

111TH CONGRESS
1ST SESSION

H. R. 4155

To amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds for financing clean energy improvements under State and local property assessed clean energy programs.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2009

Mr. SARBANES 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 for financing clean energy improvements under State and local property assessed clean energy programs.

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 “Property Assessed
5 Clean Energy Tax Benefits Act of 2009”.

1 **SEC. 2. PROPERTY ASSESSED CLEAN ENERGY BONDS.**

2 (a) IN GENERAL.—Section 144 of the Internal Rev-
3 enue Code of 1986 is amended by adding at the end the
4 following new subsection:

5 “(d) PROPERTY ASSESSED CLEAN ENERGY
6 BONDS.—For purposes of this part—

7 “(1) IN GENERAL.—The term ‘property as-
8 sessed clean energy bond’ means any bond issued as
9 part of an issue 95 percent or more of the net pro-
10 ceeds of which are to be used to finance clean energy
11 improvements under a qualified property assessed
12 clean energy program.

13 “(2) QUALIFIED PROPERTY ASSESSED CLEAN
14 ENERGY PROGRAM.—For purposes of this sub-
15 section—

16 “(A) IN GENERAL.—The term ‘qualified
17 property assessed clean energy program’ means
18 a program of a State or local government (or
19 a political subdivision thereof) under which such
20 State or local government finances clean energy
21 improvements with respect to any building in
22 exchange for an assessment with respect to
23 such building under an agreement which—

24 “(i) is between the State or local gov-
25 ernment and the owner of the building,

1 “(ii) provides for an initial energy use
2 audit of the building with respect to which
3 clean energy improvements are to be made,

4 “(iii) requires disclosure of the State
5 or local government’s estimate of utility
6 savings for any proposed clean energy im-
7 provements,

8 “(iv) provides that the State or local
9 government shall arrange and finance any
10 clean energy improvements, and

11 “(v) specifies the term and rate of as-
12 sessment with respect to the building for
13 such clean energy improvements.

14 “(B) CLEAN ENERGY IMPROVEMENTS.—

15 For purposes of this subsection—

16 “(i) IN GENERAL.—The term ‘clean
17 energy improvements’ means any distrib-
18 uted generation renewable energy sources,
19 energy efficiency improvements, or water
20 efficiency improvements which—

21 “(I) are permanently fixed to the
22 building, and

23 “(II) will result in a 20 percent
24 savings from the previous level of con-
25 sumption with respect to the building

1 as determined in the energy audit de-
2 scribed in subparagraph (A)(ii).

3 “(ii) SPECIAL RULE RELATING TO
4 DISTRIBUTED GENERATION RENEWABLE
5 ENERGY SOURCES.—A distributed genera-
6 tion renewable energy source shall not be
7 treated as a clean energy improvement
8 with respect to a building unless energy ef-
9 ficiency improvements or water efficiency
10 improvements are made with respect to
11 such building under the program.”.

12 (b) TREATED AS QUALIFIED BOND.—Paragraph (1)
13 of section 141(e) of such Code is amended by striking “or”
14 at the end of subparagraph (F), by striking the period
15 at the end of subparagraph (G) and inserting “, or”, and
16 by adding at the end the following new subparagraph:

17 “(H) a property assessed clean energy
18 bond.”.

19 (c) CLERICAL AMENDMENTS.—

20 (1) The heading of section 144 of such Code is
21 amended by striking “**BOND.**” and inserting
22 “**BOND; PROPERTY ASSESSED CLEAN ENERGY**
23 **BOND.**”

24 (2) The item relating to section 144 in the table
25 of sections for subpart A of part IV of subchapter

1 B of chapter 1 of such Code is amended to read as
2 follows:

 “Sec. 144. Qualified small issuer bond; qualified student loan bond; qualified
 development bond; property assessed clean energy 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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