

118TH CONGRESS
2D SESSION

S. 5187

To amend the Internal Revenue Code of 1986 to establish a tax credit for Qualified Community College Bonds, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 25, 2024

Mr. CASEY 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 establish a tax credit for Qualified Community College Bonds, 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 College
5 Infrastructure Financing Act”.

6 **SEC. 2. TAX CREDIT FOR QUALIFIED COMMUNITY COLLEGE**
7 **BONDS.**

8 (a) IN GENERAL.—Part IV of subchapter A of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended
10 by inserting after subpart G the following new subpart:

1 **“Subpart H—Qualified Community College Bonds**

2 **“SEC. 54. QUALIFIED COMMUNITY COLLEGE BONDS.**

3 “(a) QUALIFIED COMMUNITY COLLEGE BONDS.—

4 For purposes of this subchapter, the term ‘qualified com-
5 munity college bond’ means any bond issued as part of
6 an issue if—

7 “(1) 95 percent of the available project pro-
8 ceeds of such issue are to be used for a qualified
9 purpose with respect to a qualified community col-
10 lege,

11 “(2) the bond is issued by a State, local, or In-
12 dian tribal government in consultation with the ju-
13 risdictions of which such college is located, and

14 “(3) the issuer—

15 “(A) designates such bond for purposes of
16 this section, and

17 “(B) certifies that it has the written ap-
18 proval of the governing body and the State
19 higher education agency for such bond issuance.

20 “(b) LIMITATION ON AMOUNT OF BONDS DES-
21 IGNATED.—

22 “(1) NATIONAL LIMITATION.—There is a na-
23 tional community college bond limitation of
24 \$1,000,000,000 for each calendar year.

25 “(2) ALLOCATION OF LIMITATION.—

“(A) IN GENERAL.—The national community college bond limitation for a calendar year shall be allocated by the Secretary to any governing body which—

“(i) has submitted an application described in subparagraph (C), and

“(ii) pursuant to the considerations described in subparagraphs (C) and (D), the Secretary (in consultation with the Secretary of Education) has approved an allocation of such limitation under this paragraph.

“(B) CUMULATIVE LIMITATION PER STATE.—For purposes of subparagraph (A), the total amount of allocations made to qualified community colleges located with a State for any calendar year shall not exceed an amount equal to 10 percent of the national community college bond limitation for such calendar year.

“(C) APPLICATIONS.—An application described in this subparagraph shall include such information as the Secretary (in consultation with the Secretary of Education) may require, including the following:

“(i) A description of—

1 “(I) the financial sustainability of
2 the proposal, including how the gov-
3 erning body will leverage other
4 sources of funding, and

5 “(II) how the qualified purposes
6 proposed with respect to the qualified
7 community college will fill an unmet
8 need within a qualified area.

9 “(ii) Any relevant approvals with re-
10 spect to the proposal that have been grant-
11 ed by any applicable State, local, or Indian
12 Tribal government or appropriate accred-
13 iting body.

14 “(iii) A certification that the gov-
15 erning body—

16 “(I) has consulted with the juris-
17 dictions in which the qualified commu-
18 nity college is, or will be, located, and

19 “(II) has the written approval of
20 the State higher education agency for
21 the proposal.

22 “(iv) In the case of an application
23 proposing to establish a new qualified com-
24 munity college, in addition to the require-

ments described in clauses (i), (ii), and
(iii)—

“(I) whether such proposal has
received approval from the State high-
er education agency, and

“(II) a description of the sustain-
ability of such qualified community
college, including any commitment
from any State, local, or Indian Tribal
government to provide additional
funding for such college.

