

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1297

To promote a new urban agenda, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 1995

Mr. SHAYS (for himself and Mr. BORSKI) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Banking and Financial Services, Science, Commerce, Transportation and Infrastructure, Government Reform and Oversight, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

To promote a new urban agenda, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “New Urban Agenda Act of 1995”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.

TITLE I—FEDERAL COMMITMENT TO URBAN ECONOMIC  
DEVELOPMENT

- Sec. 101. Federal purchases from businesses in empowerment zones, enterprise communities, and enterprise zones.
- Sec. 102. Minimum allocation of foreign assistance for purchase of certain United States goods.
- Sec. 103. Preference for location of manufacturing outreach centers in urban areas.
- Sec. 104. Preference for construction and improvement of Federal facilities in distressed urban areas.
- Sec. 105. Definitions.

TITLE II—TAX INCENTIVES TO STIMULATE URBAN ECONOMIC  
DEVELOPMENT.

- Sec. 201. Treatment of rehabilitation credit under passive activity limitations.
- Sec. 202. Rehabilitation credit allowed to offset portion of alternative minimum tax.
- Sec. 203. Commercial industrial development bonds.
- Sec. 204. Increase in amount of qualified small issue bonds permitted for facilities to be used by related principal users.
- Sec. 205. Simplification of arbitrage interest rebate waiver.

TITLE III—COMMUNITY-BASED HOUSING DEVELOPMENT

- Sec. 301. Demolition and disposition of public housing.

TITLE IV—RESPONSE TO URBAN ENVIRONMENTAL CHALLENGES

Subtitle A—Environmental Cleanup

- Sec. 401. Exemption from liability for local governments that are owners or operators of facilities in distressed urban areas.
- Sec. 402. Standards for remediation in distressed urban areas.

Subtitle B—Environmental-Economic Recovery

- Sec. 411. Findings.
- Sec. 412. Definitions.
- Sec. 413. Loan authority.
- Sec. 414. Facility.
- Sec. 415. Reinvestment of savings.
- Sec. 416. Report to Congress.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

- 3 (1) cities in the United States have been facing
- 4 an economic downhill trend in the past several years;
- 5 and

1           (2) a new approach to help such cities prosper  
2 is necessary.

3           (b) PURPOSES.—It is the purpose of this Act to—

4           (1) provide various incentives for the economic  
5 growth of cities in the United States;

6           (2) provide an economic agenda designed to re-  
7 verse current urban economic trends; and

8           (3) revitalize the jobs and tax base of such  
9 cities without significant new Federal outlays.

10 **TITLE I—FEDERAL COMMIT-**  
11 **MENT TO URBAN ECONOMIC**  
12 **DEVELOPMENT**

13 **SEC. 101. FEDERAL PURCHASES FROM BUSINESSES IN**  
14 **EMPOWERMENT ZONES, ENTERPRISE COM-**  
15 **MUNITIES, AND ENTERPRISE ZONES.**

16           (a) REQUIREMENTS.—The Office of Federal Procure-  
17 ment Policy Act (41 U.S.C. 401 et seq.) is amended by  
18 adding at the end the following new section:

19 “PURCHASES FROM BUSINESSES IN EMPOWERMENT  
20 ZONES, ENTERPRISE COMMUNITIES, AND ENTER-  
21 PRISE ZONES

22 “SEC. 29. (a) MINIMUM PURCHASE REQUIRE-  
23 MENT.—Not less than 15 percent of the total amount ex-  
24 pended by executive agencies for the purchase of goods  
25 in a fiscal year shall be expended for the purchase of goods

1 from businesses located in empowerment zones, enterprise  
2 communities, or enterprise zones.

3 “(b) RECYCLED PRODUCTS.—To the maximum ex-  
4 tent practicable consistent with applicable law, the head  
5 of an executive agency shall purchase recycled products  
6 that meet the needs of the executive agency from busi-  
7 nesses located in empowerment zones, enterprise commu-  
8 nities, or enterprise zones.

9 “(c) REGULATIONS.—The Federal Acquisition Regu-  
10 lations shall include provisions that ensure the attainment  
11 of the minimum purchase requirement set out in sub-  
12 section (a).

13 “(d) DEFINITIONS.—In this section:

14 “(1) The term ‘empowerment zone’ means a  
15 zone designated as an empowerment zone pursuant  
16 to subchapter U of chapter 1 of the Internal Reve-  
17 nue Code of 1986 (26 U.S.C. 1391 et seq.).

