

113TH CONGRESS
1ST SESSION

H. R. 1197

To waive the arbitrage rules for certain bonds issued in 1990 and partially
defeased in 1996.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2013

Mr. ROSS introduced the following bill; which was referred to the Committee
on Ways and Means

A BILL

To waive the arbitrage rules for certain bonds issued in
1990 and partially defeased in 1996.

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. WAIVER OF ARBITRAGE RULES FOR CERTAIN**
4 **BONDS.**

5 (a) IN GENERAL.—Section 148 of the Internal Rev-
6 enue Code of 1986 shall not apply to an issue of bonds
7 that were partially defeased, described in subsection (b),
8 if—

1 (1) such bonds are redeemed by the govern-
2 mental unit that issued them within 90 days of the
3 sale of the escrow securities, and

4 (2) any net profit remaining after the proceeds
5 of the sale of the escrow securities have been applied
6 to such redemption is used by the issuer for an es-
7 sential governmental function within twelve months
8 of such redemption.

9 (b) BONDS DESCRIBED.—Bonds described in this
10 subsection are bonds issued on January 4, 1990, that were
11 partially defeased on July 19, 1996, with revenues of a
12 municipally owned electric and water system.

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