

105TH CONGRESS
1ST SESSION

H. R. 996

To amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds to finance environmental remediation of contaminated sites.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1997

Mr. WELLER (for himself, Mr. LIPINSKI, Mr. CRANE, Mr. RUSH, Mr. FAWELL, Mr. JACKSON of Illinois, Mr. MANZULLO, Mr. GUTIERREZ, Mr. ENGLISH of Pennsylvania Mr. BLAGOJEVICH, Mr. SHAYS, Mr. DAVIS of Illinois, Mr. COSTELLO, and Mr. EVANS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds to finance environmental remediation of contaminated sites.

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. TAX-EXEMPT FINANCING OF ENVIRONMENTAL**
4 **REMEDICATION OF QUALIFIED CONTAMI-**
5 **NATED SITES.**

6 (a) IN GENERAL.—Subsection (e) of section 141 of
7 the Internal Revenue Code of 1986 (defining qualified

1 bond) is amended by striking “or” at the end of subpara-
2 graph (F), by redesignating subparagraph (G) as subpara-
3 graph (H), and by inserting after subparagraph (F) the
4 following new subparagraph:

5 “(G) a qualified contaminated site remedi-
6 ation bond, or”.

7 (b) QUALIFIED CONTAMINATED SITE REMEDIATION
8 BOND.—Section 144 of such Code is amended by adding
9 at the end thereof the following new subsection:

10 “(d) QUALIFIED CONTAMINATED SITE REMEDIATION
11 BOND.—For purposes of this part—

12 “(1) IN GENERAL.—The term ‘qualified con-
13 taminated site remediation bond’ means any bond is-
14 sued as part of an issue 95 percent or more of the
15 proceeds of which are to finance—

16 “(A) the acquisition of a qualified contami-
17 nated site, or

18 “(B) the costs of environmental remedi-
19 ation with respect to such a site which is owned
20 by the person incurring such costs.

21 “(2) LIMITATIONS.—

22 “(A) IN GENERAL.—Such term shall not
23 include any bond issued to provide financing
24 with respect to a qualified contaminated site
25 if—

1 “(i) any amount of such financing is
2 provided directly or indirectly to any ineli-
3 gible person,

4 “(ii) less than 60 percent of the
5 amount of the financing so provided with
6 respect to such site is for costs described
7 in paragraph (1)(B), or

8 “(iii) the amount of the financing so
9 provided to acquire such site exceeds the
10 excess of—

11 “(I) the fair market value of the
12 site after the completion of the envi-
13 ronmental remediation, over

14 “(II) the amount of the financing
15 so provided with respect to such site
16 for costs described in paragraph
17 (1)(B).

18 “(B) INELIGIBLE PERSON.—For purposes
19 of subparagraph (A), a person is an ineligible
20 person with respect to any site if—

21 “(i) at any time on or before the date
22 of the enactment of this subsection such
23 person was the owner or operator of any
24 business on such site,

1 “(ii) at any time before, on, or after
2 such date of enactment such person—

3 “(I) had (by contract, agreement,
4 or otherwise) arranged for the dis-
5 posal or treatment of any hazardous
6 materials at such site or arranged
7 with a transporter for transport for
8 disposal or treatment of any hazard-
9 ous materials at such site, or

10 “(II) had accepted any hazardous
11 materials for transport to such site, or

12 “(iii) the person is related to any per-
13 son referred to in clause (i) or (ii).

14 “(C) RELATED PERSON.—For purposes of
15 this paragraph, persons shall be treated as re-
16 lated to each other if such persons are treated
17 as a single employer under the regulations pre-
18 scribed under section 52(b) or such persons
19 bear a relationship to each other specified in
20 section 267(b) or 707(b).

21 “(3) RESTRICTION ON LAND ACQUISITION NOT
22 TO APPLY.—Section 147(c) shall not apply to any
23 qualified contaminated site remediation bond.

24 “(4) QUALIFIED CONTAMINATED SITE.—

1 “(A) IN GENERAL.—For purposes of this
2 subsection, the term ‘qualified contaminated
3 site’ means any site if the appropriate agency
4 certifies that at least 1 of the following environ-
5 mental conditions is present on such site:

6 “(i) A release or threatened release of
7 any hazardous, toxic, or dangerous sub-
8 stance.

9 “(ii) Any storage tanks which contain
10 any hazardous, toxic, or dangerous sub-
11 stance.

12 “(iii) Any illegal disposal of solid
13 waste.

14 Such term shall not include any site listed on
15 the National Priorities List under the Com-
16 prehensive Environmental Response, Compensa-
17 tion, and Liability Act of 1980.

18 “(B) APPROPRIATE AGENCY.—For pur-
19 poses of subparagraph (A), the appropriate
20 agency is—

21 “(i) the agency of the State in which
22 the site is located which is designated by
23 the Administrator of the Environmental
24 Protection Agency for purposes of this
25 paragraph, or

1 “(ii) if the agency described in clause
2 (i) designates an agency of the local gov-
3 ernment in which the site is located for
4 purposes of this paragraph, such local gov-
5 ernment agency.

6 “(5) HAZARDOUS, TOXIC, OR DANGEROUS SUB-
7 STANCE.—For purposes of this subsection, any sub-
8 stance, waste, or material shall be treated as a haz-
9 ardous, toxic, or dangerous substance if it is so
10 treated under—

11 “(A) the Comprehensive Environmental
12 Response, Compensation, and Liability Act of
13 1980 (42 U.S.C. 9601 et seq.),

14 “(B) the Resource Conservation and Re-
15 covery Act (42 U.S.C. 6901 et seq.), or

16 “(C) any State or local environmental law
17 or ordinance.

18 The following materials shall in any event be treated
19 as such a substance: petroleum or crude oil or any
20 derivative thereof, friable asbestos or any asbestos
21 containing material, polychlorinated biphenyls, or
22 urea formaldehyde foam insulation.

23 “(6) ENVIRONMENTAL REMEDIATION.—For
24 purposes of this subsection, the term ‘environmental
25 remediation’ means—

1 “(A) removal or remediation activity, in-
2 cluding soil and ground water remediation,

3 “(B) restoration of natural, historic, or
4 cultural resources at the site or the mitigation
5 of unavoidable losses of such resources incurred
6 in connection with the remediation or response
7 activity,

8 “(C) health assessments or health effects
9 studies,

10 “(D) environmental investigations,

11 “(E) remediation of off-site contamination
12 caused by activity on the site, and

13 “(F) any other costs reasonably required
14 by reason of the environmental conditions of the
15 site including demolition of existing contami-
16 nated structures, site security, and permit fees
17 necessary for remediation.”

18 (c) CLERICAL AMENDMENTS.—

19 (1) The section heading for section 144 of such
20 Code is amended by inserting before the period “;
21 **QUALIFIED CONTAMINATED SITE REMEDI-**
22 **ATION BOND**”.

23 (2) The table of sections for subpart A of part
24 IV of subchapter B of chapter 1 of such Code is
25 amended by inserting before the period at the end

1 of the item relating to section 144 “; qualified con-
2 taminated site remediation bond”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to bonds issued after the date of
5 the enactment of this Act.

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