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To require the Secretary of Commerce to establish a program for the award of grants to States to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency and produce clean energy technology, to provide a tax credit for farmers' investments in value-added agriculture, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 17, 2011

Mrs. GILLIBRAND introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require the Secretary of Commerce to establish a program for the award of grants to States to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency and produce clean energy technology, to provide a tax credit for farmers' investments in value-added agriculture, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Upstate Works Act”.

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INVESTMENTS FOR MANUFACTURING PROGRESS AND
CLEAN TECHNOLOGY

Sec. 101. Clean energy manufacturing revolving loan fund program.
Sec. 102. Clean energy and efficiency manufacturing partnerships.
Sec. 103. Technical amendments.

TITLE II—AGRICULTURAL PRODUCERS VALUE-ADDED
INVESTMENT TAX CREDIT

Sec. 201. Credit for farmer investment in value-added agricultural property.

TITLE III—TRAINING GRANTS FOR EMPLOYEES

Sec. 301. Definition of Secretary.
Sec. 302. Authorization.
Sec. 303. Use of amounts.
Sec. 304. Requirement of matching funds.
Sec. 305. Limit on administrative expenses.
Sec. 306. Authorization of appropriations.

TITLE IV—FEDERAL INVESTMENT TO EXPAND BROADBAND
ACCESS

Sec. 401. Additional authorization of appropriations to extend access to
broadband telecommunications services in rural areas.

TITLE V—BUILD AMERICA BONDS TO CREATE JOBS NOW

Sec. 501. Short title.
Sec. 502. Extension of Build America Bonds.

3 **TITLE I—INVESTMENTS FOR**
4 **MANUFACTURING PROGRESS**
5 **AND CLEAN TECHNOLOGY**

6 **SEC. 101. CLEAN ENERGY MANUFACTURING REVOLVING**
7 **LOAN FUND PROGRAM.**

8 The National Institute of Standards and Technology
9 Act (15 U.S.C. 271 et seq.) is amended by inserting after
10 section 26 the following:

1 **“SEC. 27. CLEAN ENERGY MANUFACTURING REVOLVING**
2 **LOAN FUND PROGRAM.**

3 “(a) PURPOSES.—The purposes of this section are—

4 “(1) to develop the long-term manufacturing
5 capacity of the United States;

6 “(2) to create jobs through the retooling and
7 expansion of manufacturing facilities to produce
8 clean energy technology products and energy effi-
9 cient products;

10 “(3) to improve the long-term competitiveness
11 of domestic manufacturing by increasing the energy
12 efficiency of manufacturing facilities; and

13 “(4) to assist small and medium-sized manufac-
14 turers diversify operations to respond to emerging
15 clean energy technology product markets.

16 “(b) DEFINITIONS.—In this section:

17 “(1) CLEAN ENERGY TECHNOLOGY PRODUCT.—
18 The term ‘clean energy technology product’ means
19 technology products relating to—

20 “(A) wind turbines;

21 “(B) solar energy;

22 “(C) fuel cells;

23 “(D) advanced batteries, battery systems,
24 or storage devices;

25 “(E) biomass equipment;

26 “(F) geothermal equipment;

1 “(G) advanced biofuels;

2 “(H) ocean energy equipment;

3 “(I) carbon capture and storage;

4 “(J) such other products as the Secretary
5 determines—

6 “(i) relate to the production, use,
7 transmission, storage, control, or conserva-
8 tion of energy;

9 “(ii) reduce greenhouse gas concentra-
10 tions;

11 “(iii) achieve the earliest and max-
12 imum emission reductions within a reason-
13 able period per dollar invested;

14 “(iv) result in the fewest non-green-
15 house gas environmental impacts; and

16 “(v)(I) reduce the need for additional
17 energy supplies by—

18 “(aa) using existing energy sup-
19 plies with greater efficiency; or

20 “(bb) transmitting, distributing,
21 or transporting energy with greater
22 effectiveness through the infrastruc-
23 ture of the United States; or

24 “(II) diversify the sources of energy
25 supply of the United States—

1 “(aa) to strengthen energy secu-
2 rity; and

3 “(bb) to increase supplies with a
4 favorable balance of environmental ef-
5 fects if the entire technology system is
6 considered.

7 “(2) ENERGY EFFICIENT PRODUCT.—The term
8 ‘energy efficient product’ means a product that the
9 Secretary, in consultation with the Secretary of En-
10 ergy, determines—

11 “(A) consumes significantly less energy
12 than the average amount that all similar prod-
13 ucts consumed on the day before the date of the
14 enactment of this Act; or

15 “(B) is a component, system, or group of
16 subsystems that is designed, developed, and
17 validated to optimize the energy efficiency of a
18 product.

19 “(3) PROGRAM.—The term ‘Program’ means
20 the grant program established pursuant to sub-
21 section (c)(1).

22 “(4) REVOLVING LOAN FUND.—The term ‘re-
23 volving loan fund’ means a revolving loan fund de-
24 scribed in subsection (d).

1 “(5) SMALL OR MEDIUM-SIZED MANUFAC-
2 TURER.—The term ‘small or medium-sized manufac-
3 turer’ means a manufacturer that employs fewer
4 than 500 full-time equivalent employees at a manu-
5 facturing facility that is not owned or controlled by
6 an automobile manufacturer.