“(D) PRIORITY FOR ALLOCATIONS.—For
purposes of making allocations under this para-
graph, the Secretary (in consultation with the
Secretary of Education) shall—

“(i) give highest priority to any pro-
posed qualified community college which
will serve the residents of—

“(I) the State’s largest metropoli-
tan statistical area which does not
contain an institution described in
subsection (c)(5)(A), or

“(II) if subclause (I) does not
apply, the largest micropolitan statis-
tical area within such State which

1 does not contain an institution de-
2 scribed in such subsection,

3 “(ii) after application of clause (i),
4 give high priority to any governing body
5 which—

6 “(I) has or will have a partner-
7 ship with—

8 “(aa) 1 or more local high
9 schools (as defined in section
10 8101 of the Elementary and Sec-
11 ondary Education Act of 1965
12 (20 U.S.C. 7801)), including a
13 dual or concurrent enrollment
14 program (as defined in such sec-
15 tion),

16 “(bb) a 4-year institution of
17 higher education that includes a
18 credit-transfer agreement or ar-
19 ticipation agreement (as defined
20 in section 486A(a) of the Higher
21 Education Act of 1965 (20
22 U.S.C. 1093a(a))) for students at
23 the qualified community college,
24 or

1 “(cc) a State workforce de-
2 velopment board established
3 under section 101 of the Work-
4 force Innovation and Opportunity
5 Act (29 U.S.C. 3111), or

6 “(II) is the governing body of, or
7 has or will have a partnership with,
8 an institution which is—

9 “(aa) a part B institution
10 (as defined in section 322 of the
11 Higher Education Act of 1965
12 (20 U.S.C. 1061)),

13 “(bb) a Historically Black
14 Graduate Professional School (as
15 identified in section 326(e) of
16 such Act (20 U.S.C. 1063b(e))),

17 “(cc) a Hispanic-serving in-
18 stitution (as defined in section
19 502(a) of such Act (20 U.S.C.
20 1101a(a))),

21 “(dd) a Tribal College or
22 University (as defined in section
23 316(b) of such Act (20 U.S.C.
24 1059c(b))),

1 “(ee) an Alaska Native-serv-
 2 ing institution or a Native Ha-
 3 waiian-serving institution (as
 4 such terms are defined in section
 5 317(b) of such Act (20 U.S.C.
 6 1059d(b))),

7 “(ff) a Predominantly Black
 8 institution (as defined in section
 9 371(c) of such Act (20 U.S.C.
 10 1067q(c))),

11 “(gg) an Asian American
 12 and Native American Pacific Is-
 13 lander-serving institution (as de-
 14 fined in section 371(c) of such
 15 Act (20 U.S.C. 1067q(c))), or

16 “(hh) a Native American-
 17 serving nontribal institution (as
 18 defined in section 371(c) of such
 19 Act (20 U.S.C. 1067q(c))), and

20 “(iii) after application of clauses (i)
 21 and (ii), give priority to any governing
 22 body which, in carrying out a new con-
 23 struction or renovation project using any
 24 available project proceeds from the
 25 issuance of any qualified community col-

1 lege bond, plans to use not less than 80
2 percent of such proceeds for construction
3 or renovation that is certified, verified, or
4 consistent with the applicable provisions
5 of—

6 “(I) the Leadership in Energy
7 and Environmental Design green
8 building rating standard of the United
9 States Green Building Council,

10 “(II) the Living Building Chal-
11 lenge green building certification pro-
12 gram developed by the International
13 Living Future Institute,

14 “(III) a green building rating
15 program developed by the Collabo-
16 rative for High-Performance Schools
17 that is designated as CHPS Verified,
18 or

19 “(IV) a green building program
20 that—

21 “(aa) has standards that are
22 equivalent to or more stringent
23 than the standards of a program
24 described in subclause (I), (II),
25 or (III),

1 “(bb) is adopted by the
2 State or another jurisdiction with
3 authority over the qualified com-
4 munity college, and

5 “(cc) includes a verifiable
6 method to demonstrate compli-
7 ance with the program.

8 “(3) DESIGNATION SUBJECT TO LIMITATION
9 AMOUNT.—The maximum aggregate face amount of
10 bonds issued during any calendar year which may be
11 designated under subsection (a) with respect to any
12 qualified community college shall not exceed the lim-
13 itation amount allocated to the governing body of
14 such college under paragraph (2) for such calendar
15 year.

