

115TH CONGRESS
2D SESSION

S. 3358

To amend the Internal Revenue Code of 1986 to provide that the volume cap for private activity bonds shall not apply to bonds for facilities for furnishing of water and sewage facilities.

IN THE SENATE OF THE UNITED STATES

AUGUST 21, 2018

Mr. MENENDEZ (for himself and Mr. CRAPO) 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 that the volume cap for private activity bonds shall not apply to bonds for facilities for furnishing of water and sewage facilities.

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 “Sustainable Water In-
5 frastructure Investment Act of 2018”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds the following:

1 (1) Our Nation’s water and wastewater systems
2 are among the best in the world, providing safe
3 drinking water and sanitation to our citizens.

4 (2) In addition to protecting the health of our
5 citizens, community water systems are essential to
6 our local economies, enabling industries to achieve
7 growth and productivity that make America strong
8 and prosperous.

9 (3) Regulated under title XIV of the Public
10 Health Service Act (42 U.S.C. 300f et seq.; com-
11 monly known as the “Safe Drinking Water Act”) and the Federal Water Pollution Control Act (33
12 U.S.C. 1251 et seq.), community drinking water sys-
13 tems and wastewater collection and treatment facili-
14 ties are critical elements in the Nation’s infrastruc-
15 ture.
16

17 (4) Water and wastewater infrastructure is
18 comprised of a mixture of old and new technology.
19 In many local communities across the Nation, the
20 old infrastructure has deteriorated to critical condi-
21 tions and is very costly to replace. Recent govern-
22 ment studies have estimated costs of
23 \$500,000,000,000 to \$800,000,000,000 over the
24 next 20 years for maintaining and improving the ex-

1 isting inventory, building new infrastructure, and
2 meeting new water quality standards.

3 (5) The historical approach of funding infra-
4 structure is insufficient to meet the investment
5 needs of the future.

6 (6) The Federal partnership with State and
7 local communities has played a pivotal role in im-
8 proving the Nation's water quality and drinking
9 water supplies. Federal assistance under this part-
10 nership has been the linchpin of these improvements.

11 (7) In light of constrained Federal budgets, the
12 availability of exempt-facility financing represents an
13 important financing tool to help close the gap be-
14 tween funds currently being invested and water in-
15 frastructure needs, preserving the Federal partner-
16 ship.

17 (8) Providing alternative financing solutions,
18 such as tax-exempt securities, encourages investment
19 in water and wastewater infrastructure that in turn
20 creates local jobs and protects the health of our citi-
21 zens.

22 (9) Federally mandated State volume cap re-
23 strictions in conjunction with other priorities have
24 limited the use of tax-exempt securities on water and
25 wastewater infrastructure investment.

1 (b) CONFORMING CHANGE.—Paragraphs (2) and
2 (3)(B) of section 146(k) of the Internal Revenue Code of
3 1986 are both amended by striking “(4), (5), (6),” and
4 inserting “(6)”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to obligations issued after the date
7 of the enactment of this Act.

○