certain programs constitute a qualified conservation purpose, and for other purposes.

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 “Community Revitaliza-
5 tion Energy Conservation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) Although conservation measures and energy
2 efficiency technologies have shown significant gains
3 in usage over the past three decades, there remains
4 the need and opportunity for widespread adoption of
5 energy conservation measures and utilization of new
6 energy efficiency technologies.

7 (2) Energy efficiency is in the national interest
8 for our long-term economic well being, for the health
9 and safety of our citizens and the world as we miti-
10 gate the effects of climate change, and for our inde-
11 pendence and security.

12 (3) Energy inefficiencies account for at least 50
13 percent of all United States energy use.

14 (4) United States electricity use could be re-
15 duced by 70 percent through efficiency gains alone.

16 (5) Estimates indicate that although the aver-
17 age United States household's energy costs are equal
18 to seven percent of household income, low-income
19 households spend 17 percent of household earnings
20 on energy.

21 (6) The rehabilitation, retrofitting, and con-
22 struction of residential, commercial, and public fa-
23 cilities will create jobs that benefit community resi-
24 dents, facility owners, facilities, and the environ-
25 ment.

1 (7) The energy saving benefit of such programs,
 2 if they can be implemented on a national basis,
 3 would contribute significantly to our energy inde-
 4 pendence and security. Buildings account for 40 per-
 5 cent of total United States energy consumption; 70
 6 percent of United States electricity consumption;
 7 and 43 percent of United States carbon emissions,
 8 a larger share than either transportation or indus-
 9 try.

10 (8) Research, development, and deployment of
 11 renewable energy, advanced battery technologies,
 12 technologies to reduce fossil fuel consumption, and
 13 technologies to reduce energy consumption in build-
 14 ings are vital to the rebuilding of the economy of the
 15 United States.

16 **SEC. 3. INCREASE IN NATIONAL LIMITATION FOR QUALI-**
 17 **FIED ENERGY CONSERVATION BONDS.**

18 (a) IN GENERAL.—Section 54D(d) of the Internal
 19 Revenue Code of 1986 is amended by striking
 20 “\$800,000,000” and inserting “\$3,600,000,000”.

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

1 **SEC. 4. CLARIFICATION OF QUALIFIED CONSERVATION**
 2 **PURPOSES WITH RESPECT TO QUALIFIED EN-**
 3 **ERGY CONSERVATION BONDS.**

4 (a) IN GENERAL.—For purposes of section
 5 54D(f)(A)(ii) of the Internal Revenue Code of 1986, cap-
 6 ital expenditures for green community programs include
 7 programs that—

8 (1) reduce energy consumption in privately
 9 owned buildings, such as programs described in sub-
 10 section (b); and

11 (2) cover recruiting and training local workers
 12 for the jobs created by activities described in sub-
 13 section (b) or by other green community programs.

14 (b) PROGRAM DESCRIBED.—

15 (1) IN GENERAL.—A program described in this
 16 subsection is a program which is implemented by a
 17 State or local government, or a designee, and in
 18 which the costs of identifying and making building
 19 improvements and related efficiency services are re-
 20 payable by property owners or renters over time
 21 through a periodic fee.

22 (2) IMPROVEMENTS.—Improvements described
 23 in paragraph (1) may include heating, cooling, light-
 24 ing, water-saving, or stormwater-reducing measures
 25 or other measures that result in reduced energy use.

1 (3) PERIODIC FEE.—The periodic fee described
2 in paragraph (1) is a fee which—

3 (A) is equal to or approximates the savings
4 in energy costs associated with the building im-
5 provements and achieved during the fee period;
6 and

7 (B) is assessed on a government bill, such
8 as a bill issued for municipal services or for
9 property taxes, or on a private utility bill, such
10 as a bill issued for electricity, water, or natural
11 gas service.

12 **SEC. 5. REPORTING REQUIREMENT.**

13 The Secretary of the Treasury shall submit to Con-
14 gress and publish in the Federal Register an annual report
15 on projects for which qualified energy conservation bonds
16 (as defined in section 54D of the Internal Revenue Code
17 of 1986) are issued. Such report shall include—

18 (1) the name and address of the issuer,

19 (2) the date of the issue, the amount of net
20 proceeds of the issue, the stated interest rate, term,
21 and the face amount of each bond which is part of
22 such issue, the amount of issuance costs of the issue,
23 and the amount of reserves of the issue,

24 (3) the name and address of—

1 (A) each initial principal user of any facil-
 2 ity provided with the proceeds of the issue, and

3 (B) the common parent of any affiliated
 4 group of corporations (within the meaning of
 5 section 1504(a) of such Code) of which such
 6 initial principal user is a member, and

7 (4) a description of any property to be finance
 8 from the proceeds of the issue.

9 **SEC. 6. OFFSET.**

10 (a) PROHIBITION.—Except as provided in subsection
 11 (b), no amounts appropriated or otherwise made available
 12 for fiscal year 2009 (or for a fiscal year before fiscal year
 13 2009 that remain available for obligation) may be obli-
 14 gated or expended, and no obligated amounts that remain
 15 available for expenditure may be expended, for the F-22A
 16 Raptor Fighter Aircraft.

17 (b) EXCEPTION FOR WINDUP OF PROGRAM.—
 18 Amounts covered by the prohibition under subsection (a)
 19 may be utilized solely for purposes in connection with the
 20 winding up of the program described in that subsection.

21 (c) REPEAL OF MULTIYEAR PROCUREMENT AU-
 22 THORITY FOR F-22A RAPTOR FIGHTER AIRCRAFT.—Ef-
 23 fective as of October 17, 2006, section 134 of the John
 24 Warner National Defense Authorization Act for Fiscal
 25 Year 2007 (Public Law 109–364), relating to multiyear

- 1 procurement authority for F-22A Raptor fighter aircraft,
- 2 is repealed.

