

116TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to provide for the tax-exempt financing of certain government-owned buildings.

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IN THE SENATE OF THE UNITED STATES

Mr. YOUNG (for himself and Ms. CORTEZ MASTO) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Internal Revenue Code of 1986 to provide for the tax-exempt financing of certain government-owned buildings.

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 “Public Buildings Re-  
5 newal Act of 2019”.

6 **SEC. 2. TAX-EXEMPT FINANCING OF QUALIFIED GOVERN-**  
7 **MENT BUILDINGS.**

8 (a) IN GENERAL.—Section 142(a) of the Internal  
9 Revenue Code of 1986 is amended by striking “or” at the

1 end of paragraph (14), by striking the period at the end  
2 of paragraph (15) and inserting “, or”, and by adding at  
3 the end the following new paragraph:

4 “(16) qualified government buildings.”.

5 (b) QUALIFIED GOVERNMENT BUILDINGS.—Section  
6 142 of such Code is amended by adding at the end the  
7 following new subsection:

8 “(n) QUALIFIED GOVERNMENTAL BUILDINGS.—

9 “(1) IN GENERAL.—For purposes of subsection  
10 (a)(16), the term ‘qualified governmental buildings’  
11 means any building or facility that consists of one  
12 or more of the following:

13 “(A) An elementary school or a secondary  
14 school (within the meanings given such terms  
15 by section 14101 of the Elementary and Sec-  
16 ondary Education Act of 1965 (20 U.S.C.  
17 8801), as in effect on the date of the enactment  
18 of this subsection).

19 “(B) A facility of a State college or univer-  
20 sity used for educational purposes.

21 “(C) A library maintained for, and open  
22 to, the general public.

23 “(D) A court of law.

24 “(E) A hospital or health care facility.

1           “(F) A laboratory or research facility used  
2           by a governmental unit.

3           “(G) A public safety facility (including po-  
4           lice, fire, enhanced 911, emergency or disaster  
5           management, and ambulance or emergency  
6           medical service facilities and jails and correc-  
7           tional facilities).

8           “(H) An office for employees of a govern-  
9           mental unit.

10          Such term shall include any equipment, functionally  
11          related and subordinate facility, or land (and any  
12          real property rights appurtenant thereto) with re-  
13          spect to any such building or facility.

14          “(2) SPECIFICALLY EXCLUDED FACILITIES.—  
15          Such term shall not include—

16                 “(A) a building or facility the primary pur-  
17                 pose of which is one of the following: retail food  
18                 and beverage services, or the provision of recre-  
19                 ation or entertainment, or

20                 “(B) any building or facility that includes  
21                 any of the following: any private or commercial  
22                 golf course, country club, massage parlor, ten-  
23                 nis club, skating facility (including roller skat-  
24                 ing, skateboard, and ice skating), racquet  
25                 sports facility (including any handball or

1 racquetball court), hot tub facility, suntan facil-  
2 ity, racetrack, convention center, or sports sta-  
3 dium or arena.

4 “(3) NATIONAL LIMITATION ON AMOUNT OF  
5 TAX-EXEMPT FINANCING FOR QUALIFIED GOVERN-  
6 MENTAL BUILDING.—

7 “(A) NATIONAL LIMITATION.—The aggre-  
8 gate amount allocated by the Secretary under  
9 subparagraph (C) shall not exceed  
10 \$5,000,000,000.

11 “(B) ENFORCEMENT OF NATIONAL LIM-  
12 TATION.—An issue shall not be treated as an  
13 issue described in subsection (a)(16) if the ag-  
14 gregate face amount of bonds issued pursuant  
15 to such issue for any qualified governmental  
16 building (when added to the aggregate face  
17 amount of bonds previously so issued for such  
18 facility) exceeds the amount allocated to such  
19 qualified governmental building under subpara-  
20 graph (C).

