

Union Calendar No.

117TH CONGRESS
1ST SESSION

H. R. _____

[Report No. 117-]

To provide for reconciliation pursuant to title II of S. Con. Res. 14.

IN THE HOUSE OF REPRESENTATIVES

Mr. YARMUTH, from the Committee on the Budget, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

A BILL

To provide for reconciliation pursuant to title II of S. Con.
Res. 14.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **TITLE I—AGRICULTURE**

4 **Subtitle A—General Provisions**

5 **SEC. 10001. DEFINITIONS.**

6 In this title:

7 (1) The term “insular area” has the meaning
8 given such term in section 1404 of the National Ag-

1 ricultural Research, Extension, and Teaching Policy
2 Act of 1977 (7 U.S.C. 3103).

3 (2) The term “Secretary” means the Secretary
4 of Agriculture.

5 **Subtitle B—Forestry**

6 **SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION AND** 7 **FUELS REDUCTION PROJECTS.**

8 (a) APPROPRIATIONS.—In addition to amounts other-
9 wise available, there are appropriated to the Secretary for
10 fiscal year 2022, out of any money in the Treasury not
11 otherwise appropriated, to remain available until Sep-
12 tember 30, 2031—

13 (1) \$10,000,000,000 for hazardous fuels reduc-
14 tion projects within the wildland-urban interface;

15 (2) \$4,000,000,000 for, on a determination by
16 the Secretary that hazardous fuels within the
17 wildland-urban interface have been effectively treat-
18 ed to prevent the spread of wildfire to at-risk com-
19 munities, hazardous fuels reduction projects outside
20 the wildland-urban interface that are—

21 (A) noncommercial in nature, except on a
22 determination by the Secretary, in accordance
23 with the best available science, that the harvest
24 of merchantable materials is ecologically nec-
25 essary for restoration and to enhance ecological

1 integrity, subject to the requirement that the
2 sale of merchantable materials shall be limited
3 to small diameter trees or biomass that are a
4 byproduct of projects under this paragraph;

5 (B) collaboratively developed; and

6 (C) carried out in a manner that—

7 (i) enhances the ecological integrity
8 and achieves the restoration of a forest
9 ecosystem;

10 (ii) maximizes the retention of old-
11 growth and large trees, as appropriate for
12 the forest type; and

13 (iii) focuses on prescribed fire as the
14 primary means to achieve modified
15 wildland fire behavior, as measured by the
16 projected reduction of uncharacteristically
17 severe wildfire effects for the forest type;

18 (3) \$1,000,000,000 for vegetation management
19 projects carried out solely on National Forest Sys-
20 tem land that the Secretary shall select following the
21 receipt of proposals submitted in accordance with
22 subsections (a), (b), and (c) of section 4003 of the
23 Omnibus Public Land Management Act of 2009 (16
24 U.S.C. 7303);

1 (4) \$500,000,000 for vegetation management
2 projects carried out in accordance with—

3 (A) a water source management plan; or

4 (B) a watershed protection and restoration
5 action plan;

6 (5) \$500,000,000 for vegetation management
7 projects that—

8 (A) maintain, or contribute toward the res-
9 toration of, old growth characteristics, including
10 structure, composition, function, and
11 connectivity, according to the reference old
12 growth conditions characteristic of the forest
13 type, taking into account—

14 (i) the contribution of the project to
15 landscape fire adaptation and the ecologi-
16 cal integrity of watershed and ecosystem
17 health; and

18 (ii) the goal of retaining the large
19 trees contributing to old growth structure;

20 (B) focus primarily on small diameter trees
21 and prescribed fire to modify fire behavior, as
22 measured by the projected reduction of
23 uncharacteristically severe wildfire effects for
24 the forest type; and

1 (C) maximize the retention of large trees,
2 as appropriate for the forest type;

3 (6) \$450,000,000 for the Legacy Roads and
4 Trails program of the Forest Service;

5 (7) \$350,000,000 for National Forest System
6 land management planning and monitoring, with a
7 focus on—

8 (A) the assessment of watershed, ecologi-
9 cal, and carbon conditions on National Forest
10 System land; and

11 (B) the revision and amendment of older
12 land management plans that present opportuni-
13 ties to protect, maintain, restore, and monitor
14 ecological integrity, ecological conditions for at-
15 risk species, and carbon storage;

16 (8) \$100,000,000 for maintenance of trails on
17 National Forest System land, with a focus on trails
18 that provide to underserved communities access to
19 National Forest System land;

20 (9) \$100,000,000 for capital maintenance and
21 improvements on National Forest System land, with
22 a focus on maintenance level 3, 4, and 5 roads and
23 improvements that restore ecological integrity and
24 conditions for at-risk species;

1 (10) \$100,000,000 to provide for more efficient
2 and more effective environmental reviews by the
3 Chief of the Forest Service in satisfying the obliga-
4 tions of the Chief of the Forest Service under the
5 National Environmental Policy Act of 1969 (42
6 U.S.C. 4321 et seq.) through—

7 (A) the hiring and training of additional
8 personnel;

9 (B) the development of programmatic as-
10 sessments or templates;

11 (C) the procurement of technical or sci-
12 entific services;

13 (D) the development of data or technology
14 systems;

15 (E) stakeholder and community engage-
16 ment; and

17 (F) the purchase of new equipment;

18 (11) \$50,000,000 to develop and carry out ac-
19 tivities and tactics for the protection of older and
20 mature forests on National Forest System land, in-
21 cluding completing an inventory of older and mature
22 forests within the National Forest System;

23 (12) \$50,000,000 to develop and carry out ac-
24 tivities and tactics for the maintenance and restora-
25 tion of habitat conditions necessary for the protec-

1 tion and recovery of at-risk species on National For-
2 est System land in implementing Forest Service haz-
3 ardous fuels reduction and other vegetation manage-
4 ment programs and projects based on a science-
5 based analysis carried out by the Secretary;

6 (13) \$50,000,000 to carry out post-fire recovery
7 plans that—

8 (A) emphasize the use of locally adapted
9 native plant materials to restore the ecological
10 integrity of disturbed areas; and

11 (B) do not include salvage logging;

12 (14) \$50,000,000 to develop and carry out non-
13 lethal activities and tactics to reduce human-wildlife
14 conflicts on National Forest System land; and

15 (15) \$2,250,000,000 to be used for staffing,
16 salaries, and other workforce needs to support the
17 development of a Civilian Climate Corps for the pur-
18 poses of managing National Forest System land,
19 subject to the conditions that—

20 (A) the amounts made available under this
21 paragraph shall be in addition to any amounts
22 required for salaries and expenses needed to
23 carry out projects under this subsection; and

1 (B) members of the Civilian Climate Corps
2 shall be compensated at not less than 200 per-
3 cent of the annual Federal poverty line.

4 (b) PRIORITY FOR FUNDING.—The Secretary shall
5 prioritize for implementation under this section projects
6 described in paragraphs (1) through (5) of subsection
7 (a)—

8 (1) for which an environmental assessment or
9 an environmental impact statement required under
10 the National Environmental Policy Act of 1969 (42
11 U.S.C. 4321 et seq.) has been completed;

12 (2) that are collaboratively developed; or

13 (3) that include opportunities to restore sus-
14 tainable recreation infrastructure or access or ac-
15 complish other recreation outcomes, if the opportuni-
16 ties are compatible with the primary restoration pur-
17 poses of the project.

18 (c) LIMITATIONS.—None of the funds made available
19 by this section may be used for any activity—

20 (1) conducted in a wilderness area or wilderness
21 study area;

22 (2) that includes the construction of a perma-
23 nent road or permanent trail;

24 (3) that includes the construction of a tem-
25 porary road, except in the case of a temporary road

1 that is decommissioned by the Secretary not later
2 than 3 years after the earlier of—

3 (A) the date on which the temporary road
4 is no longer needed; and

5 (B) the date on which the project for
6 which the temporary road was constructed is
7 completed;

8 (4) inconsistent with the applicable land man-
9 agement plan;

10 (5) inconsistent with the prohibitions of the rule
11 of the Forest Service entitled “Special Areas;
12 Roadless Area Conservation” (66 Fed. Reg. 3244
13 (January 12, 2001)), as modified by subparts C and
14 D of part 294 of title 36, Code of Federal Regula-
15 tions; or

16 (6) carried out on any land that is not National
17 Forest System land, including other forested land on
18 Federal, State, Tribal, or private land.

19 (d) DEFINITIONS.—In this section:

20 (1) AT-RISK COMMUNITY.—The term “at-risk
21 community” has the meaning given the term in sec-
22 tion 101 of the Healthy Forests Restoration Act of
23 2003 (16 U.S.C. 6511).

24 (2) COLLABORATIVELY DEVELOPED.—The term
25 “collaboratively developed” means, with respect to a

1 project located exclusively on National Forest Sys-
2 tem land, that the project is developed and imple-
3 mented through a collaborative process that—

4 (A) includes multiple interested persons
5 representing diverse interests; and

6 (B)(i) is transparent and nonexclusive; or

7 (ii) meets the requirements for a resource
8 advisory committee under subsections (e)
9 through (f) of section 205 of the Secure Rural
10 Schools and Community Self-Determination Act
11 of 2000 (16 U.S.C. 7125).

12 (3) DECOMMISSION.—The term “decommis-
13 sion” means, with respect to a road—

14 (A) reestablishing native vegetation on the
15 road;

16 (B) restoring any natural drainage, water-
17 shed function, or other ecological processes that
18 were disrupted or adversely impacted by the
19 road by removing or hydrologically dis-
20 connecting the road prism and reestablishing
21 stable slope contours; and

22 (C) effectively blocking the road to vehic-
23 ular traffic, where feasible.

24 (4) ECOLOGICAL INTEGRITY.—The term “eco-
25 logical integrity” has the meaning given the term in

1 section 219.19 of title 36, Code of Federal Regula-
2 tions (as in effect on the date of enactment of this
3 Act).

4 (5) HAZARDOUS FUELS REDUCTION
5 PROJECT.—The term “hazardous fuels reduction
6 project” means an activity, including the use of pre-
7 scribed fire, to protect structures and communities
8 from wildfire that is carried out on National Forest
9 System land.

10 (6) RESTORATION.—The term “restoration”
11 has the meaning given the term in section 219.19 of
12 title 36, Code of Federal Regulations (as in effect on
13 the date of enactment of this Act).

14 (7) VEGETATION MANAGEMENT PROJECT.—The
15 term “vegetation management project” means an ac-
16 tivity carried out on National Forest System land to
17 enhance the ecological integrity and achieve the res-
18 toration of a forest ecosystem through—

19 (A) the removal of vegetation;

20 (B) the use of prescribed fire;

21 (C) the restoration of aquatic habitat; or

22 (D) the decommissioning of an unauthor-
23 ized, temporary, or system road.

24 (8) WATER SOURCE MANAGEMENT PLAN.—The
25 term “water source management plan” means a plan

1 developed under section 303(d)(1) of the Healthy
2 Forests Restoration Act of 2003 (16 U.S.C.
3 6542(d)(1)).

4 (9) WATERSHED PROTECTION AND RESTORA-
5 TION ACTION PLAN.—The term “watershed protec-
6 tion and restoration action plan” means a plan de-
7 veloped under section 304(a)(3) of the Healthy For-
8 ests Restoration Act of 2003 (16 U.S.C.
9 6543(a)(3)).

10 (10) WILDLAND-URBAN INTERFACE.—The term
11 “wildland-urban interface”—

12 (A) in the case of the lower 48 States,
13 means the areas mapped as the wildland-urban
14 interface in the document entitled “The
15 Wildland-Urban Interface of the Conterminous
16 United States”, and published by the Depart-
17 ment of Agriculture in 2015; and

18 (B) in the case of the States of Alaska and
19 Hawaii, has the meaning given the term in sec-
20 tion 101 of the Healthy Forests Restoration
21 Act of 2003 (16 U.S.C. 6511).

1 **SEC. 11002. NON-FEDERAL LAND FOREST RESTORATION**
2 **AND FUELS REDUCTION PROJECTS AND RE-**
3 **SEARCH.**

4 (a) APPROPRIATIONS.—In addition to amounts other-
5 wise available, there are appropriated to the Secretary for
6 fiscal year 2022, out of any money in the Treasury not
7 otherwise appropriated, to remain available until Sep-
8 tember 30, 2031—

9 (1) \$9,000,000,000 to award grants to a Trib-
10 al, State, or local government, a regional organiza-
11 tion, a special district, or a nonprofit organization to
12 support, on non-Federal land, forest restoration and
13 resilience projects, including projects to reduce the
14 risk of wildfires and establish defensible space
15 around structures within at-risk communities;

16 (2) \$1,000,000,000 to award grants to a Trib-
17 al, State, or local government, a regional organiza-
18 tion, a special district, or a nonprofit organization to
19 implement community wildfire protection plans (as
20 defined in section 101 of the Healthy Forests Res-
21 toration Act of 2003 (16 U.S.C. 6511)), purchase
22 firefighting equipment, provide firefighter training,
23 and increase the capacity for planning, coordinating,
24 and monitoring projects on non-Federal land to pro-
25 tect at-risk communities (as defined in section 101

1 of the Healthy Forests Restoration Act of 2003 (16
2 U.S.C. 6511));

3 (3) \$250,000,000 to award grants to a Tribal,
4 State, or local government, a regional organization,
5 a special district, or a nonprofit organization for
6 projects on non-Federal land to aid in the recovery
7 and rehabilitation of burned areas, including refor-
8 estation;

9 (4) \$250,000,000 to award grants to a Tribal,
10 State, or local government, a regional organization,
11 a special district, or a nonprofit organization for
12 projects on non-Federal land to expand equitable
13 outdoor access and promote tourism on non-Federal
14 forested land for members of underserved groups;

15 (5) \$250,000,000 for the State Fire Assistance
16 and Volunteer Fire Assistance programs established
17 under the Cooperative Forestry Assistance Act of
18 1978 (16 U.S.C. 2101 et seq.), to be distributed at
19 the discretion of the Secretary;

20 (6) \$250,000,000 for the implementation of
21 State-wide forest resource strategies under section
22 2A of the Cooperative Forestry Assistance Act of
23 1978 (16 U.S.C. 2101a);

24 (7) \$250,000,000 for the competitive grant pro-
25 gram under section 13A of the Cooperative Forestry

1 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-
2 viding through that program a cost share to carry
3 out climate mitigation or forest resilience practices
4 in the case of underserved forest landowners, subject
5 to the condition that subsection (h) of that section
6 shall not apply;

7 (8) \$250,000,000 for the competitive grant pro-
8 gram under section 13A of the Cooperative Forestry
9 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-
10 viding through that program grants to support the
11 participation of underserved forest landowners in
12 emerging private markets for climate mitigation or
13 forest resilience, subject to the condition that sub-
14 section (h) of that section shall not apply;

15 (9) \$250,000,000 for the competitive grant pro-
16 gram under section 13A of the Cooperative Forestry
17 Assistance Act of 1978 (16 U.S.C. 2109a) for pro-
18 viding through that program grants to support the
19 participation of forest landowners who own less than
20 2,500 acres of forest land in emerging private mar-
21 kets for climate mitigation or forest resilience, sub-
22 ject to the condition that subsection (h) of that sec-
23 tion shall not apply;

24 (10) \$500,000,000 for the competitive grant
25 program under section 13A of the Cooperative For-

1 estry Assistance Act of 1978 (16 U.S.C. 2109a) to
2 provide grants to states and other eligible entities to
3 provide payments to owners of private forest land
4 for implementation of forestry practices on private
5 forest land, that are determined by the Secretary,
6 based on the best available science, to provide meas-
7 urable increases in carbon sequestration and storage
8 beyond customary practices on comparable land,
9 subject to the conditions that—

10 (A) those payments shall not preclude
11 landowners from participation in other public
12 and private sector financial incentive programs;
13 and

14 (B) subsection (h) of that section shall not
15 apply;

16 (11) \$50,000,000 to carry out the healthy for-
17 ests reserve program established under section 501
18 of the Healthy Forests Restoration Act of 2003 (16
19 U.S.C. 6571);

20 (12) \$50,000,000 for the forest inventory and
21 analysis program established under section 3(e) of
22 the Forest and Rangeland Renewable Resources Re-
23 search Act of 1978 (16 U.S.C. 1642(e)) for collabo-
24 rative partnerships with the National Association of
25 University Forest Resources Programs;

1 (13) \$50,000,000 for the forest inventory and
2 analysis program established under section 3(e) of
3 the Forest and Rangeland Renewable Resources Re-
4 search Act of 1978 (16 U.S.C. 1642(e)) for activi-
5 ties and tactics to accelerate and expand existing re-
6 search efforts to improve forest carbon monitoring
7 technologies to better predict changes in forest car-
8 bon due to climate change;

9 (14) \$100,000,000 for the forest inventory and
10 analysis program established under section 3(e) of
11 the Forest and Rangeland Renewable Resources Re-
12 search Act of 1978 (16 U.S.C. 1642(e)) to carry out
13 recommendations from a panel of relevant experts
14 convened by the Secretary that has reviewed and,
15 based on the review, issued recommendations regard-
16 ing the current priorities and future needs of the
17 forest inventory and analysis program with respect
18 to climate change, forest health, sustainable wood
19 products, and increasing carbon storage in forests;

20 (15) \$50,000,000 for the forest inventory and
21 analysis program established under section 3(e) of
22 the Forest and Rangeland Renewable Resources Re-
23 search Act of 1978 (16 U.S.C. 1642(e)) to provide
24 enhancements to the technology managed and used
25 by the forest inventory and analysis program, includ-

1 ing cloud computing and remote sensing for pur-
2 poses such as small area estimation;

3 (16) \$1,000,000,000 to provide grants under
4 the wood innovation grant program under section
5 8643 of the Agriculture Improvement Act of 2018
6 (7 U.S.C. 7655d), including for the construction of
7 new facilities that advance the purposes of the pro-
8 gram, subject to the conditions that—

9 (A) the amount of such a grant shall be
10 not more than \$5,000,000;

11 (B) notwithstanding subsection (d) of that
12 section, a recipient of such a grant shall provide
13 funds equal to not less than 50 percent of the
14 amount received under the grant, to be derived
15 from non-Federal sources; and

16 (C) a priority shall be placed on projects
17 that create a financial model for addressing for-
18 est restoration needs on public or private forest
19 land;

20 (17) \$50,000,000 for the research mission area
21 of the Forest Service to accelerate and expand exist-
22 ing research efforts relating to strategies to increase
23 carbon stocks on National Forest System land;

24 (18) \$50,000,000 for the research mission area
25 of the Forest Service to accelerate and expand exist-

1 ing research efforts relating to the impacts of cli-
2 mate change and weather variability on national for-
3 est ecosystems;

4 (19) \$50,000,000 for the research mission area
5 of the Forest Service to accelerate and expand exist-
6 ing research efforts relating to strategies to ensure
7 that national forest ecosystems, including forests,
8 plants, aquatic ecosystems, and wildlife, are able to
9 adapt to climate change and weather variability;

10 (20) \$50,000,000 for the research mission area
11 of the Forest Service to assess the quantity of car-
12 bon sequestration and storage accomplished by dif-
13 ferent forest practices when applied in diverse eco-
14 logical and geographic settings;

15 (21) \$50,000,000 for the research mission area
16 of the Forest Service to carry out greenhouse gas
17 life cycle analyses of domestic wood products;

18 (22) \$50,000,000 for the Forest Health Moni-
19 toring Program of the Forest Service for activities
20 and tactics to reduce the spread of invasive species
21 on non-Federal forested land; and

22 (23) \$2,250,000,000 to be used for staffing,
23 salaries, and other workforce needs and expenses to
24 support the development of a Civilian Climate Corps
25 for carrying out projects on non-Federal land

1 through the Forest Service State and private for-
2 estry mission area and other Department of Agri-
3 culture programs, including rural and urban con-
4 servation and tree planting projects, subject to the
5 conditions that—

6 (A) the amounts made available under this
7 paragraph shall be in addition to any amounts
8 required for salaries and expenses needed to
9 carry out projects under this subsection; and

10 (B) members of the Civilian Climate Corps
11 shall be compensated at not less than 200 per-
12 cent of the annual Federal poverty line.

13 (b) SUBMISSION OF NON-FEDERAL RESTORATION
14 AREAS BY STATES.—

15 (1) IN GENERAL.—The Governor of a State
16 may submit to the Secretary, in writing, a request
17 to include with land on which a project is carried out
18 using amounts made available by this section certain
19 non-Federal land in the State.

20 (2) INCLUSIONS.—A written request submitted
21 under paragraph (1) may include 1 or more maps or
22 recommendations.

23 (3) AUTHORIZATION.—On approval of a written
24 request submitted under paragraph (1), a project
25 may be carried out using amounts made available by

1 this section on the non-Federal land in the State
2 that is the subject of the request.

3 (c) COST-SHARING REQUIREMENT.—

4 (1) IN GENERAL.—The grants made available
5 under paragraphs (1) through (5) of subsection (a)
6 shall be subject to a non-Federal match requirement
7 of not less than 20 percent of the overall project
8 cost.

9 (2) WAIVER.—The cost-sharing requirement
10 under paragraph (1) may be waived, at the discre-
11 tion of the Secretary, for high priority projects
12 that—

13 (A) have the purpose of protecting human
14 life or critical infrastructure; and

15 (B) are located in counties where the aver-
16 age median household income of the population
17 is less than 150 percent of the poverty line.

18 **SEC. 11003. STATE AND PRIVATE FORESTRY CONSERVA-**
19 **TION PROGRAMS.**

20 (a) APPROPRIATIONS.—In addition to amounts other-
21 wise available, there are appropriated to the Secretary for
22 fiscal year 2022, out of any money in the Treasury not
23 otherwise appropriated, to remain available until Sep-
24 tember 30, 2031—

1 (1) \$1,250,000,000 to provide competitive
2 grants to eligible entities through the Forest Legacy
3 Program established under section 7 of the Coopera-
4 tive Forestry Assistance Act of 1978 (16 U.S.C.
5 2103e) to acquire land and interests in land that—

6 (A) offer significant natural carbon seques-
7 tration benefits; or

8 (B) contribute to the resilience of commu-
9 nity infrastructure, local economies, or natural
10 systems;

11 (2) \$3,000,000,000 to provide multi-year, pro-
12 grammatic, competitive grants to a State agency, a
13 local governmental entity, an Indian Tribe, or a non-
14 profit organization through the Urban and Commu-
15 nity Forestry Assistance program established under
16 section 9(e) of the Cooperative Forestry Assistance
17 Act of 1978 (16 U.S.C. 2105(c)) for tree planting
18 and related activities to increase community tree
19 canopy and associated societal and climate co-bene-
20 fits, with a priority for projects that increase tree
21 equity; and

22 (3) \$100,000,000 for the acquisition of urban
23 and community forests through the Community For-
24 est and Open Space Program of the Forest Service.

1 (b) PRIORITY.—In providing grants under this sec-
2 tion, the Secretary shall—

3 (1) with respect to grants under subsection
4 (a)(2), give priority to projects that are located in—

5 (A) a census block group in which 30 per-
6 cent or more of the population lives below the
7 poverty line; and

8 (B) a neighborhood with lower tree canopy
9 and higher maximum daytime summer tempera-
10 tures compared to surrounding neighborhoods,
11 as determined by the Secretary, based on pub-
12 licly available information;

13 (2) with respect to grants under paragraphs (1)
14 and (2) of subsection (a), give priority to grant ap-
15 plications from underserved populations; and

16 (3) set aside not less than 10 percent of the
17 amounts made available under each of paragraphs
18 (1) and (2) of subsection (a) to provide grants under
19 each of those paragraphs to individuals who are
20 members of underserved populations.

21 **SEC. 11004. LIMITATION.**

22 The funds made available under this subtitle are sub-
23 ject to the condition that the Secretary shall not—

24 (1) enter into any agreement—

1 (A) that is for a term extending beyond
2 September 30, 2031; and

3 (B) under which any payment could be
4 outlaid or funds disbursed after September 30,
5 2031; and

6 (2) use any other funds available to the Sec-
7 retary to satisfy obligations initially made under this
8 subtitle.

9 **Subtitle C—Rural Development** 10 **and Energy**

11 **SEC. 12001. ADDITIONAL SUPPORT FOR THE USDA BUSI-** 12 **NESS AND INDUSTRY LOAN PROGRAM.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Secretary for fiscal year 2022, out of
15 any money in the Treasury not otherwise appropriated,
16 and notwithstanding sections 381E through 381H and
17 381N of the Consolidated Farm and Rural Development
18 Act (7 U.S.C. 2009d through 2009g and 2009m),
19 \$40,000,000, to remain available until September 30,
20 2031, for the cost of direct loans and loan guarantees for
21 the rural business development programs authorized under
22 section 310B of the Consolidated Farm and Rural Devel-
23 opment Act and described in subsections (a) and (g) of
24 section 310B of the Consolidated Farm and Rural Devel-
25 opment Act (7 U.S.C. 1932(a) and (g)).

1 **SEC. 12002. ADDITIONAL SUPPORT FOR USDA RURAL**
2 **WATER PROGRAMS.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Secretary for fiscal year 2022, out of
5 any money in the Treasury not otherwise appropriated,
6 and notwithstanding sections 381E through 381H and
7 381N of the Consolidated Farm and Rural Development
8 Act (7 U.S.C. 2009d through 2009g and 2009m),
9 \$430,000,000, to remain available until September 30,
10 2031, for the cost of grants for rural water and waste
11 water programs authorized by sections 306, 306C, and
12 306D and described in sections 306C(a)(2) and 306D of
13 the Consolidated Farm and Rural Development Act in—

14 (1) persistent poverty counties or, notwith-
15 standing any population limits specified in the Con-
16 solidated Farm and Rural Development Act, a coun-
17 ty seat of a persistent poverty county with a popu-
18 lation that does not exceed the authorized population
19 limit by more than 10 percent; and

20 (2) insular areas.

21 **SEC. 12003. SUBSIDY FOR CERTAIN USDA RURAL DEVELOP-**
22 **MENT LOAN PAYMENTS.**

23 (a) APPROPRIATION.—In addition to the amounts
24 otherwise available, there is appropriated to the Secretary
25 for fiscal year 2022, out of any money in the Treasury
26 not otherwise appropriated, \$390,000,000, to remain

1 available until September 30, 2031, to carry out this sec-
2 tion.

3 (b) USE OF FUNDS.—

4 (1) PAYMENT.—The Secretary shall make a
5 payment to the lender on a covered loan equal to
6 half of the total of the installment amounts owed by
7 the borrower on the loan for 1 year, if the borrower
8 has the opportunity to opt out of the payment.

9 (2) ADDITIONAL PAYMENTS.—To the extent
10 that amounts made available by subsection (a) re-
11 main after making the payments under paragraph
12 (1), the Secretary shall make additional loan pay-
13 ments on a covered loan.

14 (c) TERMS AND CONDITIONS.—

15 (1) WAIVER.—The Secretary shall waive statu-
16 tory limits on maximum loan maturities for any cov-
17 ered loan durations, including those where the lender
18 provides a deferral and extends the maturity of a
19 covered loan during the 1-year period beginning with
20 the date of enactment of this Act.

21 (2) EXTENSION.—The Secretary shall, when
22 necessary to provide more time because of the poten-
23 tial of higher volumes, travel restrictions, and the in-
24 ability to access some properties during the COVID-

1 19 pandemic, extend lender site visit requirements
2 to—

3 (A) not more than 60 days (which may be
4 extended at the discretion of the Secretary)
5 after the occurrence of an adverse event, other
6 than a payment default, that causes a loan to
7 be classified as in liquidation; and

8 (B) not more than 90 days after a pay-
9 ment default.

10 (d) DEFINITION.—In this section, the term “covered
11 loan” means—

12 (1) a business and industry loan made or guar-
13 anteed before January 1, 2021, under subsection (a)
14 or (g) of section 310B of the Consolidated Farm
15 and Rural Development Act (7 U.S.C. 1932(a) or
16 (g));

17 (2) a loan that is made by an intermediary
18 lender before January 1, 2021, to an ultimate recipi-
19 ent using a loan received under section 1323 of the
20 Food Security Act of 1985 (7 U.S.C. 1932 note;
21 Public Law 99–198) or section 310H of the Consoli-
22 dated Farm and Rural Development Act (7 U.S.C.
23 1936b); and

24 (3) a loan that is made by a microenterprise de-
25 velopment organization before January 1, 2021, to

1 a microentrepreneur under section 379E of the Con-
2 solidated Farm and Rural Development Act (7
3 U.S.C. 2008s).

4 **SEC. 12004. RURAL ENERGY SAVINGS PROGRAM.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Secretary for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$200,000,000, to remain available
9 until September 30, 2031, to carry out this section.

10 (b) USE OF FUNDS.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2) of this subsection, at the election of an eli-
13 gible entity to which a loan is made under section
14 6407(c) of the Farm Security and Rural Investment
15 Act of 2002 (7 U.S.C. 8107a(c)), the Secretary shall
16 make a grant to the eligible entity in an amount
17 equal to not more than 5 percent of the loan amount
18 for the purposes of costs incurred in—

19 (A) applying for a loan received under sec-
20 tion 6407(c) of such Act;

21 (B) making a loan under section 6407(d)
22 of such Act;

23 (C) making repairs to the property of a
24 qualified consumer that facilitate the energy ef-
25 ficiency measures for the property financed

1 through a loan under section 6407(d) of such
2 Act;

3 (D) entering into a contract under section
4 6407(e) of such Act; or

5 (E) carrying out the duties of an eligible
6 entity under section 6407 of such Act.

7 (2) PERSISTENT POVERTY COUNTIES.—In the
8 case that the grant is for the purpose of making a
9 loan under section 6407(d) of the Farm Security
10 and Rural Investment Act of 2002 (7 U.S.C.
11 8107a(d)) to a qualified consumer in a persistent
12 poverty county (as determined by the Secretary), the
13 percentage limitation in paragraph (1) of this sub-
14 section shall be 10 percent.

15 (c) DEFINITIONS.—In this section:

16 (1) ELIGIBLE ENTITY.—The term “eligible enti-
17 ty” has the meaning given the term in section
18 6407(b) of the Farm Security and Rural Investment
19 Act of 2002 (7 U.S.C. 8107a(b)).

20 (2) QUALIFIED CONSUMER.—The term “quali-
21 fied consumer” has the meaning given the term in
22 section 6407(b) of the Farm Security and Rural In-
23 vestment Act of 2002 (7 U.S.C. 8107a(b)).

1 **SEC. 12005. RURAL ENERGY FOR AMERICA PROGRAM.**

2 (a) APPROPRIATION.—In addition to amounts other-
3 wise available, there is appropriated to the Secretary, out
4 of any money in the Treasury not otherwise appropriated,
5 for eligible projects under the Rural Energy for America
6 Program established under section 9007 of the Farm Se-
7 curity and Rural Investment Act of 2002 (7 U.S.C.
8 8107)—

9 (1) \$811,750,000 for fiscal year 2022, to re-
10 main available until September 30, 2031, and for
11 which there may be no outlays after September 30,
12 2031; and

13 (2) \$272,000,000 for each of fiscal years 2023
14 through 2027, to remain available until September
15 30, 2031, and for which there may be no outlays
16 after September 30, 2031.

17 (b) UNDERUTILIZED RENEWABLE ENERGY TECH-
18 NOLOGIES.—In addition to amounts otherwise available,
19 there is appropriated to the Secretary, out of any money
20 in the Treasury not otherwise appropriated, to provide
21 grants and other financial assistance under the program
22 described in subsection (a) relating to underutilized renew-
23 able energy technologies, and to provide technical assist-
24 ance for applying to such program, as determined by the
25 Secretary, and to the extent the following amounts remain

1 available at the end of each fiscal year, the Secretary shall
2 use such amounts in accordance with subsection (a)—

3 (1) \$143,250,000 for fiscal year 2022, to re-
4 main available until September 30, 2031, and for
5 which there may be no outlays after September 30,
6 2031; and

7 (2) \$48,000,000 for each of fiscal years 2023
8 through 2027, to remain available until September
9 30, 2031, and for which there may be no outlays
10 after September 30, 2031.

11 (c) NON-FEDERAL SHARE.—Notwithstanding section
12 9007(c)(3)(A) of the Farm Security and Rural Investment
13 Act of 2002 (7 U.S.C. 8107(c)(3)(A)), the amount of a
14 grant provided using amounts made available by this sec-
15 tion shall not exceed 50 percent of the cost of the activity
16 carried out using the grant funds.

17 **SEC. 12006. BIOFUEL INFRASTRUCTURE AND AGRICULTURE**
18 **PRODUCT MARKET EXPANSION.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise available, there is appropriated to the Secretary for
21 fiscal year 2022, out of any money in the Treasury not
22 otherwise appropriated, \$960,000,000, to remain available
23 until September 30, 2031, to carry out this section.

24 (b) USE OF FUNDS.—The Secretary shall use the
25 amounts made available by subsection (a) to provide

1 grants, on a competitive basis, to eligible entities described
2 in subsection (c)—

3 (1) to install, retrofit, or otherwise upgrade fuel
4 dispensers or pumps and related equipment, storage
5 tank system components, and other infrastructure
6 required at a location to ensure the environmentally
7 safe availability of fuel containing ethanol blends at
8 levels greater than 10 percent (as determined by the
9 Secretary) or fuel containing biodiesel blends at lev-
10 els greater than 20 percent (as determined by the
11 Secretary); and

12 (2) to build and retrofit distribution systems for
13 ethanol blends, traditional and pipeline biodiesel ter-
14 minal operations (including rail lines), and home
15 heating oil distribution centers or equivalent enti-
16 ties—

17 (A) to blend biodiesel; and

18 (B) to carry ethanol and biodiesel.

19 (c) ELIGIBLE ENTITIES.—Entities eligible to receive
20 a grant under this section are transportation fueling facili-
21 ties and distribution facilities, including fueling stations,
22 convenience stores, hypermarket retailer fueling stations,
23 fleet facilities, as well as fuel terminal operations, mid-
24 stream partners, and heating oil distribution facilities or
25 equivalent entities.

1 (d) FEDERAL SHARE.—The Federal share of the
2 total cost of carrying out a project for which a grant is
3 provided under this section shall be not more than 75 per-
4 cent.

5 (e) LIMITATION.—The Secretary may not limit the
6 amount of funding an eligible entity may receive under
7 this section.

8 **SEC. 12007. CLEAN ENERGY REPOWERING FOR RURAL**
9 **UTILITIES.**

10 (a) APPROPRIATION.—In addition to amounts other-
11 wise available, there is appropriated to the Secretary for
12 fiscal year 2022, out of any money in the Treasury not
13 otherwise appropriated, \$9,700,000,000, to remain avail-
14 able until September 30, 2031, to provide to an eligible
15 entity assistance under paragraphs (1) and (2) by
16 prioritizing such assistance to eligible entities that will
17 achieve the greatest reduction in greenhouse gas emissions
18 using such assistance and that will otherwise aid disadvan-
19 taged communities (as determined by the Secretary)
20 when—

21 (1) making grants and loans (including the cost
22 of loans and modifications thereof as defined in sec-
23 tion 502 of the Congressional Budget Act of 1974)
24 to purchase renewable energy or renewable energy
25 systems (as defined in section 9001(15) and (16) of

1 the Farm Security and Rural Investment Act of
2 2002 (7 U.S.C. 8101(15) and (16))), deploy renew-
3 able energy systems, or make energy efficiency im-
4 provements after the date of enactment of this Act;
5 and

6 (2) making grants for debt relief and other
7 costs associated with terminating, after the date of
8 enactment of this Act or up to one year prior to the
9 date of enactment, the use of—

10 (A) facilities with high greenhouse gas
11 emissions; and

12 (B) related transmission assets.

13 (b) LIMITATION.—No eligible entity may receive an
14 amount equal to more than 10 percent of the total amount
15 made available by this section.

16 (c) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
17 tion, the term “eligible entity” means—

18 (1) an electric cooperative described in section
19 501(c)(12) or 1381(a)(2) of the Internal Revenue
20 Code of 1986; and

21 (2) an entity primarily owned or controlled by
22 1 or more entities described in paragraph (1).

23 **SEC. 12008. RURAL PARTNERSHIP PROGRAM.**

24 (a) RURAL PROSPERITY DEVELOPMENT GRANTS.—

1 (1) APPROPRIATION.—In addition to amounts
2 otherwise available, there is appropriated to the Sec-
3 retary for fiscal year 2022, out of any money in the
4 Treasury not otherwise appropriated,
5 \$3,500,000,000, to remain available until September
6 30, 2031, to carry out this subsection to provide
7 grants to support rural development under this sub-
8 section.

9 (2) ALLOCATION OF FUNDS.—

10 (A) FORMULA.—The Secretary shall estab-
11 lish a formula pursuant to which the Secretary
12 shall allocate, for each State and for Indian
13 Tribes, an amount to be provided under this
14 subsection to eligible applicants described in
15 paragraph (3).