18 “(2) The term ‘enterprise community’ means a  
19 community designated as an enterprise community  
20 pursuant to subchapter U of chapter 1 of the Inter-  
21 nal Revenue Code of 1986 (26 U.S.C. 1391 et seq.).

22 “(3) The term ‘enterprise zone’ has the mean-  
23 ing given such term in section 701(a)(1) of the  
24 Housing and Community Development Act of 1987  
25 (42 U.S.C. 11501(a)(1)).”.

1 (b) EFFECTIVE DATE.—Section 29 of the Office of  
2 Federal Procurement Policy Act, as added by subsection  
3 (a), shall take effect on the date of the enactment of this  
4 Act and shall apply with respect to fiscal years beginning  
5 after September 30, 1995.

6 **SEC. 102. MINIMUM ALLOCATION OF FOREIGN ASSISTANCE**  
7 **FOR PURCHASE OF CERTAIN UNITED STATES**  
8 **GOODS.**

9 (a) ALLOCATION OF ASSISTANCE.—Notwithstanding  
10 any other provision of law, effective beginning with fiscal  
11 year 1996, not less than 15 percent of United States as-  
12 sistance provided in a fiscal year shall be provided in the  
13 form of credits which may only be used for the purchase  
14 of United States goods produced, manufactured, or assem-  
15 bled in empowerment zones, enterprise communities, or  
16 enterprise zones within the United States.

17 (b) UNITED STATES ASSISTANCE.—As used in this  
18 section, the term “United States assistance” means—

19 (1) any assistance under the Foreign Assistance  
20 Act of 1961;

21 (2) sales, or financing of sales under the Arms  
22 Export Control Act; and

23 (3) assistance and other activities under the  
24 Support for East European Democracy (SEED) Act  
25 of 1989 (Public Law 101–179, as amended).

1 **SEC. 103. PREFERENCE FOR LOCATION OF MANUFACTUR-**  
2 **ING OUTREACH CENTERS IN URBAN AREAS.**

3 (a) DESIGNATION.—In designating an organization  
4 as a manufacturing outreach center under paragraph (1)  
5 of section 304(c) of the Stevenson-Wydler Technology In-  
6 novation Act of 1980, the Secretary of Commerce shall,  
7 to the maximum extent practicable, designate organiza-  
8 tions that are located in empowerment zones, enterprise  
9 communities, or enterprise zones.

10 (b) FINANCIAL ASSISTANCE.—In utilizing a competi-  
11 tive, merit-based review process to determine the manufac-  
12 turing outreach centers to which to provide financial as-  
13 sistance under paragraph (3) of such section, the Sec-  
14 retary shall give such additional preference to centers lo-  
15 cated in empowerment zones, enterprise communities, and  
16 enterprise zones as the Secretary determines appropriate  
17 in order to ensure the continuing existence of such centers  
18 in such zones.

19 **SEC. 104. PREFERENCE FOR CONSTRUCTION AND IM-**  
20 **PROVEMENT OF FEDERAL FACILITIES IN DIS-**  
21 **TRESSED URBAN AREAS.**

22 (a) PREFERENCE.—Notwithstanding any other provi-  
23 sion of law, in determining the location for the construc-  
24 tion of a new facility of a department or agency of the  
25 Federal Government, in determining to improve an exist-  
26 ing facility (including an improvement in lieu of such con-

1 struction), or in determining the location to which to relo-  
2 cate functions of a department or agency, the head of the  
3 department or agency making the determination shall take  
4 affirmative action to construct or improve the facility, or  
5 to relocate the functions, in a distressed urban area.

6 (b) URBAN IMPACT STATEMENT.—A determination  
7 to construct a new facility of a department or agency of  
8 the Federal Government, to improve an existing facility,  
9 or to relocate the functions of a department or agency may  
10 not be made until the head of the department or agency  
11 making the determination prepares and submits to the  
12 President a report that—

13 (1) in the case of a facility to be constructed—

14 (A) identifies at least one distressed urban  
15 area that is an appropriate location for the fa-  
16 cility;

17 (B) describes the costs and benefits arising  
18 from the construction and utilization of the fa-  
19 cility in the area, including the effects of such  
20 construction and utilization on the rate of un-  
21 employment in the area; and

22 (C) describes the effect on the economy of  
23 the area of the closure or consolidation, if any,  
24 of Federal facilities located in the area during  
25 the 10-year period ending on the date of the re-

1 port, including the total number of Federal and  
2 non-Federal employment positions terminated  
3 in the area as a result of such closure or con-  
4 solidation;