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

17 “(1) GOVERNING BODY.—The term ‘governing
18 body’ means—

19 “(A) the board of trustees or other gov-
20 erning organization of a qualified community
21 college, or

22 “(B) a State, local, or Indian Tribal gov-
23 ernment (or any political subdivision thereof),
24 or any combination of local educational agencies
25 or municipalities, that participates or proposes

1 to participate in the establishment and oper-
 2 ation of a qualified community college.

3 “(2) INSTITUTION OF HIGHER EDUCATION.—

4 The term ‘institution of higher education’ has the
 5 meaning given the term in section 101(a) of the
 6 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

7 “(3) LOCAL EDUCATIONAL AGENCY.—The term

8 ‘local educational agency’ has the meaning given the
 9 term in section 8101 of the Elementary and Sec-
 10 ondary Education Act of 1965 (20 U.S.C. 7801), ex-
 11 cept such term shall include any elementary school
 12 or secondary school funded by the Bureau of Indian
 13 Education, notwithstanding section 8101(30)(C) of
 14 such Act.

15 “(4) QUALIFIED AREA.—The term ‘qualified
 16 area’ means any of the following:

17 “(A) A city, metropolitan statistical area,
 18 or county that does not contain any institution
 19 described in paragraph (5)(A).

20 “(B) A low-income community (as defined
 21 in section 45D(e)).

22 “(5) QUALIFIED COMMUNITY COLLEGE.—The
 23 term ‘qualified community college’ means a public
 24 institution of higher education—

1 “(A) at which the highest degree that is
 2 predominantly awarded to students is an asso-
 3 ciate degree (including 2-year tribally controlled
 4 colleges under section 316 of the Higher Edu-
 5 cation Act of 1965 (20 U.S.C. 1059c) and pub-
 6 lic 2-year institutions of higher education),

7 “(B) that is established by and operated
 8 under the supervision of a governing body in
 9 conjunction with the State, local, and Indian
 10 tribal governments whose residents will be
 11 served by such institution, and

12 “(C) that is located within a qualified area.

13 “(6) QUALIFIED PURPOSE.—The term ‘quali-
 14 fied purpose’ means—

15 “(A) establishing and operating a qualified
 16 community college,

17 “(B) expanding an existing qualified com-
 18 munity college to a qualified area,

19 “(C) constructing, rehabilitating, repairing,
 20 upgrading, enhancing, or expanding any facility
 21 owned or to be used by a qualified community
 22 college to carry out the educational purposes
 23 (including instructional and research purposes)
 24 of such college,

1 “(D) providing equipment for use by stu-
2 dents at a qualified community college,

3 “(E) investing in online resources or
4 broadband access projects to deliver community
5 college services to qualified areas, or developing
6 course materials for education to be provided by
7 a qualified community college, provided that
8 such uses do not collectively account for more
9 than 10 percent of the amount allocated under
10 subsection (b)(2) to the governing body for such
11 college,

12 “(F) training professors and other school
13 personnel at a qualified community college, pro-
14 vided that such use does not account for more
15 than 5 percent of the amount allocated under
16 subsection (b)(2) to the governing body for such
17 college,

18 “(G) constructing, rehabilitating, repair-
19 ing, upgrading, enhancing, or expanding any
20 on-campus facility to be used by a qualified
21 community college to—

22 “(i) provide childcare to students and
23 staff, provided that such use does not ac-
24 count for more than 10 percent of the

1 amount allocated under subsection (b)(2)
2 to the governing body for such college, or
3 “(ii) provide affordable housing, with
4 a priority given to students and staff, and
5 “(H) connecting students with transpor-
6 tation to a qualified community college, includ-
7 ing partnering with public transit providers
8 to—

9 “(i) add bus, rail, or paratransit stops
10 at or within walking distances of the cam-
11 pus,

12 “(ii) add bus, rail, or paratransit
13 routes to allow for transportation between
14 the campus and surrounding areas and
15 other cities,

16 “(iii) increase the frequency of service
17 or adjust the schedules for bus, rail, or
18 paratransit routes to allow students to get
19 to and from their classes, and

20 “(iv) subsidize bus, rail, or para-
21 transit costs for students.