16 (B) REQUIREMENTS.—

17 (i) FORMULA.—The formula estab-
18 lished under subparagraph (A) shall in-
19 clude a graduated scale for the amount to
20 be allocated under this subsection for eligi-
21 ble applicants in each State and eligible
22 applicants of Indian Tribes, with higher
23 amounts provided based on lower popu-
24 lations and lower income levels, as deter-
25 mined by the Secretary.

1 (ii) PRIORITY.—In awarding grants
2 under this subsection to eligible applicants
3 in each State and eligible applicants of In-
4 dian Tribes, the Secretary shall give pri-
5 ority to eligible applicants representing a
6 micropolitan statistical area (as defined by
7 the Office of Management and Budget)
8 and 1 or more rural areas contiguous to
9 that micropolitan statistical area.

10 (3) ELIGIBLE APPLICANTS.—The Secretary
11 may make a grant under this subsection to a part-
12 nership no member of which has received a grant
13 under subsection (b) and that—

14 (A) is composed of—

15 (i) entities representing a region com-
16 posed of 1 or more rural areas, including—

17 (I) except as provided in sub-
18 paragraph (B), 1 or more of—

19 (aa) a unit of local govern-
20 ment;

21 (bb) a Tribal government; or

22 (cc) an authority, agency, or
23 instrumentality of an entity de-
24 scribed in item (aa) or (bb); and

1 (II) a nonprofit or for-profit or-
2 ganization, including a public benefit
3 corporation, an economic development
4 organization, a community or labor
5 organization, an institution of higher
6 education, a community development
7 financial institution, a philanthropic
8 organization, an instrumentality of a
9 State agency relevant to community
10 and rural development, a cooperative
11 extension, an institution in the Farm
12 Credit System, and a local food policy
13 council; and

14 (ii) such other entities as the Sec-
15 retary or the partnership may determine to
16 be appropriate;

17 (B) does not include a member described
18 in subparagraph (A)(i)(I), but demonstrates
19 significant community support sufficient to sup-
20 port a likelihood of success on the proposed
21 projects, as determined by the Secretary; and

22 (C) demonstrates, as determined by the
23 Secretary, cooperation among the members of
24 the partnership necessary to complete com-
25 prehensive, asset-based rural development to

1 align Federal, State, regional, and Tribal in-
2 vestment, while leveraging nongovernmental re-
3 sources, to build economic resilience and aid
4 economic recovery, including in communities
5 impacted by economic transitions and climate
6 change.

7 (4) ELIGIBLE ACTIVITIES.—The use of grant
8 funds provided under this subsection may be used
9 for the following purposes, provided that, where ap-
10 plicable, the performance of any construction work
11 completed with the grant funds shall meet the condi-
12 tion described section 9003(f) of the Farm Security
13 and Rural Investment Act of 2002 (7 U.S.C.
14 8103(f)):

15 (A) Conducting comprehensive rural devel-
16 opment and pre-development activities and
17 planning.

18 (B) Supporting organizational operating
19 expenses relating to the rural development ac-
20 tivities for which the grant was provided.

21 (C) Implementing planned rural develop-
22 ment activities and projects.

23 (5) TERMS AND CONDITIONS.—

24 (A) IN GENERAL.—The recipient of a
25 grant under this subsection may not receive an

1 additional grant under this subsection or fund-
2 ing to implement activities pursuant to a rural
3 development plan unless the recipient provides
4 to the Secretary an annual plan and report,
5 which the Secretary has approved, on the use of
6 each grant provided to the recipient under this
7 subsection.

8 (B) LIMITATION.—Not more than 25 per-
9 cent of amounts received by a recipient of a
10 grant under this subsection may be used to sat-
11 isfy a Federal matching requirement of any
12 other program.

13 (6) MATCHING REQUIREMENT.—

14 (A) IN GENERAL.—Subject to subpara-
15 graph (B), the recipient of a grant under this
16 subsection shall contribute a non-Federal match
17 of 25 percent of the amount of the grant, which
18 may be satisfied through an in-kind contribu-
19 tion.

20 (B) WAIVER.—The Secretary may waive
21 any portion of the matching requirement de-
22 scribed in subparagraph (A) on a finding that
23 the recipient of the applicable grant is economi-
24 cally distressed.

25 (b) RURAL PROSPERITY INNOVATION GRANTS.—

1 (1) APPROPRIATION.—In addition to amounts
2 otherwise available, there is appropriated to the Sec-
3 retary for fiscal year 2022, out of any money in the
4 Treasury not otherwise appropriated, \$370,000,000,
5 to remain available until September 30, 2031, to
6 carry out this subsection.

7 (2) ELIGIBLE APPLICANTS.—The Secretary
8 may make a grant under this subsection to an entity
9 that has not received a grant under subsection (a)
10 and that—

11 (A) serves rural areas; and

12 (B) is a qualified nonprofit corporation or
13 an institution of higher education.

14 (3) ELIGIBLE ACTIVITIES.—A grant provided
15 under this subsection may be used—

16 (A) to support activities of the recipient re-
17 lating to—

18 (i) development and predevelopment
19 planning aspects of rural development; and

20 (ii) organizational capacity-building
21 necessary to support the rural development
22 activities funded by the grant; and

23 (B) to support the recipient of a grant
24 under subsection (a) in carrying out activities
25 for which that grant was provided.

1 (4) MATCHING REQUIREMENT.—The recipient
2 of a grant under this subsection shall contribute a
3 non-Federal match of 20 percent of the amount of
4 the grant.

5 (c) DEFINITIONS.—In this section:

6 (1) RURAL AREA.—The term “rural area” has
7 the meaning given the term in section 343(a)(13)(C)
8 of the Consolidated Farm and Rural Development
9 Act (7 U.S.C. 1991(a)(13)(C)).

10 (2) STATE.—The term “State” means—

11 (A) the 50 States of the United States;

12 (B) the District of Columbia; and

13 (C) the insular areas.

14 **SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT AD-**
15 **MINISTRATIVE FUNDS.**

16 In addition to amounts otherwise available, there is
17 appropriated to the Secretary for fiscal year 2022, out of
18 any money in the Treasury not otherwise appropriated,
19 \$545,000,000, to remain available until September 30,
20 2031, for administrative costs and salaries and expenses
21 for the Rural Development mission area and for research,
22 data collection, and other associated costs for section
23 12008.

1 **Subtitle D—Research and Urban**
2 **Agriculture**

3 **SEC. 13001. DEPARTMENT OF AGRICULTURE RESEARCH**
4 **FUNDING.**

5 (a) APPROPRIATIONS.—In addition to amounts other-
6 wise available, there are appropriated to the Secretary, out
7 of any money in the Treasury not otherwise appropriated,
8 to remain available until September 30, 2031—

9 (1) to the Agricultural Research Service,
10 \$250,000,000 for fiscal year 2022, to carry out agri-
11 cultural research relating to climate change, includ-
12 ing through climate hubs, long-term agroecosystem
13 research, nutrient uses and outcomes, soil carbon
14 data collection, and other related agricultural cli-
15 mate science;

16 (2) to the Economic Research Service,
17 \$45,000,000 for fiscal year 2022, to carry out eco-
18 nomic analysis and economic agricultural research
19 relating to climate change;

20 (3) to the Office of the Chief Economist,
21 \$3,200,000 for each of fiscal years 2022 through
22 2026, to carry out economic analysis and economic
23 agricultural research relating to climate change and
24 environmental services markets;

1 (4) to the National Agricultural Statistics Serv-
2 ice—

3 (A) \$40,000,000 for fiscal year 2022, to
4 carry out data collection and agricultural re-
5 search relating to climate change; and

6 (B) \$14,000,000 for fiscal year 2022, for
7 measurements, a survey, and data collection to
8 conduct the study required under section
9 7212(b) of the Agriculture Improvement Act of
10 2018 (Public Law 115–334; 132 Stat. 4812),
11 which shall be completed not later than Decem-
12 ber 31, 2022;

13 (5) to the National Institute of Food and Agri-
14 culture—

15 (A) to carry out agricultural education, ex-
16 tension, and research relating to climate
17 change—

18 (i) through the Agriculture and Food
19 Research Initiative established by sub-
20 section (b) of the Competitive, Special, and
21 Facilities Research Grant Act (7 U.S.C.
22 3157(b))—

23 (I) \$25,000,000 for each of fiscal
24 years 2022 and 2023; and

1 (II) \$150,000,000 for each of fis-
2 cal years 2024 through 2026;

3 (ii) through the sustainable agri-
4 culture research education program estab-
5 lished under sections 1619, 1621, 1622,
6 1628, and 1629 of the Food, Agriculture,
7 Conservation, and Trade Act of 1990 (7
8 U.S.C. 5801, 5811, 5812, 5831, 5832)—

9 (I) \$25,000,000 for each of fiscal
10 years 2022 and 2023; and

11 (II) \$150,000,000 for each of fis-
12 cal years 2024 through 2026;

13 (iii) through the crop protection pest
14 management competitive grant program
15 authorized under section 406 of the Agri-
16 cultural Research, Extension, and Edu-
17 cation Reform Act of 1998 (7 U.S.C.
18 7626), \$30,000,000 for fiscal year 2022;

19 (iv) through the Agricultural Genome
20 to Phenome Initiative established under
21 section 1671 of the Food, Agriculture,
22 Conservation, and Trade Act of 1990 (7
23 U.S.C. 5924), \$20,000,000 for fiscal year
24 2022;

1 (v) through the organic agriculture re-
2 search and extension initiative established
3 under section 1672B of the Food, Agri-
4 culture, Conservation, and Trade Act of
5 1990 (7 U.S.C. 5925b)—

6 (I) \$15,000,000 for fiscal year
7 2022;

8 (II) \$5,000,000 for fiscal year
9 2023; and

10 (III) \$60,000,000 for each of fis-
11 cal years 2024 through 2026;

12 (vi) through the urban, indoor, and
13 other emerging agricultural production re-
14 search, education, and extension initiative
15 established under section 1672E of the
16 Food, Agriculture, Conservation, and
17 Trade Act of 1990 (7 U.S.C. 5925g),
18 \$65,000,000 for fiscal year 2022;

19 (vii) through the centers of excellence
20 led by 1890 Institutions established under
21 section 1673(d) of the Food, Agriculture,
22 Conservation, and Trade Act of 1990 (7
23 U.S.C. 5926(d)), \$15,000,000 for fiscal
24 year 2022;

1 (viii) through the specialty crop re-
2 search and extension initiative established
3 by section 412 of the Agricultural Re-
4 search, Extension, and Education Reform
5 Act of 1998 (7 U.S.C. 7632)—

6 (I) \$10,000,000 for each of fiscal
7 years 2022 and 2023; and

8 (II) \$60,000,000 for each of fis-
9 cal years 2024 through 2026;

10 (ix) through the cooperative extension
11 under the Smith-Lever Act (7 U.S.C. 341
12 et seq.) for technical assistance, technology
13 adoption, and other extension activities re-
14 lating to climate change—

15 (I) \$60,000,000 for each of fiscal
16 years 2022 and 2023; and

17 (II) \$160,000,000 for each of fis-
18 cal years 2024 through 2026;

19 (x) through the cooperative extension
20 at 1994 Institutions in accordance with
21 section 3(b)(3) of the Smith-Lever Act (7
22 U.S.C. 343(b)(3)), \$8,000,000 for each of
23 fiscal years 2022 through 2026; and

24 (xi) through the cooperative extension
25 at 1890 Institutions under section 1444 of

1 the National Agricultural Research, Exten-
2 sion, and Teaching Policy Act of 1977 (7
3 U.S.C. 3221), \$25,200,000 for each of fis-
4 cal years 2022 through 2026;

5 (B) \$2,664,500,000 for fiscal year 2022,
6 for grants for construction, alteration, acquisi-
7 tion, modernization, renovation, or remodeling
8 of agricultural research facilities, including re-
9 lated building costs associated with compliance
10 with applicable Federal and State law, under
11 section 4 of the Research Facilities Act (7
12 U.S.C. 390b), subject to the condition that,
13 notwithstanding section 3(c)(2)(A) of that Act
14 (7 U.S.C. 390a(e)(2)(A)), the recipient of a
15 grant provided using those amounts shall not be
16 required to provide any non-Federal share of
17 total funding provided under this subparagraph;

18 (C) \$985,500,000 for fiscal year 2022, for
19 grants to covered institutions for construction,
20 alteration, acquisition, modernization, renova-
21 tion, or remodeling of agricultural research fa-
22 cilities, including related building costs associ-
23 ated with compliance with applicable Federal
24 and State law, under section 4 of the Research
25 Facilities Act (7 U.S.C. 390b), subject to the

1 condition that notwithstanding section
2 3(e)(2)(A) of that Act (7 U.S.C.
3 390a(c)(2)(A)), the recipient of a grant pro-
4 vided using those amounts shall not be required
5 to provide any non-Federal share of total fund-
6 ing provided under this subparagraph;

7 (D) \$100,000,000 for fiscal year 2022, for
8 research equipment grants under section 1462A
9 of the National Agricultural Research, Exten-
10 sion, and Teaching Policy Act of 1977 (7
11 U.S.C. 3310a);

12 (E) for the scholarships for students at
13 1890 Institutions grant program under section
14 1446 of the National Agricultural Research,
15 Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3222a)—

17 (i) \$10,000,000 for each of fiscal
18 years 2022 and 2023;

19 (ii) \$50,000,000 for each of fiscal
20 years 2024 and 2025; and

21 (iii) \$70,000,000 for fiscal year 2026;

22 (F) \$10,000,000 for each of fiscal years
23 2022 through 2026, for grants to land-grant
24 colleges and universities to support Tribal stu-
25 dents under section 1450 of that Act (7 U.S.C.

1 3222e) and for purposes of this subparagraph,
2 section 1450(b)(4) of such Act shall not apply;
3 and

4 (G) \$10,000,000 for each of fiscal years
5 2022 through 2026, for the Higher Education
6 Multicultural Scholars Program carried out
7 pursuant to section 1417 of that Act (7 U.S.C.
8 3152);

9 (6) to the Office of the Chief Scientist, to carry
10 out advanced research and development relating to
11 climate through the Agriculture Advanced Research
12 and Development Authority under section 1473H of
13 the National Agricultural Research, Extension, and
14 Teaching Policy Act of 1977 (7 U.S.C. 3319k)—

15 (A) \$10,000,000 for each of fiscal years
16 2022 and 2023; and

17 (B) \$120,000,000 for each of fiscal years
18 2024 through 2026;

19 (7) to the Foundation for Food and Agriculture
20 Research, to carry out activities relating to climate
21 change in accordance with section 7601 of the Agri-
22 cultural Act of 2014 (7 U.S.C. 5939), to be consid-
23 ered as provided pursuant to subsection (g)(1)(A) of
24 that section, and subject to the condition that the
25 Foundation shall not secure funds from any institu-

1 tion of higher education (as defined in section 101
2 of the Higher Education Act of 1965 (20 U.S.C.
3 1001)) to fulfill the matching funds requirement
4 under section 7601(g)(1)(B)(i) of the Agricultural
5 Act of 2014 (7 U.S.C. 5939(g)(1)(B)(i))—

6 (A) \$45,000,000 for each of fiscal years
7 2022 and 2023; and

8 (B) \$150,000,000 for each of fiscal years
9 2024 through 2026;

10 (8) for biomass research, \$5,000,000 for fiscal
11 year 2022, to carry out agriculture climate research
12 on biomass, including pyrolysis and biochar, and re-
13 lated activities in accordance with section 9008 of
14 the Farm Security and Rural Investment Act of
15 2002 (7 U.S.C. 8108); and

16 (9) to the Office of Urban Agriculture and In-
17 novative Production, \$62,000,000 for each of fiscal
18 years 2022 and 2023, to carry out activities in ac-
19 cordance with section 222 of the Department of Ag-
20 riculture Reorganization Act of 1994 (7 U.S.C.
21 6923).

22 (b) COVERED INSTITUTION DEFINED.—In this sec-
23 tion, the term “covered institution” means—

1 (1) an 1890 Institution (as defined in section 2
2 of the Agricultural Research, Extension, and Edu-
3 cation Reform Act of 1998 (7 U.S.C. 7601));

4 (2) a 1994 Institution (as defined in section
5 532 of the Equity in Educational Land-Grant Sta-
6 tus Act of 1994 (7 U.S.C. 301 note; Public Law
7 103–382));

8 (3) an Alaska Native serving institution or Na-
9 tive Hawaiian serving institution eligible to receive
10 grants under subsections (a) and (b), respectively, of
11 section 1419B of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977
13 (7 U.S.C. 3156);

14 (4) Hispanic-serving agricultural colleges and
15 universities and Hispanic-serving institutions (as
16 those terms are defined in section 1404 of the Na-
17 tional Agricultural Research, Extension, and Teach-
18 ing Policy Act of 1977 (7 U.S.C. 3103));

19 (5) an eligible institution (as defined in section
20 1489 of the National Agricultural Research, Exten-
21 sion, and Teaching Policy Act of 1977 (7 U.S.C.
22 3361) (relating to institutions of higher education in
23 insular areas)); and

24 (6) the University of the District of Columbia
25 established pursuant to the Act of July 2, 1862

1 (commonly known as the “First Morrill Act”) (7
2 U.S.C. 301 et seq.).

3 **SEC. 13002. LIMITATION.**

4 The funds made available under this subtitle are sub-
5 ject to the condition that the Secretary shall not—

6 (1) enter into any agreement—

7 (A) that is for a term extending beyond
8 September 30, 2031; and

9 (B) under which any payment could be
10 outlaid or funds disbursed after September 30,
11 2031; and

12 (2) use any other funds available to the Sec-
13 retary to satisfy obligations initially made under this
14 subtitle.

15 **Subtitle E—Miscellaneous**

16 **SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE THE**
17 **INSPECTOR GENERAL.**

18 In addition to amounts otherwise made available,
19 there is appropriated to the Office of the Inspector Gen-
20 eral of the Department of Agriculture for fiscal year 2022,
21 out of any money in the Treasury not otherwise appro-
22 priated, \$5,000,000 to remain available until September
23 30, 2031, for audits, investigations, and other oversight
24 activities of projects and activities carried out with funds

1 made available to the Department of Agriculture under
2 this title.

3 **TITLE II—COMMITTEE ON**
4 **EDUCATION AND LABOR**
5 **Subtitle A—Education Matters**
6 **PART 1—ELEMENTARY AND SECONDARY**

7 **EDUCATION**

8 **SEC. 20001. REBUILD AMERICA’S SCHOOLS GRANT PRO-**
9 **GRAM.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the Department of Edu-
12 cation—

13 (1) for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated,
15 \$1,270,000,000, to remain available until September
16 30, 2025, for carrying out this section; and

17 (2) for each of fiscal years 2023 through 2024,
18 out of any money in the Treasury not otherwise ap-
19 propriated, \$39,643,650,000, to remain available
20 until September 30, 2026, for carrying out this sec-
21 tion.

22 (b) REBUILD AMERICA’S SCHOOLS GRANTS AUTHOR-
23 IZED.—From funds provided under paragraphs (1) and
24 (2) of subsection (a), the Secretary shall award grants in

1 fiscal years 2022 through 2024 to State educational agen-
2 cies in accordance with subsection (c).

3 (c) REBUILD AMERICA'S SCHOOLS GRANTS.—

4 (1) ELIGIBILITY.—A State educational agency
5 is eligible for an allocation under this section—

6 (A) with respect to fiscal year 2022, for
7 the purpose of public school facilities inventory
8 efforts in accordance with paragraph (3)(A);
9 and

10 (B) with respect to fiscal years 2023 and
11 2024, if such State educational agency has had
12 approved by the Secretary a State facilities plan
13 developed under paragraph (3)(A)(ii)(I), for the
14 purpose of improving public school facilities in
15 accordance with paragraph (3)(B).

16 (2) ALLOCATIONS TO STATES.—The amount al-
17 located to each State educational agency under para-
18 graph (1) shall be in the same proportion as the
19 amounts distributed to the State under part A of
20 title I of the Elementary and Secondary Education
21 Act of 1965 (20 U.S.C. 6311) in the most recent fis-
22 cal year, relative to the total amount received under
23 such part by all other States receiving an allocation
24 under this section in such fiscal year.

1 (3) STATE USES OF FUNDS.—A State edu-
2 cational agency that receives an allocation under
3 paragraph (1)—

4 (A) with respect to fiscal year 2022, shall
5 use—

6 (i) not less than 80 percent of such
7 allocation to award subgrants to local edu-
8 cational agencies (including public charter
9 schools that are local educational agencies)
10 in the State, in proportion to the amount
11 of funds such local educational agencies
12 and charter schools received under part A
13 of title I of the Elementary and Secondary
14 Education Act of 1965 (20 U.S.C. 6311)
15 in the most recent fiscal year, to support
16 each such local educational agency in—

17 (I) the development and publica-
18 tion of a local facilities master plan to
19 address the health, safety, education
20 equity, enrollment diversity, environ-
21 mental sustainability, and climate re-
22 siliency of the public school facilities
23 operated by such agency; and

24 (II) the collection and submission
25 of data to the State educational agen-

1 cy to support implementation of the
2 State school facilities database; and
3 (ii) not more than 20 percent of such
4 allocation to—
5 (I) develop a State facilities plan
6 that details—
7 (aa) how the State will use
8 grant funds received under this
9 section and State funds to make
10 improvements to public school fa-
11 cilities of eligible local edu-
12 cational agencies to address dis-
13 parities in both the financing and
14 expenditures of school facilities
15 capital outlay projects and in the
16 conditions of public school facili-
17 ties between eligible local edu-
18 cational agencies and other local
19 educational agencies in the State;
20 (bb) how the State will de-
21 velop a competitive process to
22 provide subgrants to eligible local
23 educational agencies, including
24 the State’s criteria for subgrant
25 eligibility; and

1 (cc) how the State will, in
2 carrying out the competitive
3 process for subgrants described
4 in item (bb), take into consider-
5 ation the impact that such sub-
6 grants may have on increasing
7 student diversity and decreasing
8 racial and socioeconomic isolation
9 of students attending public ele-
10 mentary or secondary schools im-
11 proved by such subgrants;

12 (II) develop and operate (directly
13 or through grants or contracts) the
14 State school facilities database; and

15 (III) provide technical assistance
16 to local educational agencies in car-
17 rying out activities described in clause
18 (i) and supports related to the re-
19 quirements of paragraph (4) for eligi-
20 ble local educational agencies; and

21 (B) with respect to each of fiscal years
22 2023 and 2024, shall—

23 (i) use not less than 90 percent of
24 such allocation to award subgrants on a
25 competitive basis to eligible local edu-

1 cational agencies with approved applica-
2 tions described in paragraph (4)(A); and

3 (ii) use not more than 10 percent of
4 such allocation to—

5 (I) maintain and update (directly
6 or through grants or contracts) the
7 State school facilities database;

8 (II) provide technical assistance
9 to eligible local educational agencies in
10 the State in carrying out school facili-
11 ties capital outlay projects, including
12 technical assistance regarding capital
13 construction, energy efficiency, and
14 climate resiliency;

15 (III) develop and implement
16 State-level strategies for safe, healthy,
17 energy efficient, and environmentally
18 resilient public school facilities that
19 address—

20 (aa) indoor air quality;

21 (bb) water quality;

22 (cc) energy and water effi-
23 ciency;

24 (dd) renewable energy and
25 decarbonization;

1 (ee) exposure to toxic sub-
2 stances, including mercury,
3 radon, polychlorinated biphenyls,
4 lead, vapor intrusions, and asbes-
5 tos;

6 (ff) climate resiliency;

7 (gg) emergency prepared-
8 ness for natural or man-made
9 disasters or emergencies; and

10 (hh) structural hazards cre-
11 ated by pyrrhotite, as determined
12 by an engineer's report and
13 pyrrhotite testing;

14 (IV) provide professional develop-
15 ment opportunities for State and local
16 staff involved in maintenance and op-
17 erations and school facilities capital
18 outlay projects; and

19 (V) administer and monitor the
20 implementation of subgrants provided
21 under clause (i).

22 (4) REBUILD AMERICA'S SCHOOLS SUBGRANTS
23 TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—

24 (A) APPLICATION.—The State educational
25 agency shall require an eligible local educational

1 agency desiring a subgrant under paragraph
2 (3)(B)(i) to submit an application to the State
3 educational agency that, at a minimum, in-
4 cludes—

5 (i) a certification that the eligible local
6 educational agency shall use subgrant
7 funds for school facilities capital outlay
8 projects that prioritize the improvement of
9 the public school facilities of such agency
10 that serve the highest numbers or percent-
11 ages of students who are eligible for a free
12 or reduced price lunch under the Richard
13 B. Russell National School Lunch Act (42
14 U.S.C. 1751), under a method established
15 by the Secretary; and

16 (ii) such agency's facilities master
17 plan.

18 (B) REBUILD AMERICA'S SCHOOLS
19 SUBGRANT USE OF FUNDS.—An eligible local
20 educational agency that receives a subgrant
21 under paragraph (3)(B)(i) shall use such funds
22 to carry out school facilities capital outlay
23 projects, including 1 or more of the following:

1 (i) Assessing, planning, designing,
2 constructing, modernizing, retrofitting, or
3 decarbonizing public school facilities.

4 (ii) Carrying out major repairs of
5 public school facilities, including repairs to
6 extend the life of facilities systems and
7 components by not less than 10 years.

8 (iii) Upgrading or replacing major fa-
9 cilities systems, components, furniture, fix-
10 tures, and equipment with a life of not less
11 than 10 years.

12 (iv) Constructing new public school
13 facilities, including when student enroll-
14 ment exceeds the physical and instructional
15 capacity of public school facilities.

16 (v) Purchasing and preparing sites on
17 which public school facilities will be con-
18 structed.

19 (vi) Improving energy and water effi-
20 ciency in public school facilities, including
21 improvements related to clean energy.

22 (vii) Reducing or eliminating the pres-
23 ence of health and safety hazards in public
24 school facilities, including—

1 (I) toxic substances, including
2 mercury, radon, polychlorinated
3 biphenyls, lead, and asbestos;

4 (II) mold or mildew;

5 (III) rodents and pests; and

6 (IV) structural hazards created
7 by pyrrhotite.

8 (viii) Improving instructional or out-
9 door public school facilities relating to
10 early learning, special education, science,
11 technology, career and technical education,
12 physical education, the arts, literacy (in-
13 cluding library programs), or community-
14 based partnerships.

15 (ix) Improving the public school facili-
16 ties of magnet schools, or other instruc-
17 tional programs, designed to increase stu-
18 dent diversity and decrease racial or socio-
19 economic isolation.

20 (x) Supporting independent commis-
21 sioning and certification of public school
22 facilities, public school facility systems,
23 and school facilities capital outlay projects.

24 (d) CONDITIONS.—

25 (1) STATE MATCHING REQUIREMENT.—

1 (A) IN GENERAL.—As a condition of re-
2 ceiving an allocation under subsection
3 (c)(1)(B), a State shall contribute, from non-
4 Federal sources, an amount equal to 10 percent
5 of the amount of the allocation received under
6 such subsection to carry out activities supported
7 by such allocation.

8 (B) EXEMPTION.—States that contributed
9 an average of 10 percent or greater toward
10 total local educational agency capital outlay
11 from non-Federal funds, within the most recent
12 5-year fiscal period, are exempt from the State
13 matching requirement under subparagraph (A).

14 (2) STATE MAINTENANCE OF EFFORT.—

15 (A) IN GENERAL.—The State shall provide
16 an assurance to the Secretary that for each fis-
17 cal year that the State receives an allocation
18 under this section, the State's share of school
19 facilities capital outlay will be not less than 90
20 percent of the average of the State's share of
21 school facilities capital outlay for the 5 years
22 preceding the 2020 fiscal year.

23 (B) WAIVER.—Notwithstanding subpara-
24 graph (A), in response to a request from a
25 State, the Secretary may modify or waive, in

1 whole or in part, the requirement of subpara-
2 graph (A) if the Secretary determines that such
3 State demonstrates an exceptional or uncontrol-
4 lable circumstance, such as a natural disaster,
5 pandemic, or precipitous decline in revenue.

6 (3) SUPPLEMENT NOT SUPPLANT.—As a condi-
7 tion of receiving an allocation under subsection
8 (c)(1)(B), a State shall use funds received under
9 this section only to supplement the level of State and
10 local public funds that would, in the absence of the
11 receipt of Federal funds under this section, be made
12 available for the State’s contribution to school facili-
13 ties capital outlays, and not to supplant those other
14 funds.

15 (e) DEFINITIONS.—

16 (1) ESEA TERMS.—The terms “elementary
17 school”, “local educational agency”, “secondary
18 school”, and “State educational agency” have the
19 meanings given the terms in section 8101 of the Ele-
20 mentary and Secondary Education Act of 1965 (20
21 U.S.C. 7801).

22 (2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—
23 The term “eligible local educational agency” means
24 a local educational agency (including a public char-

1 ter school that is a local educational agency under
2 State law) in a State that—

3 (A) is identified by the State based on the
4 criteria established under the State facilities
5 plan as among the local educational agencies in
6 such State with—

7 (i) the highest numbers or percent-
8 ages of students counted under section
9 1124(c) of the Elementary and Secondary
10 Education Act of 1965 (20 U.S.C.
11 6333(c)); or

12 (ii) the most limited capacity to raise
13 funds for the long-term improvement of
14 public school facilities, as determined by an
15 assessment of factors determined by the
16 Secretary;

17 (B) certifies that any funds received under
18 this section shall be used to prioritize the im-
19 provement of public school facilities of public el-
20 ementary or secondary schools that serve the
21 highest percentages of students who are eligible
22 for a free or reduced price lunch under the
23 Richard B. Russell National School Lunch Act
24 (42 U.S.C. 1751), under a method established
25 by the Secretary; and

1 (C) certifies that any public school facili-
2 ties improved by funds received under this sec-
3 tion are—

4 (i) operated and managed by a public
5 agency or a non-profit private entity; and

6 (ii)(I) owned or leased from a public
7 agency; or

8 (II) owned or leased from a private
9 entity, except that no individual associated
10 with such private entity may have a finan-
11 cial interest or management role in the
12 local educational agency.

13 (3) LOCAL FACILITIES MASTER PLAN.—The
14 term “local facilities master plan” means a plan of
15 a local educational agency developed under sub-
16 section (c)(3)(A)(i)(I) by the local educational agen-
17 cy, in consultation with local stakeholders, which in-
18 cludes an assessment of such agency’s public school
19 facilities, financing of school capital project outlays,
20 and student enrollment levels, and other factors de-
21 termined by the Secretary.

22 (4) OPERATIONS AND MAINTENANCE OF
23 SCHOOL FACILITIES.—The term “operations and
24 maintenance of school facilities” means the labor,
25 contracts, and supplies and materials supported by

1 a local educational agency’s annual operating budget
2 related to—

3 (A) cleaning, groundskeeping, and preven-
4 tive and routine maintenance of public school
5 facilities and grounds;

6 (B) minor repairs and operations of build-
7 ing systems and equipment for public school fa-
8 cilities; and

9 (C) payments for utilities for public school
10 facilities.

11 (5) PUBLIC SCHOOL FACILITY.—The term
12 “public school facility” means a school facility oper-
13 ated by a local educational agency that is primarily
14 used to educate students, including outdoor facilities
15 and grounds, but does not include—

16 (A) a facility that is primarily used for
17 athletic contests or exhibitions or other events
18 for which admission is charged to the general
19 public;

20 (B) a vehicle; or

21 (C) a district central office, operation cen-
22 ter, or other school facility if it is not primarily
23 used to educate students.

24 (6) SCHOOL FACILITIES CAPITAL OUTLAY
25 PROJECT.—The term “school facilities capital outlay

1 project” means the assessment, planning, design,
2 construction, renovation, repair, management, and
3 financing of a public school facility project with a
4 life expectancy of at least 10 years, but does not in-
5 clude operations and maintenance of school facilities.

6 (7) SECRETARY.—The term “Secretary” means
7 the Secretary of Education.

8 (8) STATE.—The term “State” means each of
9 the 50 States, the District of Columbia, and the
10 Commonwealth of Puerto Rico.

11 (9) STATE’S CONTRIBUTION TO SCHOOL FACILI-
12 TIES CAPITAL OUTLAYS.—The term “State’s con-
13 tribution to school facilities capital outlays” means
14 the total amount of State appropriations on elemen-
15 tary and secondary education capital expenditures in
16 the State, including—

17 (A) State aid reimbursements for school
18 facilities capital outlay projects;

19 (B) State payment of debt service for
20 school facilities capital outlay projects;

21 (C) direct payment of school facilities cap-
22 ital outlay projects; and

23 (D) grants or facilities allowances to char-
24 ter schools for facilities capital projects.

1 (10) STATE FACILITIES PLAN.—The term
2 “State facilities plan” means a State’s plan devel-
3 oped by the State educational agency, in accordance
4 with subsection (c)(3)(A)(ii)(I) and including plan
5 elements determined by the Secretary, for the pur-
6 pose of being eligible for an allocation described in
7 subsection (c)(1)(B).

8 (11) STATE SCHOOL FACILITIES DATABASE.—
9 The term “State school facilities database” means
10 an electronic, publicly available database maintained
11 by the State educational agency that contains an in-
12 ventory of the infrastructure of all public school fa-
13 cilities in the State, including the data elements de-
14 termined by the Secretary.

15 **SEC. 20002. OUTLYING AREAS.**

16 In addition to amounts otherwise available, there is
17 appropriated to the Department of Education for fiscal
18 year 2022, out of any money in the Treasury not otherwise
19 appropriated, \$410,900,000, to remain available until
20 September 30, 2026, for the Secretary of Education to
21 allocate to each outlying area (as defined in section 8101
22 of the Elementary and Secondary Education Act of 1965
23 (20 U.S.C. 7801)) an amount in proportion to the amount
24 received by the outlying area under part A of title I of
25 the Elementary and Secondary Education Act of 1965 (20

1 U.S.C. 6311) in the most recent fiscal year relative to the
2 total amount received under such part for such fiscal year
3 by all outlying areas, to carry out the activities described
4 in section 20001(c) in the outlying areas.

5 **SEC. 20003. IMPACT AID CONSTRUCTION GRANTS.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Department of Education for fiscal
8 year 2022, out of any money in the Treasury not otherwise
9 appropriated, \$410,900,000, to remain available until
10 September 30, 2026, for making payments to local edu-
11 cational agencies in accordance with the same terms and
12 conditions as the terms and conditions of section 7007 of
13 the Elementary and Secondary Education Act of 1965 (20
14 U.S.C. 7707), except that—

15 (1) subsection (a)(2)(A) of such section shall be
16 applied by substituting “20 percent” for “50 per-
17 cent”;

18 (2) subsection (a)(2)(B) of such section shall be
19 applied by substituting “20 percent” for “50 per-
20 cent”; and

21 (3) clauses (i) and (vi) of subsection (b)(5)(A)
22 of such section shall not apply to funds provided or
23 received under this section.

1 **SEC. 20004. BUREAU OF INDIAN EDUCATION.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Bureau of Indian Education for fiscal
4 year 2022, out of any money in the Treasury not otherwise
5 appropriated—

6 (1) \$369,810,000, to remain available until
7 September 30, 2026, for necessary expenses related
8 to construction, repair, improvement, and mainte-
9 nance of buildings, utilities, and other facilities nec-
10 essary for the operation of Indian education pro-
11 grams, including architectural and engineering serv-
12 ices by contract, acquisition of lands, and interests
13 in lands, of which no more than 3 percent shall be
14 used for administrative costs to carry out this sec-
15 tion; and

16 (2) \$41,090,000, to remain available until Sep-
17 tember 30, 2026, for digital infrastructure to im-
18 prove access to high-speed broadband sufficient for
19 digital learning and related digital infrastructure ac-
20 tivities or programs operated or funded by the Bu-
21 reau of Indian Education, for Bureau-funded schools
22 (as defined in section 1141(3) of the Education
23 Amendments of 1978 (25 U.S.C. 2021(3))).

24 **SEC. 20005. GALLAUDET UNIVERSITY.**

25 In addition to amounts otherwise available, there is
26 appropriated to the Department of Education for fiscal

1 year 2022, out of any money in the Treasury not otherwise
2 appropriated, \$150,000,000, to remain available until
3 September 30, 2026, for the Kendall Demonstration Ele-
4 mentary School and the Model Secondary School for the
5 Deaf at Gallaudet University for construction, as defined
6 in section 201(2) of the Education of the Deaf Act of 1986
7 (20 U.S.C. 4351(2)).

8 **SEC. 20006. GROW YOUR OWN PROGRAMS.**

9 (a) APPROPRIATIONS.—In addition to amounts other-
10 wise available, there is appropriated to the Department
11 of Education for fiscal year 2022, out of any money in
12 the Treasury not otherwise appropriated, \$197,000,000,
13 to remain available through September 30, 2025, to award
14 grants for the development and support of Grow Your
15 Own Programs, as described in section 202(g) of the
16 Higher Education Act of 1965 (20 U.S.C. 1022a(g)).

