

# QSCB QZAB Parts of the Final Stimulus Bill

1       **PART III—TAX CREDIT BONDS FOR SCHOOLS**

2       **SEC. 1521. QUALIFIED SCHOOL CONSTRUCTION BONDS.**

3           (a) IN GENERAL.—Subpart I of part IV of sub-  
4 chapter A of chapter 1 is amended by adding at the end  
5 the following new section:

6       **“SEC. 54F. QUALIFIED SCHOOL CONSTRUCTION BONDS.**

7           “(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—  
8 For purposes of this subchapter, the term ‘qualified school  
9 construction bond’ means any bond issued as part of an  
10 issue if—

11           “(1) 100 percent of the available project pro-  
12 ceeds of such issue are to be used for the construc-  
13 tion, rehabilitation, or repair of a public school facil-  
14 ity or for the acquisition of land on which such a fa-  
15 cility is to be constructed with part of the proceeds  
16 of such issue,

17           “(2) the bond is issued by a State or local gov-  
18 ernment within the jurisdiction of which such school  
19 is located, and

20           “(3) the issuer designates such bond for pur-  
21 poses of this section.

22           “(b) LIMITATION ON AMOUNT OF BONDS DES-  
23 IGNATED.—The maximum aggregate face amount of  
24 bonds issued during any calendar year which may be des-  
25 ignated under subsection (a) by any issuer shall not exceed

1 the limitation amount allocated under subsection (d) for  
2 such calendar year to such issuer.

3 “(c) NATIONAL LIMITATION ON AMOUNT OF BONDS  
4 DESIGNATED.—There is a national qualified school con-  
5 struction bond limitation for each calendar year. Such lim-  
6 itation is—

7 “(1) \$11,000,000,000 for 2009,

8 “(2) \$11,000,000,000 for 2010, and

9 “(3) except as provided in subsection (e), zero  
10 after 2010.

11 “(d) ALLOCATION OF LIMITATION.—

12 “(1) ALLOCATION AMONG STATES.—Except as  
13 provided in paragraph (2)(C), the limitation applica-  
14 ble under subsection (c) for any calendar year shall  
15 be allocated by the Secretary among the States in  
16 proportion to the respective amounts each such  
17 State is eligible to receive under section 1124 of the  
18 Elementary and Secondary Education Act of 1965  
19 (20 U.S.C. 6333) for the most recent fiscal year  
20 ending before such calendar year. The limitation  
21 amount allocated to a State under the preceding  
22 sentence shall be allocated by the State to issuers  
23 within such State.

24 “(2) 40 PERCENT OF LIMITATION ALLOCATED  
25 AMONG LARGEST SCHOOL DISTRICTS.—

1           “(A) IN GENERAL.—40 percent of the limi-  
2           tation applicable under subsection (c) for any  
3           calendar year shall be allocated under subpara-  
4           graph (B) by the Secretary among local edu-  
5           cational agencies which are large local edu-  
6           cational agencies for such year.

7           “(B) ALLOCATION FORMULA.—The  
8           amount to be allocated under subparagraph (A)  
9           for any calendar year shall be allocated among  
10          large local educational agencies in proportion to  
11          the respective amounts each such agency re-  
12          ceived under section 1124 of the Elementary  
13          and Secondary Education Act of 1965 (20  
14          U.S.C. 6333) for the most recent fiscal year  
15          ending before such calendar year.

16          “(C) REDUCTION IN STATE ALLOCA-  
17          TION.—The allocation to any State under para-  
18          graph (1) shall be reduced by the aggregate  
19          amount of the allocations under this paragraph  
20          to large local educational agencies within such  
21          State.

22          “(D) ALLOCATION OF UNUSED LIMITATION  
23          TO STATE.—The amount allocated under this  
24          paragraph to a large local educational agency  
25          for any calendar year may be reallocated by

1 such agency to the State in which such agency  
2 is located for such calendar year. Any amount  
3 reallocated to a State under the preceding sen-  
4 tence may be allocated as provided in para-  
5 graph (1).