21 “(C) ALLOCATION BY THE SECRETARY.—  
22 The Secretary shall allocate, on a first come,  
23 first serve basis, a portion of the amount de-  
24 scribed in subparagraph (A) to a qualified gov-

1           ernmental building if the Secretary determines  
2           that—

3                   “(i) the application for financing of  
4                   such qualified governmental building meets  
5                   the requirements set forth in subparagraph  
6                   (D), and

7                   “(ii) the amount of the allocation re-  
8                   quested, if allocated by the Secretary,  
9                   would not cause the national limitation set  
10                  forth in subparagraph (A) to be exceeded.

11               “(D) APPLICATIONS FOR FINANCING.—An  
12               application for financing a qualified govern-  
13               mental building meets the requirements of this  
14               subparagraph if such application includes—

15                   “(i) the amount of the allocation re-  
16                   quested,

17                   “(ii) the name of the governmental  
18                   unit that will own the project, together  
19                   with complete contact information,

20                   “(iii) a description of the project as a  
21                   whole and the proposed organizational and  
22                   legal structure of the project,

23                   “(iv) a timeline showing the estimated  
24                   start and completion dates for each major  
25                   phase or milestone of project development

1 and an indication of the current status of  
2 milestones on this timeline, including all  
3 necessary permits and environmental ap-  
4 provals,

5 “(v) a statement of anticipated  
6 sources and uses of funds for the project,  
7 and

8 “(vi) the following declaration signed  
9 by an individual who has personal knowl-  
10 edge of the relevant facts and cir-  
11 cumstances: “Under penalties of perjury, I  
12 declare that I have examined this docu-  
13 ment and, to the best of my knowledge and  
14 belief, the document contains all the rel-  
15 evant facts relating to the document, and  
16 such facts are true, correct, and complete.”

17 “(E) USE OF ALLOCATION IN A TIMELY  
18 MANNER.—If, following an allocation by the  
19 Secretary under subparagraph (C), bonds are  
20 not issued in the amount of such allocation  
21 after the date that is 2 years after the date of  
22 such allocation, then the unused portion of the  
23 allocation shall be withdrawn, unless the Sec-  
24 retary, upon a showing of good cause by the ap-  
25 plicant, grants an extension of such date.

1           “(4) EXCEPTION FOR CURRENT REFUNDING  
2 BONDS.—Paragraph (3) shall not apply to any bond  
3 (or series of bonds) issued to refund a bond issued  
4 under subsection (a)(16) if—

5           “(A) the average maturity date of the issue  
6 of which the refunding bond is a part is not  
7 later than the average maturity date of the  
8 bonds to be refunded by such issue,

9           “(B) the amount of the refunding bond  
10 does not exceed the outstanding amount of the  
11 refunded bond, and

12           “(C) the refunded bond is redeemed not  
13 later than 90 days after the date of the  
14 issuance of the refunding bond.

15 For purposes of subparagraph (A), average maturity  
16 shall be determined in accordance with section  
17 147(b)(2)(A).

18           “(5) OFFICE SPACE.—Subsection (b)(2) shall  
19 not apply with respect to any qualified governmental  
20 building.

21           “(6) NO DEPRECIATION OR INVESTMENT CRED-  
22 IT.—No depreciation, amortization, or business cred-  
23 it under section 38 shall be allowed with respect to  
24 any facility described in subsection (a)(16) which  
25 has been financed by the net proceeds of the issue.”.

1           (c) GOVERNMENTALLY OWNED REQUIREMENT.—  
2 Section 142(b)(1)(A) of such Code is amended by striking  
3 “or (12)” and inserting “(12), or (16)”.

4           (d) EXEMPTION FROM VOLUME CAP ON PRIVATE  
5 ACTIVITY BONDS.—Section 146(g)(3) of such Code is  
6 amended by striking “or (15)” and inserting “(15), or  
7 (16)”.

8           (e) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to bonds issued after the date of  
10 the enactment of this Act.