

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3855

To amend the Internal Revenue Code of 1986 to repeal the limitation on the issuance of new clean renewable energy bonds and to terminate eligibility of governmental bodies to issue such bonds, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 28, 2010

Ms. CANTWELL (for herself, Mr. NELSON of Nebraska, Mrs. MURRAY, and Mr. SANDERS) 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 repeal the limitation on the issuance of new clean renewable energy bonds and to terminate eligibility of governmental bodies to issue such 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 “Clean Renewable En-  
5       ergy Investment Act of 2010”.

1 **SEC. 2. NEW CLEAN ENERGY RENEWABLE BONDS.**

2 (a) REPEAL OF LIMITATION ON AMOUNT OF BONDS  
3 DESIGNATED.—Section 54C of the Internal Revenue Code  
4 of 1986 is amended by striking subsection (c).

5 (b) TERMINATION.—Subsection (a) of section 54C of  
6 such Code is amended by striking “and” at the end of  
7 paragraph (2), by striking the period at the end of para-  
8 graph (3), and by adding at the end the following new  
9 paragraph:

10 “(4) such bond is issued before January 1,  
11 2014.”.

12 (c) RULES RELATING TO EXPENDITURES.—

13 (1) IN GENERAL.—Paragraph (1) of section  
14 54C(a) of such Code is amended by inserting “and  
15 meet the requirements of subsection (c)” before the  
16 comma at the end.

17 (2) REQUIREMENTS.—Section 54C of such  
18 Code (as amended by subsection (a) of this section)  
19 is amended by inserting after subsection (b) the fol-  
20 lowing new subsection:

21 “(c) RULES RELATING TO EXPENDITURES.—An  
22 issue shall be treated as meeting the requirements of this  
23 subsection if, as of the date of issuance of such issue, the  
24 issuer reasonably expects—

25 “(1) 95 percent or more of the available project  
26 proceeds to be spent for 1 or more purposes speci-

1       fied in subsection (a)(1) within the 3-year period be-  
 2       ginning on such date of issuance, and

3               “(2) a binding commitment with a third party  
 4       to spend at least 10 percent of such available project  
 5       proceeds will be incurred within the 6-month period  
 6       beginning on such date of issuance.”.

7       (d) GOVERNMENTAL BODIES NOT ELIGIBLE.—Sec-  
 8       tion 54C of such Code, as amended by the preceding provi-  
 9       sions of this section, is amended—

10               (1) in subsection (a) by striking “governmental  
 11       bodies, public power providers, or cooperative electric  
 12       companies” and inserting “public power providers,  
 13       tribal utilities, or cooperative electric companies”,

14               (2) in subsection (d)(1) by striking “public  
 15       power provider, a governmental body, or a coopera-  
 16       tive electric company” and inserting “public power  
 17       provider, a tribal utility, or a cooperative electric  
 18       company”,

19               (3) in subsection (d) by striking paragraph (3)  
 20       and redesignating paragraphs (4), (5), and (6) as  
 21       paragraphs (3), (4), and (5), respectively, and

22               (4) in subsection (d)(6), by striking “a govern-  
 23       mental body,”.

24       (e) TRIBAL UTILITIES ELIGIBLE AS QUALIFIED  
 25       ISSUER.—

1           (1) IN GENERAL.—Paragraph (5) of section  
2           54C(d) of such Code (as amended by subsection  
3           (d)(3)) is amended by inserting “a tribal utility,”  
4           after “bond lender.”.

5           (2) TRIBAL UTILITY DEFINED.—Subsection (d)  
6           of section 54C of such Code (as so amended) is  
7           amended by adding at the end the following new  
8           paragraph:

9           “(6) TRIBAL UTILITY.—The term ‘tribal utility’  
10           means any enterprise, agency, authority, or instru-  
11           mentality of any Indian tribe (as defined in section  
12           4 of the Indian Self-Determination and Education  
13           Assistance Act (25 U.S.C. 450b(e)) with a service  
14           obligation or right under tribal law and which pro-  
15           vides electric service to end-users.”.

16          (f) REIMBURSEMENT WITH PROCEEDS OF TAX  
17          CREDIT BONDS.—Subparagraph (D) of section 54A(d)(2)  
18          of such Code is amended by striking “for amounts paid”  
19          and all that follows and inserting “under rules governing  
20          obligations the interest on which is excluded from gross  
21          income by section 103.”.

22          (g) CONFORMING AMENDMENT.—Section 54A(d)(1)  
23          of such Code is amended by adding at the end the fol-  
24          lowing flush sentence: “Subparagraphs (A) and (B) of

1 paragraph (2) shall not apply to an issue of new clean  
2 renewable energy bonds.”.

3 (h) EFFECTIVE DATES.—

4 (1) IN GENERAL.—Except as provided by para-  
5 graph (2), the amendments made by this section  
6 shall apply to obligations issued after the date of the  
7 enactment of this Act.

8 (2) ALLOCATIONS MADE BEFORE DATE OF EN-  
9 ACTMENT.—The amendments made by subsections  
10 (b), (d), and (e) of this section shall not apply to  
11 bonds issued after the date of the enactment of this  
12 Act pursuant to any allocation of new clean renew-  
13 able energy bond limitation made on or before such  
14 date.

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