17 (b) IN GENERAL.—Section 202 of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1022a) is amended—

19 (1) in subsection (b)(6)(C), by striking “sub-
20 section (f) or (g)” and inserting “subsection (f) or
21 (h)”;

22 (2) in subsection (c)(1), by inserting “a Grow
23 Your Own program under subsection (g),” after
24 “subsection (e),”;

1 (3) by redesignating subsections (g), (h), (i),
2 (j), and (k), as subsections (h), (i), (j), (k), and (l),
3 respectively; and

4 (4) by inserting after subsection (f) the fol-
5 lowing:

6 “(g) PARTNERSHIP GRANTS FOR THE ESTABLISH-
7 MENT OF ‘GROW YOUR OWN’ PROGRAMS.—

8 “(1) IN GENERAL.—An eligible partnership that
9 receives a grant under this section shall carry out an
10 effective ‘Grow Your Own’ program to address
11 shortages of teachers in high-need subjects, fields,
12 schools, and geographic areas, or shortages of school
13 leaders in high-need schools, and to increase the di-
14 versity of qualified individuals entering into the
15 teacher, principal, or other school leader workforce.

16 “(2) REQUIREMENTS OF A GROW YOUR OWN
17 PROGRAM.—In addition to carrying out each of the
18 activities described in paragraphs (1) through (6) of
19 subsection (d), an eligible partnership carrying out a
20 Grow Your Own program under this subsection
21 shall—

22 “(A) integrate career-focused courses on
23 education topics with a year-long school-based
24 clinical experience in which candidates teach or
25 lead alongside an expert mentor teacher or

1 school leader who is the teacher or school leader
2 of record in the same local educational agencies
3 in which the candidates expect to work;

4 “(B) provide opportunities for candidates
5 to practice and develop teaching skills or school
6 leadership skills;

7 “(C) support candidates as they complete
8 their associate (in furtherance of their bacca-
9 laurate), baccalaureate, or master’s degree or
10 earn their teaching or school leadership creden-
11 tial;

12 “(D) work to provide academic, counseling,
13 and programmatic supports to candidates;

14 “(E) provide academic and nonacademic
15 supports, including advising and financial as-
16 sistance, to candidates to enter and complete
17 teacher or school leadership preparation pro-
18 grams and to access and complete State licen-
19 sure exams;

20 “(F) include efforts to recruit individuals
21 with experience in high-need subjects or fields
22 who are not certified to teach or lead, with a
23 specific focus on recruiting individuals—

24 “(i) from groups or populations that
25 are underrepresented; and

1 “(ii) who live in and come from the
2 communities the schools serve;

3 “(G) evaluate the effectiveness of the pro-
4 gram, including, at a minimum, using the data
5 required under section 204(a)(1);

6 “(H) require candidates to complete all
7 State requirements to become fully certified;
8 and

9 “(I) provide stipends for candidates to en-
10 gage in school-based clinical placements.”.

11 **SEC. 20007. TEACHER RESIDENCIES.**

12 In addition to amounts otherwise available, there is
13 appropriated to the Department of Education for fiscal
14 year 2022, out of any money in the Treasury not otherwise
15 appropriated, \$198,000,000, to remain available through
16 September 30, 2025, to award grants for the development
17 and support of high-quality teaching residency programs,
18 as described in section 202(e) of the Higher Education
19 Act of 1965 (20 U.S.C. 1022a(e)), except that amounts
20 available under this section shall be available for residency
21 programs for prospective teachers in a bachelor’s or mas-
22 ter’s degree program.

23 **SEC. 20008. SUPPORT SCHOOL PRINCIPALS.**

24 In addition to amounts otherwise available, there is
25 appropriated to the Department of Education for fiscal

1 year 2022, out of any money in the Treasury not otherwise
2 appropriated, \$198,000,000, to remain available through
3 September 30, 2025, to award grants for the development
4 and support of school leadership programs, as described
5 in section 2243 of the Elementary and Secondary Edu-
6 cation Act of 1965 (20 U.S.C. 6673).

7 **SEC. 20009. HAWKINS.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Department of Education for fiscal
10 year 2022, out of any money in the Treasury not otherwise
11 appropriated, \$198,000,000, to remain available through
12 September 30, 2025, to award grants for the Augustus
13 F. Hawkins Centers of Excellence Program, as described
14 in section 242 of the Higher Education Act of 1965 (20
15 U.S.C. 1033a).

16 **SEC. 20010. FUNDING FOR THE INDIVIDUALS WITH DISABIL-**
17 **ITIES EDUCATION PART D PERSONNEL DE-**
18 **VELOPMENT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Department of Education for fiscal
21 year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$297,000,000, to remain available until
23 September 30, 2025, for personnel development in section
24 662 of the Individuals with Disabilities Education Act (20
25 U.S.C. 1462).

1 **PART 2—HIGHER EDUCATION**
2 **Subpart A—America’s College Promise**
3 **SEC. 20021. GRANTS FOR TUITION-FREE COMMUNITY COL-**
4 **LEGE.**

5 Title VII of the Higher Education Act of 1965 (20
6 U.S.C. 1133 et seq.) is amended by adding at the end
7 the following:

8 **“PART F—AMERICA’S COLLEGE PROMISE**
9 **“Subpart 1—Grants for Tuition-Free Community**
10 **College**

11 **“SEC. 785. GRANT AWARDS.**

12 “(a) IN GENERAL.—Beginning with award year
13 2023–2024, from amounts appropriated to carry out this
14 subpart for any fiscal year, the Secretary shall award
15 grants to States and eligible Tribal Colleges and Univer-
16 sities to pay the Federal share of expenditures needed to
17 carry out the activities and services described in section
18 789.

19 “(b) TIMING OF GRANT AWARDS.—The Secretary
20 shall award grant funds under subsection (a) for an award
21 year not less than 30 days before the first day of the
22 award year.

23 **“SEC. 786. FEDERAL SHARE; STATE SHARE.**

24 “(a) FEDERAL SHARE.—

25 “(1) IN GENERAL.—

1 “(A) AMOUNT.—Subject to paragraph (2),
2 the amount of the Federal share of a grant
3 under this subpart shall be based on a formula
4 that provides, for each eligible student enrolled
5 in a community college operated or controlled
6 by the State or in an eligible Tribal College or
7 University, a per-student amount (based on
8 full-time equivalent enrollment) that is equal to
9 the applicable percent described in subpara-
10 graph (B), or the percent described in para-
11 graph (2) with respect to an eligible Tribal Col-
12 lege or University, of—

13 “(i) for the 2023–2024 award year,
14 the median resident community college tui-
15 tion and fees per student in all States, not
16 weighted for enrollment, for the most re-
17 cent award year for which data are avail-
18 able; and

19 “(ii) for each subsequent award year,
20 the amount determined under this para-
21 graph for the preceding award year, in-
22 creased by the lesser of—

23 “(I) a percentage equal to the es-
24 timated percentage increase in the
25 Consumer Price Index (as determined

1 by the Secretary) since the date of
2 such determination; or

3 “(II) 3 percent.

4 “(B) APPLICABLE PERCENT.—The appli-
5 cable percent for a State receiving a grant
6 under this subpart shall be—

7 “(i) for the 2023–2024 award year,
8 100 percent;

9 “(ii) for the 2024–2025 award year,
10 95 percent;

11 “(iii) for the 2025–2026 award year,
12 90 percent;

13 “(iv) for the 2026–2027 award year,
14 85 percent; and

15 “(v) for the 2027–2028 award year,
16 80 percent.

17 “(2) TRIBAL COLLEGES AND UNIVERSITIES.—
18 The amount of the Federal share for an eligible
19 Tribal College or University receiving a grant under
20 this subpart shall be the greater of—

21 “(A) 100 percent of the per-student
22 amount determined in accordance with clause
23 (i) or (ii) of paragraph (1)(A), as applicable,
24 with respect to eligible students enrolled in such

1 eligible Tribal College or University (based on
2 full-time equivalent enrollment); or

3 “(B) the amount that is 100 percent of the
4 total amount needed to set tuition and fees to
5 \$0 for all eligible students enrolled in such eligi-
6 ble Tribal College or University for the 2021–
7 2022 award year, increased by the percentage
8 increase in the Consumer Price Index (as deter-
9 mined by the Secretary) between July 1, 2021,
10 and the applicable award year, and adjusted to
11 reflect the enrollment in such eligible Tribal
12 College or University for such applicable award
13 year.

14 “(b) STATE SHARE.—

15 “(1) FORMULA.—

16 “(A) IN GENERAL.—The State share of a
17 grant under this subpart for each award year
18 shall be the amount needed to pay the applica-
19 ble percent described in subparagraph (B) of
20 the median resident community college tuition
21 and fees in all States, not weighted for enroll-
22 ment, per student (based on full-time equivalent
23 enrollment) determined in accordance with sub-
24 section (a)(1)(A)(i) for all eligible students en-

1 rolled in a community college operated or con-
2 trolled by the State for such award year.

3 “(B) APPLICABLE PERCENT.—The appli-
4 cable percent shall be—

5 “(i) for the 2023–2024 award year, 0
6 percent;

7 “(ii) for the 2024–2025 award year, 5
8 percent;

9 “(iii) for the 2025–2026 award year,
10 10 percent;

11 “(iv) for the 2026–2027 award year,
12 15 percent; and

13 “(v) for the 2027–2028 award year,
14 20 percent.

15 “(C) OBLIGATION TO PROVIDE SHARE.—
16 The State shall provide the State share even if
17 the State is able to set tuition and fees charged
18 to eligible students attending community col-
19 leges operated or controlled by the State to \$0
20 as required by section 788(a) without such
21 State share.

22 “(D) NO DOUBLE COUNTING FUNDS.—Ex-
23 cept with respect to funding described in para-
24 graph (2)(A), no funds that count toward the
25 maintenance of effort requirement under sec-

1 tion 788(c) may also count toward the State
2 share under this subsection.

3 “(E) SPECIAL RULE FOR OUTLYING AREAS
4 AND TERRITORIES.—

5 “(i) IN GENERAL.—If the Secretary
6 determines that requiring an outlying area
7 or territory to provide a State share in ac-
8 cordance with this subsection would rep-
9 resent a substantial hardship for the out-
10 lying area or territory, the Secretary may
11 reduce or waive the State share for such
12 area or territory. If the Secretary so re-
13 duces or waives the amount of the State
14 share of an outlying area or territory, the
15 Secretary shall increase the applicable per-
16 cent used to calculate the Federal share
17 for such area or territory, in proportion to
18 the reduction in the applicable percent
19 used to calculate such State share.

20 “(ii) DEFINITION.—For the purposes
21 of this subparagraph, the term ‘outlying
22 area or territory’ means the Common-
23 wealth of Puerto Rico, the District of Co-
24 lumbia, Guam, American Samoa, the
25 United States Virgin Islands, the Com-

1 monwealth of the Northern Mariana Is-
2 lands, and the Freely Associated States.

3 “(2) INCLUSION OF STATE FINANCIAL AID AND
4 LOCAL FUNDS.—In the case of a State that dem-
5 onstrates to the satisfaction of the Secretary that
6 community colleges operated or controlled by such
7 State will not experience a net reduction in total
8 per-student revenue (including revenue derived from
9 tuition and fees) as compared to the preceding fiscal
10 year in such State, a State may include, as part of
11 the State share—

12 “(A) any financial aid that is provided
13 from State funds to an eligible student and
14 that—

15 “(i)(I) is not awarded predominantly
16 on the basis of merit, including programs
17 awarded on the basis of predicted or actual
18 academic performance or assessments; and

19 “(II) may be used by such student to
20 pay any component of cost of attendance,
21 as defined under section 472; and

22 “(B) any funds provided to community col-
23 leges by local governments in such State for the
24 purpose of carrying out this subpart.

1 “(3) RELATIONSHIP TO MAINTENANCE OF EF-
2 FORT.—The inclusion of funds described in para-
3 graph (2) as part of a State’s share shall modify the
4 maintenance of effort requirements under section
5 788(c) in accordance with the provisions of—

6 “(A) section 791(10)(B)(iii), with respect
7 to funds included under paragraph (2)(A); and

8 “(B) section 791(10)(A)(ii), with respect
9 to funds included under paragraph (2)(B).

10 “(4) NO IN-KIND CONTRIBUTIONS.—A State
11 shall not include in-kind contributions for purposes
12 of the State share described in paragraph (1).

13 “(c) DETERMINING NUMBER OF ELIGIBLE STU-
14 DENTS.—

15 “(1) IN GENERAL.—For purposes of sub-
16 sections (a) and (b), the Secretary shall, in consulta-
17 tion with the State or eligible Tribal College or Uni-
18 versity concerned, determine the estimated number
19 of eligible students enrolled in the community col-
20 leges operated or controlled by such State or in such
21 eligible Tribal College or University for the applica-
22 ble award year.

23 “(2) ADJUSTMENT OF GRANT AMOUNT.—For
24 each year for which a State or eligible Tribal College
25 or University receives a grant under this subpart,

1 the Secretary shall, once final enrollment data for
2 such year are available—

3 “(A) in consultation with the State or eli-
4 gible Tribal College or University concerned,
5 determine the actual number of eligible stu-
6 dents enrolled in the community colleges oper-
7 ated or controlled by such State or in such eli-
8 gible Tribal College or University for the year
9 covered by the grant; and

10 “(B) adjust the Federal share of the grant
11 amount received by the State or eligible Tribal
12 College or University and the State share under
13 subsection (b) to reflect the actual number of
14 eligible students, which may include applying
15 the relevant adjustment to such Federal share
16 or the State share, or both, in the subsequent
17 award year.

18 “(d) COMMUNITY COLLEGES OPERATED OR CON-
19 TROLLED BY STATE TO INCLUDE COMMUNITY COLLEGES
20 OPERATED OR CONTROLLED BY LOCAL GOVERNMENTS
21 WITHIN THE STATE.—For purposes of this subpart, the
22 term ‘community college operated or controlled by a State’
23 shall include a community college operated or controlled
24 by a local government within such State.

1 “(e) INAPPLICABILITY OF STATE REQUIREMENTS TO
2 ELIGIBLE TCUS.—The Secretary may not apply any re-
3 quirements applicable only to States under this subpart
4 to an eligible Tribal College or University, including the
5 requirements under subsection (b), section 788(b) and (c),
6 and section 790.

7 **“SEC. 787. APPLICATIONS.**

8 “In order to receive a grant under this subpart, a
9 State or eligible Tribal College or University shall submit
10 an application to the Secretary that includes—

11 “(1) an estimate of the number of eligible stu-
12 dents enrolled in the community colleges operated or
13 controlled by the State or in the eligible Tribal Col-
14 lege or University and the cost of waiving tuition
15 and fees for all eligible students for each award year
16 covered by the grant;

17 “(2) in the case of a State, a list of each of the
18 community colleges operated or controlled by the
19 State;

20 “(3) an assurance that each community college
21 operated or controlled by the State, or the eligible
22 Tribal College or University, as applicable, will set
23 community college tuition and fees for eligible stu-
24 dents to \$0 as required by section 788(a);

1 “(4) a description of how the State or eligible
2 Tribal College or University will ensure that pro-
3 grams leading to a recognized postsecondary creden-
4 tial meet the quality criteria established by the State
5 under section 122(b)(1) of the Workforce Innovation
6 and Opportunity Act (29 U.S.C. 3152(b)(1)) or
7 other quality criteria determined appropriate by the
8 State or eligible Tribal College or University;

9 “(5) an assurance that each community college
10 operated or controlled by the State or the eligible
11 Tribal College or University, as applicable, has en-
12 tered into a program participation agreement under
13 section 487;

14 “(6) an assurance that the State or eligible
15 Tribal College or University will assist eligible stu-
16 dents in obtaining information about and accessing
17 means-tested Federal benefit programs and similar
18 State, tribal, and local benefit programs that can
19 provide financial assistance for any component of
20 the student’s cost of attendance, as defined under
21 section 472, other than tuition and fees;

22 “(7) an assurance that, for each year of the
23 grant, the State or eligible Tribal College or Univer-
24 sity will notify each eligible student of the student’s

1 remaining eligibility for assistance under this sub-
2 part;

3 “(8) if the application is submitted by a
4 State—

5 “(A) an assurance that the State will meet
6 the requirements of section 788(b)(1) relating
7 to the alignment of secondary and postsec-
8 ondary education; and

9 “(B) an assurance that the State will meet
10 the requirements of section 788(b)(2) relating
11 to the improvement of transfer pathways be-
12 tween institutions of higher education; and

13 “(9) an assurance that the State or eligible
14 Tribal College or University will clearly communicate
15 to prospective students, including students with
16 prior college experience who have not completed a
17 postsecondary degree or credential, their families,
18 and the general public—

19 “(A) plans to implement the program
20 funded under this subpart; and

21 “(B) how eligible students can attend a
22 community college operated or controlled by the
23 State or an eligible Tribal College or University
24 without paying tuition and fees.

1 **“SEC. 788. PROGRAM REQUIREMENTS.**

2 “(a) GENERAL REQUIREMENTS.—As a condition of
3 receiving a grant under this subpart in each award year,
4 a State or eligible Tribal College or University shall—

5 “(1) ensure that the total amount of tuition
6 and fees charged to an eligible student attending a
7 community college operated or controlled by the
8 State or the eligible Tribal College or University, as
9 applicable, is \$0;

10 “(2) not apply financial assistance for which an
11 eligible student qualifies to tuition or fees; and

12 “(3) not use any funds provided under this sub-
13 part for administrative purposes relating to such
14 grant.

15 “(b) STATE REQUIREMENTS.—In addition to the re-
16 quirements under subsection (a), as a condition of receiv-
17 ing a grant under this subpart a State shall meet the fol-
18 lowing requirements:

19 “(1) ALIGNMENT OF SECONDARY AND HIGHER
20 EDUCATION.—The State shall—

21 “(A) submit and implement a plan to align
22 the requirements for receiving a regular high
23 school diploma from public schools in the State
24 with the requirements for entering credit-bear-
25 ing coursework at community colleges in such
26 State; and

1 “(B) not later than 3 years after the date
2 on which the State first receives a grant under
3 this subpart, certify to the Secretary that such
4 alignment has been achieved.

5 “(2) TRANSFER PATHWAYS.—The State shall—

6 “(A) submit a plan, developed in collabora-
7 tion with faculty from institutions of higher
8 education in the State, to improve transfer
9 pathways among institutions of higher edu-
10 cation in the State, including by—

11 “(i) ensuring that associate degrees
12 awarded by community colleges in the
13 State are fully transferable to, and credited
14 as, the first 2 years of related bacca-
15 laureate programs at public institutions of
16 higher education in such State;

17 “(ii) increasing the transferability of
18 individual courses within the certificate or
19 associate programs offered by community
20 colleges in the State to related bacca-
21 laureate programs offered by institutions
22 of higher education in such State to maxi-
23 mize the transferability of credits for stu-
24 dents who transfer before completing an
25 associate degree;

1 “(iii) expanding the use of reverse
2 transfer policies that allow institutions
3 to—

4 “(I) implement the process of
5 retroactively granting a certificate or
6 associate degree to students who had
7 not completed the requirements for
8 such certificate or degree before they
9 transferred; and

10 “(II) allow academic credits for
11 coursework completed at a 4-year in-
12 stitution to be applied to a previously-
13 attended community college for the
14 purpose of obtaining an associate de-
15 gree or a certificate; and

16 “(iv) ensuring that students attending
17 community colleges in the State have ac-
18 cess to comprehensive counseling and sup-
19 ports to facilitate the process of transfer-
20 ring to a 4-year institution of higher edu-
21 cation; and

22 “(B) not later than 3 years after the date
23 on which the State first receives a grant under
24 this subpart, certify to the Secretary that the
25 State is carrying out the plan submitted in ac-

1 cordance with subparagraph (A) and is meeting
2 the requirements of clauses (i) through (iv) of
3 such subparagraph.

4 “(c) STATE MAINTENANCE OF EFFORT.—A State re-
5 ceiving a grant under this subpart shall be entitled to re-
6 ceive its full allotment of funds under this subpart for a
7 fiscal year only if, for each year of the grant, the State
8 provides—

9 “(1) State fiscal support for higher education
10 per full-time equivalent student at a level equal to or
11 exceeding the average amount of State fiscal support
12 for higher education per full-time equivalent student
13 provided for the 3 consecutive preceding fiscal years;

14 “(2) financial support for operating expenses
15 (excluding capital expenses and research and devel-
16 opment costs) for public 4-year institutions of higher
17 education at a level equal to or exceeding the aver-
18 age amount provided for the 3 consecutive preceding
19 State fiscal years; and

20 “(3) financial support for need-based financial
21 aid at a level equal to or exceeding the average
22 amount provided for the 3 consecutive preceding
23 State fiscal years.

24 “(d) NO ADDITIONAL ELIGIBILITY REQUIRE-
25 MENTS.—A State or eligible Tribal College or University

1 that receives a grant under this subpart may not impose
2 additional eligibility requirements on eligible students
3 other than the requirements under this subpart.

4 “(e) ELIGIBILITY FOR BENEFITS.—No individual
5 shall be determined to be ineligible to receive benefits pro-
6 vided under this subpart (including tuition and fees set
7 to \$0 and other aid provided under this subpart) on the
8 basis of citizenship, alienage, or immigration status.

9 **“SEC. 789. ALLOWABLE USES OF FUNDS.**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (b)—

12 “(1) a State shall use a grant under this sub-
13 part only to provide funds to each community college
14 operated or controlled by the State to enable each
15 such community college to set community college
16 tuition and fees for eligible students to \$0 as re-
17 quired under section 788(a); and

18 “(2) an eligible Tribal College or University
19 shall use a grant under this subpart only to set com-
20 munity college tuition and fees for eligible students
21 to \$0 as required under section 788(a).

22 “(b) ADDITIONAL USES.—If a State or an eligible
23 Tribal College or University demonstrates to the Secretary
24 that the State or eligible Tribal College or University has
25 grant funds remaining after meeting the demand for ac-

1 tivities described in subsection (a), the State or eligible
2 Tribal College or University shall use the remaining funds
3 to carry out 1 or more of the following:

4 “(1) Providing need-based financial aid to stu-
5 dents that may be used by such students to pay any
6 component of cost of attendance, as defined under
7 section 472.

8 “(2) Reducing unmet need at public 4-year in-
9 stitutions of higher education.

10 “(3) Improving student outcomes by imple-
11 menting evidence-based institutional reforms or
12 practices, including reforms or practices that are de-
13 scribed in section 795D(b)(1) or that meet an evi-
14 dence tier defined in section 795E(2).

15 “(4) Expanding access to dual or concurrent
16 enrollment programs or early college high school
17 programs.

18 “(c) SUPPLEMENT, NOT SUPPLANT.—Except as pro-
19 vided in section 786(b)(2)(A), funds made available under
20 this subpart shall be used to supplement, and not sup-
21 plant, other Federal, State, tribal, and local funds that
22 would otherwise be expended to carry out activities de-
23 scribed in this section.

24 “(d) CONTINUATION OF FUNDING.—

1 “(1) TIER I.—With respect to each State eligi-
2 ble for relief under tier I, such requirements shall be
3 waived for the fiscal year succeeding the fiscal year
4 for which the determination of the State’s eligibility
5 for such relief is made.

6 “(2) TIERS II THROUGH V.—With respect to
7 each State eligible for relief under tier II, III, IV,
8 or V, such requirements shall be waived, in accord-
9 ance with subsection (d), for—

10 “(A) the fiscal year for which the deter-
11 mination of the State’s eligibility for such relief
12 is made;

13 “(B) the fiscal year succeeding the fiscal
14 year described in subparagraph (A); or

15 “(C) both such fiscal years.

16 “(b) STATE SHARE RELIEF.—

17 “(1) STATE SHARE RELIEF.—A State that
18 meets the qualifying spending requirement and is el-
19 igible for relief under tier II, III, IV, or V may re-
20 quest relief with respect to the requirements of sec-
21 tion 786(b)(1)(B). Upon request by such a State,
22 the Secretary shall provide relief from the require-
23 ments of section 786(b)(1)(B), for the applicable
24 award year or years, for the State as follows:

1 “(A) TIER II.—With respect to a State
2 that is eligible for relief under tier II, the Sec-
3 retary shall—

4 “(i) apply section 786(a)(1)(B)(v) by
5 substituting ‘85 percent’ for ‘80 percent’;
6 and

7 “(ii) apply section 786(b)(1)(B)(v) by
8 substituting ‘15 percent’ for ‘20 percent’.

9 “(B) TIER III.—With respect to a State
10 that is eligible for relief under tier III, the Sec-
11 retary shall—

12 “(i) apply section 786(a)(1)(B)(iv) by
13 substituting ‘90 percent’ for ‘85 percent’;

14 “(ii) apply section 786(a)(1)(B)(v) by
15 substituting ‘90 percent’ for ‘80 percent’;

16 “(iii) apply section 786(b)(1)(B)(iv)
17 by substituting ‘10 percent’ for ‘15 per-
18 cent’; and

19 “(iv) apply section 786(b)(1)(B)(v) by
20 substituting ‘10 percent’ for ‘20 percent’.

21 “(C) TIER IV.—With respect to a State
22 that is eligible for relief under tier IV, the Sec-
23 retary shall—

24 “(i) apply section 786(a)(1)(B)(iii) by
25 substituting ‘95 percent’ for ‘90 percent’;

1 “(ii) apply section 786(a)(1)(B)(iv) by
2 substituting ‘95 percent’ for ‘85 percent’;

3 “(iii) apply section 786(a)(1)(B)(v) by
4 substituting ‘95 percent’ for ‘80 percent’;

5 “(iv) apply section 786(b)(1)(B)(iii)
6 by substituting ‘5 percent’ for ‘10 percent’;

7 “(v) apply section 786(b)(1)(B)(iv) by
8 substituting ‘5 percent’ for ‘15 percent’;

9 and

10 “(vi) apply section 786(b)(1)(B)(v) by
11 substituting ‘5 percent’ for ‘20 percent’.

12 “(D) TIER V.—With respect to a State
13 that is eligible for relief under tier V, the Sec-
14 retary shall—

15 “(i) apply section 786(a)(1)(B)(ii) by
16 substituting ‘100 percent’ for ‘95 percent’;

17 “(ii) apply section 786(a)(1)(B)(iii) by
18 substituting ‘100 percent’ for ‘90 percent’;

19 “(iii) apply section 786(a)(1)(B)(iv)
20 by substituting ‘100 percent’ for ‘85 per-
21 cent’;

22 “(iv) apply section 786(a)(1)(B)(v) by
23 substituting ‘100 percent’ for ‘80 percent’;

24 “(v) apply section 786(b)(1)(B)(ii) by
25 substituting ‘0 percent’ for ‘5 percent’;

1 “(vi) apply section 786(b)(1)(B)(iii)
2 by substituting ‘0 percent’ for ‘10 percent’;

3 “(vii) apply section 786(b)(1)(B)(iv)
4 by substituting ‘0 percent’ for ‘15 percent’;
5 and

6 “(viii) apply section 786(b)(1)(B)(v)
7 by substituting ‘0 percent’ for ‘20 percent’.

8 “(2) APPLICABLE AWARD YEARS.—With respect
9 to each State eligible for relief under tier II, III, IV,
10 or V, the Secretary shall provide the relief under
11 paragraph (1), in accordance with subsection (d),
12 for—

13 “(A) the award year for which the deter-
14 mination of the State’s eligibility for such relief
15 is made;

16 “(B) the award year succeeding the award
17 year described in subparagraph (A); or

18 “(C) both such award years.

19 “(c) STATE ELIGIBILITY.—A State’s eligibility for re-
20 lief under this section shall be determined as follows:

21 “(1) TIER I.—A State shall be eligible for relief
22 under tier I for a fiscal year for which—

23 “(A) the State is in an elevated unemploy-
24 ment period at any point in the fiscal year; and

1 “(B) the State is not eligible for relief
2 under any other tier.

3 “(2) TIER II.—A State shall be eligible for re-
4 lief under tier II for a fiscal or award year, as appli-
5 cable, for which—

6 “(A)(i) the State average unemployment
7 rate is equal to or greater than 6.5 percent but
8 less than 7.5 percent at any point in the fiscal
9 or award year; or

10 “(ii) the national average unemployment
11 rate is equal to or greater than 6.5 percent but
12 less than 7.5 percent at any point in the fiscal
13 or award year; and

14 “(B) the State is not eligible for relief
15 under tier III, IV, or V.

16 “(3) TIER III.—A State shall be eligible for re-
17 lief under tier III for a fiscal or award year, as ap-
18 plicable, for which—

19 “(A)(i) the State average unemployment
20 rate is equal to or greater than 7.5 percent but
21 less than 8.5 percent at any point in the fiscal
22 or award year; or

23 “(ii) the national average unemployment
24 rate is equal to or greater than 7.5 percent but

1 less than 8.5 percent at any point in the fiscal
2 or award year; and

3 “(B) the State is not eligible for relief
4 under tier IV or V.

5 “(4) TIER IV.—A State shall be eligible for re-
6 lief under tier IV for a fiscal or award year, as ap-
7 plicable, for which—

8 “(A)(i) the State average unemployment
9 rate is equal to or greater than 8.5 percent but
10 less than 9.5 percent at any point in the fiscal
11 or award year; or

12 “(ii) the national average unemployment
13 rate is equal to or greater than 8.5 percent but
14 less than 9.5 percent at any point in the fiscal
15 or award year; and

16 “(B) the State is not eligible for relief
17 under tier V.

18 “(5) TIER V.—A State shall be eligible for relief
19 under tier V for a fiscal or award year, as applica-
20 ble, for which—

21 “(A) the State average unemployment rate
22 is equal to or greater than 9.5 percent at any
23 point in the fiscal or award year; or

1 “(B) the national average unemployment
2 rate is equal to or greater than 9.5 percent at
3 any point in the fiscal or award year.

4 “(d) DISCRETION IN THE PROVISION OF RELIEF.—
5 In determining the fiscal years for which to provide relief
6 in accordance with subsection (a)(2), or the award years
7 for which to provide relief in accordance with subsection
8 (b), to a State that is eligible under tier II, III, IV, or
9 V, the Secretary shall take into account the following:

10 “(1) In the case of a State that requests relief
11 under subsection (a)(2), the fiscal years for which
12 the State requests such relief, including—

13 “(A) if the State requests such relief for
14 the fiscal year for which the determination of
15 the State’s eligibility for such relief is made, the
16 amount by which the State is unable to meet
17 the requirements of section 788(e) for such fis-
18 cal year; and

19 “(B) if the State requests such relief for
20 the fiscal year succeeding the year described in
21 subparagraph (A), the amount by which the
22 State anticipates being unable to meet such re-
23 quirements for such succeeding fiscal year.

1 “(2) In the case of a State that requests relief
2 under subsection (b), the award years for which the
3 State requests such relief, including—

4 “(A) if the State requests such relief for
5 the award year for which the determination of
6 the State’s eligibility for such relief is made, the
7 extent to which the State is unable to meet the
8 requirements of section 786(b)(1)(B) for such
9 award year; and

10 “(B) if the State requests such relief for
11 the award year succeeding the year described in
12 subparagraph (A), the extent to which the State
13 anticipates being unable to meet such require-
14 ments for such succeeding award year.

15 “(3) The actual or anticipated timing, severity,
16 and duration of the unemployment rate increase
17 during—

18 “(A) the fiscal or award year, as applica-
19 ble, for which the determination of the State’s
20 eligibility for such relief is made;

21 “(B) the fiscal or award year, as applica-
22 ble, succeeding the fiscal or award year de-
23 scribed in subparagraph (A); and

1 “(C) the fiscal or award year, as applica-
2 ble, preceding the fiscal or award year described
3 in subparagraph (A).

4 “(4) Other factors determined to be relevant by
5 the Secretary.

6 “(e) CONTINUED PAYMENT TO EMPLOYEES.—A
7 State that receives relief under subsection (a) or (b) shall,
8 to the greatest extent practicable, continue to pay its em-
9 ployees of, and contractors with, public institutions of
10 higher education in the State during the period in which
11 the State is receiving such relief.

12 “(f) DEFINITIONS.—In this section:

13 “(1) ELEVATED UNEMPLOYMENT PERIOD.—
14 The term ‘elevated unemployment period’—

15 “(A) when used with respect to the Nation
16 as a whole, means a consecutive, 3-month pe-
17 riod in a fiscal year for which the national aver-
18 age unemployment rate is not less than 0.5 per-
19 centage points above the lowest national aver-
20 age unemployment rate for the 12-month period
21 preceding such 3-month period; and

22 “(B) when used with respect to a State,
23 means a consecutive, 3-month period in a fiscal
24 year in which the State average unemployment
25 rate is not less than 0.5 percentage points

1 above the lowest State average unemployment
2 rate for such State for the 12-month period
3 preceding such 3-month period.

4 “(2) QUALIFYING SPENDING REQUIREMENT.—
5 The term ‘qualifying spending requirement’, when
6 used with respect to determining whether a State
7 has met such requirement, means the State has not
8 disproportionately decreased spending for any of the
9 categories described in paragraphs (1) through (3)
10 of section 788(c) relative to such State’s overall de-
11 crease in spending averaged over the 3 consecutive
12 preceding fiscal years.

13 “(3) NATIONAL AVERAGE UNEMPLOYMENT
14 RATE.—The term ‘national average unemployment
15 rate’ means the average (seasonally adjusted) rate of
16 total unemployment in all States for a consecutive,
17 3-month period in a fiscal year, based on data from
18 the Bureau of Labor Statistics of the Department of
19 Labor.

20 “(4) STATE AVERAGE UNEMPLOYMENT RATE.—
21 The term ‘State average unemployment rate’ means
22 the average (seasonally adjusted) rate of total unem-
23 ployment in a State for a consecutive, 3-month pe-
24 riod in a fiscal year, based on data from the Bureau
25 of Labor Statistics of the Department of Labor.

1 **“SEC. 791. DEFINITIONS.**

2 “In this subpart:

3 “(1) CAREER PATHWAY.—The term ‘career
4 pathway’ has the meaning given the term in section
5 3 of the Workforce Innovation and Opportunity Act
6 (29 U.S.C. 3102).

7 “(2) COMMUNITY COLLEGE.—The term ‘com-
8 munity college’ means—

9 “(A) a degree-granting public institution of
10 higher education at which—

11 “(i) the highest degree awarded is an
12 associate degree; or

13 “(ii) an associate degree is the pre-
14 dominant degree awarded;

15 “(B) an eligible Tribal College or Univer-
16 sity;

17 “(C) a degree-granting branch campus of a
18 4-year public institution of higher education, if,
19 at such branch campus—

20 “(i) the highest degree awarded is an
21 associate degree; or

22 “(ii) an associate degree is the pre-
23 dominant degree awarded; or

24 “(D) at the designation of the Secretary,
25 in the case of a State that does not operate or
26 control any institution that meets a definition

1 under subparagraph (A) or (C), a college or
2 similarly defined and structured academic enti-
3 ty—

4 “(i) that was in existence on July 1,
5 2021;

6 “(ii) within a 4-year public institution
7 of higher education; and

8 “(iii) at which—

9 “(I) the highest degree awarded
10 is an associate degree; or

11 “(II) an associate degree is the
12 predominant degree awarded.

13 “(3) DUAL OR CONCURRENT ENROLLMENT
14 PROGRAM.—The term ‘dual or concurrent enrollment
15 program’ has the meaning given the term in section
16 8101 of the Elementary and Secondary Education
17 Act of 1965.

18 “(4) EARLY COLLEGE HIGH SCHOOL.—The
19 term ‘early college high school’ has the meaning
20 given the term in section 8101 of the Elementary
21 and Secondary Education Act of 1965.

22 “(5) ELIGIBLE STUDENT.—The term ‘eligible
23 student’ means a student who—

24 “(A) is enrolled as an undergraduate stu-
25 dent in an eligible program (as defined in sec-

1 tion 481(b)) at a community college on not less
2 than a half-time basis;

3 “(B) in the case of a student who is en-
4 rolled in a community college that charges dif-
5 ferent tuition rates on the basis of in-State or
6 in-district residency, either—

7 “(i) qualifies for in-State or in-district
8 resident tuition at such community college;
9 or

10 “(ii) would qualify for such in-State
11 or in-district resident tuition at such com-
12 munity college, but for the immigration
13 status of such student;

14 “(C) has not been enrolled (whether full-
15 time or less than full-time) for more than 6 se-
16 mesters (or the equivalent) for which the com-
17 munity college tuition and fees of the student
18 were set to \$0 pursuant to section 788(a);

19 “(D) is not enrolled in a dual or concur-
20 rent enrollment program or early college high
21 school; and

22 “(E) in the case of a student who is a
23 United States citizen, has filed a Free Applica-
24 tion for Federal Student Aid described in sec-

1 tion 483 for the applicable award year for
2 which the student is enrolled.

