

117TH CONGRESS
1ST SESSION

S. 1299

To amend the Internal Revenue Code of 1986 to provide for the tax-exempt financing of certain government-owned buildings.

IN THE SENATE OF THE UNITED STATES

APRIL 22, 2021

Mr. YOUNG (for himself, Ms. CORTEZ MASTO, Mr. SCOTT of South Carolina, Mr. BENNET, Mr. CARDIN, and Mr. GRAHAM) 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 provide for the tax-exempt financing of certain government-owned buildings.

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 “Public Buildings Re-
5 newal Act of 2021”.

6 **SEC. 2. TAX-EXEMPT FINANCING OF QUALIFIED GOVERN-**
7 **MENT BUILDINGS.**

8 (a) IN GENERAL.—Section 142(a) of the Internal
9 Revenue Code of 1986 is amended by striking “or” at the

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

4 “(16) qualified government buildings.”.

5 (b) QUALIFIED GOVERNMENT BUILDINGS.—Section
 6 142 of the Internal Revenue Code of 1986 is amended by
 7 adding at the end the following new subsection:

8 “(n) QUALIFIED GOVERNMENTAL BUILDINGS.—

9 “(1) IN GENERAL.—For purposes of subsection
 10 (a)(16), the term ‘qualified governmental buildings’
 11 means any building or facility that consists of one
 12 or more of the following:

13 “(A) An elementary school or a secondary
 14 school (within the meanings given such terms
 15 by section 14101 of the Elementary and Sec-
 16 ondary Education Act of 1965 (20 U.S.C.
 17 8801), as in effect on the date of the enactment
 18 of this subsection).

19 “(B) A facility of a State college or univer-
 20 sity used for educational purposes.

21 “(C) A library maintained for, and open
 22 to, the general public.

23 “(D) A court of law.

24 “(E) A hospital or health care facility.

1 “(F) A laboratory or research facility used
2 by a governmental unit.

3 “(G) A public safety facility (including po-
4 lice, fire, enhanced 911, emergency or disaster
5 management, and ambulance or emergency
6 medical service facilities and jails and correc-
7 tional facilities).

8 “(H) An office for employees of a govern-
9 mental unit.

10 Such term shall include any equipment, functionally
11 related and subordinate facility, or land (and any
12 real property rights appurtenant thereto) with re-
13 spect to any such building or facility.

14 “(2) SPECIFICALLY EXCLUDED FACILITIES.—
15 Such term shall not include—

16 “(A) a building or facility the primary pur-
17 pose of which is one of the following: retail food
18 and beverage services, or the provision of recre-
19 ation or entertainment, or

20 “(B) any building or facility that includes
21 any of the following: any private or commercial
22 golf course, country club, massage parlor, ten-
23 nis club, skating facility (including roller skat-
24 ing, skateboard, and ice skating), racquet
25 sports facility (including any handball or

1 racquetball court), hot tub facility, suntan facil-
 2 ity, racetrack, convention center, or sports sta-
 3 dium or arena.

4 “(3) NATIONAL LIMITATION ON AMOUNT OF
 5 TAX-EXEMPT FINANCING FOR QUALIFIED GOVERN-
 6 MENTAL BUILDING.—

7 “(A) NATIONAL LIMITATION.—The aggre-
 8 gate amount allocated by the Secretary under
 9 subparagraph (C) shall not exceed
 10 \$5,000,000,000.

11 “(B) ENFORCEMENT OF NATIONAL LIM-
 12 ITATION.—An issue shall not be treated as an
 13 issue described in subsection (a)(16) if the ag-
 14 gregate face amount of bonds issued pursuant
 15 to such issue for any qualified governmental
 16 building (when added to the aggregate face
 17 amount of bonds previously so issued for such
 18 facility) exceeds the amount allocated to such
 19 qualified governmental building under subpara-
 20 graph (C).

21 “(C) ALLOCATION BY THE SECRETARY.—
 22 The Secretary shall allocate, on a first come,
 23 first serve basis, a portion of the amount de-
 24 scribed in subparagraph (A) to a qualified gov-

ernmental building if the Secretary determines
that—

“(i) the application for financing of
such qualified governmental building meets
the requirements set forth in subparagraph
(D), and

“(ii) the amount of the allocation re-
quested, if allocated by the Secretary,
would not cause the national limitation set
forth in subparagraph (A) to be exceeded.

“(D) APPLICATIONS FOR FINANCING.—An
application for financing a qualified govern-
mental building meets the requirements of this
subparagraph if such application includes—

“(i) the amount of the allocation re-
quested,

“(ii) the name of the governmental
unit that will own the project, together
with complete contact information,

“(iii) a description of the project as a
whole and the proposed organizational and
legal structure of the project,

“(iv) a timeline showing the estimated
start and completion dates for each major
phase or milestone of project development

1 and an indication of the current status of
2 milestones on this timeline, including all
3 necessary permits and environmental ap-
4 provals,

5 “(v) a statement of anticipated
6 sources and uses of funds for the project,
7 and

8 “(vi) the following declaration signed
9 by an individual who has personal knowl-
10 edge of the relevant facts and cir-
11 cumstances: “Under penalties of perjury, I
12 declare that I have examined this docu-
13 ment and, to the best of my knowledge and
14 belief, the document contains all the rel-
15 evant facts relating to the document, and
16 such facts are true, correct, and complete.”

17 “(E) USE OF ALLOCATION IN A TIMELY
18 MANNER.—If, following an allocation by the
19 Secretary under subparagraph (C), bonds are
20 not issued in the amount of such allocation
21 after the date that is 2 years after the date of
22 such allocation, then the unused portion of the
23 allocation shall be withdrawn, unless the Sec-
24 retary, upon a showing of good cause by the ap-
25 plicant, grants an extension of such date.

1 “(4) EXCEPTION FOR CURRENT REFUNDING
2 BONDS.—Paragraph (3) shall not apply to any bond
3 (or series of bonds) issued to refund a bond issued
4 under subsection (a)(16) if—

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

9 “(B) the amount of the refunding bond
10 does not exceed the outstanding amount of the
11 refunded bond, and

12 “(C) the refunded bond is redeemed not
13 later than 90 days after the date of the
14 issuance of the refunding bond.

15 For purposes of subparagraph (A), average maturity
16 shall be determined in accordance with section
17 147(b)(2)(A).

18 “(5) OFFICE SPACE.—Subsection (b)(2) shall
19 not apply with respect to any qualified governmental
20 building.

21 “(6) NO DEPRECIATION OR INVESTMENT CRED-
22 IT.—No depreciation, amortization, or business cred-
23 it under section 38 shall be allowed with respect to
24 any facility described in subsection (a)(16) which
25 has been financed by the net proceeds of the issue.”.

1 (c) GOVERNMENTALLY OWNED REQUIREMENT.—
2 Section 142(b)(1)(A) of the Internal Revenue Code of
3 1986 is amended by striking “or (12)” and inserting
4 “(12), or (16)”.

5 (d) EXEMPTION FROM VOLUME CAP ON PRIVATE
6 ACTIVITY BONDS.—Section 146(g)(3) of the Internal Rev-
7 enue Code of 1986 is amended by striking “or (15)” and
8 inserting “(15), or (16)”.

9 (e) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to bonds issued after the date of
11 the enactment of this Act.

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