7 “(c) GRANT PROGRAM.—

8 “(1) ESTABLISHMENT.—Not later than 120
9 days after the date of the enactment of this section,
10 the Secretary shall establish a program under which
11 the Secretary shall award grants to States to estab-
12 lish revolving loan funds to provide loans to small or
13 medium-sized manufacturers to finance the cost of—

14 “(A) reequipping, expanding, or estab-
15 lishing (including applicable engineering costs)
16 a manufacturing facility in the United States to
17 produce—

18 “(i) clean energy technology products;

19 “(ii) energy efficient products; or

20 “(iii) integral component parts of
21 clean energy technology products or energy
22 efficient products; or

23 “(B) reducing the energy intensity or
24 greenhouse gas production of a manufacturing

1 facility in the United States, including using
2 energy intensive feedstocks.

3 “(2) MAXIMUM AMOUNT.—The Secretary may
4 not award a grant under the Program in an amount
5 that exceeds \$500,000,000 in any fiscal year.

6 “(d) CRITERIA FOR AWARDING GRANTS.—

7 “(1) MATCHING FUNDS.—The Secretary may
8 not award a grant to a State under the Program un-
9 less the State ensures that not less than 20 percent
10 of the amount of each loan provided by the State
11 under the Program originates from non-Federal
12 sources.

13 “(2) ADMINISTRATIVE COSTS.—Grants under
14 the Program may only be used for the costs of ad-
15 ministering the revolving loan fund, in accordance
16 with regulations promulgated by the Secretary.

17 “(3) APPLICATION.—Each State seeking a
18 grant under the Program shall submit an application
19 to the Secretary in such form, in such manner, and
20 containing such information as the Secretary con-
21 siders appropriate.

22 “(4) EVALUATION.—The Secretary shall evalu-
23 ate and prioritize each application submitted by a
24 State for a grant under the Program on the basis
25 of—

1 “(A) the description of—

2 “(i) the revolving loan fund to be es-
3 tablished with the grant; and

4 “(ii) how such revolving loan fund is
5 expected to achieve the purposes described
6 in subsection (a);

7 “(B) whether the State will be able to pro-
8 vide loans from the revolving loan fund to small
9 or medium-sized manufacturers within 120 days
10 after receiving the grant;

11 “(C) a description of how the State is
12 planning to coordinate the administration of the
13 revolving loan fund with other State and Fed-
14 eral programs, including programs administered
15 by the Assistant Secretary for Economic Devel-
16 opment;

17 “(D) a description of the actual or poten-
18 tial clean energy manufacturing supply chains,
19 including significant component parts, in the re-
20 gion served by the revolving loan fund;

21 “(E) how the State is planning to target
22 the provision of loans under the Program to
23 manufacturers located in regions characterized
24 by high unemployment and sudden and severe
25 economic dislocation, particularly if mass lay-

1 offs have resulted in a precipitous increase in
2 unemployment;

3 “(F) the availability of a skilled manufac-
4 turing workforce in the region served by the re-
5 volving loan fund;

6 “(G) the capacity of the region’s workforce
7 and education systems to provide pathways for
8 unemployed or low-income workers into skilled
9 manufacturing employment;

10 “(H) a description of how the State will
11 target loans to small or medium-sized manufac-
12 turers that—

13 “(i) manufacture automobile compo-
14 nents; and

15 “(ii)(I) increase the energy efficiency
16 of their manufacturing facilities; or

17 “(II) retool to manufacture clean en-
18 ergy products or energy efficient products,
19 including manufacturing components to
20 improve the compliance of an automobile
21 with fuel economy standards prescribed
22 under section 32902 of title 49, United
23 States Code;

24 “(I) a description of how the State is plan-
25 ning to use the loan fund to achieve the earliest

1 and maximum greenhouse gas emission reduc-
2 tions within a reasonable period of time for
3 each dollar invested and with the fewest non-
4 greenhouse gas environmental impacts; and

5 “(J) such other factors as the Secretary
6 considers appropriate to ensure that grants
7 awarded under the Program effectively and effi-
8 ciently achieve the purposes described in sub-
9 section (a).

10 “(e) REVOLVING LOAN FUNDS.—

11 “(1) IN GENERAL.—A State receiving a grant
12 under the Program shall establish, maintain, and
13 administer a revolving loan fund in accordance with
14 this subsection.

15 “(2) DEPOSITS.—A revolving loan fund shall
16 consist of—

17 “(A) amounts from grants awarded under
18 this section; and

19 “(B) all amounts held or received by the
20 State incident to the provision of loans de-
21 scribed in subsection (f), including all collec-
22 tions of principal and interest.

23 “(3) EXPENDITURES.—Amounts in the revol-
24 ving loan fund shall be available for the provision and

1 administration of loans in accordance with sub-
2 section (f).

3 “(f) LOANS.—

4 “(1) IN GENERAL.—A State receiving a grant
5 under this section shall use the amount in the re-
6 volving loan fund to provide loans to small or me-
7 dium-sized manufacturers.

8 “(2) LOAN TERMS AND CONDITIONS.—

9 “(A) TERMS.—In determining the term of
10 each loan provided under paragraph (1), the
11 State shall ensure that—

12 “(i) the term of any loan for fixed as-
13 sets does not exceed the useful life of the
14 asset and is shorter than 15 years; and

15 “(ii) the term of any loan for working
16 capital is not longer than 3 years.