6 “(E) LARGE LOCAL EDUCATIONAL AGEN-  
7 CY.—For purposes of this paragraph, the term  
8 ‘large local educational agency’ means, with re-  
9 spect to a calendar year, any local educational  
10 agency if such agency is—

11 “(i) among the 100 local educational  
12 agencies with the largest numbers of chil-  
13 dren aged 5 through 17 from families liv-  
14 ing below the poverty level, as determined  
15 by the Secretary using the most recent  
16 data available from the Department of  
17 Commerce that are satisfactory to the Sec-  
18 retary, or

19 “(ii) 1 of not more than 25 local edu-  
20 cational agencies (other than those de-  
21 scribed in clause (i)) that the Secretary of  
22 Education determines (based on the most  
23 recent data available satisfactory to the  
24 Secretary) are in particular need of assist-  
25 ance, based on a low level of resources for

1 school construction, a high level of enroll-  
2 ment growth, or such other factors as the  
3 Secretary deems appropriate.

4 “(3) ALLOCATIONS TO CERTAIN POSSES-  
5 SIONS.—The amount to be allocated under para-  
6 graph (1) to any possession of the United States  
7 other than Puerto Rico shall be the amount which  
8 would have been allocated if all allocations under  
9 paragraph (1) were made on the basis of respective  
10 populations of individuals below the poverty line (as  
11 defined by the Office of Management and Budget).  
12 In making other allocations, the amount to be allo-  
13 cated under paragraph (1) shall be reduced by the  
14 aggregate amount allocated under this paragraph to  
15 possessions of the United States.

16 “(4) ALLOCATIONS FOR INDIAN SCHOOLS.—In  
17 addition to the amounts otherwise allocated under  
18 this subsection, \$200,000,000 for calendar year  
19 2009, and \$200,000,000 for calendar year 2010,  
20 shall be allocated by the Secretary of the Interior for  
21 purposes of the construction, rehabilitation, and re-  
22 pair of schools funded by the Bureau of Indian Af-  
23 fairs. In the case of amounts allocated under the  
24 preceding sentence, Indian tribal governments (as

1 defined in section 7701(a)(40)) shall be treated as  
2 qualified issuers for purposes of this subchapter.

3 “(e) CARRYOVER OF UNUSED LIMITATION.—If for  
4 any calendar year—

5 “(1) the amount allocated under subsection (d)  
6 to any State, exceeds

7 “(2) the amount of bonds issued during such  
8 year which are designated under subsection (a) pur-  
9 suant to such allocation,

10 the limitation amount under such subsection for such  
11 State for the following calendar year shall be increased  
12 by the amount of such excess. A similar rule shall apply  
13 to the amounts allocated under subsection (d)(4).”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Paragraph (1) of section 54A(d) is amended  
16 by striking “or” at the end of subparagraph (C), by  
17 inserting “or” at the end of subparagraph (D), and  
18 by inserting after subparagraph (D) the following  
19 new subparagraph:

20 “(E) a qualified school construction  
21 bond.”.

22 (2) Subparagraph (C) of section 54A(d)(2) is  
23 amended by striking “and” at the end of clause (iii),  
24 by striking the period at the end of clause (iv) and

1 inserting “, and”, and by adding at the end the fol-  
2 lowing new clause:

3 “(v) in the case of a qualified school  
4 construction bond, a purpose specified in  
5 section 54F(a)(1).”.

6 (3) The table of sections for subpart I of part  
7 IV of subchapter A of chapter 1 is amended by add-  
8 ing at the end the following new item:

“Sec. 54F. Qualified school construction bonds.”.

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

12 **SEC. 1522. EXTENSION AND EXPANSION OF QUALIFIED**  
13 **ZONE ACADEMY BONDS.**

14 (a) IN GENERAL.—Section 54E(c)(1) is amended by  
15 striking “and 2009” and inserting “and \$1,400,000,000  
16 for 2009 and 2010”.

17 (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to obligations issued after Decem-  
19 ber 31, 2008.

20 **PART IV—BUILD AMERICA BONDS**

21 **SEC. 1531. BUILD AMERICA BONDS.**

22 (a) IN GENERAL.—Part IV of subchapter A of chap-  
23 ter 1 is amended by adding at the end the following new  
24 subpart: