

THE BOND BUYER LEGISLATIVE STATUS REPORT

LEGISLATION	CURRENT LAW	PROPOSED LAW	CURRENT STATUS
HR 4213: American Jobs and Closing Tax Loopholes Act of 2010	Under current law, the Build America Bond program and the exemption from the alternative minimum tax for private-activity bonds are slated to expire at the end of 2010. Also, \$25 billion of recovery zone bonds can be issued in areas with high job losses.	The bill, introduced July 29 by House Ways and Means chairman Sander Levin, D-Mich., would extend the BAB program to the end of 2012, but the 35% subsidy rate would be lowered to 33% in 2011 and 30% in 2012. The AMT exemption for PABs would be extended through 2011 for new bonds, including those refunding debt sold after 2002. Another allocation of recovery zone bonds would be made based on a municipality's share of national unemployment as of December 2009. The bill would also extend for one year the increased small-issuer exemption for bank-qualified debt, which is currently expanded to \$30 million.	The House approved the bill by a vote of 241 to 181 on Dec. 9. The bill is now pending in the Senate, where lawmakers have failed to limit debate on it so that it can go forward without a filibuster.
HR 58: Promote Green Schools	The financial bailout law enacted in October authorized \$400 million of state and local qualified zone academy bonds for each of 2008 and 2009, which can be used to rehabilitate, renovate, or improve public schools in low-income areas.	The bill, introduced Jan. 6 by Rep. Mark Steven Kirk, R-Ill., would extend the authorization of the bonds through 2013 and would require any projects financed with the bonds to be environment-friendly. The projects could include sustainable site improvements, water and energy conservation systems, use of renewable materials, and improving indoor environmental quality.	The legislation has been referred to two House committees: Ways and Means and Education and Labor.
HR 537: Water and Sewer Bonds	Under current law, tax-exempt private-activity bonds for water and sewer projects are subject to a state's PAB volume cap, which is based on the state's estimated population.	The bill, introduced Jan. 14 by Rep. Bill Pascrell Jr., D-N.J., would exclude water and sewer bonds from the volume cap for private-activity bonds.	The legislation has been referred to the House Ways and Means Committee.
HR 115: Agricultural Processing Property Bonds	Qualified small-issue bonds are tax-exempt private-activity bonds issued to finance manufacturing facilities or the acquisition of land and equipment by farmers. Generally, no more than \$1 million may be outstanding for a single project, but the limit may be increased to \$10 million if all other capital expenditures are counted toward the limit over a six-year period that begins three years before the issue date of the bonds and ends three years afterward.	The bill, introduced Jan. 6 by Rep. Jeff Fortenberry, R-Neb., would allow the bonds to be issued to finance the purchase of land or property used primarily for the processing of agricultural products.	The bill has been referred to the House Ways and Means Committee.
HR 727: Indian School Construction Act	Under current law, Indian tribal governments can issue tax-exempt bonds to finance "essential governmental functions," as well as the construction of certain qualified manufacturing facilities.	The bill, introduced Jan. 27 by Rep. Earl Pomeroy, D-N.D., would authorize the issuance of up to \$200 million of taxable, qualified tribal school modernization tax-credit bonds in 2009, 2010, and 2011, which tribes could use to finance the construction, rehabilitation, and repair of schools. It would also permit tribes to carry forward unused bond authority one year until 2012.	The bill has been referred to three House committees: Ways and Means, Education and Labor, and Natural Resources.