17 “(B) INTEREST RATES.—The interest rate
18 set by the State for each loan provided under
19 paragraph (1)—

20 “(i) shall enable the loan recipient to
21 accomplish the activities described in sub-
22 paragraphs (A) and (B) of subsection
23 (c)(1);

24 “(ii) may be set at below-market in-
25 terest rates;

1 “(iii) may not be lower than 0 per-
2 cent; and

3 “(iv) may not be greater than 500
4 basis points above the prime rate, as of the
5 settlement date for such loan.

6 “(C) DESCRIPTION AND BUDGET FOR USE
7 OF LOAN FUNDS.—Each recipient of a loan
8 from a State under the Program shall develop
9 and submit, to the State and to the Secretary,
10 a description and budget for the use of loan
11 amounts, including a description of—

12 “(i) any new business expected to be
13 developed with the loan;

14 “(ii) any improvements to manufac-
15 turing operations to be developed with the
16 loan; and

17 “(iii) any technology expected to be
18 commercialized with the loan.

19 “(D) PRIORITY IN REVIEW AND PREF-
20 ERENCE IN SELECTION FOR CERTAIN LOAN AP-
21 PPLICANTS.—

22 “(i) REVIEW.—In reviewing applica-
23 tions submitted by small or medium-sized
24 manufacturers for a loan, a recipient of a
25 grant under the Program shall give pri-

1 ority to small or medium-sized manufac-
2 turers described in clause (iii).

3 “(ii) SELECTION.—In selecting small
4 or medium-sized manufacturers to receive
5 a loan, a recipient of a grant under the
6 Program shall give preference to small or
7 medium-sized manufacturers described in
8 clause (iii).

9 “(iii) PRIORITY AND PREFERRED
10 SMALL OR MEDIUM-SIZED MANUFACTUR-
11 ERS.—A small or medium-sized manufac-
12 turer described in this clause is a manufac-
13 turer that—

14 “(I) is certified by a Hollings
15 Manufacturing Extension Center or a
16 manufacturing-related local inter-
17 mediary designated by the Secretary
18 for purposes of providing such certifi-
19 cation; or

20 “(II) provides individuals em-
21 ployed at the manufacturing facilities
22 of the manufacturer with—

23 “(aa) pay that is, on aver-
24 age, not less than the average
25 wage of an individual working in

1 a manufacturing facility in the
2 State; and

3 “(bb) health benefits.

4 “(iv) CERTIFICATION BY HOLLINGS
5 MANUFACTURING EXTENSION CENTER.—A
6 Hollings Manufacturing Extension Center
7 or other entity designated by the Secretary
8 for purposes of providing certification
9 under clause (iii)(I) may not certify appli-
10 cations for a loan until the Center or other
11 entity has completed a qualitative and
12 quantitative review of the applicant’s busi-
13 ness strategy, manufacturing operations,
14 and technological ability to contribute to
15 the purposes described in subsection (a).

16 “(E) REPAYMENT UPON RELOCATION OUT-
17 SIDE UNITED STATES.—

18 “(i) IN GENERAL.—The recipient of a
19 loan under paragraph (1) to finance the
20 cost of reequipping, expanding, or estab-
21 lishing a manufacturing facility or to re-
22 duce the energy intensity of a manufac-
23 turing facility that relocates the production
24 activities of such manufacturing facility
25 outside the United States during the term

1 of the loan shall repay such loan in full in
2 accordance with this subparagraph.

3 “(ii) PAYMENT OF INTEREST.—The
4 repayment of a loan under clause (i) shall
5 bear interest at a penalty rate determined
6 by the Secretary to deter recipients of
7 loans under paragraph (1) from relocating
8 production activities outside the United
9 States.

10 “(iii) PERIOD OF REPAYMENT.—The
11 Secretary shall determine the duration of
12 the repayment of a loan under clause (i).

13 “(F) COMPLIANCE WITH WAGE RATE RE-
14 QUIREMENTS.—Each recipient of a loan under
15 paragraph (1) shall incorporate, into all con-
16 tracts for construction, alteration, or repair,
17 which are paid for, in whole or in part, with
18 amounts obtained pursuant to such loan, a re-
19 quirement that all laborers and mechanics em-
20 ployed by contractors and subcontractors per-
21 forming construction, alteration, or repair shall
22 be paid wages at rates not less than those de-
23 termined by the Secretary of Labor, in accord-
24 ance with subchapter IV of chapter 31 of title
25 40, United States Code (known as the ‘Davis-

1 Bacon Act'), to be prevailing for the cor-
2 responding classes of laborers and mechanics
3 employed on projects of a character similar to
4 the contract work in the same locality in which
5 the work is to be performed. With respect to
6 the labor standards specified in this subpara-
7 graph, the Secretary of Labor shall have the
8 authority and functions set forth in Reorganiza-
9 tion Plan Numbered 14 of 1950 (15 Fed. Reg.
10 3176; 64 Stat. 1267) and section 3145 of title
11 40, United States Code.

12 “(G) ANNUAL REPORTS BY LOAN RECIPI-
13 ENTS.—Not less frequently than once each year
14 during the term of each loan issued by a State
15 under paragraph (1), the loan recipient shall
16 submit a report to such State that contains
17 such information as the Secretary may specify
18 for purposes of the Program, including informa-
19 tion that the Secretary can use to determine
20 whether a recipient of a loan is required to
21 repay the loan under subparagraph (E).