5 (2) in the case of a facility to be improved that  
6 is not located in a distressed urban area—

7 (A) identifies at least one facility located in  
8 a distressed urban area that would serve as an  
9 appropriate alternative location for the facility;

10 (B) describes the costs and benefits arising  
11 from the improvement and utilization of the fa-  
12 cility located in such area as an alternative lo-  
13 cation for the facility to be improved, including  
14 the effect of the improvement and utilization of  
15 the facility so located on the rate of unemploy-  
16 ment in such area; and

17 (C) describes the effect on the economy of  
18 such area of the closure or consolidation, if any,  
19 of Federal facilities located in such area during  
20 the 10-year period ending on the date of the re-  
21 port, including the total number of Federal and  
22 non-Federal employment positions terminated  
23 in such area as a result of such closure or con-  
24 solidation;

1           (3) in the case of a facility to be improved that  
2 is located in a distressed urban area—

3           (A) describes the costs and benefits arising  
4 from the improvement and continuing utiliza-  
5 tion of the facility in the area, including the ef-  
6 fect of such improvement and continuing utili-  
7 zation on the rate of unemployment in the area;  
8 and

9           (B) describes the effect on the economy of  
10 the area of the closure or consolidation, if any,  
11 of Federal facilities located in the area during  
12 the 10-year period ending on the date of the re-  
13 port, including the total number of Federal and  
14 non-Federal employment positions terminated  
15 in the area as a result of such closure or con-  
16 solidation; or

17          (4) in the case of a relocation of functions—

18           (A) identifies at least one distressed urban  
19 area that would serve as an appropriate loca-  
20 tion for the carrying out of the functions;

21           (B) describes the costs and benefits arising  
22 from carrying out the functions in the area, in-  
23 cluding the effect of carrying out the functions  
24 on the rate of unemployment in the area; and

1 (C) describes the effect on the economy of  
2 the area of the closure or consolidation, if any,  
3 of Federal facilities located in the area during  
4 the 10-year period ending on the date of the re-  
5 port, including the total number of Federal and  
6 non-Federal employment positions terminated  
7 in the area as a result of such closure or con-  
8 solidation.

9 (c) APPLICABILITY TO DEPARTMENT OF DEFENSE  
10 FACILITIES.—The requirements set forth in subsections  
11 (a) and (b) shall apply to a determination to construct  
12 or improve any facility of the Department of Defense, or  
13 to relocate any functions of the Department, unless the  
14 President determines that the waiver of the application of  
15 such requirements to the facility, or to such relocation,  
16 is in the national interest.

17 (d) DEFINITION.—In this section, the term “dis-  
18 tressed urban area” means any city having a population  
19 of more than 100,000 that meets (as determined by the  
20 Secretary of Housing and Urban Development) the quali-  
21 fications for a distressed community that are otherwise es-  
22 tablished for large cities and urban counties under section  
23 570.452(c) of title 24, Code of Federal Regulations.

24 **SEC. 105. DEFINITIONS.**

25 As used in this title:

1           (1) The term “empowerment zone” means a  
2 zone designated as an empowerment zone pursuant  
3 to subchapter U of chapter 1 of the Internal Reve-  
4 nue Code of 1986 (26 U.S.C. 1391 et seq.).

5           (2) The term “enterprise community” means a  
6 community designated as an enterprise community  
7 pursuant to subchapter U of chapter 1 of the Inter-  
8 nal Revenue Code of 1986 (26 U.S.C. 1391 et seq.).

9           (3) The term “enterprise zone” has the mean-  
10 ing given such term in section 701(a)(1) of the  
11 Housing and Community Development Act of 1987  
12 (42 U.S.C. 11501(a)(1)).

13 **TITLE II—TAX INCENTIVES TO**  
14 **STIMULATE URBAN ECO-**  
15 **NOMIC DEVELOPMENT**

16 **SEC. 201. TREATMENT OF REHABILITATION CREDIT UNDER**  
17 **PASSIVE ACTIVITY LIMITATIONS.**

18           (a) GENERAL RULE.—Paragraphs (2) and (3) of sec-  
19 tion 469(i) of the Internal Revenue Code of 1986 (relating  
20 to \$25,000 offset for rental real estate activities) are  
21 amended to read as follows:

22           “(2) DOLLAR LIMITATIONS.—

23           “(A) IN GENERAL.—Except as otherwise  
24 provided in this paragraph, the aggregate  
25 amount to which paragraph (1) applies for any

1 taxable year shall not exceed \$25,000 reduced  
2 (but not below zero) by 50 percent of the  
3 amount (if any) by which the adjusted gross in-  
4 come of the taxpayer for the taxable year ex-  
5 ceeds \$100,000.