3 “(6) ELIGIBLE TRIBAL COLLEGE OR UNIVER-
4 SITY.—The term ‘eligible Tribal College or Univer-
5 sity’ means—

6 “(A) a 2-year Tribal College or University;
7 or

8 “(B) a degree-granting Tribal College or
9 University—

10 “(i) at which the highest degree
11 awarded is an associate degree; or

12 “(ii) an associate degree is the pre-
13 dominant degree awarded.

14 “(7) INSTITUTION OF HIGHER EDUCATION.—
15 The term ‘institution of higher education’ has the
16 meaning given the term in section 101.

17 “(8) MEANS-TESTED FEDERAL BENEFIT PRO-
18 GRAM.—The term ‘means-tested Federal benefit pro-
19 gram’ has the meaning given the term in section
20 479.

21 “(9) RECOGNIZED POSTSECONDARY CREDEN-
22 TIAL.—The term ‘recognized postsecondary creden-
23 tial’ has the meaning given the term in section 3 of
24 the Workforce Innovation and Opportunity Act (29
25 U.S.C. 3102).

1 “(10) STATE FISCAL SUPPORT FOR HIGHER
2 EDUCATION.—

3 “(A) INCLUSIONS.—

4 “(i) IN GENERAL.—Except as pro-
5 vided in subparagraph (B), the term ‘State
6 fiscal support for higher education’, used
7 with respect to a State for a fiscal year,
8 means an amount that is equal to—

9 “(I) the gross amount of applica-
10 ble State funds appropriated or dedi-
11 cated, and expended by the State, in-
12 cluding funds from lottery receipts, in
13 the fiscal year, that are used to sup-
14 port institutions of higher education
15 and student financial aid for higher
16 education in the State; and

17 “(II) any funds described in
18 clause (ii), if applicable.

19 “(ii) LOCAL FUNDS.—In the case of a
20 State that includes, as part of the State
21 share under section 786(b)(2)(B) for an
22 award year, funds provided to community
23 colleges by local governments in such State
24 for the purpose of carrying out this sub-
25 part, local funds provided to community

1 colleges operated or controlled by such
2 State for operating expenses (excluding
3 capital expenses and research and develop-
4 ment costs) shall be included in the cal-
5 culation of the State fiscal support for
6 higher education for such award year
7 under clause (i).

8 “(B) EXCLUSIONS.—State fiscal support
9 for higher education for a State for a fiscal
10 year shall not include—

11 “(i) funds described in subparagraph
12 (A) that are returned to the State;

13 “(ii) State-appropriated funds derived
14 from Federal sources, including funds pro-
15 vided under section 786(a) and section
16 795A(a)(2);

17 “(iii) funds that are included in the
18 State share under section 786(b), including
19 funds included in the State share in ac-
20 cordance with paragraph (2)(A) of such
21 section;

22 “(iv) amounts that are portions of
23 multiyear appropriations to be distributed
24 over multiple years that are not to be
25 spent for the year for which the calculation

1 under this paragraph is being made, sub-
2 ject to subparagraph (C);

3 “(v) tuition, fees, or other educational
4 charges paid directly by a student to a
5 public institution of higher education or to
6 the State;

7 “(vi) funds for—

8 “(I) financial aid to students at-
9 tending, or operating expenses of—

10 “(aa) out-of-State institu-
11 tions of higher education;

12 “(bb) proprietary institu-
13 tions of higher education (as de-
14 fined in section 102(b));

15 “(cc) institutions of higher
16 education not accredited by an
17 agency or association recognized
18 by the Secretary pursuant to sec-
19 tion 496;

20 “(II) financial aid to students
21 awarded predominantly on the basis
22 of merit, including programs awarded
23 on the basis of predicted or actual
24 academic performance or assessments;

1 “(III) research and development;

2 or

3 “(IV) hospitals, athletics, or
4 other auxiliary enterprises;

5 “(vii) corporate or other private dona-
6 tions directed to one or more institutions
7 of higher education permitted to be ex-
8 pended by the State; or

9 “(viii) any other funds that the Sec-
10 retary determines shall not be included in
11 the calculation of State fiscal support for
12 higher education for such State.

13 “(C) ADJUSTMENTS FOR BIENNIAL APPRO-
14 PRIATIONS.—The Secretary shall take into con-
15 sideration any adjustments to the calculations
16 under this paragraph that may be required to
17 accurately reflect State fiscal support for higher
18 education in States with biennial appropriation
19 cycles.

20 “(11) STATE FISCAL SUPPORT FOR HIGHER
21 EDUCATION PER FULL-TIME EQUIVALENT STU-
22 DENT.—The term ‘State fiscal support for higher
23 education per full-time equivalent student’, when
24 used with respect to a State for a fiscal year, means
25 the amount that is equal to—

1 “(A) the State fiscal support for higher
2 education for the previous fiscal year; divided
3 by

4 “(B) the number of full-time equivalent
5 students enrolled in public institutions of higher
6 education in such State for such previous fiscal
7 year.

8 “(12) TRIBAL COLLEGE OR UNIVERSITY.—The
9 term ‘Tribal College or University’ has the meaning
10 given such term in section 316(b)(3).

11 **“SEC. 792. SUNSET.**

12 “(a) IN GENERAL.—The authority to make grants
13 under this subpart shall expire at the end of award year
14 2027–2028.

15 “(b) INAPPLICABILITY OF GEPA CONTINGENT EX-
16 TENSION OF PROGRAMS.—Section 422 of the General
17 Education Provisions Act (20 U.S.C. 1226a) shall not
18 apply to this subpart.

19 **“SEC. 793. APPROPRIATION.**

20 “‘In addition to amounts otherwise available, there is
21 appropriated for fiscal year 2022, out of any money in
22 the Treasury not otherwise appropriated, such sums as
23 may be necessary, to remain available until September 30,
24 2030, for carrying out this subpart.’”.

1 **SEC. 20022. RETENTION AND COMPLETION GRANTS.**

2 Part F of title VII of the Higher Education Act of
3 1965 (20 U.S.C. 1133 et seq.), as added by section 20021,
4 is further amended by adding at the end the following:

5 **“Subpart 2—Retention and Completion Grants**

6 **“SEC. 795. RETENTION AND COMPLETION GRANTS.**

7 “Beginning with award year 2023–2024, from
8 amounts appropriated to carry out this subpart for any
9 fiscal year, the Secretary shall carry out a grant program
10 to make grants (which shall be known as ‘retention and
11 completion grants’) to eligible States and Tribal Colleges
12 and Universities to enable the eligible States and Tribal
13 Colleges and Universities to carry out the activities de-
14 scribed in section 795D.

15 **“SEC. 795A. GRANT AMOUNTS.**

16 “(a) RESERVATION.—From the amounts appro-
17 priated to carry out this subpart, the Secretary shall—

18 “(1) reserve an amount equal to 3 percent of
19 such amounts to allocate grants to Tribal Colleges
20 and Universities, which shall be distributed accord-
21 ing to the formula in section 316(d)(3)(B), to carry
22 out the activities described in section 795D(b)(1)
23 and implement reforms or practices that meet an
24 evidence tier defined in section 795E(2); and

25 “(2) use the amount remaining after the alloca-
26 tion under paragraph (1) to award competitive

1 grants to eligible States that have submitted applica-
2 tions under section 795B.

3 “(b) SUPPLEMENT, NOT SUPPLANT.—Grant funds
4 awarded under this subpart shall be used to supplement,
5 and not supplant, other Federal, State, tribal, and local
6 funds that would otherwise be expended to carry out ac-
7 tivities assisted under this subpart.

8 “(c) GRANT PERIOD.—Subject to the requirements
9 under section 795C, a grant under this subpart shall be
10 for a period of not more than 7 years.

11 **“SEC. 795B. APPLICATIONS.**

12 “(a) IN GENERAL.—As a condition of receiving a
13 grant under this subpart, an eligible State shall submit
14 an application to the Secretary that includes—

15 “(1) a description of—

16 “(A) how the eligible State will use the
17 funds to implement evidence-based institutional
18 reforms or practices at institutions of higher
19 education in such State to improve student out-
20 comes and meet the requirements of section
21 795D(b)(2), including—

22 “(i) how such eligible State will use
23 grant funds to implement 1 or more re-
24 forms or practices described in section
25 795D(b)(1) at such institutions;

1 “(ii) the extent to which each reform
2 or practice to be implemented meets an
3 evidence tier defined in section 795E(2);
4 and

5 “(iii) annual implementation bench-
6 marks that the eligible State will use to
7 track progress in implementing such re-
8 forms or practices;

9 “(B) how such eligible State will increase
10 support for the public institutions of higher
11 education identified in accordance with para-
12 graph (2)(B); and

13 “(C) the improvements the eligible State
14 anticipates in student outcomes, including im-
15 provements in retention, completion, or transfer
16 rates or labor market outcomes, or a combina-
17 tion of such student outcomes, disaggregated by
18 student demographics including, at a minimum,
19 race, ethnicity, income, disability status, reme-
20 diation, and status as a first generation college
21 student;

22 “(2)(A) with respect to each State public insti-
23 tution of higher education—

24 “(i) the total per-student funding;

1 “(ii) the amount of per-student funding
2 that is from State-appropriated funds; and

3 “(iii) the share of students at the institu-
4 tion who are students of color, low-income stu-
5 dents, students with disabilities, students in
6 need of remediation, or first generation college
7 students; and

8 “(B) an identification of public institutions
9 of higher education in the eligible State that re-
10 ceived less funding on a per-student basis as
11 described in clause (i) or (ii), or both, of sub-
12 paragraph (A), and are serving disproportion-
13 ately high shares of students of color, low-in-
14 come students, students with disabilities, stu-
15 dents in need of remediation, or first generation
16 college students;

17 “(3) a description of the steps the eligible State
18 will take to ensure the sustainability of the institu-
19 tional reforms or practices identified in paragraph
20 (1)(A); and

21 “(4) a description of how the eligible State will
22 evaluate the effectiveness of activities funded under
23 this subpart, including how such eligible State will
24 assess impacts on student outcomes, including reten-

1 tion, transfer, and completion rates and labor mar-
2 ket outcomes.

3 “(b) PRIORITIES.—In awarding funds under this sub-
4 part, the Secretary shall give priority to eligible States
5 that do one or more of the following:

6 “(1) Propose to use a significant share of grant
7 funds for reforms or practices that meet an evidence
8 tier defined in section 795E(2).

9 “(2) Propose to use a significant share of grant
10 funds to improve retention, transfer, and completion
11 rates and labor market outcomes among students of
12 color, low-income students, students with disabilities,
13 students in need of remediation, first generation col-
14 lege students, and other underserved student popu-
15 lations in such State.

16 “(3) Propose to use a significant share of grant
17 funds to improve retention, transfer, and completion
18 rates and labor market outcomes among students at-
19 tending institutions identified in subsection
20 (a)(2)(B).

21 “(4) Demonstrate a commitment to supporting
22 activities funded under this subpart with non-Fed-
23 eral funds.

1 **“SEC. 795C. PROGRAM REQUIREMENTS.**

2 “(a) IN GENERAL.—As a condition of continuing to
3 receive funds under this subpart, for each year in which
4 an eligible State participates in the program under this
5 subpart, the eligible State shall submit to the Secretary
6 the eligible State’s progress—

7 “(1) in meeting the annual implementation
8 benchmarks included in the application of such eligi-
9 ble State under section 795B(a)(1)(A)(iii);

10 “(2) in increasing funding for the public insti-
11 tutions of higher education identified in accordance
12 with section 795B(a)(2)(B), as included in the appli-
13 cation of such eligible State under section
14 795B(a)(1)(B); and

15 “(3) in improving the student outcomes identi-
16 fied by the State under section 795B(a)(1)(C).

17 “(b) ELIGIBILITY FOR BENEFITS.—No individual
18 shall be determined to be ineligible to receive benefits pro-
19 vided under this subpart (including services and other aid
20 provided under this subpart) on the basis of citizenship,
21 alienage, or immigration status.

22 **“SEC. 795D. USES OF FUNDS.**

23 “(a) GENERAL REQUIREMENT FOR STATES.—Except
24 as provided in subsection (c), an eligible State shall use
25 a grant under this subpart only to carry out activities de-

1 scribed in the application for such year under section
2 795B(a)(1).

3 “(b) EVIDENCE-BASED INSTITUTIONAL REFORMS OR
4 PRACTICES.—

5 “(1) IN GENERAL.—An eligible State or Tribal
6 College or University receiving a grant under this
7 subpart shall, directly or in collaboration with insti-
8 tutions of higher education and other non-profit or-
9 ganizations, use the grant funds to implement one or
10 more of the following evidence-based institutional re-
11 forms or practices:

12 “(A) Providing comprehensive academic,
13 career, and student support services, including
14 mentoring, advising, case management services,
15 or career pathway navigation.

16 “(B) Providing assistance in applying for
17 and accessing direct support services, means-
18 tested Federal benefit programs, or similar
19 State, tribal, or local benefit programs.

20 “(C) Providing emergency financial aid
21 grants to students for unexpected expenses and
22 to meet basic needs.

23 “(D) Providing accelerated learning oppor-
24 tunities, including dual or concurrent enroll-
25 ment programs and early college high school

1 programs, and pathways to graduate and pro-
2 fessional degree programs, and reforming
3 course scheduling and credit awarding policies.

4 “(E) Reforming remedial and develop-
5 mental education.

6 “(F) Utilizing career pathways, including
7 through building capacity for career and tech-
8 nical education as defined in section 3 of the
9 Carl D. Perkins Career and Technical Edu-
10 cation Act of 2006 (20 U.S.C. 2302), programs
11 of study as defined in such section, or degree
12 pathways.

13 “(G) Improving transfer pathways between
14 community colleges and four-year institutions of
15 higher education in the eligible State, or, in the
16 case of a Tribal College or University, between
17 the Tribal College or University and other insti-
18 tutions of higher education.

19 “(2) STATE ALLOCATION MINIMUMS WITH RE-
20 SPECT TO EVIDENCE TIERS.—An eligible State re-
21 ceiving a grant under this subpart shall use not less
22 than 30 percent of the grant funds for evidence-
23 based reforms or practices that meet an evidence
24 tier defined in section 795E(2), of which at least

1 two-thirds shall be used for evidence-based reforms
2 or practices that meet evidence tier 1.

3 “(c) USE OF FUNDS FOR ADMINISTRATIVE PUR-
4 POSES.—An eligible State or Tribal College or University
5 that receives a grant under this subpart may use—

6 “(1) not more than 3 percent of such grant for
7 administrative purposes relating to the grant under
8 this subpart; and

9 “(2) not more than 3 percent of such grant to
10 evaluate the effectiveness of activities carried out
11 under this subpart.

12 **“SEC. 795E. DEFINITIONS.**

13 “In this subpart:

14 “(1) ELIGIBLE STATE.—The term ‘eligible
15 State’ means a State that is a recipient of a grant
16 under subpart 1.

17 “(2) EVIDENCE TIERS.—

18 “(A) EVIDENCE TIER 1.—The term ‘evi-
19 dence tier 1’, when used with respect to a re-
20 form or practice, means a reform or practice
21 that meets the criteria for receiving an expan-
22 sion grant from the education innovation and
23 research program under section 4611 of the El-
24 elementary and Secondary Education Act of 1965

1 (20 U.S.C. 7261), as determined by the Sec-
2 retary in accordance with such section.

3 “(B) EVIDENCE TIER 2.—The term ‘evi-
4 dence tier 2’, when used with respect to a re-
5 form or practice, means a reform that meets
6 the criteria for receiving a mid-phase grant
7 from the education innovation and research pro-
8 gram under section 4611 of the Elementary
9 and Secondary Education Act of 1965 (20
10 U.S.C. 7261), as determined by the Secretary
11 in accordance with such section.

12 “(3) FIRST GENERATION COLLEGE STUDENT.—
13 The term ‘first generation college student’ has the
14 meaning given the term in section 402A(h).

15 “(4) INSTITUTION OF HIGHER EDUCATION.—
16 The term ‘institution of higher education’ has the
17 meaning given the term in section 101.

18 “(5) TRIBAL COLLEGE OR UNIVERSITY.—The
19 term ‘Tribal College or University’ has the meaning
20 given the term in section 316(b)(3).

21 **“SEC. 795F. SUNSET.**

22 “(a) IN GENERAL.—The authority to make grants
23 under this subpart shall expire at the end of award year
24 2029–2030.

1 “(b) INAPPLICABILITY OF GEPA CONTINGENT EX-
2 TENSION OF PROGRAMS.—Section 422 of the General
3 Education Provisions Act (20 U.S.C. 1226a) shall not
4 apply to this subpart.

5 **“SEC. 795G. APPROPRIATION.**

6 “In addition to amounts otherwise available, there is
7 appropriated for fiscal year 2022, out of any money in
8 the Treasury not otherwise appropriated, \$9,000,000,000,
9 to remain available until September 30, 2030, for carrying
10 out this subpart.”.

11 **SEC. 20023. TUITION ASSISTANCE FOR STUDENTS AT HIS-**
12 **TORICALLY BLACK COLLEGES AND UNIVER-**
13 **SITIES, TRIBAL COLLEGES AND UNIVER-**
14 **SITIES, AND MINORITY-SERVING INSTITU-**
15 **TIONS.**

16 Part F of title VII of the Higher Education Act of
17 1965 (20 U.S.C. 1133 et seq.), as added and amended
18 by this Act, is further amended by adding at the end the
19 following:

1 **“Subpart 3—Tuition Assistance for Students at His-**
2 **torically Black Colleges and Universities, Tribal**
3 **Colleges and Universities, and Minority-serving**
4 **Institutions**

5 **“SEC. 796. TUITION ASSISTANCE FOR HISTORICALLY BLACK**
6 **COLLEGES AND UNIVERSITIES.**

7 “Beginning with award year 2023–2024, from
8 amounts appropriated to carry out this subpart for any
9 fiscal year, the Secretary shall award grants to partici-
10 pating historically Black colleges and universities that are
11 eligible institutions.

12 **“SEC. 796A. TUITION ASSISTANCE FOR TRIBAL COLLEGES**
13 **AND UNIVERSITIES.**

14 “Beginning with award year 2023–2024, from
15 amounts appropriated to carry out this subpart for any
16 fiscal year, the Secretary shall award grants to partici-
17 pating Tribal Colleges and Universities that are eligible
18 institutions.

1 **“SEC. 796B. TUITION ASSISTANCE FOR ALASKA NATIVE-**
2 **SERVING INSTITUTIONS, ASIAN AMERICAN**
3 **AND NATIVE AMERICAN PACIFIC ISLANDER-**
4 **SERVING INSTITUTIONS, HISPANIC-SERVING**
5 **INSTITUTIONS, NATIVE AMERICAN-SERVING**
6 **NONTRIBAL INSTITUTIONS, NATIVE HAWAI-**
7 **IAN-SERVING INSTITUTIONS, AND PREDOMI-**
8 **NANTLY BLACK INSTITUTIONS.**

9 “(a) IN GENERAL.—Beginning with award year
10 2023–2024, from amounts appropriated to carry out this
11 subpart for any fiscal year, the Secretary shall award
12 grants to participating Alaska Native-serving institutions,
13 Asian American and Native American Pacific Islander-
14 serving institutions, Hispanic-serving institutions, Native
15 American-serving nontribal institutions, Native Hawaiian-
16 serving institutions, and Predominantly Black institutions
17 that are eligible institutions.

18 “(b) STATUS OF INSTITUTION.—An institution’s sta-
19 tus as an eligible institution described in subsection (a)
20 shall—

21 “(1) be based on the most recent data available;
22 and

23 “(2) be reviewed annually to ensure that the in-
24 stitution continues to meet the requirements for sta-
25 tus as an institution described in subsection (a).

1 **“SEC. 796C. GRANT TERMS.**

2 “(a) GRANT AMOUNT.—

3 “(1) IN GENERAL.—For each year for which an
4 eligible institution participates in the grant program
5 under this subpart, such eligible institution shall re-
6 ceive a grant in an amount equal to the product
7 of—

8 “(A) the number of eligible students en-
9 rolled at the institution for such year; and

10 “(B)(i) for the 2023–2024 award year, the
11 median resident community college tuition and
12 fees per student in all States, not weighted for
13 enrollment, for the most recent award year for
14 which data are available; and

15 “(ii) for the 2024–2025 award year and
16 each subsequent award year, the amount deter-
17 mined under this subparagraph for the pre-
18 ceding award year, increased by the lesser of—

19 “(I) a percentage equal to the esti-
20 mated percentage increase in the Con-
21 sumer Price Index (as determined by the
22 Secretary) since the date of such deter-
23 mination; or

24 “(II) 3 percent.

25 “(2) FIRST-YEAR TUITION AND FEES.—As a
26 condition of receiving a grant under this subpart, an

1 eligible institution shall not increase tuition and fees
2 during the first year of participation in the grant
3 program under this subpart at a rate greater than
4 the average annual increase at the eligible institution
5 in the previous 5 years.

6 “(3) STUDENTS ENROLLED LESS THAN FULL-
7 TIME.—The Secretary shall develop and implement a
8 formula for making adjustments to grant amounts
9 under this subpart based on the number of eligible
10 students at each eligible institution enrolled less
11 than full-time and the associated tuition and fees
12 charged to such students in proportion to the degree
13 to which each such student is not attending on a
14 full-time basis.

15 “(4) DATA ADJUSTMENTS.—

16 “(A) IN GENERAL.—The Secretary shall
17 establish a process through which each eligible
18 institution that participates in the program
19 under this section—

20 “(i) provides the necessary eligible
21 student enrollment data at the start of the
22 award year; and

23 “(ii) initially receives grant funds, as
24 calculated under this subsection, based on
25 such data.

1 “(B) ADJUSTMENT OF GRANT AMOUNT.—

2 For each year for which an eligible institution
3 receives a grant under this subpart, the Sec-
4 retary shall, once final enrollment data for such
5 year are available—

6 “(i) in consultation with the eligible
7 institution concerned, determine the actual
8 number of eligible students for the year
9 covered by the grant; and

10 “(ii) adjust the grant amount received
11 by the eligible institution to reflect the ac-
12 tual number of eligible students, which
13 may include applying the relevant adjust-
14 ment to such grant amount in the subse-
15 quent award year.

16 “(b) DUPLICATE GRANTS PROHIBITED.—An institu-
17 tion shall not receive more than one grant at a time under
18 this subpart.

19 “(c) APPLICATION.—An eligible institution that de-
20 sires a grant under this subpart shall submit an applica-
21 tion to the Secretary that includes—

22 “(1) an assurance that the institution commits
23 to maintaining, expanding, or adopting and imple-
24 menting evidence-based institutional reforms or
25 practices to improve student outcomes, which shall

1 include one or more of the practices described in sec-
2 tion 795D(b)(1); and

3 “(2) in the case of an eligible institution that
4 enrolls students who transfer from another institu-
5 tion, an assurance that the institution—

6 “(A) commits to increasing the transfer-
7 ability of individual courses within certificate or
8 associate programs offered by community col-
9 leges in the State to related baccalaureate pro-
10 grams offered by such institution to maximize
11 the transferability of credits for students who
12 transfer before completing an associate degree;

13 “(B) will ensure that students attending
14 community colleges in the State have access to
15 comprehensive counseling and other easily ac-
16 cessible tools regarding the process for transfer-
17 ring to such institution; and

18 “(C) has a formal, statewide articulation
19 agreement with community colleges in the State
20 in which such institution operates that, at a
21 minimum, ensures that associate degrees
22 awarded by community colleges in the State are
23 fully transferable to, and credited as, the first
24 2 years of related baccalaureate programs at
25 such institution.

1 “(d) USE OF FUNDS.—

2 “(1) REQUIRED USE.—Funds awarded under
3 this subpart to a participating eligible institution
4 shall be used to reduce tuition and fees for eligible
5 students by an amount that is not less than the min-
6 imum per-student amount described in paragraph
7 (2), unless the actual cost of tuition and fees at such
8 institution is not more than such per-student
9 amount, in which case such institution shall use
10 such funds to waive all such tuition and fees charged
11 to such students and use any remaining funds in ac-
12 cordance with paragraph (3).

13 “(2) MINIMUM PER-STUDENT AMOUNT.—The
14 minimum per-student amount described in this para-
15 graph shall be equal to—

16 “(A) for the 2023–2024 award year, the
17 median resident community college tuition and
18 fees per student in all States, not weighted for
19 enrollment, for the most recent award year for
20 which data are available; and

21 “(B) for the 2024–2025 award year and
22 each subsequent award year, the amount deter-
23 mined under this paragraph for the preceding
24 award year, increased by the lesser of—

1 “(i) a percentage equal to the esti-
2 mated percentage increase in the Con-
3 sumer Price Index (as determined by the
4 Secretary) since the date of such deter-
5 mination; or

6 “(ii) 3 percent.

7 “(3) ADDITIONAL USES.—A participating eligi-
8 ble institution shall use any grant funds remaining
9 after meeting the requirements of paragraph (1) to
10 provide financial aid to eligible students that may be
11 used by such students to pay for any component of
12 cost of attendance other than tuition and fees, which
13 may include emergency financial aid grants.

14 “(e) SUPPLEMENT, NOT SUPPLANT.—Funds made
15 available to carry out this subpart shall be used to supple-
16 ment, and not supplant, other Federal, State, tribal, and
17 local funds that would otherwise be expended to carry out
18 activities under this subpart.

19 “(f) SIXTY CREDITS.—Funds under this subpart may
20 only be used to waive or reduce tuition and fees for the
21 first 60 credits for which an eligible student is enrolled
22 in the participating eligible institution except that, when
23 calculating the number of credits in which the student has
24 been enrolled for the purpose of carrying out this sub-
25 part—

1 “(1) no student shall be considered to have
2 been enrolled for more than 12 credits per semester
3 (or the equivalent) during the period for which the
4 student is receiving benefits under this subpart; and

5 “(2) the participating eligible institution may
6 exclude any credits that a student enrolled in and
7 did not complete at such institution if the institution
8 determines that such exclusion would be in the best
9 interest of the student, except that an institution
10 may exclude no more than 15 credits under this
11 paragraph for each individual student.

12 “(g) ELIGIBILITY FOR BENEFITS.—No individual
13 shall be determined to be ineligible to receive benefits pro-
14 vided under this subpart (including reduction of tuition
15 and fees and other aid provided under this subpart) on
16 the basis of citizenship, alienage, or immigration status.

17 **“SEC. 796D. DEFINITIONS.**

18 “In this subpart:

19 “(1) ALASKA NATIVE-SERVING INSTITUTION.—
20 The term ‘Alaska Native-serving institution’ has the
21 meaning given such term in section 317(b).

22 “(2) ASIAN AMERICAN AND NATIVE AMERICAN
23 PACIFIC ISLANDER-SERVING INSTITUTION.—The
24 term ‘Asian American and Native American Pacific

1 Islander-serving institution’ has the meaning given
2 such term in section 371(c).

3 “(3) COST OF ATTENDANCE.—The term ‘cost of
4 attendance’ has the meaning given such term in sec-
5 tion 472.

6 “(4) ELIGIBLE INSTITUTION.—

7 “(A) IN GENERAL.—The term ‘eligible in-
8 stitution’ means a public or nonprofit 4-year in-
9 stitution of higher education that has an under-
10 graduate student body of which not less than
11 35 percent are low-income students.

12 “(B) CONTINUING ELIGIBILITY.—The Sec-
13 retary’s determination of whether an institution
14 meets the requirement under subparagraph (A)
15 shall be based on the most recent data avail-
16 able, and shall be reviewed annually to ensure
17 that the institution continues to meet the re-
18 quirements for participation.

19 “(5) ELIGIBLE STUDENT.—

20 “(A) IN GENERAL.—The term ‘eligible stu-
21 dent’ means a student, regardless of age, who—

22 “(i) is enrolled as an undergraduate
23 student in an eligible program (as defined
24 in section 481(b)) at a participating eligi-

1 ble institution, on at least a half-time
2 basis;

3 “(ii) is a low-income student;

4 “(iii) has been enrolled at such par-
5 ticipating eligible institution under this
6 subpart for not more than 60 credits, sub-
7 ject to section 796C(f);

8 “(iv) has not been enrolled (whether
9 full-time or less than full-time) for more
10 than 6 semesters (or the equivalent) for
11 which the student received a benefit under
12 this subpart;

13 “(v) is not enrolled in a dual or con-
14 current enrollment program or early col-
15 lege high school;

16 “(vi) has not completed an under-
17 graduate baccalaureate course of study;
18 and

19 “(vii) in the case of a student who is
20 a United States citizen, has filed a Free
21 Application for Federal Student Aid de-
22 scribed in section 483 for the applicable
23 award year for which the student is en-
24 rolled.

1 “(B) CONTINUED ELIGIBILITY.—In the
2 case of an eligible student who receives assist-
3 ance under this subpart and attends an institu-
4 tion that loses status as an eligible institution
5 or as an institution described in section
6 796B(a), the student may continue to receive
7 such assistance for the period for which the stu-
8 dent would have been eligible if the institution
9 at which they are enrolled had retained such
10 status.

11 “(6) HISPANIC-SERVING INSTITUTION.—The
12 term ‘Hispanic-serving institution’ has the meaning
13 given such term in section 502.

14 “(7) HISTORICALLY BLACK COLLEGE OR UNI-
15 VERSITY.—The term ‘historically Black college or
16 university’ means a part B institution as defined in
17 section 322.

18 “(8) LOW-INCOME STUDENT.—The term ‘low-
19 income student’ means a student who meets the fi-
20 nancial eligibility criteria for receiving a Federal Pell
21 Grant under section 401, regardless of whether such
22 student is otherwise eligible to receive such Federal
23 Pell Grant.

24 “(9) NATIVE AMERICAN-SERVING NONTRIBAL
25 INSTITUTION.—The term ‘Native American-serving

1 nontribal institution’ has the meaning given such
2 term in section 319.

3 “(10) NATIVE HAWAIIAN-SERVING INSTITU-
4 TION.—The term ‘Native Hawaiian-serving institu-
5 tion’ has the meaning given such term in section
6 317(b).

7 “(11) PREDOMINANTLY BLACK INSTITUTION.—
8 The term ‘Predominantly Black institution’ has the
9 meaning given such term in section 371(c).

10 “(12) TRIBAL COLLEGE OR UNIVERSITY.—The
11 term ‘Tribal College or University’ has the meaning
12 given such term in section 316(b)(3).

13 **“SEC. 796E. SUNSET.**

14 “(a) IN GENERAL.—The authority to make grants
15 under this subpart shall expire at the end of award year
16 2029–2030.

17 “(b) INAPPLICABILITY OF GEPA CONTINGENT EX-
18 TENSION OF PROGRAMS.—Section 422 of the General
19 Education Provisions Act (20 U.S.C. 1226a) shall not
20 apply to this subpart.

21 **“SEC. 796F. APPROPRIATION.**

22 “In addition to amounts otherwise available, there is
23 appropriated for fiscal year 2022, out of any money in
24 the Treasury not otherwise appropriated, such sums as

1 may be necessary, to remain available until September 30,
2 2030, for carrying out this subpart.”.

3 **SEC. 20024. NORTHERN MARIANA ISLANDS, AMERICAN**
4 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
5 **AND GUAM COLLEGE ACCESS.**

6 Part F of title VII of the Higher Education Act of
7 1965 (20 U.S.C. 1133 et seq.), as added and amended
8 by this Act, is further amended by adding at the end the
9 following:

10 **“SEC. 798. NORTHERN MARIANA ISLANDS, AMERICAN**
11 **SAMOA, UNITED STATES VIRGIN ISLANDS,**
12 **AND GUAM COLLEGE ACCESS GRANTS.**

13 “(a) GRANTS.—

14 “(1) GRANT AMOUNTS.—

15 “(A) IN GENERAL.—Beginning with award
16 year 2023–2024, from amounts appropriated to
17 carry out this section, the Secretary shall pro-
18 vide such sums as may be necessary to the Gov-
19 ernors of each outlying area for such Governors
20 to award grants to eligible institutions that en-
21 roll eligible students to pay the difference be-
22 tween the tuition and fees charged for in-State
23 students and the tuition and fees charged for
24 out-of-State students on behalf of each eligible
25 student enrolled in the eligible institution.

1 “(B) MAXIMUM STUDENT AMOUNTS.—The
2 amount paid on behalf of an eligible student
3 under this section shall be—

4 “(i) not more than \$15,000 for any
5 one award year (as defined in section 481);
6 and

7 “(ii) not more than \$75,000 in the
8 aggregate.

9 “(C) PRORATION.—The Governor shall
10 prorate payments under this section with re-
11 spect to eligible students who attend an eligible
12 institution on less than a full-time basis.

13 “(2) APPLICATION.—Each eligible student de-
14 siring a payment under this section shall submit an
15 application to the eligible institution at which such
16 student is enrolled or plans to enroll.

17 “(3) ELIGIBILITY FOR BENEFITS.—No indi-
18 vidual shall be determined to be ineligible to receive
19 benefits provided under this subpart (including tui-
20 tion payments and other aid provided under this
21 subpart) on the basis of citizenship, alienage, or im-
22 migration status.

23 “(b) ADMINISTRATION OF PROGRAM.—

24 “(1) IN GENERAL.—Each Governor shall carry
25 out the program under this section in consultation

1 with the Secretary. Each Governor may enter into a
2 grant, contract, or cooperative agreement with an-
3 other public or private entity to administer the pro-
4 gram under this section.

5 “(2) MEMORANDUM OF AGREEMENT.—Each
6 Governor and the Secretary shall enter into a memo-
7 randum of agreement that describes—

8 “(A) the manner in which the Governor
9 will consult with the Secretary with respect to
10 administering the program under this section;
11 and

12 “(B) any technical or other assistance to
13 be provided to the Governor by the Secretary
14 for purposes of administering the program
15 under this section (which may include access to
16 the information in the Free Application for
17 Federal Student Aid described in section 483).

18 “(3) CONSTRUCTION.—Nothing in this section
19 shall be construed to require an institution of higher
20 education to alter the institution’s admissions poli-
21 cies or standards in any manner to enable an eligible
22 student to enroll in the institution.

23 “(4) GRANT AUTHORITY.—The authority to
24 make grants under this section shall expire at the
25 end of award year 2029–2030.

1 “(c) INAPPLICABILITY OF GEPA CONTINGENT EX-
2 TENSION OF PROGRAMS.—Section 422 of the General
3 Education Provisions Act (20 U.S.C. 1226a) shall not
4 apply to this section.

5 “(d) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
7 ble institution’ means an institution that—

8 “(A) is a public four-year institution of
9 higher education located in one of the several
10 States of the United States, the District of Co-
11 lumbia, Puerto Rico, or an outlying area;

12 “(B) is eligible to participate in the stu-
13 dent financial assistance programs under title
14 IV; and

15 “(C) enters into an agreement with the
16 Governor of an outlying area, or with two or
17 more of such Governors (except that such insti-
18 tution may not enter into an agreement with
19 the Governor of the outlying area in which such
20 institution is located), containing such condi-
21 tions as each Governor may specify, including a
22 requirement that the institution use the funds
23 made available under this section to supplement
24 and not supplant assistance that otherwise

1 would be provided to eligible students from out-
2 lying areas.

3 “(2) ELIGIBLE STUDENT.—The term ‘eligible
4 student’ means an individual who—

5 “(A) was domiciled in an outlying area for
6 not less than 12 consecutive months preceding
7 the commencement of the freshman year at an
8 institution of higher education;

9 “(B) has not completed an undergraduate
10 baccalaureate course of study;

11 “(C) begins the individual’s course of study
12 at an eligible institution within 3 calendar years
13 (excluding any period of service on active duty
14 in the Armed Forces or service under the Peace
15 Corps Act (22 U.S.C. 2501 et seq.) or subtitle
16 D of title I of the National and Community
17 Service Act of 1990 (42 U.S.C. 12571 et seq.))
18 of—

19 “(i) graduation from secondary
20 school, or obtaining the recognized equiva-
21 lent of a secondary school diploma; or

22 “(ii) transfer from an institution of
23 higher education located in an outlying
24 area (including transfer following the com-

1 pletion of an associate degree or certificate
2 at such institution); and

3 “(D) is enrolled or accepted for enrollment,
4 on at least a half-time basis, in a baccalaureate
5 degree or other program (including a program
6 of study abroad approved for credit by the insti-
7 tution at which such student is enrolled) lead-
8 ing to a recognized educational credential at an
9 eligible institution.

10 “(3) INSTITUTION OF HIGHER EDUCATION.—
11 The term ‘institution of higher education’ has the
12 meaning given the term in section 101.

13 “(4) GOVERNOR.—The term ‘Governor’ means
14 the Governor of an outlying area.

15 “(5) OUTLYING AREA.—The term ‘outlying
16 area’ means the Northern Mariana Islands, Amer-
17 ican Samoa, the United States Virgin Islands, and
18 Guam.

19 “(e) APPROPRIATIONS.—In addition to amounts oth-
20 erwise available, there is appropriated for fiscal year 2022,
21 out of any money in the Treasury not otherwise appro-
22 priated, such sums as may be necessary, to remain avail-
23 able until September 30, 2030, for carrying out this sec-
24 tion.”.