22 “(3) ANNUAL REPORTS BY GRANT RECIPI-
23 ENTS.—Not less frequently than once each year,
24 each recipient of a grant under the Program shall
25 submit a report to the Secretary that describes—

1 “(A) to support manufacturers in their
2 identification of and diversification to new mar-
3 kets, including support for manufacturers
4 transitioning to the use of clean energy supply
5 chains;

6 “(B) to assist manufacturers improve their
7 competitiveness by reducing energy intensity
8 and greenhouse gas production, including the
9 use of energy intensive feedstocks;

10 “(C) to increase adoption and implementa-
11 tion of innovative manufacturing technologies;

12 “(D) to coordinate and leverage the exper-
13 tise of the National Laboratories and Tech-
14 nology Centers and the Industrial Assessment
15 Centers of the Department of Energy to meet
16 the needs of manufacturers; and

17 “(E) to identify, assist, and certify manu-
18 facturers seeking loans under section
19 27(e)(1).”.

20 (b) REDUCTION IN COST SHARE REQUIREMENTS.—

21 Section 25(c) of the National Institute of Standards and
22 Technology Act (15 U.S.C. 278k(c)) is amended—

23 (1) in paragraph (1), by striking “six years”
24 and inserting “6 years, or as provided in paragraph
25 (5)”;

1 (2) in paragraph (3)(B), by striking “not less
2 than 50 percent of the costs incurred for the first
3 3 years and an increasing share for each of the last
4 3 years” and inserting “50 percent of the costs in-
5 curred, or such lesser percentage of the costs in-
6 curred that the Secretary determines, by rule, to be
7 appropriate”; and

8 (3) in paragraph (5)—

9 (A) by striking “at declining levels”; and

10 (B) by striking “one third of the capital
11 and annual operating and maintenance costs”
12 and inserting “50 percent of the capital and an-
13 nual operating and maintenance costs, or such
14 lesser percentage that the Secretary determines,
15 by rule, to be appropriate”.

16 (c) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to the Secretary of Com-
18 merce for the Hollings Manufacturing Partnership Pro-
19 gram authorized under sections 25 of the National Insti-
20 tute of Standards and Technology Act (15 U.S.C. 278k)
21 and for the provision of assistance under section 26 of
22 such Act (15 U.S.C. 278l)—

23 (1) \$200,000,000 for fiscal year 2012;

24 (2) \$250,000,000 for fiscal year 2013;

25 (3) \$300,000,000 for fiscal year 2014;

1 (4) \$350,000,000 for fiscal year 2015; and

2 (5) \$400,000,000 for fiscal year 2016.

3 **SEC. 103. TECHNICAL AMENDMENTS.**

4 (a) AMENDMENT TO NATIONAL INSTITUTE OF
5 STANDARDS AND TECHNOLOGY ACT.—Section 25 of the
6 National Institute of Standards and Technology Act (15
7 U.S.C. 278k) is amended—

8 (1) in subsection (a), by striking “(hereafter in
9 this Act referred to as the ‘Centers’)”; and

10 (2) by adding at the end the following:

11 “(g) DESIGNATION.—

12 “(1) HOLLINGS MANUFACTURING PARTNERSHIP
13 PROGRAM.—For purposes of this Act, the program
14 established under this section shall be known as the
15 ‘Hollings Manufacturing Partnership Program’.

16 “(2) HOLLINGS MANUFACTURING EXTENSION
17 CENTERS.—For purposes of this Act, the Regional
18 Centers for the Transfer of Manufacturing Tech-
19 nology created and supported under subsection (a)
20 shall be known as ‘Hollings Manufacturing Exten-
21 sion Centers’ or ‘Centers’.”.

22 (b) AMENDMENT TO CONSOLIDATED APPROPRIA-
23 TIONS ACT, 2005.—Title II of division B of the Consoli-
24 dated Appropriations Act, 2005 (Public Law 108–447;
25 118 Stat. 2879; 15 U.S.C. 278k note) is amended under

1 the heading “INDUSTRIAL TECHNOLOGY SERVICES” by
 2 striking “2007: *Provided further, That*” and all that fol-
 3 lows through “Extension Centers.” and inserting “2007.”.

4 **TITLE II—AGRICULTURAL PRO-**
 5 **DUCERS VALUE-ADDED IN-**
 6 **VESTMENT TAX CREDIT**

7 **SEC. 201. CREDIT FOR FARMER INVESTMENT IN VALUE-**
 8 **ADDED AGRICULTURAL PROPERTY.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
 10 chapter A of chapter 1 of the Internal Revenue Code of
 11 1986 is amended by adding at the end the following new
 12 section:

13 **“SEC. 45S. VALUE-ADDED AGRICULTURAL PROPERTY IN-**
 14 **VESTMENT CREDIT.**

15 “(a) GENERAL RULE.—For purposes of section 38,
 16 in the case of a taxpayer who is—

17 “(1) an eligible person, or

18 “(2) a farmer-owned entity,

19 the value-added agricultural property investment credit
 20 determined under this section for any taxable year is 50
 21 percent of the basis of any qualified value-added agricul-
 22 tural property placed in service during the taxable year.
 23 In the case of a farmer-owned entity, such credit shall be
 24 allocated on a pro rata basis among eligible persons hold-

1 ing qualified investments in such entity as of the last day
2 of such taxable year.