22 “(7) STATE.—The term ‘State’ includes the
23 District of Columbia, the Commonwealth of Puerto
24 Rico, the Virgin Islands, Guam, American Samoa,

1 and the Commonwealth of the Northern Mariana Is-
2 lands.

3 “(8) STATE HIGHER EDUCATION AGENCY.—The
4 term ‘State higher education agency’ means the offi-
5 cer or agency primarily responsible for the State su-
6 pervision of higher education.

7 “(d) APPLICATION OF CERTAIN LABOR STANDARDS
8 TO PROJECTS FINANCED WITH QUALIFIED COMMUNITY
9 BONDS.—

10 “(1) IN GENERAL.—Each laborer and mechanic
11 employed by a contractor or subcontractor in the
12 performance of construction, alteration, or repair
13 work financed in whole, or in part, with the proceeds
14 of any qualified community college bond issued after
15 the date of enactment of the Community College In-
16 frastructure Financing Act shall be paid wages at
17 rates not less than those prevailing on work of a
18 similar character in the locality, as determined by
19 the Secretary of Labor in accordance with sub-
20 chapter IV of chapter 31 of title 40, United States
21 Code.

22 “(2) AUTHORITY.—The Secretary of Labor
23 shall have, with respect to the labor standards de-
24 scribed in paragraph (1), the authority and func-
25 tions set forth in Reorganization Plan Numbered 14

1 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section
 2 3145 of title 40, United States Code.”.

3 (b) CONFORMING AMENDMENT.—The table of sub-
 4 parts for part IV of subchapter A of chapter 1 of the In-
 5 ternal Revenue Code of 1986 is amended by inserting
 6 after the item relating to subpart G the following:

“SUBPART H—QUALIFIED COMMUNITY COLLEGE BONDS”.

7 **SEC. 3. CREDIT TO HOLDERS AND ISSUERS OF QUALIFIED**
 8 **COMMUNITY COLLEGE BONDS.**

9 (a) ALLOWANCE OF CREDIT.—

10 (1) IN GENERAL.—Section 54A of the Internal
 11 Revenue Code of 1986, as in effect on the day before
 12 repeal by Public Law 115–97, is revived.

13 (2) CREDIT LIMITED TO QUALIFIED COMMU-
 14 NITY COLLEGE BONDS.—Section 54A(d) of such
 15 Code is amended—

16 (A) by striking paragraph (1) and insert-
 17 ing the following:

18 “(1) QUALIFIED TAX CREDIT BOND.—The term
 19 ‘qualified tax credit bond’ means a qualified commu-
 20 nity college bond which is part of an issue that
 21 meets requirements of paragraphs (2), (3), (4), (5),
 22 and (6).”, and

23 (B) in paragraph (2), by striking subpara-
 24 graph (C) and inserting the following:

1 “(C) QUALIFIED PURPOSE.—For purposes
 2 of this paragraph, the term ‘qualified purpose’
 3 means a purpose specified in section 54(c)(3).”.

4 (b) CREDIT ALLOWED TO ISSUER.—

5 (1) IN GENERAL.—Section 6431 of the Internal
 6 Revenue Code of 1986, as in effect on the day before
 7 repeal by Public Law 115–97, is revived.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 6431(f) of such Code, as re-
 10 vived by paragraph (1), is amended by striking
 11 paragraphs (2) and (3) and inserting the fol-
 12 lowing:

13 “(2) SPECIFIED TAX CREDIT BOND.—For pur-
 14 poses of this subsection, the term ‘specified tax cred-
 15 it bond’ means any qualified tax credit bond (as de-
 16 fined in section 54A(d)(1)) if the issuer of such bond
 17 makes an irrevocable election to have this subsection
 18 apply.”.

19 (B) Subparagraph (A) of section
 20 6211(b)(4) of the Internal Revenue Code of
 21 1986 is amended by striking “and 6428A” and
 22 inserting “6428A, and 6431”.

1 **SEC. 4. EFFECTIVE DATE.**

2 The amendments made by this Act shall apply to obli-
3 gations issued after the date of the enactment of this Act.

○