

117TH CONGRESS  
2D SESSION

# S. 4921

To amend the Internal Revenue Code of 1986 to modify the private business use requirements for bonds issued for lead service line replacement projects.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22, 2022

Mr. BENNET (for himself, Mr. CARDIN, Mr. BOOKER, Mr. BROWN, Ms. KLOBUCHAR, Mrs. FEINSTEIN, and Mr. VAN HOLLEN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the private business use requirements for bonds issued for lead service line replacement projects.

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 “Financing Lead Out  
5       of Water Act of 2022”.

1 **SEC. 2. MODIFICATION OF PRIVATE BUSINESS USE RE-**  
 2 **QUIREMENTS FOR CERTAIN BONDS.**

3 (a) IN GENERAL.—Section 141(b)(6) of the Internal  
 4 Revenue Code of 1986 is amended by adding at the end  
 5 the following new subparagraph:

6 “(D) CLARIFICATION RELATING TO QUALI-  
 7 FIED LEAD SERVICE LINE REPLACEMENT  
 8 USE.—

9 “(i) IN GENERAL.—For purposes of  
 10 this subsection, qualified lead service line  
 11 replacement use shall not constitute pri-  
 12 vate business use.

13 “(ii) DEFINITIONS.—For purposes of  
 14 this subparagraph—

15 “(I) QUALIFIED LEAD SERVICE  
 16 LINE REPLACEMENT USE.—The term  
 17 ‘qualified lead service line replacement  
 18 use’ means, with respect to any public  
 19 water system, use of the proceeds of  
 20 an issue to replace any privately-  
 21 owned portion of a lead service line  
 22 connected to such system to facilitate,  
 23 achieve or maintain compliance with a  
 24 national primary drinking water regu-  
 25 lation for lead.

1 “(II) LEAD SERVICE LINE.—The  
2 term ‘lead service line’ has the mean-  
3 ing given such term in section  
4 1459B(a)(4) of the Safe Drinking  
5 Water Act.

6 “(III) NATIONAL PRIMARY  
7 DRINKING WATER REGULATION FOR  
8 LEAD.—The term ‘national primary  
9 drinking water regulation for lead’  
10 means a national primary drinking  
11 water regulation for lead promulgated  
12 under section 1412 of such Act.

13 “(IV) PUBLIC WATER SYSTEM.—  
14 The term ‘public water system’ has  
15 the meaning given such term in sec-  
16 tion 1401(4) of such Act.”.

17 (b) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to obligations issued after Decem-  
19 ber 31, 2022.

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