1 **Subpart B—Pell Grants and Student Loans**

2 **SEC. 20031. INCREASING THE MAXIMUM FEDERAL PELL**
3 **GRANT.**

4 (a) AWARD YEAR 2022–2023.—Section 401(b)(7) of
5 the Higher Education Act of 1965 (20 U.S.C.
6 1070a(b)(7)) is amended—

7 (1) in subparagraph (A)(iii), by inserting “and
8 such sums as may be necessary for fiscal year 2022
9 to carry out the \$500 increase provided under sub-
10 paragraph (C)(iii)” before “; and”; and

11 (2) in subparagraph (C)(iii), by inserting before
12 the period at the end the following: “, except that,
13 for award year 2022–2023, such amount shall be in-
14 creased by \$500”.

15 (b) SUBSEQUENT AWARD YEARS THROUGH 2029–
16 2030.—

17 (1) IN GENERAL.—Section 401(b) of the High-
18 er Education Act of 1965 (20 U.S.C. 1070a(b)), as
19 amended by section 703 of the FAFSA Simplifica-
20 tion Act (title VII of division FF of Public Law
21 116–260), is amended—

22 (A) in paragraph (5)(A)—

23 (i) in clause (i), by striking “and”
24 after the semicolon;

25 (ii) by redesignating clause (ii) as
26 clause (iii); and

1 (iii) by inserting after clause (i) the
2 following:

3 “(ii) for each of award years 2023–
4 2024 through 2029–2030, an additional
5 \$500; and”; and

6 (B) in paragraph (6)(A)—

7 (i) in clause (i)—

8 (I) by striking “appropriated)
9 such” and inserting the following:

10 “appropriated)—

11 “(I) such”; and

12 (II) by adding at the end the fol-
13 lowing:

14 “(II) such sums as are necessary
15 to carry out paragraph (5)(A)(ii) for
16 each of fiscal years 2023 through
17 2029; and”; and

18 (ii) in clause (ii), by striking
19 “(5)(A)(ii)” and inserting “(5)(A)(iii)”.

20 (2) EFFECTIVE DATE.—The amendments made
21 by paragraph (1) shall take effect as if included in
22 section 703 of the FAFSA Simplification Act (title
23 VII of division FF of Public Law 116–260) and in
24 accordance with section 701(b) of such Act.

1 **SEC. 20032. FEDERAL STUDENT AID ELIGIBILITY.**

2 Section 484(a)(5) of the Higher Education Act of
3 1965 (20 U.S.C. 1091(a)(5)) is amended by inserting “,
4 or, with respect to any grant, loan, or work assistance re-
5 ceived under this title for award years 2022–2023 through
6 2029–2030, be subject to a grant of deferred enforced de-
7 parture or have deferred action pursuant to the Deferred
8 Action for Childhood Arrivals policy of the Secretary of
9 Homeland Security or temporary protected status under
10 section 244 of the Immigration and Nationality Act (8
11 U.S.C. 1254a)” after “becoming a citizen or permanent
12 resident”.

13 **SEC. 20033. ACTIVE DUTY DEFERMENT PERIODS COUNTED**
14 **TOWARD PUBLIC SERVICE LOAN FORGIVE-**
15 **NESS.**

16 Section 455(m) of the Higher Education Act of 1965
17 (20 U.S.C. 1087e(m)) is amended—

18 (1) by redesignating paragraphs (2) through
19 (4) as paragraphs (3) through (5), respectively; and

20 (2) in paragraph (1), in the matter preceding
21 subparagraph (A), by striking “paragraph (2)” and
22 inserting “paragraph (3)”; and

23 (3) by inserting after paragraph (1) the fol-
24 lowing:

25 “(2) ACTIVE DUTY DEFERMENT PERIODS.—

1 “(A) IN GENERAL.—Notwithstanding para-
2 graph(1)(A) and subject to subparagraph (B),
3 the Secretary shall deem each month for which
4 a loan payment was in deferment under sub-
5 section (f)(2) of this section or for which a loan
6 payment was in forbearance under section
7 685.205(a)(7) of title 34, Code of Federal Reg-
8 ulations, (or similar successor regulations), for
9 a borrower described in subsection (f)(2)(C) as
10 if the borrower of the loan had made a payment
11 for the purpose of public service loan forgive-
12 ness under this subsection.

13 “(B) LIMITATION.—Subparagraph (A)
14 shall apply only to eligible Federal Direct Loans
15 originated before the first day of fiscal year
16 2031.”.

17 **Subpart C—Investments in Historically Black Col-**
18 **leges and Universities, Tribal Colleges and Uni-**
19 **versities, and Minority-Serving Institutions**

20 **SEC. 20041. INSTITUTIONAL AID.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated for fiscal year 2022, out
23 of any money in the Treasury not otherwise appro-
24 priated—

1 (1) \$113,738,000, to remain available until
2 September 30, 2022, for carrying out section
3 371(b)(2)(B) of the Higher Education Act of 1965
4 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2022;

5 (2) \$113,738,000, to remain available until
6 September 30, 2023, for carrying out section
7 371(b)(2)(B) of the Higher Education Act of 1965
8 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2023;

9 (3) \$113,738,000, to remain available until
10 September 30, 2024, for carrying out section
11 371(b)(2)(B) of the Higher Education Act of 1965
12 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2024;

13 (4) \$113,738,000, to remain available until
14 September 30, 2025, for carrying out section
15 371(b)(2)(B) of the Higher Education Act of 1965
16 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2025;

17 (5) \$113,738,000, to remain available until
18 September 30, 2026, for carrying out section
19 371(b)(2)(B) of the Higher Education Act of 1965
20 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2026;

21 (6) \$113,738,000, to remain available until
22 September 30, 2022, for carrying out section
23 371(b)(2)(C) of the Higher Education Act of 1965
24 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2022;

1 (7) \$113,738,000, to remain available until
2 September 30, 2023, for carrying out section
3 371(b)(2)(C) of the Higher Education Act of 1965
4 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2023;

5 (8) \$113,738,000, to remain available until
6 September 30, 2024, for carrying out section
7 371(b)(2)(C) of the Higher Education Act of 1965
8 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2024;

9 (9) \$113,738,000, to remain available until
10 September 30, 2025, for carrying out section
11 371(b)(2)(C) of the Higher Education Act of 1965
12 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2025;

13 (10) \$113,738,000, to remain available until
14 September 30, 2026, for carrying out section
15 371(b)(2)(C) of the Higher Education Act of 1965
16 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2026;

17 (11) \$34,104,000, to remain available until
18 September 30, 2022, for carrying out section
19 371(b)(2)(D)(i) of the Higher Education Act of
20 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year
21 2022;

22 (12) \$34,104,000, to remain available until
23 September 30, 2023, for carrying out section
24 371(b)(2)(D)(i) of the Higher Education Act of

1 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year
2 2023;

3 (13) \$34,104,000, to remain available until
4 September 30, 2024, for carrying out section
5 371(b)(2)(D)(i) of the Higher Education Act of
6 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year
7 2024;

8 (14) \$34,104,000, to remain available until
9 September 30, 2025, for carrying out section
10 371(b)(2)(D)(i) of the Higher Education Act of
11 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year
12 2025;

13 (15) \$34,104,000, to remain available until
14 September 30, 2026, for carrying out section
15 371(b)(2)(D)(i) of the Higher Education Act of
16 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year
17 2026;

18 (16) \$17,052,000, to remain available until
19 September 30, 2022, for carrying out section
20 371(b)(2)(D)(ii) of the Higher Education Act of
21 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year
22 2022;

23 (17) \$17,052,000, to remain available until
24 September 30, 2023, for carrying out section
25 371(b)(2)(D)(ii) of the Higher Education Act of

1 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year
2 2023;

3 (18) \$17,052,000, to remain available until
4 September 30, 2024, for carrying out section
5 371(b)(2)(D)(ii) of the Higher Education Act of
6 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year
7 2024;

8 (19) \$17,052,000, to remain available until
9 September 30, 2025, for carrying out section
10 371(b)(2)(D)(ii) of the Higher Education Act of
11 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year
12 2025;

13 (20) \$17,052,000, to remain available until
14 September 30, 2026, for carrying out section
15 371(b)(2)(D)(ii) of the Higher Education Act of
16 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year
17 2026;

18 (21) \$5,684,000, to remain available until Sep-
19 tember 30, 2022, for carrying out section
20 371(b)(2)(D)(iii) of the Higher Education Act of
21 1965 (20 U.S.C. 1067q(b)(2)(D)(iii)) in fiscal year
22 2022;

23 (22) \$5,684,000, to remain available until Sep-
24 tember 30, 2023, for carrying out section
25 371(b)(2)(D)(iii) of the Higher Education Act of

1 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year
2 2023;

3 (23) \$5,684,000, to remain available until Sep-
4 tember 30, 2024, for carrying out section
5 371(b)(2)(D)(iii) of the Higher Education Act of
6 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year
7 2024;

8 (24) \$5,684,000, to remain available until Sep-
9 tember 30, 2025, for carrying out section
10 371(b)(2)(D)(iii) of the Higher Education Act of
11 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year
12 2025;

13 (25) \$5,684,000, to remain available until Sep-
14 tember 30, 2026, for carrying out section
15 371(b)(2)(D)(iii) of the Higher Education Act of
16 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year
17 2026;

18 (26) \$5,684,000, to remain available until Sep-
19 tember 30, 2022, for carrying out section
20 371(b)(2)(D)(iv) of the Higher Education Act of
21 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year
22 2022;

23 (27) \$5,684,000, to remain available until Sep-
24 tember 30, 2023, for carrying out section
25 371(b)(2)(D)(iv) of the Higher Education Act of

1 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year
2 2023;

3 (28) \$5,684,000, to remain available until Sep-
4 tember 30, 2024, for carrying out section
5 371(b)(2)(D)(iv) of the Higher Education Act of
6 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year
7 2024;

8 (29) \$5,684,000, to remain available until Sep-
9 tember 30, 2025, for carrying out section
10 371(b)(2)(D)(iv) of the Higher Education Act of
11 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year
12 2025; and

13 (30) \$5,684,000, to remain available until Sep-
14 tember 30, 2026, for carrying out section
15 371(b)(2)(D)(iv) of the Higher Education Act of
16 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year
17 2026;

18 (b) USE OF FUNDS.—The Secretary shall use 15 per-
19 cent of each of the amounts appropriated under para-
20 graphs (6) through (10) of subsection (a) to award 25 ad-
21 ditional grants under section 371(b)(2)(C)(ii).

22 **SEC. 20042. RESEARCH AND DEVELOPMENT INFRASTRUC-**
23 **TURE COMPETITIVE GRANT PROGRAM.**

24 Title III of the Higher Education Act of 1965 (20
25 U.S.C. 1051 et seq.) is amended—

1 (1) by redesignating part G as part H; and

2 (2) by inserting after section 371 the following:

3 **“PART G—IMPROVING RESEARCH & DEVELOP-**
4 **MENT INFRASTRUCTURE FOR MINORITY-**
5 **SERVING INSTITUTIONS**

6 **“SEC. 381. IMPROVING RESEARCH & DEVELOPMENT INFRA-**
7 **STRUCTURE FOR MINORITY-SERVING INSTI-**
8 **TUTIONS.**

9 “(a) ELIGIBLE INSTITUTION.—In this section, the
10 term ‘eligible institution’ means an institution that—

11 “(1) is described in section 371(a);

12 “(2) is a 4-year institution; and

13 “(3) is not an institution classified as very high
14 research activity by the Carnegie Classification of
15 Institutions of Higher Education.

16 “(b) AUTHORIZATION OF GRANT PROGRAMS.—

17 “(1) PLANNING GRANTS.—The Secretary shall
18 award planning grants, on a competitive basis, to eli-
19 gible institutions to assist the eligible institutions in
20 developing a strategic plan, assessing capacity, and
21 carrying out other activities to develop and submit
22 an application for an implementation grant under
23 paragraph (2) to support research and development
24 infrastructure. Planning grants awarded under this
25 paragraph shall be for a period of 1 to 2 years.

1 “(2) IMPLEMENTATION GRANTS.—The Sec-
2 retary shall award implementation grants, on a com-
3 petitive basis, to eligible institutions to assist the eli-
4 gible institutions in supporting research and develop-
5 ment infrastructure. Implementation grants awarded
6 under this paragraph shall be for a period of 1 to
7 5 years.

8 “(c) APPLICATIONS.—

9 “(1) IN GENERAL.—

10 “(A) PLANNING GRANTS.—An eligible in-
11 stitution that desires to receive a planning
12 grant under subsection (b)(1) shall submit an
13 application to the Secretary. Such application
14 shall include—

15 “(i) a description of the activities that
16 will be carried out with grant funds; and

17 “(ii) an assurance that the grant
18 funds provided under subsection (b)(1)
19 shall be used to supplement, and not sup-
20 plant, other Federal, State, tribal, and
21 local funds that would otherwise be ex-
22 pended to develop a plan, assess capacity,
23 or carry out other activities related to re-
24 search and development infrastructure.

25 “(B) IMPLEMENTATION GRANTS.—

1 “(i) IN GENERAL.—An eligible institu-
2 tion that desires to receive an implementa-
3 tion grant under subsection (b)(2) shall
4 submit an application to the Secretary.
5 Such application shall include—

6 “(I) a description of the projects
7 that will be carried out with grant
8 funds and, in the case of an institu-
9 tion that was previously awarded a
10 planning grant under subsection
11 (b)(1), the strategic plan developed as
12 part of such planning grant;

13 “(II) a description of how such
14 projects will support the research and
15 development infrastructure of the in-
16 stitution; and

17 “(III) an assurance that the
18 grant funds provided under subsection
19 (b)(2) shall be used to supplement,
20 and not supplant, other Federal,
21 State, tribal, and local funds that
22 would otherwise be expended to sup-
23 port research and development infra-
24 structure.

1 “(2) CONSORTIA.—An eligible institution may
2 apply to receive a grant under this section on behalf
3 of a consortium, which may include institutions clas-
4 sified as very high research activity by the Carnegie
5 Classification of Institutions of Higher Education,
6 two-year institutions of higher education, and other
7 academic partners, philanthropic organizations, and
8 industry partners, provided that the eligible institu-
9 tion is the lead member and fiscal agent of the con-
10 sortium.

11 “(3) NO COMPREHENSIVE DEVELOPMENT
12 PLAN.—The requirement under section 391(b)(1)
13 shall not apply to grants awarded under this section.

14 “(d) PRIORITY IN AWARDS.—In awarding planning
15 and implementation grants under this section, the Sec-
16 retary shall give priority to eligible institutions that meet
17 any of the following:

18 “(1) Received less than \$10,000,000 for the
19 previous fiscal year for research and development
20 from all Federal sources combined, except that, in
21 the case of an eligible institution being considered
22 for an implementation grant, the calculation of such
23 amount shall not include a planning grant under
24 this section.

1 “(2) In the case of eligible institutions being
2 considered for an implementation grant, have re-
3 ceived a planning grant under this section and have
4 developed and submitted to the Secretary a high-
5 quality strategic plan, in accordance with the re-
6 quirements of such planning grant.

7 “(e) USE OF FUNDS.—

8 “(1) PLANNING GRANTS.—An eligible institu-
9 tion that receives a planning grant under subsection
10 (b)(1) shall use the grant funds to develop a stra-
11 tegic plan, assess capacity, and carry out other ac-
12 tivities to develop and submit an application for an
13 implementation grant to support research and devel-
14 opment infrastructure. In carrying out the activities
15 under such grant, each such eligible institution—

16 “(A) shall develop a high-quality strategic
17 plan for improving institutional research and
18 development infrastructure that includes—

19 “(i) an assessment of the existing in-
20 stitutional research capacity and research
21 and development infrastructure; and

22 “(ii) a detailed description of how re-
23 search and development infrastructure
24 funds provided by an implementation grant
25 under this section would be used to in-

1 crease institutional research capacity and
2 support research and development infra-
3 structure; and

4 “(B) in developing such strategic plan,
5 may work in partnership with entities described
6 in subsection (c)(2) to identify and secure non-
7 Federal funding to support research and devel-
8 opment infrastructure.

9 “(2) IMPLEMENTATION GRANTS.—An eligible
10 institution that receives an implementation grant
11 under subsection (b)(2) shall use the grant funds to
12 support research and development infrastructure,
13 which shall include carrying out at least one of the
14 following activities:

15 “(A) Providing funding for a program
16 under paragraph (1), (2), or (9) of section
17 311(c) or under paragraph (1), (2), or (8) of
18 section 503(b) related to research and develop-
19 ment infrastructure that is being carried out by
20 the eligible institution on the date on which the
21 eligible institution receives a grant under this
22 section.

23 “(B) Providing for the improvement of in-
24 frastructure existing on the date of the grant
25 award, including deferred maintenance, or the

1 establishment of new physical infrastructure,
2 including instructional program spaces, labora-
3 tories, or research facilities relating to the fields
4 of science, technology, engineering, the arts,
5 mathematics, health, agriculture, education,
6 medicine, law, and other disciplines.

7 “(C) Hiring and retaining faculty, stu-
8 dents, research-related staff, or other personnel,
9 including research personnel skilled in oper-
10 ating, using, or applying technology, equipment,
11 or devices used to conduct or support research.

12 “(D) Supporting research internships and
13 fellowships for students, including under-
14 graduate, graduate, and post-doctoral positions,
15 which may include providing direct student fi-
16 nancial assistance to such students.

17 “(E) Creating new, or expanding existing,
18 academic positions, including internships, fel-
19 lowships, and post-doctoral positions, in fields
20 of research for which research and development
21 infrastructure funds have been awarded under
22 this section.

23 “(F) Creating and supporting inter- and
24 intra-institutional research centers (including
25 formal and informal communities of practice) in

1 fields of research for which research and devel-
2 opment infrastructure funds have been awarded
3 under this section, including hiring staff, pur-
4 chasing supplies and equipment, and funding
5 travel to relevant conferences and seminars to
6 support the work of such centers.

7 “(G) Building new institutional support
8 structures and departments that help faculty
9 learn about, and increase faculty and student
10 access to, Federal research and development
11 grant funds and non-Federal academic research
12 grants.

13 “(H) Building data and collaboration in-
14 frastructure so that early findings and research
15 can be securely shared to facilitate peer review
16 and other appropriate collaboration.

17 “(I) Providing programs of study and
18 courses in fields of research for which research
19 and development infrastructure funds have been
20 awarded under this section.

21 “(J) Paying operating and administrative
22 expenses for, and coordinating project partner-
23 ships with members of, a consortium described
24 in subsection (c)(2) on behalf of which the eligi-

1 ble institution has received a grant under this
2 section.

3 “(K) Installing or extending the life and
4 usability of basic systems and components of
5 campus facilities related to research, including
6 high-speed broadband internet infrastructure
7 sufficient to support digital and technology-
8 based learning.

9 “(L) Expanding, remodeling, renovating,
10 or altering biomedical and behavioral research
11 facilities existing on the date of the grant
12 award that receive support under section 404I
13 of the Public Health Service Act (42 U.S.C.
14 283k).

15 “(M) Acquiring and installing furniture,
16 fixtures, and instructional research-related
17 equipment and technology for academic instruc-
18 tion in campus facilities in fields of research for
19 which research and development infrastructure
20 funds have been awarded under this section.

21 “(N) Providing increased funding to pro-
22 grams that support research and development
23 at the eligible institution that are funded by
24 National Institutes of Health, including the

1 Path to Excellence and Innovation program
2 with the National Institutes of Health.

3 “(f) ELIGIBILITY FOR BENEFITS.—No individual
4 shall be determined to be ineligible to receive benefits pro-
5 vided with grant funds awarded under this section (includ-
6 ing direct student financial assistance) on the basis of citi-
7 zenship, alienage, or immigration status.

8 “(g) SUNSET.—

9 “(1) IN GENERAL.—The authority to make—
10 “(A) planning grants under subsection
11 (b)(1) shall expire at the end of fiscal year
12 2025; and

13 “(B) implementation grants under sub-
14 section (b)(2) shall expire at the end of fiscal
15 year 2027.

16 “(2) INAPPLICABILITY OF GEPA CONTINGENT
17 EXTENSION OF PROGRAMS.—Section 422 of the
18 General Education Provisions Act (20 U.S.C.
19 1226a) shall not apply to this section.

20 “(h) APPROPRIATIONS.—In addition to amounts oth-
21 erwise available, there is appropriated for fiscal year 2022,
22 out of any money in the Treasury not otherwise appro-
23 priated, \$2,000,000,000, to remain available until Sep-
24 tember 30, 2028, for carrying out this section.”.

1 **PART 3—MISCELLANEOUS**

2 **SEC. 20051. OFFICE OF INSPECTOR GENERAL.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Department of Education for fiscal
5 year 2022, out of any money in the Treasury not otherwise
6 appropriated, \$35,000,000, to remain available until ex-
7 pended, for the Office of Inspector General of the Depart-
8 ment of Education, for salaries and expenses necessary for
9 oversight, investigations, and audits of programs, grants,
10 and projects funded under this subtitle and sections 22101
11 and 22102 carried out by the Office of Inspector General.

12 **SEC. 20052. PROGRAM ADMINISTRATION FUNDS.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Department of Education for fiscal
15 year 2022, out of any money in the Treasury not otherwise
16 appropriated, \$738,000,000, to remain available until ex-
17 pended, for necessary administrative expenses associated
18 with carrying out this subtitle and sections 22101 and
19 22102.

20 **SEC. 20053. STUDENT AID ADMINISTRATION.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Department of Education for fiscal
23 year 2022, out of any money in the Treasury not otherwise
24 appropriated, \$91,000,000, to remain available through
25 September 30, 2030, for Student Aid Administration with-

1 in the Department of Education for necessary administra-
2 tive expenses associated with carrying out this subtitle.

3 **Subtitle B—Labor Matters**

4 **SEC. 21001. DEPARTMENT OF LABOR.**

5 In addition to amounts otherwise available, out of any
6 money in the Treasury not otherwise appropriated, there
7 are appropriated to the Department of Labor for fiscal
8 year 2022, to remain available until September 30, 2026,
9 the following amounts:

10 (1) \$195,000,000 to the Employee Benefits Se-
11 curity Administration for carrying out enforcement
12 activities.

13 (2) \$707,000,000 to the Occupational Safety
14 and Health Administration for carrying out enforce-
15 ment, standards development, whistleblower inves-
16 tigation, compliance assistance, funding for State
17 plans, and related activities within the Occupational
18 Safety and Health Administration.

19 (3) \$133,000,000 to the Mine Safety and
20 Health Administration for carrying out enforcement,
21 standard setting, technical assistance, and related
22 activities.

23 (4) \$405,000,000 to the Wage and Hour Divi-
24 sion for carrying out activities.

1 (5) \$121,000,000 to the Office of Workers'
2 Compensation Programs for carrying out activities
3 of the Office relating to claims activity, policy and
4 standards development, and monitoring of State
5 workers' compensation programs.

6 (6) \$201,000,000 to the Office of Federal Con-
7 tract Compliance Programs for carrying out audit,
8 investigation, enforcement, and compliance assist-
9 ance, and other activities.

10 (7) \$176,000,000 to the Office of the Solicitor
11 for carrying out necessary legal support for activities
12 carried out by the Office related to and in support
13 of the activities of those Department of Labor agen-
14 cies receiving additional funding in this section.

15 **SEC. 21002. NATIONAL LABOR RELATIONS BOARD.**

16 In addition to amounts otherwise available, out of any
17 money in the Treasury not otherwise appropriated, there
18 are appropriated to the National Labor Relations Board
19 for fiscal year 2022, \$350,000,000, to remain available
20 until September 30, 2026, for carrying out the activities
21 of the Board, of which not more than \$5,000,000 shall
22 be for the implementation of systems to conduct electronic
23 voting for union representation elections.

1 **SEC. 21003. EQUAL EMPLOYMENT OPPORTUNITY COMMIS-**
2 **SION.**

3 In addition to amounts otherwise available, out of any
4 money in the Treasury not otherwise appropriated, there
5 are appropriated to the Equal Employment Opportunity
6 Commission for fiscal year 2022, \$321,000,000, to remain
7 available until September 30, 2026, for carrying out inves-
8 tigation, enforcement, outreach, and related activities.

9 **SEC. 21004. ADJUSTMENT OF CIVIL PENALTIES.**

10 (a) OCCUPATIONAL SAFETY AND HEALTH ACT OF
11 1970.—Section 17 of the Occupational Safety and Health
12 Act of 1970 (29 U.S.C. 666) is amended—

13 (1) in subsection (a)—

14 (A) by striking “\$70,000” and inserting
15 “\$700,000”; and

16 (B) by striking “\$5,000” and inserting
17 “\$50,000”;

18 (2) in subsection (b), by striking “\$7,000” and
19 inserting “\$70,000”; and

20 (3) in subsection (d), by striking “\$7,000” and
21 inserting “\$70,000”.

22 (b) FAIR LABOR STANDARDS ACT OF 1938.—Section
23 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C.
24 216(e)) is amended—

25 (1) in paragraph (1)(A)—

1 (A) in clause (i), by striking “\$11,000”
2 and inserting “\$132,270”; and

3 (B) in clause (ii), by striking “\$50,000”
4 and inserting “\$601,150”; and

5 (2) in paragraph (2)—

6 (A) in the first sentence, by striking
7 “\$1,100” and inserting “\$20,740”; and

8 (B) in the second sentence, by striking
9 “\$1,100” and inserting “\$11,620”.

10 (c) **MIGRANT AND SEASONAL AGRICULTURAL WORK-**
11 **ER PROTECTION ACT.**—Section 503(a)(1) of the Migrant
12 and Seasonal Agricultural Worker Protection Act (29
13 U.S.C. 1853(a)(1)) is amended by striking “\$1,000” and
14 inserting “\$25,790”.

15 (d) **EFFECTIVE DATE.**—The amendments made by
16 this section shall take effect on January 1, 2022.

17 **SEC. 21005. CIVIL MONETARY PENALTIES FOR PARITY VIO-**
18 **LATIONS.**

19 (a) **CIVIL MONETARY PENALTIES RELATING TO PAR-**
20 **ITY IN MENTAL HEALTH AND SUBSTANCE USE DIS-**
21 **ORDERS.**—Section 502(c)(10) of the Employee Retirement
22 Income Security Act of 1974 (29 U.S.C. 1132(c)(10)(A))
23 is amended—

24 (1) in the heading, by striking “USE OF GE-

25 **NETIC INFORMATION**” and inserting “USE OF GE-

1 NETIC INFORMATION AND PARITY IN MENTAL
2 HEALTH AND SUBSTANCE USE DISORDER BENE-
3 FITS”; and

4 (2) in subparagraph (A)—

5 (A) by striking “any plan sponsor of a
6 group health plan” and inserting “any plan
7 sponsor or plan administrator of a group health
8 plan”; and

9 (B) by striking “for any failure” and all
10 that follows through “in connection with the
11 plan.” and inserting “for any failure by such
12 sponsor, administrator, or issuer, in connection
13 with the plan—

14 “(i) to meet the requirements of sub-
15 section (a)(1)(F), (b)(3), (c), or (d) of sec-
16 tion 702 or section 701 or 702(b)(1) with
17 respect to genetic information; or

18 “(ii) to meet the requirements of sub-
19 section (a) of section 712 with respect to
20 parity in mental health and substance use
21 disorder benefits.”.

22 (b) EXCEPTION TO THE GENERAL PROHIBITION ON
23 ENFORCEMENT.—Section 502 of such Act (29 U.S.C.
24 1132) is amended—

1 (1) in subsection (a)(6), by striking “or (9)”
2 and inserting “(9), or (10)”; and

3 (2) in subsection (b)(3)—

4 (A) by striking “subsections (c)(9) and
5 (a)(6)” and inserting “subsections (c)(9),
6 (c)(10), and (a)(6)”;

7 (B) by striking “under subsection (c)(9)”
8 and inserting “under subsections (c)(9) and
9 (c)(10)), and except with respect to enforce-
10 ment by the Secretary of section 712”; and

11 (C) by striking “706(a)(1)” and inserting
12 “733(a)(1)”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 subsection (a) shall apply with respect to group health
15 plans, or any health insurance issuer offering health insur-
16 ance coverage in connection with such plan, for plan years
17 beginning after the date that is 1 year after the date of
18 enactment of this Act.

19 **SEC. 21006. PENALTIES UNDER THE NATIONAL LABOR RE-**
20 **LATIONS ACT.**

21 (a) IN GENERAL.—Section 12 of the National Labor
22 Relations Act (29 U.S.C. 162) is amended—

23 (1) by striking “**SEC. 12.** Any person” and in-
24 serting the following:

1 **“SEC. 12. PENALTIES.**

2 “(a) VIOLATIONS FOR INTERFERENCE WITH
3 BOARD.—Any person”; and

4 (2) by adding at the end the following:

5 “(b) CIVIL PENALTIES FOR UNFAIR LABOR PRAC-
6 TICES.—Any employer who commits an unfair labor prac-
7 tice within the meaning of section 8(a) affecting commerce
8 shall be subject to a civil penalty in an amount not to
9 exceed \$50,000 for each such violation, except that, with
10 respect to such an unfair labor practice within the mean-
11 ing of paragraph (3) or (4) of section 8(a) or such a viola-
12 tion of section 8(a) that results in the discharge of an em-
13 ployee or other serious economic harm to an employee, the
14 Board shall double the amount of such penalty, to an
15 amount not to exceed \$100,000, in any case where the
16 employer has within the preceding 5 years committed an-
17 other such violation of such paragraph (3) or (4) or such
18 violation of section 8(a) that results in such discharge or
19 other serious economic harm. A civil penalty under this
20 paragraph shall be in addition to any other remedy or-
21 dered by the Board.

22 “(c) CONSIDERATIONS.—In determining the amount
23 of any civil penalty under this section, the Board shall con-
24 sider—

25 “(1) the gravity of the actions of the employer
26 resulting in the penalty, including the impact of such

1 actions on the charging party or on other persons
2 seeking to exercise rights guaranteed by this Act;

3 “(2) the size of the employer;

4 “(3) the history of previous unfair labor prac-
5 tices or other actions by the employer resulting in a
6 penalty; and

7 “(4) the public interest.

8 “(d) DIRECTOR AND OFFICER LIABILITY.—If the
9 Board determines, based on the particular facts and cir-
10 cumstances presented, that a director or officer’s personal
11 liability is warranted, a civil penalty for a violation de-
12 scribed in this section may also be assessed against any
13 director or officer of the employer who directed or com-
14 mitted the violation, had established a policy that led to
15 such a violation, or had actual or constructive knowledge
16 of and the authority to prevent the violation and failed
17 to prevent the violation.”.

18 (b) ADDITIONAL PENALTIES.—The National Labor
19 Relations Act (29 U.S.C. 151 et seq.) is amended by in-
20 serting after section 12 (29 U.S.C. 162) the following:

21 **“SEC. 12A. ADDITIONAL PENALTIES.**

22 “(a) CIVIL PENALTIES FOR ADDITIONAL CON-
23 DUCT.—Any employer who violates subsection (d) affect-
24 ing commerce shall be subject to a civil penalty in an
25 amount not to exceed \$50,000 for each such violation, ex-

1 cept that, with respect to such a violation that results in
2 the discharge of an employee or other serious economic
3 harm to an employee, the Board shall double the amount
4 of such penalty, to an amount not to exceed \$100,000,
5 in any case where the employer has within the preceding
6 5 years committed another such violation of subsection (d)
7 that results in such discharge or other serious economic
8 harm.

9 “(b) CONSIDERATIONS.—In determining the amount
10 of any civil penalty under this section, the Board shall con-
11 sider—

12 “(1) the gravity of the actions of the employer
13 resulting in the penalty, including the impact of such
14 actions on the charging party or on other persons
15 seeking to exercise rights guaranteed by this Act;

16 “(2) the size of the employer;

17 “(3) the history of previous unfair labor prac-
18 tices or other actions by the employer resulting in a
19 penalty; and

20 “(4) the public interest.

21 “(c) DIRECTOR AND OFFICER LIABILITY.—If the
22 Board determines, based on the particular facts and cir-
23 cumstances presented, that a director or officer’s personal
24 liability is warranted, a civil penalty for a violation de-
25 scribed in this section may also be assessed against any

1 director or officer of the employer who directed or com-
2 mitted the violation, had established a policy that led to
3 such a violation, or had actual or constructive knowledge
4 of and the authority to prevent the violation and failed
5 to prevent the violation.

6 “(d) PROHIBITION.—It shall be unlawful for an em-
7 ployer—

8 “(1) to promise, threaten, or take any action—

9 “(A) to permanently replace an employee
10 who participates in a strike as defined by sec-
11 tion 501(2) of the Labor Management Rela-
12 tions Act, 1947 (29 U.S.C. 142(2));

13 “(B) to discriminate against an employee
14 who is working or has unconditionally offered to
15 return to work for the employer because the
16 employee supported or participated in such a
17 strike; or

18 “(C) to lockout, suspend, or otherwise
19 withhold employment from employees in order
20 to influence the position of such employees or
21 the representative of such employees in collec-
22 tive bargaining prior to a strike;

23 “(2) to communicate or misrepresent to an em-
24 ployee under section 2(3) that such employee is ex-

1 cluded from the definition of employee under section
2 2(3);

3 “(3) to require or coerce an employee to attend
4 or participate in such employer’s campaign activities
5 unrelated to the employee’s job duties, including ac-
6 tivities that are subject to the requirements under
7 section 203(b) of the Labor-Management Reporting
8 and Disclosure Act of 1959 (29 U.S.C. 433(b)); or

9 “(4) to violate subsection (e).

10 “(e) COLLECTIVE ACTION.—

11 “(1) IN GENERAL.—No employer shall—

12 “(A) enter into or attempt to enforce any
13 agreement, express or implied, whereby prior to
14 a dispute to which the agreement applies, an
15 employee undertakes or promises not to pursue,
16 bring, join, litigate, or support any kind of
17 joint, class, or collective claim arising from or
18 relating to the employment of such employee in
19 any forum that, but for such agreement, is of
20 competent jurisdiction;

21 “(B) coerce an employee into undertaking
22 or promising not to pursue, bring, join, litigate,
23 or support any kind of joint, class, or collective
24 claim arising from or relating to the employ-
25 ment of such employee; or

1 “(C) retaliate or threaten to retaliate
2 against an employee for refusing to undertake
3 or promise not to pursue, bring, join, litigate,
4 or support any kind of joint, class, or collective
5 claim arising from or relating to the employ-
6 ment of such employee.

7 “(2) EXCEPTION.—This subsection shall not
8 apply to any agreement embodied in or expressly
9 permitted by a contract between an employer and a
10 labor organization.

11 “(f) ENFORCEMENT.—The provisions of section 10
12 and 11 shall apply to a violation of this section in the
13 same manner as such provisions apply to an unfair labor
14 practice, except that—

15 “(1) an order under section 10 with respect to
16 a violation of this section—

17 “(A) shall require only that the person in
18 such violation pay a civil penalty under sub-
19 section (a); and

20 “(B) shall not include a requirement for a
21 person to cease and desist such violation or any
22 form of affirmative action other than the pay-
23 ment of such penalty;

24 “(2) a petition under subsection (e) of section
25 10 with respect to a violation of this section may be

1 only for enforcement of an order for the payment of
2 a civil penalty under subsection (a);

3 “(3) a petition under subsection (f) of section
4 10 with respect to a violation of this section may be
5 only for review of an order for the payment of such
6 a civil penalty; and

7 “(4) a court under section 10 may not grant
8 any form of relief, including temporary relief, a re-
9 straining order, or any other form of injunctive re-
10 lief, for a violation of this section other than a de-
11 cree to enforce, modify, or set aside in whole or in
12 part an order of the Board imposing a civil penalty
13 under subsection (a) for a violation of this section.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on January 1, 2022.

16 **Subtitle C—Workforce** 17 **Development Matters**

18 **PART 1—DEPARTMENT OF LABOR**

19 **SEC. 22001. DISLOCATED WORKER EMPLOYMENT AND** 20 **TRAINING ACTIVITIES.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 made available, there is appropriated to the Department
23 of Labor for fiscal year 2022, out of any money in the
24 Treasury not otherwise appropriated, \$16,000,000,000, to
25 remain available until September 30, 2026, except that no

1 amounts may be expended after September 30, 2031,
2 which shall be reserved and allotted to States in accord-
3 ance with subsection (b)(2) of section 132 of the Work-
4 force Innovation and Opportunity Act (29 U.S.C. 3172),
5 reserved and allocated to local areas in accordance with
6 subsections (a) and (b)(1)(B) of section 133 of such Act
7 (29 U.S.C. 3173), and reserved by such local areas as fol-
8 lows:

9 (1) Not less than 20 percent shall be reserved
10 for carrying out the career services authorized under
11 subsection (c)(2) of section 134 of the Workforce In-
12 novation and Opportunity Act (29 U.S.C. 3174) and
13 expanding access to the individualized career serv-
14 ices described in section 134(c)(2)(A)(xii) of such
15 Act (29 U.S.C. 3174(c)(2)(A)(xii)).