6 “(B) PHASEOUT NOT APPLICABLE TO  
7 LOW-INCOME HOUSING CREDIT.—In the case of  
8 the portion of the passive activity credit for any  
9 taxable year which is attributable to any credit  
10 determined under section 42—

11 “(i) subparagraph (A) shall not apply,  
12 and

13 “(ii) paragraph (1) shall not apply to  
14 the extent that the deduction equivalent of  
15 such portion exceeds—

16 “(I) \$25,000, reduced by

17 “(II) the aggregate amount of  
18 the passive activity loss (and the de-  
19 duction equivalent of any passive ac-  
20 tivity credit which is not so attrib-  
21 utable and is not attributable to the  
22 rehabilitation credit determined under  
23 section 47) to which paragraph (1)  
24 applies after the application of sub-  
25 paragraph (A).

1           “(C) \$55,500 LIMIT FOR REHABILITATION  
2 CREDITS.—In the case of the portion of the  
3 passive activity credit for any taxable year  
4 which is attributable to the rehabilitation credit  
5 determined under section 47—

6                   “(i) subparagraph (A) shall not apply,  
7 and

8                   “(ii) paragraph (1) shall not apply to  
9 the extent that the deduction equivalent of  
10 such portion exceeds—

11                           “(I) \$55,500, reduced by

12                           “(II) the aggregate amount of  
13 the passive activity loss (and the de-  
14 duction equivalent of any passive ac-  
15 tivity credit which is not so attrib-  
16 utable) to which paragraph (1) applies  
17 for the taxable year after the applica-  
18 tion of subparagraphs (A) and (B).

19           “(3) ADJUSTED GROSS INCOME.—For purposes  
20 of paragraph (2)(A), adjusted gross income shall be  
21 determined without regard to—

22                   “(A) any amount includable in gross in-  
23 come under section 86,

24                   “(B) any amount excludable from gross in-  
25 come under section 135,

1           “(C) any amount allowable as a deduction  
2           under section 219, and

3           “(D) any passive activity loss.”.

4       (b) CONFORMING AMENDMENTS.—

5           (1) Subparagraph (B) of section 469(i)(4) of  
6           the Internal Revenue Code of 1986 is amended to  
7           read as follows:

8                   “(B)   REDUCTION   FOR   SURVIVING  
9                   SPOUSE’S EXEMPTION.—For purposes of sub-  
10                  paragraph (A), the \$25,000 amounts under  
11                  paragraph (2)(A) and (2)(B)(ii) and the  
12                  \$55,500 amount under paragraph (2)(C)(ii)  
13                  shall each be reduced by the amount of the ex-  
14                  emption under paragraph (1) (determined with-  
15                  out regard to the reduction contained in para-  
16                  graph (2)(A)) which is allowable to the surviv-  
17                  ing spouse of the decedent for the taxable year  
18                  ending with or within the taxable year of the es-  
19                  tate.”.

20           (2) Subparagraph (A) of section 469(i)(5) of  
21           such Code is amended by striking clauses (i), (ii),  
22           and (iii) and inserting the following:

23                   “(i) ‘\$12,500’ for ‘\$25,000’ in sub-  
24                   paragraphs (A) and (B)(ii) of paragraph  
25                   (2),

1                   “(ii) ‘\$50,000’ for ‘\$100,000’ in para-  
2                   graph (2)(A)”, and

3                   “(iii) ‘\$27,750’ for ‘\$55,500’ in para-  
4                   graph (2)(C)(ii).”.

5                   (3) The subsection heading for subsection (i) of  
6                   section 469 of such Code is amended by striking  
7                   “\$25,000”.

8                   (c) EFFECTIVE DATE.—The amendments made by  
9                   this section shall apply to property placed in service on  
10                  or after the date of the enactment of this Act, in taxable  
11                  years ending on or after such date.

