

108TH CONGRESS
2D SESSION

H. R. 3857

To amend the Internal Revenue Code of 1986 to allow issuance of tax-exempt private activity bonds to finance certain surface transportation facilities.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2004

Mr. SAM JOHNSON of Texas (for himself, Mr. HERGER, Mr. NEAL of Massachusetts, Mr. RAMSTAD, Mr. BRADY of Texas, Mr. HAYWORTH, Mr. SANDLIN, Mr. BURGESS, Mrs. MYRICK, Mr. SMITH of Texas, Mr. PAUL, Mr. SESSIONS, Mr. CULBERSON, Mr. BONILLA, and Mr. HALL) 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 allow issuance of tax-exempt private activity bonds to finance certain surface transportation facilities.

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 “Private Bonds for
5 Modern Roads Act of 2004”.

1 **SEC. 2. TREATMENT OF BONDS FOR SURFACE TRANSPOR-**
 2 **TATION FACILITIES AS EXEMPT FACILITY**
 3 **BONDS.**

4 (a) TREATMENT AS EXEMPT FACILITY BONDS.—
 5 Subsection (a) of section 142 of the Internal Revenue
 6 Code of 1986 (relating to exempt facility bond) is amend-
 7 ed by striking “or” at the end of paragraph (12), by strik-
 8 ing the period at the end of paragraph (13) and inserting
 9 “, or”, and by adding at the end the following new para-
 10 graph:

11 “(14) surface transportation facilities.”.

12 (b) SURFACE TRANSPORTATION FACILITIES.—Sec-
 13 tion 142 of such Code is amended by adding at the end
 14 the following new subsection:

15 “(1) SURFACE TRANSPORTATION FACILITIES.—

16 “(1) IN GENERAL.—For purposes of subsection
 17 (a)(14), the term ‘surface transportation facilities’
 18 means highway facilities and surface freight transfer
 19 facilities.

20 “(2) HIGHWAY FACILITIES.—For purposes of
 21 this subsection, the term ‘highway facilities’
 22 means—

23 “(A) any surface transportation project eli-
 24 gible for Federal assistance under title 23,
 25 United States Code (as in effect on the date of
 26 enactment of this subsection), and

1 “(B) any project for an international
2 bridge or tunnel for which an international enti-
3 ty authorized under Federal or State law is re-
4 sponsible.

5 “(3) SURFACE FREIGHT TRANSFER FACILI-
6 TIES.—For purposes of this subsection, the term
7 ‘surface freight transfer facilities’ means any facility
8 for the transfer of freight from truck to rail or rail
9 to truck (including any temporary storage facility di-
10 rectly related to such transfer).

11 “(4) LIMITATION ON AGGREGATE FACE
12 AMOUNT OF TAX-EXEMPT FINANCING.—

13 “(A) IN GENERAL.—An issue shall not be
14 treated as an issue described in subsection
15 (a)(14) unless—

16 “(i) the Secretary of Transportation
17 has allocated an amount to such issue
18 under this paragraph, and

19 “(ii) the aggregate face amount of
20 bonds issued pursuant to such issue does
21 not exceed such amount.

22 “(B) ALLOCATION.—The Secretary of
23 Transportation may allocate amounts to issues
24 under this paragraph in such manner as the
25 Secretary of Transportation determines appro-

1 appropriate, except that the aggregate amount so al-
2 located shall not exceed \$15,000,000,000.

3 “(C) REFUNDING BONDS.—Subparagraph
4 (A) shall not apply with respect to any bond the
5 proceeds of which are used exclusively to refund
6 a bond issued pursuant to subsection (a)(14)
7 (or a bond which is a part of a series of
8 refundings of a bond so issued) if the amount
9 of the refunding bond does not exceed the out-
10 standing amount of the refunded bond.”.

11 (c) EXEMPTION FROM GENERAL STATE VOLUME
12 CAPS.—Paragraph (3) of section 146(g) of such Code (re-
13 lating to exception for certain bonds) is amended—

14 (1) by striking “or (13)” and inserting “(13),
15 or (14)”, and

16 (2) by striking “and qualified public educational
17 facilities” and inserting “qualified public educational
18 facilities, and surface transportation facilities”.

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

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