16 (2) Not less than 20 percent shall be reserved
17 for carrying out the supportive services and pro-
18 viding the needs-related payments authorized under
19 paragraphs (2) and (3) of section 134(d) of the
20 Workforce Innovation and Opportunity Act (29
21 U.S.C. 3174(d)), except that for purposes of the res-
22 ervation under this paragraph the requirements of
23 subparagraphs (B) and (C) of paragraph (3) of such
24 section shall not apply; and

1 (3) Not less than 50 percent shall be reserved
2 for carrying out the training services—

3 (A) of which, not less than 60 percent
4 shall be made available for individual training
5 accounts authorized under section 134(c)(3) of
6 the Workforce Innovation and Opportunity Act
7 (29 U.S.C. 3174(c)(3)).

8 (B) except that for purposes of providing
9 transitional jobs as part of those services under
10 this section, section 134(d)(5) of such Act (29
11 U.S.C. 3174(d)(5)) shall be applied by sub-
12 stituting “40 percent” for “10 percent”.

13 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made
14 available to carry out this section shall be used to supple-
15 ment and not supplant other Federal, State, and local
16 public funds expended to provide employment and training
17 activities for dislocated workers, including funds provided
18 under the Workforce Innovation and Opportunity Act (29
19 U.S.C. 3101 et seq.).

20 **SEC. 22002. ADULT WORKER EMPLOYMENT AND TRAINING**
21 **ACTIVITIES.**

22 (a) IN GENERAL.—In addition to amounts otherwise
23 made available, there is appropriated to the Department
24 of Labor for fiscal year 2022, out of any money in the
25 Treasury not otherwise appropriated, \$15,000,000,000, to

1 remain available until September 30, 2026, except that no
2 amounts may be expended after September 30, 2031,
3 which shall be reserved and allotted to States in accord-
4 ance with subsection (b)(1) of section 132 of the Work-
5 force Innovation and Opportunity Act (29 U.S.C. 3172),
6 reserved and allocated to local areas in accordance with
7 subsections (a) and (b)(1)(A) of section 133 of such Act
8 (29 U.S.C. 3173), and reserved by such local areas as fol-
9 lows:

10 (1) Not less than 20 percent shall be reserved
11 for carrying out the career services authorized under
12 subsection (c)(2) of section 134 of the Workforce In-
13 novation and Opportunity Act (29 U.S.C. 3174) and
14 expanding access to the individualized career serv-
15 ices described in section 134(c)(2)(A)(xii) of such
16 Act (29 U.S.C. 3174(c)(2)(A)(xii)).

17 (2) Not less than 10 percent shall be reserved
18 for carrying out the supportive services and pro-
19 viding the needs-related payments authorized under
20 paragraphs (2) and (3) of section 134(d) of the
21 Workforce Innovation and Opportunity Act (29
22 U.S.C. 3174(d)).

23 (3) Not less than 50 percent shall be reserved
24 for carrying out the training services—

1 (A) of which, not less than 60 percent
2 shall be made available for individual training
3 accounts or contracts authorized under of sec-
4 tion 134(e)(3) of the Workforce Innovation and
5 Opportunity Act (29 U.S.C. 3174(e)(3)); and

6 (B) except that for purposes of providing
7 incumbent worker training as part of those
8 services under this section, if such training is
9 provided to low-wage workers, section
10 134(d)(4)(A)(i) of the Workforce Innovation
11 and Opportunity Act (29 U.S.C.
12 3174(d)(4)(A)(i)) shall be applied by sub-
13 stituting “40 percent” for “20 percent”.

14 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made
15 available to carry out this section shall be used to supple-
16 ment and not supplant other Federal, State, and local
17 public funds expended to provide adult employment and
18 training activities, including funds provided under the
19 Workforce Innovation and Opportunity Act (29 U.S.C.
20 3101 et seq.).

21 **SEC. 22003. YOUTH WORKFORCE INVESTMENT ACTIVITIES.**

22 (a) IN GENERAL.—In addition to amounts otherwise
23 made available, there is appropriated to the Department
24 of Labor for fiscal year 2022, out of any money in the
25 Treasury not otherwise appropriated, \$9,054,000,000, to

1 remain available until September 30, 2026, except that no
2 amounts may be expended after September 30, 2031,
3 which shall be reserved and allotted to States in accord-
4 ance with subparagraphs (B) and (C) of section 127(b)(1)
5 of the Workforce Innovation and Opportunity Act (29
6 U.S.C. 3162(b)(1)), reserved and allocated to local areas
7 in accordance with subsections (a) and (b) of section 128
8 of such Act (29 U.S.C. 3163), and reserved by such local
9 areas as follows:

10 (1) 25 percent shall be reserved for carrying
11 out the youth workforce investment activities author-
12 ized under section 129 of the Workforce Innovation
13 and Opportunity Act (29 U.S.C. 3164 et seq.).

14 (2) 75 percent shall be reserved to provide op-
15 portunities for in-school youth and out-of-school
16 youth to participate in paid work experiences de-
17 scribed in subsection (c)(2)(C) of section 129 of the
18 Workforce Innovation and Opportunity Act (29
19 U.S.C. 3164).

20 (b) PARTNERSHIPS.—Not less than 20 percent of
21 amounts made available under subsection (a) shall be used
22 by local areas to partner with community-based organiza-
23 tions serving out-of-school youth to carry out activities de-
24 scribed in paragraphs (1) and (2) of subsection (a), in-
25 cluding those residing in high-crime or high-poverty areas.

1 (c) SUPPLEMENT NOT SUPPLANT.—Amounts made
2 available to carry out this section shall be used to supple-
3 ment and not supplant other Federal, State, and local
4 public funds expended for youth workforce investment ac-
5 tivities, including funds provided under the Workforce In-
6 novation and Opportunity Act (29 U.S.C. 3101 et seq.).

7 **SEC. 22004. EMPLOYMENT SERVICE.**

8 In addition to amounts otherwise made available,
9 there is appropriated to the Department of Labor for fis-
10 cal year 2022, out of any money in the Treasury not other-
11 wise appropriated, the following amounts, to remain avail-
12 able until September 30, 2026, except that no amounts
13 may be expended after September 30, 2031

14 (1) \$1,250,000,000 for carrying out the State
15 grant activities authorized under section 7 of the
16 Wagner-Peyser Act (29 U.S.C. 49f), which shall be
17 allotted in accordance with section 6 of such Act (29
18 U.S.C. 49e), except that, for purposes of this sec-
19 tion, funds shall also be provided to the Common-
20 wealth of the Northern Mariana Islands and Amer-
21 ican Samoa in amounts the Secretary determines ap-
22 propriate prior to the allotments being made in ac-
23 cordance with section 6 of such Act (29 U.S.C. 49d).

24 (2) \$100,000,000 for carrying out improve-
25 ments to the workforce and labor market informa-

1 tion systems authorized under section 15 of the
2 Wagner-Peyser Act (29 U.S.C. 491-2).

3 **SEC. 22005. RE-ENTRY EMPLOYMENT OPPORTUNITIES.**

4 In addition to amounts otherwise made available,
5 there is appropriated to the Department of Labor for fis-
6 cal year 2022, out of any money in the Treasury not other-
7 wise appropriated, \$3,600,000,000, to remain available
8 until September 30, 2026, except that no amounts may
9 be expended after September 30, 2031, for carrying out
10 ex-offender activities, under the authority of section 169
11 of the Workforce Innovation and Opportunity Act (29
12 U.S.C. 3224). Not less than 25 percent of such funds shall
13 be for competitive grants to national and regional inter-
14 mediaries for activities that prepare for employment of
15 young adults with criminal records, young adults who have
16 been justice system-involved, or young adults who have
17 dropped out of school or other educational programs, with
18 a priority for projects serving high-crime, high-poverty
19 areas.

20 **SEC. 22006. REGISTERED APPRENTICESHIPS, YOUTH AP-
21 PRENTICESHIPS, AND PRE-APPRENTICE-
22 SHIPS.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 made available, there is appropriated to the Department
25 of Labor for fiscal year 2022, out of any amounts in the

1 Treasury not otherwise appropriated, \$5,000,000,000, to
2 remain available until September 30, 2026, except that no
3 amounts may be expended after September 30, 2031, to
4 carry out activities through grants, cooperative agree-
5 ments, contracts or other arrangements, with States and
6 other appropriate entities, including equity intermediaries
7 and business and labor industry partner intermediaries,
8 to create or expand only—

9 (1) apprenticeship programs registered under
10 the Act of August 16, 1937 (commonly known as
11 the “National Apprenticeship Act”; 50 Stat. 664,
12 chapter 663; 29 U.S.C. 50 et seq.); and

13 (2) youth apprenticeship programs and pre-ap-
14 prenticeship programs that articulate to apprentice-
15 ship programs described in paragraph (1).

16 (b) RESERVATION.—Not less than 50 percent of the
17 funds made available under section (a) shall be reserved
18 for—

19 (1) entities serving a high number or high per-
20 centage of individuals with barriers to employment
21 (as defined in section 3 of the Workforce Innovation
22 and Opportunity Act (29 U.S.C. 3102)), including
23 individuals with disabilities, or nontraditional ap-
24 prenticeship populations; or

1 (2) youth apprenticeships or pre-apprentice-
2 ships that articulate to such registered apprentice-
3 ships programs.

4 **SEC. 22007. COMMUNITY COLLEGE AND INDUSTRY PART-**
5 **nership Grants.**

6 (a) DEFINITIONS.—In this section—

7 (1) ELIGIBLE INSTITUTION.—The term “eligi-
8 ble institution” means an institution of higher edu-
9 cation (as defined in section 101 or 102(c) of the
10 Higher Education Act of 1965 (20 U.S.C. 1001,
11 1002(c)), including a Tribal College or University
12 (as defined in section 316 of such Act (20 U.S.C.
13 1059c)), or a consortium of such institutions—

14 (A) at which the highest degree awarded is
15 an associate degree; or an associate degree is
16 the predominant degree awarded; and

17 (B) that is working directly with an indus-
18 try or sector partnership, or in the process of
19 establishing such partnership, to carry out a
20 grant under this section.

21 (2) PERKINS CTE DEFINITIONS.—The terms
22 “career and technical education”, “career guidance
23 and academic counseling” , “dual or concurrent en-
24 rollment program”, “evidence-based” and “work-
25 based learning” have the meanings given the terms

1 in section 3 of the Carl D. Perkins Career and Tech-
2 nical Education Act of 2006 (20 U.S.C. 2302).

3 (3) REGISTERED APPRENTICESHIP PROGRAM.—

4 The term “registered apprenticeship program”
5 means an apprenticeship registered under the Act of
6 August 16, 1937 (commonly known as the “National
7 Apprenticeship Act”; 50 Stat. 664, chapter 663; 29
8 U.S.C. 50 et seq.).

9 (4) SECRETARY.—The term “Secretary” means
10 the Secretary of Labor.

11 (5) WIOA DEFINITIONS.—

12 (A) IN GENERAL.—The terms “career
13 pathway”, “in-demand industry sector or occu-
14 pation”, “individual with a barrier to employ-
15 ment”, “industry or sector partnership”, “inte-
16 grated education and training”, “recognized
17 postsecondary credential” and “supportive serv-
18 ices” have the meanings given the terms in sec-
19 tion 3 of the Workforce Innovation and Oppor-
20 tunity Act (29 U.S.C. 3102).

21 (B) CAREER SERVICES.—The term “career
22 services” means services described in section
23 134(c)(2) of the Workforce Innovation and Op-
24 portunity Act (29 U.S.C. 3174(c)(2)).

1 (b) IN GENERAL.—In addition to amounts otherwise
2 made available, there is appropriated to the Department
3 of Labor for fiscal year 2022, out of any money in the
4 Treasury not otherwise appropriated, \$2,000,000,000, to
5 remain available until September 30, 2026, except that no
6 amounts may be expended after September 30, 2031, to
7 carry out this section.

8 (c) GRANTS.—From funds appropriated under sub-
9 section (b) and not reserved under subsection (e), and
10 under the authority of section 169(b)(5) of the Workforce
11 Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)),
12 the Secretary shall award grants on a competitive basis
13 to eligible institutions for the purposes of expanding work-
14 force development and employment opportunities in high-
15 skill, high-wage, or in-demand industry sectors or occupa-
16 tions. To receive such a grant, an eligible institution shall
17 submit to the Secretary an application at such time, in
18 such manner, and containing such information as specified
19 by the Secretary, including a description of the related
20 programs, recognized postsecondary credentials, and em-
21 ployment opportunities.

22 (d) USE OF GRANT FUNDS.—

23 (1) IN GENERAL.—An eligible institution
24 awarded a grant under this section shall use such
25 grant funds to expand opportunities for attainment

1 of recognized postsecondary credentials that are na-
2 tionally portable and stackable for high-skill, high-
3 wage, or in-demand industry sectors or occupations
4 by—

5 (A) establishing, improving, or scaling
6 high-quality, evidence-based education and
7 training programs, such as career and technical
8 education programs, career pathway programs,
9 and work-based learning programs (including
10 programs of registered apprenticeships or pre-
11 apprenticeships that articulate to registered ap-
12 prenticeships);

13 (B) creating, developing, or expanding ar-
14 ticipation agreements (as defined in section
15 486A(a) of the Higher Education Act of 1965
16 (20 U.S.C. 1093a(a))), credit transfer agree-
17 ments, corequisite remediation programs, dual
18 or concurrent enrollment programs, or policies
19 and processes to award academic credit for
20 prior learning or career training programs sup-
21 ported by the funds described in subsection (c);

22 (C) making available open, searchable, and
23 comparable information on curriculum or recog-
24 nized postsecondary credentials, including those
25 created or developed using such funds, and in-

1 formation on the related skills or competencies,
2 and related employment and earnings outcomes;

3 (D) establishing or implementing plans for
4 providers of programs supported with such
5 funds to be included on the eligible training
6 services provider list described in section 122(d)
7 of the Workforce Innovation and Opportunity
8 Act (29 U.S.C. 3152(d));

9 (E) purchasing, leasing, or refurbishing
10 specialized equipment necessary to carry out
11 the education or career training programs sup-
12 ported by such funds;

13 (F) reducing or eliminating out-of-pocket
14 expenses related to participants' cost of attend-
15 ance in the education or career training activi-
16 ties supported by such funds; or

17 (G) establishing or expanding industry or
18 sector partnerships to successfully carry out the
19 activities described in subparagraphs (A)
20 through (F).

21 (2) RESERVATION.—An eligible institution
22 awarded a grant under this section shall use not less
23 than 15 percent of such grant funds to provide serv-
24 ices to help individuals with barriers to employment
25 complete and successfully transition out of education

1 or career training programs supported by such
2 funds, which shall include providing supportive serv-
3 ices, career services, career guidance and academic
4 counseling, or job placement assistance.

5 (e) RESERVATIONS.—From the amounts made avail-
6 able under subsection (b), the Secretary shall reserve not
7 more than 5 percent for—

8 (1) targeted outreach to eligible institutions
9 serving a high number or high percentage of low-in-
10 come individuals or individuals with barriers to em-
11 ployment, and rural-serving eligible institutions, to
12 provide guidance and assistance in the grant appli-
13 cation process under this section;

14 (2) administration of the program described in
15 this section, including providing technical assistance
16 and oversight to support eligible institutions (includ-
17 ing consortia of eligible institutions); and

18 (3) evaluating and reporting on the perform-
19 ance and impact of programs funded under this sec-
20 tion.

21 (f) SUPPLEMENT NOT SUPPLANT.—Amounts avail-
22 able to carry out this section shall be used to supplement
23 and not supplant other Federal, State, and local public
24 funds expended to support community college education
25 or career training programs.

1 **SEC. 22008. INDUSTRY OR SECTOR PARTNERSHIP GRANTS.**

2 (a) IN GENERAL.—In addition to amounts otherwise
3 made available, there is appropriated to the Department
4 of Labor for fiscal year 2022, out of any money in the
5 Treasury not otherwise appropriated, \$10,000,000,000, to
6 remain available until September 30, 2026, except that no
7 amounts may be expended after September 30, 2031, to
8 carry out this section.

9 (b) GRANTS.—From amounts appropriated under
10 subsection (a) and not reserved under subsection (d), and
11 under the authority of section 169(b)(5) of the Workforce
12 Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)),
13 the Secretary shall award grants on a competitive basis
14 to eligible partnerships for the purposes of expanding
15 workforce development and employment opportunities for
16 high-skill, high-wage, or in-demand industry sectors or oc-
17 cupations, including information technology, clean energy,
18 arts and entertainment, infrastructure and transportation,
19 advanced manufacturing, health care, public health, home
20 care, and early childhood care and education. To receive
21 such a grant, an eligible partnership shall submit to the
22 Secretary an application at such time, in such manner,
23 and containing such information as specified by the Sec-
24 retary.

25 (c) USES OF FUNDS.—An eligible partnership award-
26 ed such a grant under this section shall use—

1 (1) such grant funds to engage and regularly
2 convene stakeholders in a collaborative structure to
3 identify, develop, improve, or expand training, em-
4 ployment, and growth opportunities for the high-
5 skill, high-wage, or in-demand industry sector or oc-
6 cupation on which such partnership is focused;

7 (2) not less than 50 percent of such grant
8 funds to directly provide, or arrange for the provi-
9 sion of, high-quality, evidence-based training for the
10 high-skill, high-wage, or in-demand industry sector
11 or occupation on which such partnership is focused,
12 which shall include—

13 (A) training services described in any
14 clause of subparagraph (D) of section 134(c)(3)
15 of the Workforce Innovation and Opportunity
16 Act (29 U.S.C. 3174(c)(3))) provided through
17 contracts that meet the requirements of that
18 section 134(c)(3); or

19 (B) training provided through registered
20 apprenticeship programs, youth apprenticeship,
21 or pre-apprenticeship programs that articulate
22 to registered apprenticeship programs, or
23 through joint labor-management partnerships;
24 and

1 (C) establishing or implementing plans for
2 providers of programs supported with such
3 funds to be included on the eligible training
4 services provider list described in section 122(d)
5 of the Workforce Innovation and Opportunity
6 Act (29 U.S.C. 3152(d)).

7 (3) not less than 15 percent of such grant
8 funds to directly provide, or arrange for the provi-
9 sion of, services to help individuals with barriers to
10 employment complete and successfully transition out
11 of training described in paragraph (2), which serv-
12 ices shall include career services, supportive services,
13 or the provision of needs-related payments author-
14 ized under subsections (c)(2), (d)(2), and (d)(3) of
15 section 134 of the Workforce Innovation and Oppor-
16 tunity Act (29 U.S.C. 3174).

17 (d) RESERVATIONS.—

18 (1) IN GENERAL.—From the amounts made
19 available under subsection (a), the Secretary shall
20 reserve not more than 5 percent for—

21 (A) targeted outreach and support to eligi-
22 ble partnerships serving local areas with high
23 unemployment rates or high percentages of in-
24 dividuals with low incomes or individuals with
25 barriers to employment, to provide guidance

1 and assistance in the grant application process
2 under this section;

3 (B) administration of the program de-
4 scribed in this section, including providing com-
5 prehensive technical assistance and oversight to
6 support eligible partnerships; and

7 (C) evaluating and reporting on the per-
8 formance and impact of programs funded under
9 this section.

10 (2) STATE BOARD OR LOCAL BOARD FUNDS.—

11 From amounts made available under subsection (a),
12 the Secretary shall reserve not less than 5 percent
13 to provide direct assistance to State boards or local
14 boards to support the creation or expansion of in-
15 dustry or sector partnerships in local areas with
16 high unemployment rates or high percentages of in-
17 dividuals with low incomes or individuals with bar-
18 riers to employment, as compared to State or na-
19 tional averages for such rates or percentages.

20 (e) SUPPLEMENT NOT SUPPLANT.—Amounts made
21 available to carry out this section shall be used to supple-
22 ment and not supplant other Federal, State, and local
23 public funds expended to support activities described in
24 this section.

25 (f) DEFINITIONS.—In this section:

1 (1) ELIGIBLE PARTNERSHIP.—The term “eligi-
2 ble partnership” means—

3 (A) an industry or sector partnership,
4 which shall include multiple representatives de-
5 scribed in each of clauses (i) through (iii) of
6 paragraph (26)(A) of section 3 of the Work-
7 force Innovation and Opportunity Act (29
8 U.S.C. 3102); or

9 (B) a partnership of multiple entities de-
10 scribed in section 3(26) of such Act (29 U.S.C.
11 3102(26)), and a State board or local board,
12 that is in the process of establishing an indus-
13 try or sector partnership.

14 (2) PERKINS CTE DEFINITIONS.—The terms
15 “career guidance and academic counseling” and
16 “evidence-based” have the meanings given the terms
17 in section 3 of the Carl D. Perkins Career and Tech-
18 nical Education Act of 2006 (20 U.S.C. 2302).

19 (3) REGISTERED APPRENTICESHIP PROGRAM.—
20 The term “registered apprenticeship program”
21 means an apprenticeship registered under the Act of
22 August 16, 1937 (commonly known as the “National
23 Apprenticeship Act”; 50 Stat. 664, chapter 663; 29
24 U.S.C. 50 et seq.).

1 (4) SECRETARY.—The term “Secretary” means
2 the Secretary of Labor.

3 (5) WIOA DEFINITIONS.—The terms “career
4 pathway”, “in-demand industry sector or occupa-
5 tion”, “individual with a barrier to employment”,
6 “industry or sector partnership”, “local area”, “local
7 board”, and “State board” have the meanings given
8 the terms in section 3 of the Workforce Innovation
9 and Opportunity Act (29 U.S.C. 3102).

10 **SEC. 22009. JOB CORPS.**

11 In addition to amounts otherwise made available,
12 there is appropriated to the Department of Labor for fis-
13 cal year 2022, out of any amounts in the Treasury not
14 otherwise appropriated, \$1,500,000,000, to remain avail-
15 able until September 30, 2026, except that no amounts
16 may be expended after September 30, 2031, for the Job
17 Corps program authorized under section 143 of the Work-
18 force Innovation and Opportunity Act (29 U.S.C. 3193),
19 including improving and expanding access to allowances
20 and supports described in section 150 of such Act (29
21 U.S.C. 3200), except that for the purposes of this section,
22 outlying areas as defined in section 3 of such Act (29
23 U.S.C. 3102) shall be considered eligible to receive funds
24 under this section. Of such funds, no less than

1 \$750,000,000 shall be reserved for construction, rehabili-
2 tation and acquisition of Job Corps Centers.

3 **SEC. 22010. NATIVE AMERICAN PROGRAMS.**

4 In addition to amounts otherwise made available,
5 there is appropriated to the Department of Labor for fis-
6 cal year 2022, out of any amounts in the Treasury not
7 otherwise appropriated, \$450,000,000, to remain available
8 until September 30, 2026, except that no amounts may
9 be expended after September 30, 2031, for the Native
10 American programs authorized under the Workforce Inno-
11 vation and Opportunity Act.

12 **SEC. 22011. MIGRANT AND SEASONAL FARMWORKER PRO-**
13 **GRAMS.**

14 In addition to amounts otherwise made available,
15 there is appropriated to the Department of Labor for fis-
16 cal year 2022, out of any amounts in the Treasury not
17 otherwise appropriated, \$450,000,000, to remain available
18 until September 30, 2026, except that no amounts may
19 be expended after September 30, 2031, for the migrant
20 and seasonal farmworker programs authorized under
21 Workforce Innovation and Opportunity Act, except that,
22 for purposes of providing services under those programs
23 to low-income individuals under this section, section
24 3(36)(A)(ii)(I) of such Act (29 U.S.C. 3102(36)(A)(ii)(I))

1 shall be applied by substituting “150 percent of the pov-
2 erty line” for “the poverty line”.

3 **SEC. 22012. YOUTHBUILD PROGRAM.**

4 In addition to amounts otherwise made available,
5 there is appropriated to the Department of Labor for fis-
6 cal year 2022, out of any amounts in the Treasury not
7 otherwise appropriated, \$500,000,000, to remain available
8 until September 30, 2026, except that no amounts may
9 be expended after September 30, 2031, for the YouthBuild
10 program authorized under the Workforce Innovation and
11 Opportunity Act (29 U.S.C. 3226), including for the pur-
12 poses of improving and expanding access to services, sti-
13 pends, wages, and benefits described in subsections
14 (c)(2)(A)(vii) and (c)(2)(F) of section 171 of such Act.

15 **SEC. 22013. SENIOR COMMUNITY SERVICE EMPLOYMENT**
16 **PROGRAM.**

17 In addition to amounts otherwise made available,
18 there is appropriated to the Department of Labor for fis-
19 cal year 2022, out of any amounts in the Treasury not
20 otherwise appropriated, \$100,000,000, to remain available
21 until September 30, 2026, except that no amounts may
22 be expended after September 30, 2031, for the Senior
23 Community Service Employment program authorized
24 under title V of the Older Americans Act (42 U.S.C. 3056
25 et seq.).

1 **SEC. 22014. PROGRAM ADMINISTRATION.**

2 In addition to amounts otherwise made available,
3 there is appropriated to the Department of Labor for fis-
4 cal year 2022, out of any money in the Treasury not other-
5 wise appropriated, \$720,000,000, to remain available until
6 September 30, 2028, except that no amounts may be ex-
7 pended after September 30, 2031, for program adminis-
8 tration within the Department of Labor for salaries and
9 expenses necessary to implement this part, parts 3 and
10 4, and section 22402 of part 5 of this subtitle, including
11 for management, legal, or other support necessary to im-
12 plement such parts or section.

13 **PART 2—DEPARTMENT OF EDUCATION**

14 **SEC. 22101. ADULT EDUCATION AND LITERACY.**

15 (a) IN GENERAL.—In addition to amounts otherwise
16 made available, there is appropriated to the Department
17 of Education for fiscal year 2022, out of any money in
18 the Treasury not otherwise appropriated, \$3,600,000,000,
19 to remain available until September 30, 2028, to carry out
20 title II of the Workforce Innovation and Opportunity Act
21 (29 U.S.C. 3101 et seq.), which shall be reserved, and
22 granted and allotted to eligible agencies in accordance with
23 subsections (a), (b), and (c) of section 211 of such Act,
24 respectively.

25 (b) REQUIREMENT.—With respect to each eligible
26 agency that receives funds appropriated by this section,

1 for each fiscal year for which such eligible agency receives
2 such funds, section 222(a)(1) of the Workforce Innovation
3 and Opportunity Act (29 U.S.C. 3302(a)(1)) the shall be
4 applied by substituting “not less than 10 percent” for
5 “not more than 20 percent”.

6 **SEC. 22102. CAREER AND TECHNICAL EDUCATION.**

7 (a) IN GENERAL.—In addition to amounts otherwise
8 made available, there is appropriated to the Department
9 of Education for fiscal year 2022, out of any money in
10 the Treasury not otherwise appropriated, the following
11 amounts, to remain available until September 30, 2028:

12 (1) \$3,000,000,000 for carrying out career and
13 technical education programs authorized under sec-
14 tion 124 and section 135 of the Carl D. Perkins Ca-
15 reer and Technical Education Act of 2006 (20
16 U.S.C. 2301 et seq.), which shall be allotted in ac-
17 cordance with section 111 and section 112 of such
18 Act (20 U.S.C. 2321, 2322), except that subsection
19 (b) of section 112 of such Act (20 U.S.C. 2322)
20 shall not apply.

21 (2) \$1,000,000,000 for carrying out the innova-
22 tion and modernization program described in sub-
23 section(e) of section 114 of the Carl D. Perkins Ca-
24 reer and Technical Education Act of 2006 (20

1 U.S.C. 2324(e)), except that for purposes of this
2 paragraph—

3 (A) the 20 percent limitation in paragraph
4 (1) of such subsection, and paragraph (2) of
5 such subsection, shall not apply; and

6 (B) eligible agencies (as defined in section
7 3 of such Act) shall be eligible to receive grants
8 under section 114(e) of such Act.

9 (b) SUPPLEMENT NOT SUPPLANT.—Amounts made
10 available to carry out this section shall be used to supple-
11 ment and not supplant other Federal, State, and local
12 public funds expended for career and technical education
13 programs, including the funds provided under the Carl D.
14 Perkins Career and Technical Education Act of 2006 (20
15 U.S.C. 2301 et seq.).

16 **PART 3—COMPETITIVE INTEGRATED EMPLOY-**
17 **MENT TRANSFORMATION GRANT PROGRAM**

18 **SEC. 22201. COMPETITIVE INTEGRATED EMPLOYMENT**
19 **TRANSFORMATION GRANT PROGRAM.**

20 (a) IN GENERAL.—In addition to amounts otherwise
21 made available, there is appropriated to the Department
22 of Labor, \$300,000,000 for fiscal year 2022, out of any
23 money in the Treasury not otherwise appropriated, to re-
24 main available until expended, for the Secretary of Labor
25 (referred to in this section as the “Secretary”) to award

1 grants to States in accordance with this section to assist
2 employers in such States who were issued special certifi-
3 cates under section 14(c) of the Fair Labor Standards Act
4 of 1938 (29 U.S.C. 214(c)) in transforming (or continuing
5 to transform) their business and program models from
6 providing employment using special certificates to busi-
7 ness and program models that employ and support people
8 with disabilities in competitive integrated employment and
9 to cover any administrative costs associated with such
10 grants.

11 (b) RESERVATIONS AND ALLOTMENTS; DURATION OF
12 AWARDS.—

13 (1) RESERVATIONS.—

14 (A) ALLOTMENTS TO NON-COVERED
15 STATES.—

16 (i) IN GENERAL.—The Secretary shall
17 reserve 10 percent of the amount appro-
18 priated by subsection (a) to award grants,
19 in accordance to clause (ii), to States de-
20 scribed in subsection (c)(3) that submit an
21 application under subsection (c) meeting
22 the applicable requirements of such sub-
23 section.

24 (ii) ALLOTMENT AMOUNT.—The Sec-
25 retary shall allot grants to each State

1 under clause (i) a grant in an amount that
2 bears the same relationship to the total
3 amount reserved under clause (i) as the
4 population of the State bears to the total
5 population of all States described in such
6 clause.

7 (B) NATIONAL TECHNICAL ASSISTANCE
8 CENTER.—The Secretary shall use 2 percent of
9 the amounts appropriated in subsection (a) to
10 establish, either directly or through grants, con-
11 tracts, or cooperative agreements, a national
12 technical assistance center to provide technical
13 assistance to employers who are transforming
14 from employing people with disabilities using
15 special certificates to providing competitive inte-
16 grated employment and to collect and dissemi-
17 nate evidence-based practices with respect to
18 the transformations and in providing competi-
19 tive integrated employment and integrated serv-
20 ices.

21 (2) ALLOTMENTS TO COVERED STATES.—

22 (A) 15 OR MORE COVERED STATES.—

23 (i) IN GENERAL.—In the case that, as
24 of a date determined appropriate by the
25 Secretary, there are 15 or more covered

1 States the Secretary shall allot to each cov-
2 ered State a grant in an amount equal to
3 the sum of the allotted to such State under
4 clauses (ii) and (iii).

5 (ii) ALLOTMENT BASED ON NUMBER
6 OF EMPLOYEES UNDER SPECIAL CERTIFI-
7 CATES.—From the total amount that is 70
8 percent of the funds appropriated under
9 subsection (a) and not reserved under
10 paragraph (1), the Secretary shall allot to
11 each covered State an amount that bears
12 the same relationship to such total amount
13 as the number of people with disabilities
14 who are employed under a special certifi-
15 cate in the covered State bears to the total
16 number of people with disabilities who are
17 employed under a special certificate in all
18 covered States.

19 (iii) ALLOTMENT BASED ON EMPLOY-
20 ERS WITH SPECIAL CERTIFICATES.—From
21 the total amount that is 30 percent of the
22 funds appropriated under subsection (a)
23 and not reserved under paragraph (1), the
24 Secretary shall allot to each covered State
25 an amount that bears the same relation-

1 ship to such total amount as the number
2 of employers in the covered State who have
3 in effect a special certificate bears to the
4 total number of employers in all covered
5 States who have in effect such a certifi-
6 cate.

7 (B) 14 OR FEWER COVERED STATES.—In
8 the case that, as of the date determined appro-
9 priate by the Secretary under subparagraph
10 (A), there are fewer than 15 covered States, the
11 Secretary shall award grants to each covered
12 State on a competitive basis in an amount that
13 the Secretary determines necessary to accom-
14 plish the purpose of the grant described in sub-
15 section (a).

16 (C) COVERED STATE.—In this subsection,
17 the term “covered State” means a State that—

18 (i) is not described in subsection
19 (c)(3); and

20 (ii) submits an application under sub-
21 section (c) that meets the applicable re-
22 quirements under such subsection.

23 (3) DURATION OF AWARDS.—A grant under
24 this section shall be awarded for a period of 5 years.

1 (4) CUTOFF.—The Secretary may not issue a
2 grant under this subsection after September 30,
3 2025.

4 (c) APPLICATIONS.—

5 (1) IN GENERAL.—To be eligible to receive a
6 grant under this section, a State shall submit an ap-
7 plication to the Secretary at such time, in such man-
8 ner, and including such information as the Secretary
9 may reasonably require.

10 (2) CONTENTS.—In the case of a State not de-
11 scribed in paragraph (3), an application submitted
12 under paragraph (1) shall include—

13 (A) a description of the status of the em-
14 ployers in the State providing employment
15 using special certificates, which may include—

16 (i) the number of employers in the
17 State using special certificates to employ
18 and pay people with disabilities;

19 (ii) the number of employees in the
20 State employed under a special certificate;

21 (iii) the average number of hours such
22 employees work per week; and

23 (iv) the average hourly wage for such
24 employees;

1 (B) a description of activities to be funded
2 under the grant, and the goals of such activi-
3 ties, including the activities of the State with
4 respect to competitive integrated employment
5 for people with disabilities; and

6 (C) assurances that—

7 (i) the activities carried out under the
8 grant will, by not later than the end of the
9 5-year grant period, result in—

10 (I) each employer in the State
11 voluntarily ceasing to use special cer-
12 tificates by the end of the 5-year
13 grant period and no longer applying
14 for or renewing such certificates; or

15 (II) in the case of an employer in
16 the State that, as of the date of enact-
17 ment of this Act, provides employment
18 using special certificates, the em-
19 ployer—

20 (aa) transforms its business
21 and program models as described
22 in subsection (d)(1)(A); or

23 (bb) ceases providing spe-
24 cialized employment services for
25 people with disabilities; and

1 (ii) each individual in the State who is
2 employed under a special certificate on or
3 after the date of enactment will be em-
4 ployed in competitive integrated employ-
5 ment or a combination of competitive inte-
6 grated employment and integrated services,
7 including by compensating all employees of
8 the employer for all hours worked at a rate
9 that is—

10 (I) not less than the higher of
11 the rate specified in section 6(a)(1) of
12 the Fair Labor Standards Act of
13 1938 (29 U.S.C. 206(a)(1)) or the
14 rate specified in the applicable State
15 or local minimum wage law, or the ap-
16 plicable prevailing wage rate under
17 the McNamara-O’Hara Service Con-
18 tract Act (41 U.S.C. 6701 et seq.);
19 and

20 (II) not less than the rate paid
21 by the employer for the same or simi-
22 lar work performed by other employ-
23 ees who are not people with disabil-
24 ities, and who are similarly situated in
25 similar occupations by the same em-

1 ployer and who have similar training,
2 experience, and skills; and

3 (iii) the State will establish an advi-
4 sory council described in subsection (e) to
5 monitor and guide the process of trans-
6 forming business and program models of
7 employers in the State as described in sub-
8 section (d)(1)(A).

9 (3) APPLICATIONS FOR STATES RECEIVING
10 AMOUNT FROM RESERVATION.—In the case of a
11 State that, as of the date of enactment of this Act,
12 is determined by the Secretary to have phased out
13 or to be in the process of phasing out the use of spe-
14 cial certificates in the State, an application under
15 this subsection from such State shall include only
16 the information described in paragraph (2)(B).

17 (d) USE OF FUNDS.—

18 (1) IN GENERAL.—In the case of a State not
19 described in paragraph (2), such State shall use the
20 grant funds for each of the following activities:

21 (A) Identifying each employer in the State
22 that will transform its business and program
23 models from employing people with disabilities
24 using special certificates to employing people
25 with disabilities in competitive integrated em-

1 ployment settings, or a setting involving a com-
2 bination of competitive integrated employment
3 and integrated services.

4 (B) Implementing a service delivery infra-
5 structure to support people with disabilities who
6 have been employed under special certificates
7 through such a transformation, including pro-
8 viding enhanced integrated services to support
9 people with the most significant disabilities.

10 (C) Expanding competitive integrated em-
11 ployment and integrated services to be provided
12 to such people as a result of transformations
13 described in subparagraph (A).