12                  **SEC. 202. REHABILITATION CREDIT ALLOWED TO OFFSET**  
13                  **PORTION OF ALTERNATIVE MINIMUM TAX.**

14                  (a) IN GENERAL.—Section 38(c) of the Internal Rev-  
15                  enue Code of 1986 (relating to limitation based on amount  
16                  of tax) is amended by redesignating paragraph (2) as  
17                  paragraph (3) and by inserting after paragraph (1) the  
18                  following new paragraph:

19                         “(2) REHABILITATION INVESTMENT CREDIT  
20                         MAY OFFSET PORTION OF MINIMUM TAX.—

21                                 “(A) IN GENERAL.—In the case of the re-  
22                                 habilitation investment tax credit—

23   “(i) this section and section 39 shall  
24   be applied separately with respect to such  
25   credit, and

1 “(ii) for purposes of applying para-  
2 graph (1) to such credit—

3 “(I) the tentative minimum tax  
4 under subparagraph (A) thereof shall  
5 be reduced by the minimum tax offset  
6 amount determined under subpara-  
7 graph (B) of this paragraph, and

8 “(II) the limitation under para-  
9 graph (1) (as modified by subclause  
10 (I)) shall be reduced by the credit al-  
11 lowed under subsection (a) for the  
12 taxable year (other than the rehabili-  
13 tation investment tax credit).

14 “(B) MINIMUM TAX OFFSET AMOUNT.—

15 For purposes of subparagraph (A)(ii)(I), the  
16 minimum tax offset amount is an amount equal  
17 to—

18 “(i) in the case of a taxpayer not de-  
19 scribed in clause (ii), the lesser of—

20 “(I) 25 percent of the tentative  
21 minimum tax for the taxable year, or

22 “(II) \$20,000, or

23 “(ii) in the case of a C corporation  
24 other than a closely held C corporation (as  
25 defined in section 469(j)(1)), 5 percent of



1 to exempt facility bond) is amended by striking “or”  
2 at the end of paragraph (11), by striking the period  
3 at the end of paragraph (12) and inserting a  
4 comma, and by adding at the end the following new  
5 paragraphs:

6 “(13) sports facilities,

7 “(14) convention or trade show facilities,

8 “(15) freestanding parking facilities,

9 “(16) air or water pollution control facilities, or

10 “(17) industrial parks.”.

11 (2) INDUSTRIAL PARKS DEFINED.—Section 142  
12 of the Internal Revenue Code of 1986 is amended by  
13 adding at the end the following new subsection:

14 “(k) INDUSTRIAL PARKS.—A facility shall be treated  
15 as described in subsection (a)(17) only if all of the prop-  
16 erty to be financed by the net proceeds of the issue—

17 “(1) is—

18 “(A) land, and

19 “(B) water, sewage, drainage, or similar  
20 facilities, or transportation, power, or commu-  
21 nication facilities incidental to the use of such  
22 land as an industrial park, and

23 “(2) is not structures or buildings (other than  
24 with respect to facilities described in paragraph  
25 (1)(B)).”.

1 (3) CONFORMING AMENDMENTS.—

2 (A) Section 147(c) of the Internal Revenue  
3 Code of 1986 (relating to limitation on use for  
4 land acquisition) is amended by adding at the  
5 end the following new paragraph:

6 “(4) SPECIAL RULE FOR INDUSTRIAL PARKS.—  
7 In the case of a bond described in section  
8 142(a)(17), paragraph (1)(A) shall be applied by  
9 substituting ‘50 percent’ for ‘25 percent.’”.

10 (B) Section 147(e) of such Code (relating  
11 to no portion of bonds may be issued for  
12 skyboxes, airplanes, gambling establishments,  
13 etc.) is amended by striking “A private activity  
14 bond” and inserting “Except in the case of a  
15 bond described in section 142(a)(13), a private  
16 activity bond”.

17 (b) SMALL ISSUE BONDS.—Section 144(a)(12) of the  
18 Internal Revenue Code of 1986 (relating to termination  
19 of qualified small issue bonds) is amended—

20 (1) by striking “any bond” in subparagraph  
21 (A)(i) and inserting “any bond described in subpara-  
22 graph (B)”.

23 (2) by striking “a bond” in subparagraph  
24 (A)(ii) and inserting “a bond described in subpara-  
25 graph (B)”, and

1           (3) by striking subparagraph (B) and inserting  
2           the following:

3                   “(B) BONDS FOR FARMING PURPOSES.—A  
4           bond is described in this subparagraph if it is  
5           issued as part of an issue 95 percent or more  
6           of the net proceeds of which are to be used to  
7           provide any land or property not in accordance  
8           with section 147(c)(2).”.

9           (c) EFFECTIVE DATE.—The amendments made by  
10          this section shall apply to bonds issued after December  
11          31, 1995.