3 “(b) MAXIMUM CREDIT.—For purposes of subsection
4 (a)—

5 “(1) PROPERTY PLACED IN SERVICE BY ELIGI-
6 BLE PERSON.—In the case of property placed in
7 service during a taxable year by an eligible person,
8 the credit determined under this section for such
9 year shall not exceed \$30,000, reduced by the
10 amount of the creditable investments allowed for the
11 taxable year under paragraph (2).

12 “(2) PROPERTY PLACED IN SERVICE BY FARM-
13 ER-OWNED ENTITY.—

14 “(A) IN GENERAL.—In the case of prop-
15 erty placed in service by a farmer-owned entity,
16 the credit determined under this section shall
17 not exceed the sum of the eligible person’s cred-
18 itable investments in such entity as of the date
19 such property is placed in service.

20 “(B) CREDITABLE INVESTMENTS.—For
21 purposes of subparagraph (A), the term ‘cred-
22 itable investments’ means, with respect to any
23 property placed in service by a farmer-owned
24 entity, the aggregate qualified investments

1 made by the eligible person in such entity, re-
2 duced (but not below zero) by the sum of—

3 “(i) the amount of the aggregate
4 qualified investments made by such person
5 in such entity which were taken into ac-
6 count under this section with respect to
7 property previously placed in service by
8 such entity, and

9 “(ii) the amount of the aggregate
10 qualified investments made by such person
11 in all other farmer-owned entities which
12 were taken into account under this section
13 with respect to property previously placed
14 in service by such other entities.

15 “(C) LIMITATION.—For purposes of this
16 paragraph, the aggregate qualified investments
17 made by the eligible person which may be taken
18 into account for any taxable year shall not ex-
19 ceed \$30,000.

20 “(c) DEFINITIONS.—For purposes of this section—

21 “(1) QUALIFIED VALUE-ADDED AGRICULTURAL
22 PROPERTY.—The term ‘qualified value-added agri-
23 cultural property’ means property—

24 “(A) which is used to add value to a good
25 or product, suitable for food or nonfood use, de-

1 rived in whole or in part from organic matter
2 which is available on a renewable basis, includ-
3 ing agricultural crops and agricultural wastes
4 and residues, wood wastes and residues, and
5 domesticated animal wastes,

6 “(B)(i) to which section 168 applies with-
7 out regard to any useful life, or

8 “(ii) with respect to which depreciation (or
9 amortization in lieu of depreciation) is allowable
10 and having a useful life (determined as of the
11 time such property is placed in service) of 3
12 years or more, and

13 “(C) which is owned and operated by an
14 eligible person or a farmer-owned entity.

15 “(2) ELIGIBLE PERSON.—

16 “(A) IN GENERAL.—The term ‘eligible per-
17 son’ means a person who materially participates
18 during the taxable year in an eligible farming
19 business.

20 “(B) MATERIAL PARTICIPATION.—For
21 purposes of subparagraph (A), the determina-
22 tion of whether a person materially participates
23 in the trade or business of farming shall be
24 made in a manner similar to the manner in
25 which such determination is made under section

1 2032A(e)(6). In the case that the person is a
2 corporation, cooperative, partnership, estate, or
3 trust, such determination shall be made at the
4 shareholder, partner, or beneficial interests level
5 (as the case may be).

6 “(C) ELIGIBLE FARMING BUSINESS.—For
7 purposes of subparagraph (A), the term ‘eligible
8 farming business’ means a farming business (as
9 defined in section 263A(e)(4)) which is not a
10 passive activity (within the meaning of section
11 469(c)).

12 “(3) FARMER-OWNED ENTITY.—

13 “(A) IN GENERAL.—The term ‘farmer-
14 owned entity’ means—

15 “(i) a corporation (including an S cor-
16 poration) in which eligible persons own 50
17 percent or more of the total voting power
18 of the stock and 50 percent or more (in
19 value) of the stock,

20 “(ii) a partnership in which eligible
21 persons own 50 percent or more of the
22 total voting power of the profits interest
23 and 50 percent or more (in value) of the
24 profits interest, and

1 “(iii) a cooperative in which eligible
2 persons own 50 percent or more of the
3 total voting power of the member patron-
4 age interests and 50 percent or more (in
5 value) of the member patronage interests.

6 “(B) CONSTRUCTIVE OWNERSHIP
7 RULES.—For purposes of subparagraph (A),
8 rules similar to the rules of section
9 263A(e)(2)(B) shall apply; except that, in ap-
10 plying such rules, the members of an individ-
11 ual’s family shall be the individuals described in
12 subparagraph (C).

13 “(C) MEMBERS OF FAMILY.—The family
14 of any individual shall include only his spouse
15 and children, grandchildren, and great grand-
16 children (whether by the whole or half blood),
17 and the spouses of his children, grandchildren,
18 and great grandchildren, who reside in the
19 same household or jointly operate farming busi-
20 nesses (as defined in section 263A(e)(4)). For
21 purposes of the preceding sentence, a child who
22 is legally adopted, or who is placed with the
23 taxpayer by an authorized placement agency for
24 adoption by the taxpayer, shall be treated as a
25 child by blood.

1 “(4) QUALIFIED INVESTMENTS.—

2 “(A) IN GENERAL.—The term ‘qualified
3 investments’ means a payment of cash for the
4 purchase of a qualified equity interest in a
5 farmer-owned entity.

6 “(B) QUALIFIED EQUITY INTEREST.—The
7 term ‘qualified equity interest’ means—

8 “(i) any stock in a domestic corpora-
9 tion if such stock is acquired by the tax-
10 payer after December 31, 2009, and before
11 January 1, 2016, at its original issue (di-
12 rectly or through an underwriter) from the
13 corporation solely in exchange for cash,

14 “(ii) any capital or profits interest in
15 a domestic partnership if such interest is
16 acquired by the taxpayer after December
17 31, 2009, and before January 1, 2016, and

18 “(iii) any patronage interest in a co-
19 operative if such interest is acquired by the
20 taxpayer after December 31, 2009, and be-
21 fore January 1, 2016.

22 Rules similar to the rules of section 1202(e)(3)
23 shall apply for purposes of this paragraph.

24 “(d) SPECIAL RULES.—For purposes of this sec-
25 tion—

1 “(1) TREATMENT OF MARRIED INDIVIDUALS.—

2 In the case of a separate return by a married indi-
3 vidual (as defined in section 7703), subsection
4 (b)(3)(A) shall be applied by substituting ‘\$15,000’
5 for ‘\$30,000’.

6 “(2) APPLICABLE RULES.—Under regulations
7 prescribed by the Secretary—

8 “(A) ALLOCATION OF CREDIT IN THE CASE
9 OF ESTATES AND TRUSTS.—Rules similar to the
10 rules of subsection (d) of section 52 shall apply.

11 “(B) CERTAIN PROPERTY NOT ELIGI-
12 BLE.—Rules similar to the rules of section
13 50(b) shall apply.

14 “(3) BASIS ADJUSTMENT.—For purposes of
15 this subtitle, if a credit is allowed under this section
16 to any eligible person with respect to qualified value-
17 added agricultural property, the basis of such prop-
18 erty shall be reduced by the amount of the credit so
19 allowed and increased by the amount of recapture
20 under subsection (e).

21 “(e) RECAPTURE IN THE CASE OF CERTAIN DISPOSI-
22 TIONS.—

23 “(1) IN GENERAL.—Under regulations pre-
24 scribed by the Secretary, rules similar to the rules
25 of section 50(a) shall apply with respect to an eligi-

1 ble person if, within the 5-year period beginning on
2 the date qualified value-added agricultural property
3 with respect to which such person was allowed a
4 credit under subsection (a) is originally placed in
5 service—

6 “(A) such property ceases to be qualified
7 for purposes of this section,

8 “(B) the eligible person or the farmer-
9 owned entity (as the case may be) disposes of
10 all or part of such property, or

11 “(C) the eligible person or the farmer-
12 owned entity (as the case may be) ceases to be
13 an eligible person or farmer-owned entity for
14 purposes of this section.

15 “(2) SPECIAL RULES IN EVENT OF DEATH.—

16 “(A) IN GENERAL.—The period in para-
17 graph (1) shall be suspended with respect to an
18 eligible person for the 2-year period beginning
19 on the date of death of such person.

20 “(B) HEIRS WHO ARE ELIGIBLE PER-
21 SONS.—In the case that an heir of an eligible
22 person is also an eligible person, neither para-
23 graph (1) nor subparagraph (A) of this para-
24 graph (unless elected by such heir) shall apply

1 with respect to the transfer of property to such
2 heir.

3 “(f) REGULATIONS.—The Secretary shall prescribe
4 such regulations as may be necessary to carry out the pur-
5 poses of this section.

6 “(g) TERMINATION.—This section shall not apply to
7 property placed in service after December 31, 2013.”.

8 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
9 NESS CREDIT.—Section 38(b) of the Internal Revenue
10 Code of 1986 is amended by striking “plus” at the end
11 of paragraph (35), by striking the period at the end of
12 paragraph (36) and inserting “, plus”, and by adding at
13 the end the following new paragraph:

14 “(37) in the case of an eligible person (as de-
15 fined in section 45S(c)(2)) or farmer-owned entity
16 (as defined in section 45S(c)(3)), the value-added
17 agricultural property investment credit determined
18 under section 45S(a).”.

19 (c) CREDIT ALLOWABLE AGAINST MINIMUM TAX.—
20 Subparagraph (B) of section 38(c)(4) of the Internal Rev-
21 enue Code of 1986 is amended by redesignating clauses
22 (vii) through (ix) as clauses (viii) through (x), respectively,
23 and by inserting after clause (vi) the following new clause:

1 “(vii) the credit determined under sec-
2 tion 45S (relating to value-added agricul-
3 tural property investment credit).”.

4 (d) DEDUCTION FOR CERTAIN UNUSED BUSINESS
5 CREDITS.—Subsection (c) of section 196 of the Internal
6 Revenue Code of 1986 is amended by striking “and” at
7 the end of paragraph (13), by striking the period at the
8 end of paragraph (14) and inserting “, and”, and by add-
9 ing at the end the following new paragraph:

10 “(15) the value-added agricultural property in-
11 vestment credit determined under section 45S.”.

12 (e) BASIS ADJUSTMENT.—Subsection (a) of section
13 1016 of the Internal Revenue Code of 1986 is amended
14 by striking “and” at the end of paragraph (36), by strik-
15 ing the period at the end of paragraph (37) and inserting
16 “, and”, and by adding at the end the following new para-
17 graph:

18 “(38) to the extent provided in section
19 45S(d)(3), in the case of payments with respect to
20 which a credit has been allowed under section 38.”.

21 (f) CLERICAL AMENDMENT.—The table of sections
22 for subpart D of part IV of subchapter A of chapter 1
23 of the Internal Revenue Code of 1986 is amended by add-
24 ing at the end thereof the following new item:

“Sec. 45S. Value-added agricultural property investment credit.”.

1 (g) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to qualified investments (as defined
 3 in section 45S(c)(4) of the Internal Revenue Code of
 4 1986, as added by this section) made, and property placed
 5 in service, after December 31, 2011.

6 **TITLE III—TRAINING GRANTS**
 7 **FOR EMPLOYEES**

8 **SEC. 301. DEFINITION OF SECRETARY.**

9 In this title, the term “Secretary” means the Sec-
 10 retary of Labor.

11 **SEC. 302. AUTHORIZATION.**

12 (a) IN GENERAL.—The Secretary, in consultation
 13 with the Secretary of Commerce, shall award grants to
 14 eligible entities described in subsection (b) to assist the
 15 entities to improve the job skills necessary for employment
 16 in specific industries. In making such awards, special con-
 17 sideration should be given by the Secretary of Commerce
 18 to eligible areas experiencing high unemployment, under-
 19 employment, and outmigration or population loss.

20 (b) ELIGIBLE ENTITIES DESCRIBED.—

21 (1) IN GENERAL.—An eligible entity described
 22 in this subsection is a consortium that—

23 (A) shall consist of representatives from
 24 not less than 5 businesses, or a lesser number
 25 of businesses if such lesser number of busi-

1 nesses employs at least 30 percent of the em-
2 ployees in the industry involved in the region
3 (or a nonprofit organization that represents
4 such businesses);

5 (B) may consist of representatives from—

6 (i) labor organizations;

7 (ii) State and local government; and

8 (iii) educational institutions;

9 (C) is established to serve 1 or more par-
10 ticular industries; and

11 (D) is established to serve an eligible area.

12 (2) ELIGIBLE AREA.—The term “eligible area”
13 means any county that, based on information con-
14 tained in the most recent decennial census, has a
15 population of not more than 1,000,000 residents.

16 (3) MAJORITY OF REPRESENTATIVES.—A ma-
17 jority of the representatives comprising the consor-
18 tium shall be representatives described in paragraph
19 (1)(A).

20 (c) PRIORITY FOR SMALL BUSINESSES.—In pro-
21 viding grants under subsection (a), the Secretary shall
22 give priority to an eligible entity if a majority of represent-
23 atives forming the entity represent small-business con-
24 cerns (as defined in section 3(a) of the Small Business
25 Act (15 U.S.C. 632(a)).

1 (d) MAXIMUM AMOUNT OF GRANT.—The amount of
2 a grant awarded to an eligible entity under subsection (a)
3 may not exceed \$1,000,000 for any fiscal year.

4 **SEC. 303. USE OF AMOUNTS.**

5 (a) IN GENERAL.—The Secretary may not award a
6 grant under section 402 to an eligible entity unless the
7 entity agrees to use amounts received from the grant to
8 improve the job skills necessary for employment by busi-
9 nesses in the industry with respect to which the entity was
10 established.

11 (b) CONDUCT OF PROGRAM.—

12 (1) IN GENERAL.—In carrying out the program
13 described in subsection (a), the eligible entity may
14 provide for—

15 (A) an assessment of training and job skill
16 needs for the industry;

17 (B) the development of a sequence of skill
18 standards that are benchmarked to advanced
19 industry practices;

20 (C) the development of curriculum and
21 training methods, including, where appropriate,
22 e-learning or technology-based training;

23 (D) the purchase, lease, or receipt of dona-
24 tions of training equipment;

1 (E) the identification of training providers
2 and the development of partnerships between
3 the industry and educational institutions, in-
4 cluding community colleges;

5 (F) the development of apprenticeship pro-
6 grams;

7 (G) the development of training programs
8 for workers, including dislocated workers;

9 (H) the development of training plans for
10 businesses; and

11 (I) the development of the membership of
12 the entity.

13 (2) **ADDITIONAL REQUIREMENT.**—In carrying
14 out the program described in subsection (a), the eli-
15 gible entity shall provide for the development and
16 tracking of performance outcome measures for the
17 program and the training providers involved in the
18 program.

19 (c) **ADMINISTRATIVE COSTS.**—The eligible entity
20 may use not more than 10 percent of the amount of a
21 grant to pay for administrative costs associated with the
22 program described in subsection (a).

23 **SEC. 304. REQUIREMENT OF MATCHING FUNDS.**

24 (a) **IN GENERAL.**—The Secretary may not award a
25 grant under section 402 to an eligible entity unless the

1 entity agrees that the entity will make available non-Fed-
2 eral contributions toward the costs of carrying out activi-
3 ties under the grant in an amount that is not less than
4 \$2 for each \$1 of Federal funds provided under the grant,
5 of which—

6 (1) \$1 shall be provided by the businesses par-
7 ticipating in the entity; and

8 (2) \$1 shall be provided by the State or local
9 government involved.

10 (b) OTHER CONTRIBUTIONS.—

11 (1) EQUIPMENT.—Equipment donations to fa-
12 cilities that are not owned or operated by the mem-
13 bers of the eligible entity involved and that are
14 shared by the members may be included in deter-
15 mining compliance with subsection (a).

16 (2) LIMITATION.—

17 (A) IN GENERAL.—An eligible entity may
18 not include in-kind contributions in complying
19 with the requirement of subsection (a).