14 (2) STATES RECEIVING AMOUNT FROM RES-
15 ERVATION.—A State that, as of the date of enact-
16 ment of this Act, is determined by the Secretary to
17 have phased out or to be in the process of phasing
18 out the use of special certificates in the State, shall
19 use the grant funds for expansion of competitive in-
20 tegrated employment and integrated services to be
21 provided to people with disabilities.

22 (e) MEMBERS OF THE ADVISORY COUNCIL.—A State
23 receiving a grant under this section shall, for the purpose
24 described in subsection (c)(2)(C)(iii), establish an advisory
25 council composed of the following:

1 (1) People with disabilities, including people
2 with intellectual or developmental disabilities and
3 people with mental health disabilities, who are or
4 were employed under a special certificate, who shall
5 comprise not less than 25 percent of the members
6 of such advisory council.

7 (2) Family members of a person with an intel-
8 lectual, developmental, or mental health disability
9 who is or was employed under a special certificate
10 or is employed in competitive integrated employ-
11 ment.

12 (3) An employer providing competitive inte-
13 grated employment.

14 (4) An employer providing employment under
15 special certificates.

16 (5) Representatives of relevant State agencies
17 with expertise in competitive integrated employment,
18 disability organizations with such expertise, and dis-
19 ability related offices and groups with such exper-
20 tise.

21 **SEC. 22202. DEFINITIONS.**

22 In this part:

23 (1) **COMPETITIVE INTEGRATED EMPLOY-**
24 **MENT.**—The term “competitive integrated employ-
25 ment” has the meaning given such term in section

1 7(5) of the Rehabilitation Act of 1973 (29 U.S.C.
2 705(5)).

3 (2) EMPLOYEE; EMPLOYER.—The terms “em-
4 ployee” and “employer” have the meanings given
5 such terms in section 3 of the Fair Labor Standards
6 Act of 1938 (29 U.S.C. 203).

7 (3) INTEGRATED COMMUNITY PARTICIPATION
8 AND WRAPAROUND SERVICES; INTEGRATED SERV-
9 ICES.—The terms “integrated community participa-
10 tion and wraparound services” or “integrated serv-
11 ices” mean services for people with disabilities that
12 are—

13 (A) designed to assist such people in devel-
14 oping skills and abilities to reside successfully
15 in home and community-based settings;

16 (B) provided in accordance with a person-
17 centered written plan of care;

18 (C) created using evidence-based practices
19 that lead to such people—

20 (i) maintaining competitive integrated
21 employment;

22 (ii) achieving independent living; or

23 (iii) maximizing socioeconomic self-
24 sufficiency, optimal independence, and full
25 participation in the community;

1 (D) provided in a community location that
2 is not specifically intended for people with dis-
3 abilities;

4 (E) provided in a location that—

5 (i) allows the people receiving the
6 services to interact with people without dis-
7 abilities to the fullest extent possible; and

8 (ii) makes it possible for the people
9 receiving the services to access community
10 resources that are not specifically intended
11 for people with disabilities and to have the
12 same opportunity to participate in the
13 community as people who do not have a
14 disability; and

15 (F) provided in multiple locations to allow
16 the individual receiving the services to have op-
17 tions, thereby—

18 (i) optimizing individual initiative, au-
19 tonomy, and independence; and

20 (ii) facilitating choice regarding serv-
21 ices and supports, and choice regarding the
22 provider of such services.

23 (4) PEOPLE WITH DISABILITIES.—The term
24 “people with disabilities” includes individuals de-

1 scribed in section 14(c)(1) of the Fair Labor Stand-
2 ards Act of 1938 (29 U.S.C. 214(c)(1)).

3 (5) STATE.—The term “State” has the mean-
4 ing given the term in section 3 of the Fair Labor
5 Standards Act of 1938 (29 U.S.C. 203)).

6 **PART 4—RECRUITMENT, EDUCATION AND TRAIN-**
7 **ING, RETENTION, AND CAREER ADVANCE-**
8 **MENTS FOR THE DIRECT CARE WORKFORCE**

9 **SEC. 22301. DEFINITIONS.**

10 In this part:

11 (1) CTE DEFINITIONS.—The terms “evidence-
12 based” and “work-based learning” have the mean-
13 ings given such terms in section 3 of the Carl D.
14 Perkins Career and Technical Education Act of
15 2006 (20 U.S.C. 2302).

16 (2) WIOA DEFINITIONS.—The terms “career
17 pathway”, “career planning”, “individual with a bar-
18 rier to employment”, “local board”, “older indi-
19 vidual”, “on-the-job training”, “recognized postsec-
20 ondary credential”, and “State board” have the
21 meanings given such terms in section 3 of the Work-
22 force Innovation and Opportunity Act (29 U.S.C.
23 3102).

24 (3) OTHER DEFINITIONS.—

1 (A) CAREER AND TECHNICAL EDUCATION
2 SCHOOL.—The term “career and technical edu-
3 cation school” has the meaning given the term
4 “eligible recipient” in section 3 of the 3 of the
5 Carl D. Perkins Career and Technical Edu-
6 cation Act of 2006 (20 U.S.C. 2302).

7 (B) DIRECT CARE WORKER.—The term
8 “direct care worker” means—

9 (i) a direct support professional;

10 (ii) any worker who provides direct
11 care services in home or community-based
12 setting;

13 (iii) a respite care provider who pro-
14 vides short-term support and care to an in-
15 dividual in order to provide relief to a fam-
16 ily caregiver;

17 (iv) a palliative care worker;

18 (v) a direct care worker, as defined in
19 section 799B of the Public Health Service
20 Act (42 U.S.C. 795p); or

21 (vi) an individual in any other position
22 or job related to those described in clauses
23 (i) through (vi), as determined by the Sec-
24 retary in consultation with the Secretary of
25 Health and Human Services acting

1 through the Administrator for the Admin-
2 istration for Community Living.

3 (C) ELIGIBLE ENTITY.—The term “eligible
4 entity” means an entity that is—

5 (i) a State;

6 (ii) a labor organization, a joint labor-
7 management organization, or a Multi-Em-
8 ployer Training and Education Fund;

9 (iii) a nonprofit organization with ex-
10 perience in aging, disability, supporting the
11 rights and interests of direct care workers,
12 or training or educating direct care work-
13 ers;

14 (iv) an Indian Tribe or Tribal organi-
15 zation (as defined in section 4 of the In-
16 dian Self-Determination and Education
17 Assistance Act (25 U.S.C. 5304));

18 (v) an urban Indian organization (as
19 defined in section 4 of the Indian Health
20 Care Improvement Act (25 U.S.C. 1603));

21 (vi) a State board or local board;

22 (vii) an area agency on aging (as de-
23 fined in section 102 of the Older Ameri-
24 cans Act of 1965 (42 U.S.C. 3002));

1 (viii) when in partnership with an en-
2 tity described in any of clauses (i) through
3 (vii)—

4 (I) an institution of higher edu-
5 cation (as defined in section 101 of
6 the Higher Education Act of 1965 (20
7 U.S.C. 1001) or section 102(a)(1)(B)
8 of such Act (20 U.S.C.
9 1002(a)(1)(B))); or

10 (II) a career and technical edu-
11 cation school; or

12 (ix) a consortium of entities listed in
13 any of clauses (i) through (vii).

14 (D) FAMILY CAREGIVER.—The term “fam-
15 ily caregiver” means a paid or unpaid adult
16 family member or other individual who has a
17 significant relationship with, and who provides
18 a broad range of assistance to, an individual
19 with a chronic or other health condition, dis-
20 ability, or functional limitation.

21 (E) HOME AND COMMUNITY-BASED SERV-
22 ICES.—The term “home and community-based
23 services” has the meaning given such term in
24 section 9817(a)(2) of the American Rescue
25 Plan Act of 2021 (Public Law 117–2).

1 (F) PERSON WITH A DISABILITY.—The
2 term “person with a disability” means an indi-
3 vidual with a disability as defined in section 3
4 of the Americans with Disabilities Act of 1990
5 (42 U.S.C. 12102).

6 (G) PRE-APPRENTICESHIP PROGRAM.—The
7 term “pre-apprenticeship program” means a
8 program that articulates to a registered appren-
9 ticeship program.

10 (H) REGISTERED APPRENTICESHIP PRO-
11 GRAM.—The term “registered apprenticeship
12 program” means an apprenticeship program
13 registered under the Act of August 16, 1937
14 (commonly known as the “National Apprentice-
15 ship Act”; 50 Stat. 664, chapter 663; 29
16 U.S.C. 50 et seq.).

17 (I) SECRETARY.—The term “Secretary”
18 means the Secretary of Labor.

19 (J) STATE.—The term “State” means
20 each of the 50 States of the United States, the
21 District of Columbia, the Commonwealth of
22 Puerto Rico, American Samoa, Guam, the
23 United States Virgin Islands, and the Common-
24 wealth of the Northern Mariana Islands.

1 **SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE WORK-**
2 **FORCE.**

3 (a) GRANTS AUTHORIZED.—In addition to amounts
4 otherwise available, there is appropriated to the Secretary
5 for fiscal year 2022, out of any money in the Treasury
6 not otherwise appropriated, \$1,480,000,000, to remain
7 available until September 30, 2031, for awarding, on a
8 competitive basis, grants to eligible entities to carry out
9 the activities described in subsection (c) with respect to
10 direct care workers.

11 (b) APPLICATIONS; AWARD BASIS.—

12 (1) APPLICATIONS.—

13 (A) IN GENERAL.—An eligible entity seek-
14 ing a grant under subsection (a) shall submit to
15 the Secretary an application at such time, in
16 such manner, and containing such information
17 as the Secretary, in coordination with the Sec-
18 retary of Health and Human Services acting
19 through the Administrator of the Administra-
20 tion for Community Living, may require.

21 (B) CONTENTS.—Each application under
22 subparagraph (A) shall include—

23 (i) a description of the type or types
24 of direct care workers the entity plans to
25 serve through the activities supported by
26 the grant;

1 (ii) a description of the one or more
2 eligible partnering entities collaborating to
3 carry out the activities described in sub-
4 section (c);

5 (iii) an assurance that—

6 (I) the eligible entity will estab-
7 lish a consultative process, as de-
8 scribed in subsection (c)(2); and

9 (II) the eligible entity will consult
10 on the implementation of the grant, or
11 coordinate the activities of the grant,
12 with the agencies in the State that are
13 responsible for developmental dis-
14 ability services, aging, education,
15 workforce development, and Medicaid,
16 to the extent that each such entity is
17 not the eligible entity; and

18 (iv) a plan for ensuring that the eligi-
19 ble entity will remain neutral in any orga-
20 nizing effort involving direct care workers
21 served by the grant who seek to form, join,
22 or assist a labor organization.

23 (2) CONSIDERATION.—In awarding grants
24 under subsection (a), the Secretary, in coordination
25 with the Secretary of Health and Human services

1 acting through the Administrator of the Administra-
2 tion for Community Living, shall ensure equitable
3 geographic diversity in distribution of the grants, in-
4 cluding by selecting recipients in rural areas and se-
5 lecting recipients in urban areas.

6 (3) DURATION OF GRANTS.—A grant awarded
7 under this section shall be for a period of 3 years,
8 and may be renewed. The Secretary, in coordination
9 with the Secretary of Health and Human Services
10 acting through the Administrator of the Administra-
11 tion for Community Living, shall award grants (in-
12 cluding any renewals) under this section in 3-year
13 cycles subject to the limits set forth in subsection
14 (a).

15 (c) USE OF FUNDS.—

16 (1) IN GENERAL.—

17 (A) REQUIRED USE OF FUNDS.—Each eli-
18 gible entity receiving a grant under subsection
19 (a) shall use the grant funds to provide com-
20 petitive wages, benefits, and other supportive
21 services, including transportation, child care,
22 dependent care, workplace accommodations,
23 and workplace health and safety protections, to
24 the direct care workers served by the grant that

1 are necessary to enable such workers to partici-
2 pate in the activities supported by the grant.

3 (B) ADDITIONAL ACTIVITIES.—In addition
4 to the requirement described in subparagraph
5 (A), each eligible entity receiving a grant under
6 subsection (a) shall use the grant funds for one
7 or more of the following activities:

8 (i) Developing and implementing a
9 strategy for the recruitment of direct care
10 workers.

11 (ii) Developing and implementing a
12 strategy for the retention of direct care
13 workers using evidence-based best prac-
14 tices, such as providing mentoring to such
15 workers.

16 (iii) Developing or implementing an
17 education and training program for the di-
18 rect care workers served by the grant,
19 which shall include—

20 (I) education and training on—
21 (aa) the rights of direct care
22 workers under applicable Fed-
23 eral, State, or local employment
24 law on—

1 (AA) wages and hours,
2 including under the Fair
3 Labor Standards Act of
4 1938 (29 U.S.C. 201 et
5 seq.);

6 (BB) safe working con-
7 ditions, including under the
8 Occupational Safety and
9 Health Act of 1970 (29
10 U.S.C. 651 et seq.);

11 (CC) forming, joining,
12 or assisting a labor organi-
13 zation, including under the
14 National Labor Relations
15 Act (29 U.S.C. 153 et seq.);
16 and

17 (DD) other applicable
18 terms and conditions of em-
19 ployment; and

20 (bb) relevant Federal and
21 State laws (including regulations)
22 on the provision of home and
23 community-based services; and

24 (II) providing a progressively in-
25 creasing, clearly defined schedule of

1 hourly wages to be paid to each direct
2 care worker served by the grant for
3 each hour the worker spends on edu-
4 cation or training provided through
5 the program described in this clause,
6 with a schedule of hourly wages
7 that—

8 (aa) is consistent with meas-
9 urable skill gains or attainment
10 of a recognized postsecondary
11 credential received as a result of
12 participation in or completion of
13 such education or training pro-
14 gram; and

15 (bb) ensures that each such
16 worker is compensated for each
17 hour the worker spends on edu-
18 cation or training through such
19 program at an entry rate that is
20 not less than the greater of the
21 applicable minimum wage re-
22 quired by other applicable Fed-
23 eral, State, or local law, or a col-
24 lective bargaining agreement;

1 (III) developing and imple-
2 menting a strategy for the retention
3 and career advancement of the direct
4 care workers served by the grant, in-
5 cluding providing career planning for
6 the direct care workers served by the
7 grant to support the identification of
8 advancement opportunities, and career
9 pathways in the direct care or home
10 care sectors; and

11 (IV) using evidence-based models
12 and standards for achievement for the
13 attainment of any associated recog-
14 nized postsecondary credentials, which
15 include—

16 (aa) supporting opportuni-
17 ties to participate in pre-appren-
18 ticeship or registered apprentice-
19 ship programs, work-based learn-
20 ing, or on-the-job training;

21 (bb) providing on-the-job su-
22 pervision or mentoring to support
23 the development of related skills
24 and competencies throughout

1 completion of such credentials;
2 and

3 (cc) training on the in-de-
4 mand skills and competencies of
5 direct care workers served by the
6 grant, including the provision of
7 culturally competent and dis-
8 ability competent supports and
9 services.

10 (2) CONSULTATION.—Each eligible entity re-
11 ceiving a grant under this section shall consult in
12 the development and implementation of the grant
13 with—

14 (A) individuals with disabilities;

15 (B) older individuals;

16 (C) direct care workers;

17 (D) family caregivers, guardians, or family
18 members; or

19 (E) representatives of—

20 (i) organizations representing the
21 rights and interests of people receiving
22 home and community-based services;

23 (ii) provider agencies or employers of
24 direct care workers served by the grant;

1 (iii) labor or joint labor-management
2 organizations, or advocacy organizations,
3 representing direct care workers served by
4 the grant; or

5 (iv) institutions of higher education or
6 career and technical education schools pro-
7 viding education and training on direct
8 care.

9 (d) SUPPLEMENT AND NOT SUPPLANT.—An eligible
10 entity receiving a grant under this section shall use such
11 grant only to supplement, and not supplant, the amount
12 of funds that, in the absence of such grant, would be avail-
13 able to the eligible entity to address the recruitment, edu-
14 cation and training, retention, or career advancement of
15 direct care workers in the State served by the grant.

16 **PART 5—WORKFORCE DEVELOPMENT PRO-**
17 **GRAMS IN SUPPORT OF COMMUNITIES AND**
18 **THE ENVIRONMENT**

19 **SEC. 22401. CORPORATION FOR NATIONAL AND COMMU-**
20 **NITY SERVICE.**

21 (a) IN GENERAL.—

22 (1) AMERICORPS STATE AND NATIONAL PRO-
23 GRAMS.—

24 (A) IN GENERAL.—In addition to amounts
25 otherwise made available, there is appropriated

1 for fiscal year 2023, out of any money in the
2 Treasury not otherwise appropriated, to the
3 Corporation for National and Community Serv-
4 ice, \$1,305,000,000, to remain available until
5 September 30, 2027, for carrying out national
6 service programs authorized under section
7 122(a)(3)(B) of the National and Community
8 Service Act of 1990 (42 U.S.C.
9 12572(a)(3)(B)) which shall be used to make
10 funding adjustments to existing (as of the date
11 of enactment of this Act) awards and make new
12 awards to entities to support national service
13 programs authorized under the AmeriCorps
14 State and National program (whether or not
15 the entities are already grant recipients under
16 such provisions on the date of enactment of this
17 Act) and to increase the living allowances of
18 participants in national service programs.

19 (B) WAIVER OF MATCHING REQUIRE-
20 MENT.—For the purposes of carrying out this
21 subparagraph, the Corporation shall waive any
22 match requirement in whole or in part where a
23 grantee demonstrates such waiver would in-
24 crease access and remove barriers for organiza-
25 tions that serve communities that are adversely

1 affected by persistent poverty, discrimination,
2 or inequality.

3 (2) NATIONAL CIVILIAN COMMUNITY CORPS.—

4 In addition to amounts otherwise made available,
5 there is appropriated for fiscal year 2023, out of any
6 money in the Treasury not otherwise appropriated,
7 to the Corporation for National and Community
8 Service, \$80,000,000, to remain available until Sep-
9 tember 30, 2027, for carrying out the National Civil-
10 ian Community Corps authorized under section 152
11 of the National and Community Service Act of 1990
12 (42 U.S.C. 12612).

13 (3) VOLUNTEERS IN SERVICE TO AMERICA PRO-

14 GRAM.—In addition to amounts otherwise made
15 available, there is appropriated for fiscal year 2023,
16 out of any money in the Treasury not otherwise ap-
17 propriated, to the Corporation for National and
18 Community Service, \$100,000,000, to remain avail-
19 able until September 30, 2027, for carrying out the
20 Volunteers in Service to America (VISTA) program
21 for the purposes described in section 101 of the Do-
22 mestic Volunteer Service Act of 1973 (42 U.S.C.
23 4951), including to increase the living allowances of
24 volunteers, described in section 105(b) of such Act
25 (42 U.S.C. 4955).

1 (4) STATE COMMISSIONS.—In addition to
2 amounts otherwise made available, there is appro-
3 priated for fiscal year 2023, out of any money in the
4 Treasury not otherwise appropriated, to the Cor-
5 poration for National and Community Service,
6 \$40,000,000, to remain available until September
7 30, 2027, to make adjustments to existing (as of the
8 date of enactment of this Act) awards and new and
9 additional awards, including awards to State Com-
10 missions on National and Community Service, under
11 section 126(a) of the National and Community Serv-
12 ice Act of 1990 (42 U.S.C. 12576(a)).

13 (5) USE OF FUNDS.—Amounts made available
14 under paragraphs (1) through (4) shall be used by
15 the Corporation for National and Community Serv-
16 ice to carry out activities described in section
17 122(a)(3)(B) of the National and Community Serv-
18 ice Act of 1990 (42 U.S.C. 12572(a)(3)(B)) and for
19 activities related to environmental resiliency, remedi-
20 ation, or mitigation by—

21 (A) ensuring at least 50 percent of such
22 funds are awarded to entities that serve, and
23 have representation from, low-income commu-
24 nities, Tribal, Alaska Native, or Native Hawai-
25 ian communities, or communities experiencing

1 (or at risk of experiencing) adverse health and
2 environmental conditions;

3 (B) taking into account the diversity of
4 communities served by such entities and the di-
5 versity of AmeriCorps members serving in these
6 projects, including racial, ethnic, socioeconomic,
7 linguistic, or geographic diversity, and utilizing
8 culturally competent and multilingual strategies
9 in the provision of services to communities and
10 in the recruitment of members;

11 (C) supporting projects that are planned
12 and implemented with the community served by
13 such activities;

14 (D) providing participants with workforce
15 development opportunities such as pre-appren-
16 ticeship programs that articulate to registered
17 apprenticeships, and pathways to post-service
18 employment in high-quality jobs or registered
19 apprenticeships; and

20 (E) coordinating with and providing re-
21 sources to the Departments of Labor and Edu-
22 cation to improve the readiness of participants
23 to transition to high-quality jobs or further edu-
24 cation.

25 (b) ADMINISTRATIVE COSTS.—

1 (1) IN GENERAL.—In addition to amounts oth-
2 erwise made available, there is appropriated for fis-
3 cal year 2022, out of any money in the Treasury not
4 otherwise appropriated, to the Corporation for Na-
5 tional and Community Service, \$199,650,000, to re-
6 main available until September 30, 2027, which
7 shall be used for administrative expenses as provided
8 under section 501(a)(5) of the National and Com-
9 munity Service Act of 1990 (42 U.S.C. 12681(a)(5))
10 and under section 504(a) of the Domestic Volunteer
11 Service Act of 1973 (42 U.S.C. 5084(a)), including
12 an evaluation of the Corporation’s information tech-
13 nology security, corrective actions to address rec-
14 ommendations arising from audits of the agency and
15 the National Service Trust, and, in consultation with
16 the Inspector General, the development of grant
17 fraud prevention and detection controls and risk-
18 based anti-fraud grant monitoring. Not less than 5
19 percent of funds under this paragraph shall be re-
20 served for outreach to and recruitment of members
21 from communities traditionally underrepresented in
22 the programs and activities funded under this sec-
23 tion.

24 (2) PROJECT, OPERATIONS, AND MANAGEMENT
25 PLAN.—In addition to amounts otherwise made

1 available, there is appropriated for fiscal year 2022,
2 out of any money in the Treasury not otherwise ap-
3 propriated, to the Corporation for National and
4 Community Service, \$350,000, to remain available
5 until September 30, 2023, which shall be used by
6 the Chief Executive Officer of the Corporation for
7 National and Community Service in collaboration
8 with the Department of Labor, to develop, issue, and
9 implement a project, operations, and management
10 plan for funds appropriated under this section. In
11 developing the financial management portion of the
12 plan, the Chief Executive Officer shall consult with
13 the Inspector General. Such plan shall be provided
14 to the Committee on Education and Labor of the
15 House of Representatives and the Committee on
16 Health, Education, Labor, and Pensions of the Sen-
17 ate prior to obligating funds or making outlays for
18 funds appropriated under subsection (a).

19 (c) OFFICE OF INSPECTOR GENERAL.—In addition
20 to amounts otherwise made available, there is appro-
21 priated for fiscal year 2022, out of any money in the
22 Treasury not otherwise appropriated, to the Office of In-
23 spector General of the Corporation for National and Com-
24 munity Service, \$15,000,000 to remain available until
25 September 30, 2030, which shall be used by the Office

1 of Inspector General of the Corporation for National and
2 Community Service for salaries and expenses necessary for
3 oversight and audit of programs, activities and operations
4 funded under this section.

5 (d) NATIONAL SERVICE TRUST.—In addition to
6 amounts otherwise made available, there is appropriated
7 for fiscal year 2023, out of any money in the Treasury
8 not otherwise appropriated, to the National Service Trust,
9 \$260,000,000, to remain available until expended, for—

10 (1) administration of the National Service
11 Trust; and

12 (2) payment to the Trust for the provision of
13 educational awards pursuant to section 145(a)(1)(A)
14 and section 148 of the National and Community
15 Service Act of 1990 (42 U.S.C. 12601(a)(1)(A);
16 12604).

17 **SEC. 22402. DEPARTMENT OF LABOR.**

18 (a) IN GENERAL.—

19 (1) YOUTHBUILD PROGRAM.—In addition to
20 amounts otherwise made available, there is appro-
21 priated for fiscal year 2023, out of any money in the
22 Treasury not otherwise appropriated, to the Depart-
23 ment of Labor, \$250,000,000, to remain available
24 until September 30, 2027, except that no amounts
25 may be expended after September 30, 2031, for the

1 YouthBuild program authorized under section
2 171(c)(1) of the Workforce Innovation and Oppor-
3 tunity Act (29 U.S.C. 3226(c)(1)), including for the
4 purposes of improving and expanding access to serv-
5 ices, stipends, wages, and benefits described in sub-
6 sections (c)(2)(A)(vii) and (c)(2)(F) of section 171
7 of such Act.

8 (2) JOB CORPS PROGRAM.—In addition to
9 amounts otherwise made available, there is appro-
10 priated for fiscal year 2023, out of any money in the
11 Treasury not otherwise appropriated, to the Depart-
12 ment of Labor, \$500,000,000, to remain available
13 until September 30, 2030, except that no amounts
14 may be expended after September 30, 2031, for the
15 Job Corps program authorized under section 143 of
16 the Workforce Innovation and Opportunity Act (29
17 U.S.C. 3193 et seq.), including Civilian Conservation
18 Centers as described in section 147(d)(1) of such
19 Act (29 U.S.C. 3197) and for the purposes of im-
20 proving and expanding access to allowances and sup-
21 ports described in section 150 of such Act (29
22 U.S.C. 3200).

23 (3) EX-OFFENDER ACTIVITIES.—In addition to
24 amounts otherwise made available, there is appro-
25 priated for fiscal year 2023, out of any money in the

1 Treasury not otherwise appropriated, to the Depart-
2 ment of Labor, \$500,000,000, to remain available
3 until September 30, 2027, except that no amounts
4 may be expended after September 30, 2031, for ex-
5 offender activities under the authority of section
6 169(b)(5) of the Workforce Innovation and Oppor-
7 tunity Act (29 U.S.C. 3224(b)(5)).

8 (4) APPRENTICESHIP PROGRAMS.—In addition
9 to amounts otherwise made available, there is appro-
10 priated for fiscal year 2023, out of any money in the
11 Treasury not otherwise appropriated, to the Depart-
12 ment of Labor, \$1,000,000,000, to remain available
13 until September 30, 2027, except that no amounts
14 may be expended after September 30, 2031, to carry
15 out activities through grants, cooperative agree-
16 ments, contracts or other arrangements, with States
17 and other appropriate entities, including equity
18 intermediaries and business and labor industry part-
19 ner intermediaries, to create or expand only appren-
20 ticeship programs registered under the Act of Au-
21 gust 16, 1937 (commonly known as the “National
22 Apprenticeship Act”; 50 Stat. 664, chapter 663; 29
23 U.S.C. 50 et seq.), youth apprenticeship programs,
24 and pre-apprenticeship programs articulating to ap-
25 prenticeship programs registered under such Act.

1 (5) PAID YOUTH EMPLOYMENT ACTIVITIES.—In
2 addition to amounts otherwise made available, there
3 is appropriated for fiscal year 2023, out of any
4 money in the Treasury not otherwise appropriated,
5 to the Department of Labor, \$249,800,000, to re-
6 main available until September 30, 2030, except
7 that no amounts may be expended after September
8 30, 2031, for paid youth employment activities
9 under the authority of section 169(b)(5) of the
10 Workforce Innovation and Opportunity Act (29
11 U.S.C. 3224(b)(5)) for in-school and out-of-school
12 youth as defined in section 3 of such Act (29 U.S.C.
13 3102).

14 (b) USE OF FUNDS.—Amounts made available under
15 paragraphs (1) through (8) of subsection (a) shall be used
16 for activities to include training for careers in industry
17 sectors and occupations related to environmental resil-
18 iency, remediation, or mitigation and activities to increase
19 diversity within such industry sectors and occupations,
20 taking into account the diversity of communities and par-
21 ticipants served by such programs, including racial, ethnic,
22 socioeconomic, linguistic, or geographic diversity.

23 (c) PROJECT, OPERATIONS, AND MANAGEMENT
24 PLAN.—In addition to amounts otherwise made available,
25 there is appropriated for fiscal year 2022, out of any

1 money in the Treasury not otherwise appropriated, to the
2 Department of Labor, \$200,000, to remain available until
3 September 30, 2023, which shall be used by the Secretary
4 of Labor in collaboration with the Chief Executive Officer
5 of the Corporation for National and Community Service,
6 to develop and issue a project, operations, and manage-
7 ment plan for funds appropriated under this section. Such
8 plan shall be provided to the Committee on Education and
9 Labor of the House of Representatives and the Committee
10 on Health, Education, Labor, and Pensions of the Senate
11 prior to obligating funds or making outlays for funds ap-
12 propriated under subsection (a).

13 **PART 6—DEPARTMENT OF LABOR INSPECTOR**

14 **GENERAL FUNDING**

15 **SEC. 22501. DEPARTMENT OF LABOR INSPECTOR GENERAL**
16 **FUNDING.**

17 In addition to amounts otherwise available, there is
18 appropriated to the Office of Inspector General of the De-
19 partment of Labor for fiscal year 2022, out of any money
20 in the Treasury not otherwise appropriated,
21 \$100,000,000, to remain available until expended for sala-
22 ries and expenses necessary for oversight, investigations,
23 and audits of programs, grants, and projects of the De-
24 partment of Labor funded under this subtitle and subtitle
25 B of this title.

1 **Subtitle D—Child Care and**
2 **Universal Pre-Kindergarten**

3 **SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND EARLY**
4 **LEARNING ENTITLEMENT.**

5 (a) **SHORT TITLE.**—This section may be cited as the
6 “Birth Through Five Child Care and Early Learning En-
7 titlement Act”.

8 (b) **DEFINITIONS.**—

9 (1) **IN GENERAL.**—The definitions in section
10 658P of the Child Care and Development Block
11 Grant Act of 1990 (42 U.S.C. 9858n) shall apply to
12 this section, except as provided in subparagraph (2)
13 and as otherwise specified.

14 (2) **ADDITIONAL TERMS.**—In this section:

15 (A) **CHILD CARE CERTIFICATE.**—

16 (i) **IN GENERAL.**—The term “child
17 care certificate” means a certificate (that
18 may be a check or other disbursement)
19 that is issued by a State or local govern-
20 ment under this section directly to a par-
21 ent who may use such certificate only as
22 payment for child care services or as a de-
23 posit for child care services if such a de-
24 posit is required of other children being
25 cared for by the provider.

1 (ii) RULE.—Nothing in this section
2 shall preclude the use of such certificates
3 for sectarian child care services if freely
4 chosen by the parent. For the purposes of
5 this section, child care certificates shall be
6 considered Federal financial assistance to
7 the provider.

8 (B) CHILD EXPERIENCING HOMELESS-
9 NESS.—The term “child experiencing homeless-
10 ness” means an individual who is a homeless
11 child or youth under section 725 of the McKin-
12 ney-Vento Homeless Assistance Act (42 U.S.C.
13 11434a).

14 (C) ELIGIBLE ACTIVITY.—The term “eligi-
15 ble activity”, with respect to a parent, shall in-
16 clude, at minimum, activities consisting of—

- 17 (i) full-time or part-time employment;
18 (ii) self-employment;
19 (iii) job search activities;
20 (iv) job training;
21 (v) secondary, postsecondary, or adult
22 education, including education through a
23 program of high school classes, a course of
24 study at an institution of higher education,
25 classes towards an equivalent of a high

1 school diploma recognized by State law, or
2 English as a second language classes;

3 (vi) health treatment (including men-
4 tal health and substance use treatment) for
5 a condition that prevents the parent from
6 participating in other eligible activities;

7 (vii) activities to prevent child abuse
8 and neglect, or family violence prevention
9 or intervention activities;

10 (viii) employment and training activi-
11 ties under the supplemental nutrition as-
12 sistance program established under the
13 Food and Nutrition Act of 2008 (7 U.S.C.
14 2011 et seq.);

15 (ix) employment and training activi-
16 ties under the Workforce Innovation and
17 Opportunity Act (29 U.S.C. 3101)

18 (x) work activities under the program
19 of block grants to States for temporary as-
20 sistance for needy families under part A of
21 title IV of the Social Security Act (42
22 U.S.C. 601 et seq.); and

23 (xi) taking leave under the Family
24 and Medical Leave Act of 1993 (29 U.S.C.
25 2601 et seq.) (or equivalent provisions for

1 Federal employees), a State or local paid
2 or unpaid leave law, or a program of em-
3 ployer-provided leave.

4 (D) ELIGIBLE CHILD.—The term “eligible
5 child” means an individual (without regard to
6 the immigration status of the individual or of
7 any parent of the individual)—

8 (i) who is less than 6 years of age;

9 (ii) who is not yet in kindergarten;

10 (iii) whose family income—

11 (I) does not exceed 100 percent
12 of the State median income for a fam-
13 ily of the same size for fiscal year
14 2022;

15 (II) does not exceed 115 percent
16 of such State median income for fiscal
17 year 2023;

18 (III) does not exceed 130 percent
19 of such State median income for fiscal
20 year 2024; and

21 (IV) for each of the fiscal years
22 2025 through 2027, is of any level;

23 (iv) whose family assets do not exceed
24 \$1,000,000 (as certified by a member of
25 such family); and

1 (v) who—

2 (I) resides with a parent partici-
3 pating in an eligible activity;

4 (II) is included in a population of
5 vulnerable children identified by the
6 lead agency involved, which at a min-
7 imum shall include children experi-
8 encing homelessness, children in foster
9 care, children in kinship care, and
10 children who are receiving, or need to
11 receive, child protective services; or

12 (III) resides with a parent who is
13 more than 65 years of age.

14 (E) ELIGIBLE CHILD CARE PROVIDER.—

15 (i) IN GENERAL.—The term “eligible
16 child care provider” means a center-based
17 child care provider, a family child care pro-
18 vider, or other provider of child care serv-
19 ices for compensation that—

20 (I) is licensed to provide child
21 care services under State law;

22 (II) participates in the State’s
23 tiered system for measuring the qual-
24 ity of child care providers described in
25 subsection(f)(4)(B)—

1 (aa) not later than the last
2 day of the third fiscal year for
3 which the State receives funds
4 under this section; and

5 (bb) for the remainder of
6 the period for which the provider
7 receives funds under this section;
8 and

9 (III) satisfies the State and local
10 requirements applicable to eligible
11 child care providers under the Child
12 Care and Development Block Grant
13 Act of 1990 (42 U.S.C. 9857 et seq.),
14 including those requirements de-
15 scribed in section 658E(c)(2)(I) of
16 such Act (42 U.S.C. 9858c(c)(2)(I)).

17 (ii) SPECIAL RULE.—A child care pro-
18 vider who has been eligible to provide child
19 care services in a State for children receiv-
20 ing assistance under the Child Care and
21 Development Block Grant Act of 1990 (42
22 U.S.C. 9857 et seq.) on the date the State
23 submits an application for funds under this
24 section and remains in good standing with
25 the State, shall be deemed to be an eligible

1 child care provider under this section for 3
2 years after the State receives funding
3 under this section.

4 (F) FMAP.—The term “FMAP” has the
5 meaning given the term “Federal medical as-
6 sistance percentage” in the first sentence of
7 section 1905(b) of the Social Security Act (42
8 U.S.C. 1396d(b)).

9 (G) FAMILY CHILD CARE PROVIDER.—
10 Family child care provider means one or more
11 individuals who provide child care services less
12 than 24 hours per day per child, in a private
13 residence other than the residences of the chil-
14 dren, unless care for 24 hours is provided due
15 to the nature of the parent(s)’ work.

16 (H) INCLUSIVE CARE.—The term “inclu-
17 sive”, with respect to care (including child
18 care), means care provided by an eligible child
19 care provider—

20 (i) for whom the percentage of chil-
21 dren served by the provider who are chil-
22 dren with disabilities or infants or toddlers
23 with disabilities reflects the prevalence of
24 children with disabilities and infants and
25 toddlers with disabilities (whichever the

1 provider serves) among children within the
2 State involved; and

3 (ii) that provides care and full partici-
4 pation for children with disabilities and in-
5 fants and toddlers with disabilities (which-
6 ever the provider serves) alongside children
7 who are—

8 (I) not children with disabilities;
9 and

10 (II) not infants and toddlers with
11 disabilities.

12 (I) INFANT OR TODDLER.—The term “in-
13 fant or toddler” means an individual who is less
14 than 3 years of age.

15 (J) INFANT OR TODDLER WITH A DIS-
16 ABILITY.—The term “infant or toddler with a
17 disability” has the meaning given the term in
18 section 632 of the Individuals with Disabilities
19 Education Act (20 U.S.C. 1432).

20 (K) LEAD AGENCY.—The term “lead agen-
21 cy” means the agency designated or established
22 under subsection (e).

23 (L) STATE.—The term “State” means any
24 of the 50 States and the District of Columbia.

1 (M) TERRITORY.—The term “territory”
2 means the Commonwealth of Puerto Rico, the
3 Virgin Islands of the United States, Guam,
4 American Samoa, and the Commonwealth of
5 the Northern Mariana Islands.