12          **SEC. 204. INCREASE IN AMOUNT OF QUALIFIED SMALL**  
13                   **ISSUE BONDS PERMITTED FOR FACILITIES**  
14                   **TO BE USED BY RELATED PRINCIPAL USERS.**

15          (a) IN GENERAL.—Clause (i) of section 144(a)(4)(A)  
16          of the Internal Revenue Code of 1986 (relating to  
17          \$10,000,000 limit in certain cases) is amended by striking  
18          “\$10,000,000” and inserting “\$50,000,000”.

19          (b) CLERICAL AMENDMENT.—The heading of para-  
20          graph (4) of section 144(a) of the Internal Revenue Code  
21          of 1986 is amended by striking “\$10,000,000” and insert-  
22          ing “\$50,000,000”.

23          (c) EFFECTIVE DATE.—The amendments made by  
24          this section shall apply to—

1 (1) obligations issued after the date of the en-  
2 actment of this Act, and

3 (2) capital expenditures made after such date  
4 with respect to obligations issued on or before such  
5 date.

6 **SEC. 205. SIMPLIFICATION OF ARBITRAGE INTEREST RE-**  
7 **BATE WAIVER.**

8 (a) IN GENERAL.—Clause (ii) of section 148(f)(4)(C)  
9 of the Internal Revenue Code of 1986 (relating to excep-  
10 tion from rebate for certain proceeds to be used to finance  
11 construction expenditures) is amended to read as follows:

12 “(ii) SPENDING REQUIREMENT.—The  
13 spending requirement of this clause is met  
14 if 100 percent of the available construction  
15 proceeds of the construction issue are  
16 spent for the governmental purposes of the  
17 issue within the 3-year period beginning on  
18 the date the bonds are issued.”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Clause (iii) of section 148(f)(4)(C) of the  
21 Internal Revenue Code of 1986 (relating to excep-  
22 tion for reasonable retainage) is repealed.

23 (2) Subclause (II) of section 148(f)(4)(C)(vi) of  
24 such Code (relating to available construction pro-

1 ceeds) is amended by striking “2-year period” and  
2 inserting “3-year period”.

3 (3) Subclause (I) of section 148(f)(4)(C)(vii) of  
4 such Code (relating to election to pay penalty in lieu  
5 of rebate) is amended by striking “, with respect to  
6 each 6-month period after the date the bonds were  
7 issued,” and “, as of the close of such 6-month pe-  
8 riod,”.

9 (4) Clause (viii) of section 148(f)(4)(C) of such  
10 Code (relating to election to terminate 1½ percent  
11 penalty) is amended by striking “to any 6-month pe-  
12 riod” in the matter preceding subclause (I).

13 (5) Clause (ii) of section 148(c)(2)(D) of such  
14 Code (relating to bonds used to provide construction  
15 financing) is amended by striking “2 years” and in-  
16 sserting “3 years”.

17 (c) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to bonds issued after the date of  
19 the enactment of this Act.

20 **TITLE III—COMMUNITY-BASED**  
21 **HOUSING DEVELOPMENT**

22 **SEC. 301. DEMOLITION AND DISPOSITION OF PUBLIC HOUS-**  
23 **ING.**

24 Section 18(b)(3) of the United States Housing Act  
25 of 1937 (42 U.S.C. 1437p(b)(3)) is amended—

1           (1) in subparagraph (G), by striking “and” at  
2 the end;

3           (2) in subparagraph (H), by adding “and” at  
4 the end; and

5           (3) by adding at the end the following new sub-  
6 paragraph:

7           “(I) provides, subject to the approval of  
8 both the unit of general local government in  
9 which the property on which the units to be de-  
10 molished or disposed of are located and the  
11 local public housing agency, for—

12           “(i) the eventual reconstruction of  
13 units on the same property on which the  
14 units to be demolished or disposed of are  
15 located; and

16           “(ii) the ultimate relocation of dis-  
17 placed tenants to that property;”.

1 **TITLE IV—RESPONSE TO URBAN**  
2 **ENVIRONMENTAL CHALLENGES**  
3 **Subtitle A—Environmental**  
4 **Cleanup**

5 **SEC. 401. EXEMPTION FROM LIABILITY FOR LOCAL GOV-**  
6 **ERNMENTS THAT ARE OWNERS OR OPERA-**  
7 **TORS OF FACILITIES IN DISTRESSED URBAN**  
8 **AREAS.**

9 Section 101 of the Comprehensive Environmental Re-  
10 sponse, Compensation, and Liability Act of 1980 (42  
11 U.S.C. 9601) is amended—

12 (1) in paragraph (20), by adding at the end the  
13 following:

14 “(E) EXCLUSION OF DISTRESSED URBAN  
15 AREAS.—The term ‘owner or operator’ does not  
16 include a unit of local government for a dis-  
17 tressed urban area that—

18 “(i) purchased real property, in the  
19 distressed urban area, on or in which a fa-  
20 cility is located;

21 “(ii) purchased the property to fur-  
22 ther the redevelopment of the property for  
23 industrial activities;

24 “(iii) did not conduct or permit the  
25 generation, transportation, storage, treat-

1           ment, or disposal of any hazardous sub-  
2           stance at the facility; and

3           “(iv) did not contribute to the release  
4           or threat of release of a hazardous sub-  
5           stance at the facility through any action or  
6           omission.”; and

7           (2) by adding at the end the following new  
8           paragraphs:

9           “(39) DISTRESSED URBAN AREA.—The term  
10          ‘distressed urban area’ has the meaning given the  
11          term in section 104(d) of the New Urban Agenda  
12          Act of 1995.

13          “(40) INDUSTRIAL ACTIVITY.—The term ‘indus-  
14          trial activity’ means commercial, manufacturing, or  
15          any other activity carried out to further the develop-  
16          ment, manufacturing, or distribution of goods and  
17          services, including administration, research and de-  
18          velopment, warehousing, shipping, transport, re-  
19          manufacturing, and repair and maintenance of com-  
20          mercial machinery and equipment.”.

21   **SEC. 402. STANDARDS FOR REMEDIATION IN DISTRESSED**  
22                                   **URBAN AREAS.**

23          Section 121 of the Comprehensive Environmental Re-  
24          sponse, Compensation, and Liability Act of 1980 (42

1 U.S.C. 9621) is amended by adding at the end the follow-  
2 ing:

3 “(g) FACILITIES IN DISTRESSED URBAN AREAS.—

4 “(1) IDENTIFICATION.—The President shall  
5 identify the facilities on the National Priorities List  
6 that are located in distressed urban areas.

7 “(2) STUDY AND REPORT.—The President shall  
8 conduct, directly or by grant or contract, a study of  
9 appropriate response actions for facilities located in  
10 distressed urban areas. In conducting the study, the  
11 President shall examine the appropriate degree of  
12 cleanup of hazardous substances, pollutants, and  
13 contaminants released into the environment at such  
14 a facility, and the appropriate considerations for the  
15 selection of a response action at such a facility.

16 “(3) STANDARDS.—Notwithstanding any other  
17 provision of this Act, the President shall by regula-  
18 tion establish standards for the degree of cleanup  
19 described in paragraph (2), and the considerations  
20 described in paragraph (2), for such a facility. In es-  
21 tablishing the standards, the President shall take  
22 into consideration the results of the study described  
23 in paragraph (2).”.

1           **Subtitle B—Environmental-**  
2           **Economic Recovery**

3 **SEC. 411. FINDINGS.**

4 Congress finds that—

5           (1) plants such as the SEMASS plant in Roch-  
6           ester, Massachusetts, and the Wheelabrator plant in  
7           Baltimore, Maryland, provide an effective and effi-  
8           cient means of disposing of solid waste and obtain-  
9           ing inexpensive electrical power and steam; and

10           (2) the availability of such plants in a commu-  
11           nity will attract energy intensive industry to the  
12           community, increasing the tax base and strengthen-  
13           ing the economy of the community.

14 **SEC. 412. DEFINITIONS.**

15 As used in this subtitle:

16           (1) DISTRESSED URBAN AREA.—The term “dis-  
17           tressed urban area” has the meaning given the term  
18           in section 104(d).

19           (2) ENERGY INTENSIVE INDUSTRY.—The term  
20           “energy intensive industry” means an industry that  
21           consumes more than 25,000 BTUs per dollar of  
22           value added, as determined by the Secretary.

23           (3) FULLY OPERATIONAL.—The term “fully  
24           operational” means at least 90 percent operational,  
25           determined by averaging the percentage of solid

1 waste intake capacity achieved and the percentage  
2 of electric output capacity achieved.

3 (4) MARKET RATE.—The term “market rate”  
4 means the applicable rate for retail bulk power sales  
5 made by the electric utility within the service terri-  
6 tory concerned.

7 (5) SECRETARY.—The term “Secretary” means  
8 the Secretary of Energy.

9 (6) SOLID WASTE.—The term “solid waste” has  
10 the meaning given the term in section 1004(27) of  
11 the Solid Waste Disposal Act (42 U.S.C. 6903(27)).

12 **SEC. 413. LOAN AUTHORITY.**

13 (a) LOANS.—

14 (1) IN GENERAL.—The Secretary shall make  
15 not more than 3 loans to units of local government  
16 for distressed urban areas for the establishment of  
17 facilities described in section 414.

18 (2) PRIORITY.—In making one of the loans, the  
19 Secretary shall give priority to a unit of local gov-  
20 ernment that demonstrates that the unit of local  
21 government will establish the facility through a con-  
22 tract or agreement with an organization that has  
23 demonstrated an ability to oversee and manage the  
24 creation of a comprehensive, national, strategic, en-  
25 ergy intensive, environmental industry initiative.

1 (b) AUTHORITY TO BORROW.—

2 (1) IN GENERAL.—Subject to paragraphs (2),  
3 (3), and (4), and notwithstanding any other provi-  
4 sion of law, the Secretary may borrow from the  
5 Treasury such funds as the Secretary determines to  
6 be necessary to make loans under this section.

7 (2) AMOUNTS.—The Secretary may borrow  
8 funds under paragraph (1) if amounts sufficient to  
9 pay for the cost, as defined in section 502(5) of the  
10 Congressional Budget Act of 1974 (2 U.S.C.  
11 661a(5)), of the loan involved are provided in ad-  
12 vance in appropriation Acts.

13 (3) TERMS.—Subject to paragraph (4), the Sec-  
14 retary may borrow the funds on such terms as may  
15 be established by the Secretary and the Secretary of  
16 the Treasury.

17 (4) INTEREST.—The rate of interest to be  
18 charged in connection with a loan made under para-  
19 graph (1) shall be not less than a rate determined  
20 by the Secretary of the Treasury, taking into consid-  
21 eration current market yields on outstanding mar-  
22 ketable obligations of the United States of com-  
23 parable maturities.

24 **SEC. 414. FACILITY.**

25 Each facility referred to in section 413—

1 (1) shall produce electric power, or steam, from  
2 solid waste;

3 (2) shall have 2 boilers and be capable of ex-  
4 pansion;

5 (3) shall be located in a distressed urban area  
6 in the United States;

7 (4) shall provide electricity or steam to energy  
8 intensive industry customers at no more than 40  
9 percent of the market rate for electricity;

10 (5) may provide electricity to public entities or  
11 light industry, but not to residential consumers; and

12 (6) shall obtain a continuing supply of feed-  
13 stock sufficient to sustain maximum operational ca-  
14 pability through long-term contracts with municipal  
15 and other governmental sources.

16 **SEC. 415. REINVESTMENT OF SAVINGS.**

17 (a) IN GENERAL.—Any energy intensive industry  
18 customer obtaining electricity or steam from the facility  
19 described in section 414 shall—

20 (1) invest in equipment, physical plant, or in-  
21 creased employment at least 7 percent of the saving  
22 gained by such customer; and

23 (2) from the saving gained by such customer,  
24 make payments to the Secretary, in an amount de-  
25 termined by the Secretary to be appropriate, to as-

1       sist in repaying the funds borrowed by the Secretary  
2       under section 413 and the costs associated with bor-  
3       rowing the funds.

4       (b) DEFINITION.—As used in this section, the term  
5       “saving”, used with respect to a customer obtaining elec-  
6       tricity or steam from a facility described in section 414,  
7       means an amount equal to—

8               (1) the cost of obtaining an amount of such  
9       electricity or steam from other sources during a pe-  
10       riod of time; minus

11              (2) the cost of obtaining the same amount of  
12       such electricity or steam from the facility during  
13       such period.

14       **SEC. 416. REPORT TO CONGRESS.**

15       (a) REPORT.—Not later than 1 year after the facili-  
16       ties described in section 414 become fully operational, the  
17       Secretary shall prepare and submit to Congress a report  
18       containing a recommendation concerning whether the Fed-  
19       eral Government should make additional loans similar to  
20       the loans authorized by this subtitle.

21       (b) ANALYSIS.—Such recommendation shall be based  
22       on analysis of the Secretary concerning whether the loans  
23       made under this subtitle have resulted in—

1           (1) the creation of jobs in the communities in  
2           which the facilities are located due to the relocation  
3           of energy intensive industry;

4           (2) the effective disposal of solid waste; and

5           (3) easier and less expensive production of elec-  
6           tricity and steam.

○

HR 1297 IH—2