20 (B) CONSIDERATION.—The Secretary may
21 consider donations described in subparagraph
22 (A) in ranking applications.

23 **SEC. 305. LIMIT ON ADMINISTRATIVE EXPENSES.**

24 The Secretary may use not more than 5 percent of
25 the amounts made available to carry out this title to pay

1 the Federal administrative costs associated with awarding
2 grants under this title.

3 **SEC. 306. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated to carry out
5 this title—

6 (1) \$50,000,000 for each of fiscal years 2012
7 through 2016; and

8 (2) such sums as are necessary for each fiscal
9 year thereafter.

10 **TITLE IV—FEDERAL INVEST-**
11 **MENT TO EXPAND**
12 **BROADBAND ACCESS**

13 **SEC. 401. ADDITIONAL AUTHORIZATION OF APPROPRIA-**
14 **TIONS TO EXTEND ACCESS TO BROADBAND**
15 **TELECOMMUNICATIONS SERVICES IN RURAL**
16 **AREAS.**

17 Section 601(k)(1) of the Rural Electrification Act of
18 1936 (7 U.S.C. 950bb) is amended by striking “2012”
19 and inserting “2017”.

20 **TITLE V—BUILD AMERICA**
21 **BONDS TO CREATE JOBS NOW**

22 **SEC. 501. SHORT TITLE.**

23 This title may be cited as the “Build America Bonds
24 to Create Jobs Now Act of 2011”.

1 **SEC. 502. EXTENSION OF BUILD AMERICA BONDS.**

2 (a) IN GENERAL.—Subparagraph (B) of section
3 54AA(d)(1) of the Internal Revenue Code of 1986 is
4 amended by inserting “or during the period beginning on
5 the date of the enactment of the Build America Bonds
6 to Create Jobs Now Act of 2011 and ending on December
7 31, 2012,” after “January 1, 2011,”.

8 (b) EXTENSION OF PAYMENTS TO ISSUERS.—

9 (1) IN GENERAL.—Section 6431 of the Internal
10 Revenue Code of 1986 is amended—

11 (A) by inserting “or during the period be-
12 ginning on the date of the enactment of the
13 Build America Bonds to Create Jobs Now Act
14 of 2011 and ending on December 31, 2012,”
15 after “January 1, 2011,” in subsection (a), and

16 (B) by striking “before January 1, 2011”
17 in subsection (f)(1)(B) and inserting “during a
18 particular period”.

19 (2) CONFORMING AMENDMENTS.—Subsection
20 (g) of section 54AA of such Code is amended—

21 (A) by inserting “or during the period be-
22 ginning on the date of the enactment of the
23 Build America Bonds to Create Jobs Now Act
24 of 2011 and ending on December 31, 2012,”
25 after “January 1, 2011,”, and

1 (B) by striking “QUALIFIED BONDS
 2 ISSUED BEFORE 2011” in the heading and in-
 3 serting “CERTAIN QUALIFIED BONDS”.

4 (c) REDUCTION IN PERCENTAGE OF PAYMENTS TO
 5 ISSUERS.—Subsection (b) of section 6431 of the Internal
 6 Revenue Code of 1986 is amended—

7 (1) by striking “The Secretary” and inserting
 8 the following:

9 “(1) IN GENERAL.—The Secretary”,

10 (2) by striking “35 percent” and inserting “the
 11 applicable percentage”, and

12 (3) by adding at the end the following new
 13 paragraph:

14 “(2) APPLICABLE PERCENTAGE.—For purposes
 15 of this subsection, the term ‘applicable percentage’
 16 means the percentage determined in accordance with
 17 the following table:

“In the case of a qualified bond issued during cal- endar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent
2012	31 percent.”.

18 (d) CURRENT REFUNDINGS PERMITTED.—Sub-
 19 section (g) of section 54AA of the Internal Revenue Code
 20 of 1986 is amended by adding at the end the following
 21 new paragraph:

1 “(3) TREATMENT OF CURRENT REFUNDING
2 BONDS.—

3 “(A) IN GENERAL.—For purposes of this
4 subsection, the term ‘qualified bond’ includes
5 any bond (or series of bonds) issued to refund
6 a qualified bond if—

7 “(i) the average maturity date of the
8 issue of which the refunding bond is a part
9 is not later than the average maturity date
10 of the bonds to be refunded by such issue,

11 “(ii) the amount of the refunding
12 bond does not exceed the outstanding
13 amount of the refunded bond, and

14 “(iii) the refunded bond is redeemed
15 not later than 90 days after the date of the
16 issuance of the refunding bond.

17 “(B) APPLICABLE PERCENTAGE.—In the
18 case of a refunding bond referred to in subpara-
19 graph (A), the applicable percentage with re-
20 spect to such bond under section 6431(b) shall
21 be the lowest percentage specified in paragraph
22 (2) of such section.

23 “(C) DETERMINATION OF AVERAGE MATU-
24 RITY.—For purposes of subparagraph (A)(i),

1 average maturity shall be determined in accord-
2 ance with section 147(b)(2)(A).”.

3 (e) CLARIFICATION RELATED TO LEVEES AND
4 FLOOD CONTROL PROJECTS.—Subparagraph (A) of sec-
5 tion 54AA(g)(2) of the Internal Revenue Code of 1986
6 is amended by inserting “(including capital expenditures
7 for levees and other flood control projects)” after “capital
8 expenditures”.

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