6 (N) TRIBAL ORGANIZATION.—The term
7 “Tribal organization” has the meaning given
8 the term in section 4 of the Indian Self-Deter-
9 mination and Education Assistance Act (25
10 U.S.C. 450b).

11 (O) URBAN INDIAN ORGANIZATION.—The
12 term “Urban Indian organization” has the
13 meaning given the term in section 4 of the In-
14 dian Health Care Improvement Act (25 U.S.C.
15 1603).

16 (c) APPROPRIATIONS.—

17 (1) IN GENERAL.—In addition to amounts oth-
18 erwise available, there is appropriated to the Depart-
19 ment of Health and Human Services, out of any
20 money in the Treasury not otherwise appropriated,
21 for carrying out this section—

22 (A) \$20,000,000,000 for fiscal year 2022,
23 to remain available until September 30, 2025,

24 (B) \$30,000,000,000 for fiscal year 2023,
25 to remain available until September 30, 2026

1 (C) \$40,000,000,000 for fiscal year 2024,
2 to remain available until September 30, 2027;

3 (D) such sums as may be necessary for
4 each of fiscal years 2025 through 2027, to re-
5 main available for one fiscal year.

6 (2) ADMINISTRATION.—

7 (A) FISCAL YEARS 2022 THROUGH 2024.—

8 In addition to amounts otherwise available,
9 there is appropriated to the Department of
10 Health and Human Services, out of any money
11 in the Treasury not otherwise appropriated,
12 \$130,000,000 for each of fiscal years 2022,
13 2023, and 2024, to carry out subsection (k).
14 Amounts appropriated by the preceding sen-
15 tence shall be available for one fiscal year.

16 (B) FISCAL YEARS 2025 THROUGH 2027.—

17 From the amounts appropriated under sub-
18 section (a), the Secretary shall reserve, to carry
19 out subsection (k), up to 1 percent of such
20 amounts for each of fiscal years 2025, 2026,
21 and 2027, which shall be in addition to
22 amounts otherwise available for this purpose.
23 Amounts appropriated by the preceding sen-
24 tence shall be available for one fiscal year.

1 (d) ESTABLISHMENT OF BIRTH THROUGH FIVE
2 CHILD CARE AND EARLY LEARNING ENTITLEMENT PRO-
3 GRAM.—

4 (1) IN GENERAL.—The Secretary is authorized
5 to administer a child care and early learning entitle-
6 ment program under which families, in States, terri-
7 tories, and Indian Tribes with an approved applica-
8 tion under subsection (f) or (g), shall be provided an
9 opportunity to obtain high-quality child care services
10 for eligible children, subject to the requirements of
11 this section.

12 (2) ASSISTANCE FOR EVERY ELIGIBLE
13 CHILD.—Beginning on October 1, 2024, every family
14 who applies for assistance under this section with re-
15 spect to a child in a State with an approved applica-
16 tion under subsection (g), or in a territory or Indian
17 tribe with an approved application under subsection
18 (f), and who is determined, by a lead agency (or
19 other entity designated by a lead agency) following
20 standards and procedures established by the Sec-
21 retary by rule, to be an eligible child, shall be offered
22 child care assistance in accordance with and subject
23 to the requirements and limitations of this section.

24 (e) LEAD AGENCY.—The Governor of a State or the
25 head of a territory or Indian tribe, desiring to receive as-

1 sistance under this section shall designate an agency
2 (which may be an appropriate collaborative agency), or es-
3 tablish a joint interagency office—

4 (1) to serve as the lead agency for the State,
5 territory, or Indian tribe under this section; and

6 (2) to administer, directly or through other gov-
7 ernmental or nongovernmental agencies of the State,
8 territory or Indian tribe the financial assistance re-
9 ceived under this section by the State, territory, or
10 Indian tribe, including by certifying the eligibility of
11 children.

12 (f) APPLICATIONS AND STATE PLANS.—

13 (1) APPLICATION.—To be eligible to receive as-
14 sistance under this section, a State shall prepare
15 and submit to the Secretary for approval an applica-
16 tion at such time, in such manner, and containing
17 a State plan that—

18 (A) for a transitional State plan, meets the
19 requirements under subsection (c) and contains
20 such information as the Secretary may require,
21 to demonstrate the State will meet the require-
22 ments of this section; and

23 (B) for a full State plan, meets the re-
24 quirements under subsection (d) and contains
25 that information.

1 (2) PERIOD COVERED BY PLAN.—A State plan
2 contained in the application shall be designed to be
3 implemented—

4 (A) for a transitional State plan, during a
5 1-year period; and

6 (B) for a full State plan, during a 3-year
7 period.

8 (3) REQUIREMENTS FOR TRANSITIONAL STATE
9 PLANS.—For a period of 1 year following the date
10 of enactment of this Act, the Secretary shall award
11 funds under this section to States with an approved
12 application that contains a transitional State plan,
13 submitted under paragraph (1)(A) that includes, at
14 a minimum—

15 (A) an assurance that the State will sub-
16 mit a State plan under paragraph (4); and

17 (B) a description of how the funds received
18 by the State under this section will be spent to
19 expand access to child care assistance and in-
20 crease the supply and quality of child care pro-
21 viders within the State, in alignment with the
22 requirements of this section.

23 (4) REQUIREMENTS FOR FULL STATE PLANS.—
24 The Secretary may award funds under this section
25 to States with an approved application that contains

1 a subsequent State plan, submitted under subsection
2 (a)(2), that includes, at a minimum, the following:

3 (A) PAYMENT RATES AND COST ESTI-
4 MATION.—

5 (i) PAYMENT RATES.—The State plan
6 shall certify that payment rates for the
7 provision of child care services for which
8 assistance is provided in accordance with
9 this section for the period covered by the
10 plan, within 3 years after the State re-
11 ceives funds under this section—

12 (I) will be sufficient to meet the
13 cost of child care, and set in accord-
14 ance with a cost estimation model or
15 cost study described in clause (ii) that
16 is approved by the Secretary; and

17 (II) will correspond to differences
18 in quality (including improved quality)
19 based on the State's tiered system for
20 measuring the quality of eligible child
21 care providers described in subpara-
22 graph (B).

23 (ii) COST ESTIMATION.—Such State
24 plan shall—

1 (I) demonstrate that the State
2 has, after consulting with relevant en-
3 tities and stakeholders, developed and
4 uses a statistically valid and reliable
5 cost estimation model or cost study
6 for the payment rates of child care
7 services in the State that reflect rates
8 for providers at each of the tiers of
9 the State's tiered system for meas-
10 uring the quality of child care pro-
11 viders described in subparagraph (B),
12 and variations in the cost of child care
13 services by geographic area, type of
14 provider, and age of child, and the ad-
15 ditional costs associated with pro-
16 viding inclusive child care services;
17 and

18 (II) certify that the State's pay-
19 ment rates for child care services for
20 which assistance is provided in accord-
21 ance with this section—

22 (aa) are set in accordance
23 with the most recent estimates
24 from the most recent cost esti-
25 mation model or cost study under

1 subclause (I), so that providers
2 at each tier of the tiered system
3 for measuring provider quality
4 described in subparagraph (B)
5 receive a payment that is suffi-
6 cient to meet the requirements of
7 such tier;

8 (bb) are set so as to provide
9 payments to providers not at the
10 top tier of the tiered system that
11 are sufficient to enable the pro-
12 viders to increase quality to meet
13 the requirements for the next
14 tier;

15 (cc) ensure adequate wages
16 for staff of child care providers
17 providing such child care services
18 that—

19 (AA) at a minimum,
20 provide a living wage for all
21 staff of such child care pro-
22 viders; and

23 (BB) are equivalent to
24 wages for elementary edu-
25 cators with similar creden-

1 tials and experience in the
2 State; and

3 (dd) are adjusted on an an-
4 nual basis for cost of living in-
5 creases to ensure those payment
6 rates remain sufficient to meet
7 the requirements of this section.

8 (iii) PAYMENT PRACTICES.—Such
9 State plan shall include an assurance that
10 the State will implement payment practices
11 that support the fixed costs of providing
12 child care services.

13 (B) TIERED SYSTEM FOR MEASURING THE
14 QUALITY OF CHILD CARE PROVIDERS.—Such
15 State plan shall certify that the State has im-
16 plemented, or assure that the State will imple-
17 ment within 3 years after receiving funds under
18 this section, a tiered system for measuring the
19 quality of eligible child care providers who pro-
20 vide child care services for which assistance is
21 made available under this section. Such tiered
22 system shall—

23 (i) include a set of standards, for de-
24 termining the tier of quality of a child care
25 provider, that—

1 (I) uses standards for a highest
2 tier that at a minimum are equivalent
3 to Head Start program performance
4 standards described in section
5 641A(a)(1)(B) of the Head Start Act
6 (42 U.S.C. 9836a(a)(1)(B)) or other
7 equivalent evidence-based standards
8 approved by the Secretary; and

9 (II) includes quality indicators
10 and thresholds that are appropriate
11 for child development in different
12 types of child care provider settings,
13 including child care centers and the
14 settings of family child care providers,
15 and are appropriate for providers
16 serving different age groups (includ-
17 ing mixed age groups) of children;

18 (ii) include a different set of stand-
19 ards that includes indicators, when appro-
20 priate, for care during nontraditional hours
21 of operation; and

22 (iii) provide for sufficient resources
23 and supports for child care providers at
24 tiers lower than the highest tier to facili-

1 tate progression toward higher quality
2 standards.

3 (C) ACHIEVING HIGH QUALITY FOR ALL
4 CHILDREN.—Such State plan shall certify the
5 State has implemented, or will implement with-
6 in 3 years of receiving funds under this section,
7 policies and financing practices that will ensure
8 all families of eligible children can choose for
9 the children to attend child care at the highest
10 quality tier within 6 years after the date of en-
11 actment of this Act.

12 (D) COMPENSATION.—Such plan shall pro-
13 vide a certification that the State has or will
14 have within 3 years after receiving funds under
15 this section, a wage ladder for staff of eligible
16 child care providers receiving assistance under
17 this section, including a certification that wages
18 for such staff, at a minimum, will meet the re-
19 quirements of subparagraph (A)(ii)(II)(cc).

20 (E) SLIDING FEE SCALE FOR COPAY-
21 MENTS.—

22 (i) IN GENERAL.—Except as provided
23 in clauses (ii)(I) and (iii), the State plan
24 shall provide an assurance that the State
25 will for the period covered by the plan use

1 a sliding fee scale described in clause (ii)
2 to determine a copayment for a family re-
3 ceiving assistance under this section (or,
4 for a family receiving part-time care, a re-
5 duced copayment that is the proportionate
6 amount of the full copayment).

7 (ii) SLIDING FEE SCALE.—A full co-
8 payment described in clause (i) shall use a
9 sliding fee scale that provides that, for a
10 family with a family income—

11 (I) of not more than 75 percent
12 of State median income for a family
13 of the same size, the family shall not
14 pay a copayment, toward the cost of
15 the child care involved for all eligible
16 children in the family;

17 (II) of more than 75 percent but
18 not more than 100 percent of State
19 median income for a family of the
20 same size, the copayment shall be
21 more than 0 but not more than 2 per-
22 cent of that family income, toward
23 such cost for all such children;

24 (III) of more than 100 percent
25 but not more than 125 percent of

1 State median income for a family of
2 the same size, the copayment shall be
3 more than 2 but not more than 4 per-
4 cent of that family income, toward
5 such cost for all such children;

6 (IV) of more than 125 percent
7 but not more than 150 percent of
8 State median income for a family of
9 the same size, the copayment shall be
10 more than 4 but not more than 7 per-
11 cent of that family income, toward
12 such cost for all such children; and

13 (V) of more than 150 percent of
14 the State median income for a family
15 of the same size, the copayment shall
16 be 7 percent of that family income, to-
17 ward such cost for all such children.

18 (iii) SPECIAL RULES.—The State shall
19 not require a copayment under this sub-
20 paragraph for any eligible child of a family
21 with a child that is eligible for a Head
22 Start program under the Head Start Act
23 (42 U.S.C. 9831 et seq.), or a child who
24 has been identified as a member of a popu-
25 lation listed in subsection

1 (b)(2)(D)(v)((II). A State or another entity
2 may pay a copayment (full or reduced)
3 under this subparagraph on behalf of a
4 family, but may not receive Federal reim-
5 bursement under this section for such pay-
6 ment.

7 (F) PROHIBITION ON CHARGING MORE
8 THAN COPAYMENT.—The State plan shall cer-
9 tify that the State shall not permit a child care
10 provider receiving financial assistance under
11 this section to charge, for child care for an eli-
12 gible child, more than the total of—

13 (i) the financial assistance provided
14 for the child under this section; and

15 (ii) any applicable copayment pursu-
16 ant to subparagraph (E).

17 (G) ELIGIBILITY.—The State plan shall
18 assure that each child who receives assistance
19 under this section will be considered to meet all
20 eligibility requirements for such assistance, and
21 will receive such assistance, for not less than 24
22 months, and the child's eligibility determination
23 and redetermination, including any determina-
24 tion based on the State's definition of eligible
25 activities, shall be implemented in such a man-

1 ner that supports child well-being and reduces
2 barriers to enrollment, including continuity of
3 services.

4 (H) POLICIES TO SUPPORT ACCESS TO
5 CHILD CARE FOR UNDERSERVED POPU-
6 LATIONS.—The State plan shall assure that the
7 State will prioritize increasing access to, and
8 the quality and the supply of, child care in the
9 State for underserved populations, including at
10 a minimum, low-income children, children in
11 underserved areas, infants and toddlers, chil-
12 dren with disabilities and infants and toddlers
13 with disabilities, children who are dual language
14 learners, and children who receive care during
15 nontraditional hours.

16 (I) POLICIES.—The State plan shall in-
17 clude a certification that the State will apply,
18 under this section, the policies and procedures
19 described in subparagraphs (A), (B), (I), (J),
20 (K)(i), (R), and (U) of section 658E(c)(2) of
21 the Child Care and Development Block Grant
22 Act of 1990 (42 U.S.C. 9858c(c)(2)), and the
23 policies and procedures described in section
24 658H of such Act, to child care services pro-
25 vided under this section.

1 (J) LICENSING.—The State plan shall in-
2 clude an assurance that the State has or will
3 develop within 3 years after receiving funds
4 under this section, licensing standards for child
5 care providers and a pathway to such licensure
6 that is available to and appropriate for child
7 care providers in a variety of settings, to ensure
8 providers eligible under the Child Care and De-
9 velopment Block Grant Act of 1990 (42 U.S.C.
10 9857 et seq.), have a pathway to become eligi-
11 ble providers under this section.

12 (K) REPORTS.—The State plan shall in-
13 clude an agreement to provide to the Secretary
14 such periodic reports, providing a detailed ac-
15 counting of the uses of such funds received
16 under this section, as the Secretary may require
17 for the administration of this section.

18 (g) PAYMENTS.—

19 (1) TRANSITION PAYMENTS FOR FISCAL YEARS
20 2022 THROUGH 2024.—

21 (A) RESERVATIONS AND ALLOTMENTS.—

22 (i) IN GENERAL.—For each of fiscal
23 years 2022 through 2024, the Secretary
24 shall, from the amount appropriated under

1 subsection (c)(1)(A) for each such fiscal
2 year—

3 (I) reserve not less than 4 per-
4 cent for Indian Tribes, Tribal organi-
5 zations, and Urban Indian organiza-
6 tions for child care assistance;

7 (II) reserve not less than 0.5 of
8 1 percent for Guam, American
9 Samoa, the Commonwealth of the
10 Northern Mariana Islands, and the
11 United States Virgin Islands for child
12 care assistance; and

13 (III) from the amount so appro-
14 priated and not reserved under sub-
15 clauses (I) and (II), make allotments
16 to each State in the same manner as
17 the Secretary makes such allotments
18 using the formula under section
19 6580(b) of the Child Care and Devel-
20 opment Block Grant Act of 1990 (42
21 U.S.C. 9858n(b)).

22 (IV) \$9,600,000,000 for each of
23 the fiscal years 2022 through 2027 to
24 carry out the program of grants to lo-
25 calities in subsection (i).

1 (ii) DEFINITION.—For purposes of
2 this paragraph, the term “State” means
3 the 50 States, the District of Columbia,
4 and the Commonwealth of Puerto Rico.

5 (B) PAYMENTS.—

6 (i) INDIAN TRIBES, TRIBAL ORGANIZA-
7 TIONS, AND URBAN INDIAN ORGANIZA-
8 TIONS.—

9 (I) IN GENERAL.—For each of
10 fiscal years 2022 through 2024, from
11 the amount reserved for Indian
12 Tribes, Tribal organizations, and
13 Urban Indian organizations under
14 subparagraph (A)(i)(I), the Secretary
15 shall make payments to Indian Tribes,
16 Tribal organizations, and Urban In-
17 dian organizations, and the Tribes,
18 Tribal organizations, and Indian orga-
19 nizations shall be entitled to such pay-
20 ments, for carrying out programs or
21 activities consistent with the objectives
22 of this section.

23 (II) APPLICATIONS.—An Indian
24 Tribe, Tribal organization, or Urban
25 Indian organization seeking a pay-

1 ment under clause (ii)(II) shall submit
2 an application to the Secretary at
3 such time, in such manner, and con-
4 taining such information as the Sec-
5 retary may specify, including the
6 agreement described in subsection
7 (f)(4)(K).

8 (ii) TERRITORIES.—

9 (I) IN GENERAL.—For each of
10 fiscal years 2022 through 2024, from
11 the amount reserved for territories
12 under subsection (A)(i)(II), the Sec-
13 retary shall make payments to the ter-
14 ritories specified in that paragraph,
15 and the territories shall be entitled to
16 such payments, for carrying out pro-
17 grams or activities consistent with the
18 objectives of this section.

19 (II) APPLICATIONS.—A territory
20 specified in clause (i)(II) seeking a
21 payment under this clause shall sub-
22 mit an application to the Secretary at
23 such time, in such manner, and con-
24 taining such information as the Sec-
25 retary may specify, including the

1 agreement described in subsection
2 (f)(4)(K).

3 (iii) STATES.—For each of fiscal years
4 2022 through 2024, each State that has
5 an application approved under subsection
6 (f) shall be entitled to a payment under
7 this clause in the amount equal to its allot-
8 ment under subparagraph (A) for such fis-
9 cal year.

10 (C) AUTHORITIES.—Notwithstanding any
11 other provision of this paragraph, for each of
12 fiscal years 2022 through 2024, the Secretary
13 shall have the authority to reallocate funds that
14 were allotted under subparagraph (A) from any
15 State without an approved application under
16 subsection (f) by the date required by the Sec-
17 retary, to States with approved applications
18 under that subsection, to Tribes with an ap-
19 proved application under subparagraph (A)(ii),
20 and to territories with an approved application
21 under .

22 (2) PAYMENTS FOR FISCAL YEARS 2025
23 THROUGH 2027.—

24 (A) IN GENERAL.—For each of fiscal years
25 2025 through 2027:

1 (i) CHILD CARE ASSISTANCE FOR ELI-
2 GIBLE CHILDREN.—

3 (I) IN GENERAL.—The Secretary
4 shall pay to each State with an ap-
5 proved application under subsection
6 (f), and that State shall be entitled to,
7 an amount for each quarter equal to
8 90 percent of expenditures in the
9 quarter for child care assistance for
10 eligible children described under sub-
11 section (h)(2)(B). The Secretary shall
12 pay to each State with an approved
13 application under subsection (f), and
14 that State shall be entitled to, an
15 amount for each quarter equal to 90
16 percent of expenditures in the quarter
17 for the components of the child care
18 entitlement program described under
19 subsection (h)(2)(B).

20 (II) EXCEPTION.—Funds re-
21 served from the amount under sub-
22 section (h)(2)(C) shall be subject to
23 clause (ii).

24 (ii) ACTIVITIES TO IMPROVE THE
25 QUALITY AND SUPPLY OF CHILD CARE

1 SERVICES.—The Secretary shall pay to
2 each State with such an approved applica-
3 tion, and that State shall be entitled to, an
4 amount for each quarter equal to the
5 FMAP of expenditures in the quarter to
6 carry out the quality and supply building
7 activities under subsection (h)(2)(C) sub-
8 ject to the limit specified in clause (i) of
9 such subsection.

10 (iii) ADMINISTRATION.—The Sec-
11 retary shall pay to each State with such an
12 approved application, and that State shall
13 be entitled to, an amount for each quarter
14 equal to 50 percent of expenditures in the
15 quarter for the costs of administration in-
16 curred by the State—

17 (I) which shall include reasonable
18 costs incurred by the State in car-
19 rying out the child care program es-
20 tablished in this section; and

21 (II) which may include, at the
22 option of the State, costs associated
23 with carrying out requirements, poli-
24 cies, and procedures described in sec-
25 tion 658H of the Child Care and De-

1 velopment Block Grant Act (42
2 U.S.C. 9858f).

3 (B) ADVANCE PAYMENT; RETROSPECTIVE
4 ADJUSTMENT.—For each of fiscal years 2025
5 through 2027, the Secretary may make pay-
6 ments under this subsection for each quarter on
7 the basis of advance estimates of expenditures
8 submitted by the State and such other inves-
9 tigation as the Secretary may find necessary,
10 and shall reduce or increase the payments as
11 necessary to adjust for any overpayment or un-
12 derpayment for previous quarters.

13 (C) FLEXIBILITY IN SUBMITTAL OF
14 CLAIMS.—Nothing in this subsection shall be
15 construed as preventing a State from claiming
16 as expenditures in a quarter expenditures that
17 were incurred in a previous quarter and not
18 claimed in such previous quarter.

19 (D) TERRITORIES AND TRIBES.—For each
20 of fiscal years 2025 through 2027, the Sec-
21 retary shall make payments to territories, and
22 Indian tribes, tribal organizations, and Urban
23 Indian organizations, with applications sub-
24 mitted as described in subsection (a), and ap-
25 proved by the Secretary. The territories, Indian

1 tribes, tribal organizations, and Urban Indian
2 organizations shall be entitled to such payments
3 to carry out the activities described in sub-
4 section (h)(2).

5 (h) USE OF FUNDS.—

6 (1) USE OF FUNDS FOR TRANSITION YEARS.—

7 For each of fiscal years 2022 through 2024, a State
8 that receives a payment under subsection (g)(1)
9 shall reserve and use—

10 (A) 50 percent of such payment for activi-
11 ties to—

12 (i) expand access to child care assist-
13 ance for eligible children (with priority for
14 providing access for children in families
15 with incomes less than 85 percent of the
16 State median income); and

17 (ii) increase child care provider pay-
18 ment rates to support the cost of providing
19 high-quality child care services, including
20 rates sufficient to support increased wages
21 for staff of eligible child care providers;

22 (B) 25 percent of such payment for activi-
23 ties described in subsection (b)(3); and

1 (C) 25 percent for activities under sub-
2 paragraph (A) or activities under subparagraph
3 (B), as determined by the State.

4 (2) USE OF FUNDS FOR FISCAL YEARS 2025
5 THROUGH 2027.—

6 (A) IN GENERAL.—Starting on October 1,
7 2024, a State shall use amounts provided to the
8 State under subsection (g)(2) for child care
9 services (provided on a sliding fee scale basis),
10 activities to improve the quality and supply of
11 child care services, and State administration.

12 (B) CHILD CARE ASSISTANCE FOR ELIGI-
13 BLE CHILDREN.—

14 (i) IN GENERAL.—The State shall en-
15 sure that parents of eligible children can
16 access child care services provided by an
17 eligible child care provider through a grant
18 or contract under clause (ii) or a certifi-
19 cate under clause (iii).

20 (ii) GRANTS AND CONTRACTS.—The
21 State shall award grants or contracts to el-
22 igible child care providers, consistent with
23 the requirements under this section, for
24 the provision of child care services for eli-
25 gible children that, at minimum, support

1 providers' operating expenses to meet and
2 sustain health, safety, quality, and wage
3 standards required under this section.

4 (iii) CERTIFICATES.—The State shall
5 issue a child care certificate directly to a
6 child care provider on behalf of a parent
7 who may use such certificate only as pay-
8 ment for child care services or as a deposit
9 for child care services if such a deposit is
10 required of other children being cared for
11 by the provider, consistent with the re-
12 quirements under this section.

13 (C) ACTIVITIES TO IMPROVE THE QUALITY
14 AND SUPPLY OF CHILD CARE SERVICES.—

15 (i) QUALITY CHILD CARE ACTIVI-
16 TIES.—

17 (I) AMOUNT.—For each of fiscal
18 years 2025 through 2027, from the
19 total of the annual payments made to
20 the State for a particular fiscal year,
21 the State shall reserve and use a qual-
22 ity child care amount equal to not less
23 than 5 percent and not more than 10
24 percent of the amount made available
25 to the State through such payments

1 for that particular fiscal year (and
2 shall reserve and use a proportional
3 amount from each quarterly payment
4 made to the State for that particular
5 fiscal year).

6 (II) USE OF QUALITY CHILD
7 CARE AMOUNT.—Each State shall use
8 the quality child care amount de-
9 scribed in subclause (I) to implement
10 activities described in subparagraphs
11 (B) and (C) that increase the quality
12 and supply of eligible child care pro-
13 viders, and the number of available
14 slots in the State for child care serv-
15 ices funded under this section,
16 prioritizing assistance for child care
17 providers who are in underserved com-
18 munities and who are providing, or
19 are seeking to provide, child care serv-
20 ices for underserved populations iden-
21 tified in subsection (f)(4)(H).

22 (III) ADMINISTRATION.—Assist-
23 ance provided under this subpara-
24 graph may be administered—

1 (aa) directly by the lead
2 agency; or

3 (bb) through other State
4 government agencies, local or re-
5 gional child care resource and re-
6 ferral organizations, community
7 development financial institu-
8 tions, other intermediaries with
9 experience supporting child care
10 providers, or other appropriate
11 entities that enter into a contract
12 with the State to provide such
13 assistance.

14 (ii) ACTIVITIES.—Activities funded
15 under the quality child care amount de-
16 scribed in clause (i) shall include each of
17 the following:

18 (I) STARTUP GRANTS AND SUP-
19 PLY EXPANSION GRANTS.—

20 (aa) IN GENERAL.—From a
21 portion of the quality child care
22 amount, a State shall make start-
23 up and supply expansion grants
24 to support child care providers
25 who are providing, or seeking to

1 provide, child care services to
2 children receiving assistance
3 under this section, with priority
4 for providers providing or seeking
5 to provide child care in under-
6 served communities and for un-
7 derserved populations identified
8 in subsection (f)(4)(H), to—

9 (AA) support startup
10 and expansion costs; and

11 (BB) assist such pro-
12 viders in meeting health and
13 safety requirements and
14 achieving licensure.

15 (bb) REQUIREMENT.—As a
16 condition of receiving a startup
17 or supply expansion grant under
18 this subclause, a child care pro-
19 vider shall commit to meeting the
20 requirements of an eligible pro-
21 vider under this section, and pro-
22 viding child care services to chil-
23 dren receiving assistance under
24 this section on an ongoing basis.

1 (II) QUALITY GRANTS.—From a
2 portion of the quality child care
3 amount, a State shall provide quality
4 grants to eligible child care providers
5 providing child care services to chil-
6 dren receiving assistance under this
7 section to improve the quality of such
8 providers, including—

9 (aa) supporting such pro-
10 viders in meeting or making
11 progress toward the requirements
12 for the highest tier of the State’s
13 tiered system for measuring the
14 quality of child care providers
15 under subsection (f)(4)(B); and

16 (bb) supporting such pro-
17 viders in sustaining child care
18 quality.

19 (III) FACILITIES GRANTS.—

20 (aa) IN GENERAL.—From a
21 portion of the quality child care
22 amount, a State shall provide
23 support, including through
24 awarding facilities grants, for re-
25 modeling, renovation, or repair of

1 a building or facility to the ex-
2 tent permitted under section
3 658F(b) of the Child Care and
4 Development Block Grant Act of
5 1990 (42 U.S.C. 9858).

6 (bb) ADDITIONAL USES.—
7 For fiscal years 2022 through
8 2024, and in subsequent years
9 with approval from the Secretary,
10 a State may provide such facili-
11 ties grants for construction, per-
12 manent improvement, or major
13 renovation of a building or facil-
14 ity primarily used for providing
15 child care services, in accordance
16 with the following:

17 (AA) Federal interest
18 provisions will not apply to
19 the renovation or rebuilding
20 of privately-owned family
21 child care homes under this
22 subclause.

23 (BB) Eligible child care
24 providers may not use funds
25 for buildings or facilities

1 that are used primarily for
2 sectarian instruction or reli-
3 gious worship.

4 (CC) The Secretary
5 shall develop parameters on
6 the use of funds under this
7 subclause for family child
8 care homes.

9 (DD) The Secretary
10 shall not retain Federal in-
11 terest after a period of 10
12 years in any facility built,
13 renovated, or repaired with
14 funds awarded under this
15 subclause.

16 (IV) ADDITIONAL ACTIVITIES TO
17 IMPROVE THE QUALITY OF CHILD
18 CARE SERVICES.—A State shall use a
19 portion of the quality child care
20 amount to improve the quality of child
21 care services, which shall include—

22 (aa) supporting the training
23 and professional development of
24 the early childhood workforce, in-
25 cluding supporting degree attain-

1 ment and credentialing for early
2 childhood educators;

3 (bb) developing, imple-
4 menting, or enhancing the
5 State's tiered system for meas-
6 uring the quality of child care
7 providers under subsection
8 (f)(4)(B);

9 (cc) improving the supply
10 and quality of developmentally
11 appropriate child care programs
12 and services for underserved pop-
13 ulations described in subsection
14 (f)(4)(H);

15 (dd) improving access to
16 child care services for children
17 experiencing homelessness and
18 children in foster care; and

19 (ee) other activities to im-
20 prove the supply and quality of
21 child care services, including ac-
22 tivities described in paragraphs
23 (1) through (10) of section
24 658G(b) of the Child Care and

1 Development Block Grant Act of
2 1990 42 U.S.C. 9858e).

3 (V) TECHNICAL ASSISTANCE.—

4 From a portion of the quality child
5 care amount, the State shall provide
6 technical assistance to increase the
7 supply and quality of eligible child
8 care providers who are providing, or
9 seeking to provide, child care services
10 to children receiving assistance under
11 this section, including providing sup-
12 port to enable providers to achieve li-
13 censure.

14 (i) GRANTS TO LOCALITIES.—

15 (1) DEFINITION OF ELIGIBLE LOCALITY.—In
16 this subsection the term “eligible locality” means a
17 city, county, or other unit of general local govern-
18 ment, or a Head Start grantee.

19 (2)(A) IN GENERAL.—The Secretary shall use
20 funds reserved in subsection (g)(1)(A)(i)(IV)) to
21 award local Birth through Five Child Care and
22 Early Learning Grants to eligible localities located
23 in States that have made it apparent that they will
24 not apply for payments under subsection (f). The
25 Secretary shall award the grants to eligible localities

1 in a State from the allotment made for that State
2 under subparagraph (B). The Secretary shall specify
3 the requirements for an eligible locality to provide
4 access to child care to children in families with in-
5 come that does not exceed 200 percent of the Fed-
6 eral poverty level, which shall, to the greatest extent
7 practicable, be consistent with the requirements ap-
8 plicable to States under this section.

9 (B) APPLICATION.—To receive a grant
10 from the corresponding State allotment under
11 this subsection, an eligible locality shall submit
12 an application to the Secretary at such time, in
13 such manner, and containing such information
14 as the Secretary may require. The requirements
15 for the application shall, to the greatest extent
16 practicable, be consistent with the State plan
17 requirements applicable to States under this
18 subsection (f).

19 (C) PRIORITY FOR LOCALITIES SERVING
20 UNDERSERVED POPULATIONS.—In awarding a
21 grant under this paragraph, the Secretary, shall
22 give priority to eligible localities seeking to
23 serve underserved populations.

24 (j) PROGRAM REQUIREMENTS.—

1 (1) NONDISCRIMINATION.—The following provi-
2 sions of law shall apply to any program or activity
3 that receives funds provided under this section:

4 (A) Title IX of the Education Amendments
5 of 1972 (20 U.S.C. 1681 et seq.).

6 (B) Title VI of the Civil Rights Act of
7 1964 (42 U.S.C. 2000d et seq.).

8 (C) Section 504 of the Rehabilitation Act
9 of 1973 (29 U.S.C. 794).

10 (D) The Americans with Disabilities Act of
11 1990 (42 U.S.C. 12101 et seq.).

12 (E) Section 654 of the Head Start Act (42
13 U.S.C. 9849).

14 (2) MAINTENANCE OF EFFORT.—To be eligible
15 to receive a grant under this section, a State shall
16 that receives payments under this section for a fiscal
17 year, in using the funds made available through the
18 payments, shall maintain child care assistance for
19 families at levels not less than the levels provided by
20 the State in fiscal year 2021. The Secretary shall
21 determine the State expenditures allowable under
22 this requirement.

23 (k) MONITORING AND ENFORCEMENT.—

24 (1) REVIEW OF COMPLIANCE WITH REQUIRE-
25 MENTS AND STATE PLAN.—The Secretary shall re-

1 view and monitor State compliance with this section
2 and the plan described in subsection (f)(4) of the
3 State.

4 (2) ISSUANCE OF RULE.—The Secretary shall
5 establish by rule procedures for—

6 (A) receiving, processing, and determining
7 the validity of complaints or findings concerning
8 any failure of a State to comply with the State
9 plan or any other requirement of this section;

10 (B) notifying a State when the Secretary
11 has determined there has been a failure by the
12 State to comply with a requirement of this sec-
13 tion; and

14 (C) imposing sanctions under this sub-
15 section for such a failure.

16 (l) ADMINISTRATION.—Using funds reserved under
17 subsection (b)(2), the Secretary shall provide technical as-
18 sistance to States, territories and Indian Tribes and carry
19 out research, evaluations, and administration related to
20 this section.

21 (m) TRANSITION PROVISIONS.—

22 (1) TREATMENT OF CHILD CARE AND DEVEL-
23 OPMENT BLOCK GRANT FUNDS.—For each of fiscal
24 years 2025, 2026, and 2027, a State receiving as-
25 sistance under this section shall not use more than

1 10 percent of any funds received under the Child
2 Care and Development Block Grant Act of 1990 to
3 provide child care assistance to children under the
4 age of 6, who are eligible under that Act.

5 (2) SPECIAL RULES REGARDING ELIGIBILITY.—
6 Any child who is less than 6 years of age, is not yet
7 in kindergarten, and is receiving assistance under
8 the Child Care and Development Block Grant Act of
9 1990 (42 U.S.C. 9857 et seq.) on the date funding
10 is first allocated to the lead agency under this sec-
11 tion—

12 (A) shall be deemed immediately eligible to
13 receive assistance under this section; and

14 (B) may continue to use the child care pro-
15 vider of the family’s choice.

16 (3) TRANSITION PROCEDURES.—The Secretary
17 is authorized to institute procedures for imple-
18 menting this section, including issuing guidance for
19 States receiving funds under subsection (g).

20 **SEC. 23002. UNIVERSAL PRESCHOOL.**

21 (a) DEFINITIONS.—In this section:

22 (1) CHILD EXPERIENCING HOMELESSNESS.—
23 The term “child experiencing homelessness” means
24 an individual who is a homeless child or youth under

1 section 725 of the McKinney-Vento Homeless Assist-
2 ance Act (42 U.S.C. 11434a).

3 (2) CHILD WITH A DISABILITY.—The term
4 “child with a disability” has the meaning given the
5 term in section 602 of the Individuals with Disabil-
6 ities Education Act (20 U.S.C. 1401).

7 (3) COMPREHENSIVE SERVICES.—The term
8 “comprehensive services” means services that are
9 provided to low-income children and their families,
10 and that are health, educational, nutritional, social,
11 and other services that are determined, based on
12 family needs assessments, to be necessary, within
13 the means of section 636 of the Head Start Act (42
14 U.S.C. 9831).

15 (4) DUAL LANGUAGE LEARNER.—The term
16 “dual language learner” means an individual who is
17 limited English proficient, as defined in section 637
18 of the Head Start Act (42 U.S.C. 9832).

19 (5) ELIGIBLE CHILD.—The term “eligible
20 child” means a child who is age 3 or 4, on the date
21 established by the applicable local educational agen-
22 cy for kindergarten entry.

23 (6) ELIGIBLE PROVIDER.—The term “eligible
24 provider” means—

1 (A) a local educational agency, acting
2 alone or in a consortium or in collaboration
3 with an educational service agency (as defined
4 in section 8101 of the Elementary and Sec-
5 ondary Education Act of 1965 (20 U.S.C.
6 7801)), that is licensed by the State or meets
7 comparable health and safety standards;

8 (B) a Head Start agency or delegate agen-
9 cy funded under the Head Start Act (42 U.S.C.
10 9831 et seq.);

11 (C) a licensed center-based child care pro-
12 vider, licensed family child care provider, or
13 community- or neighborhood-based network of
14 licensed family child care providers; or

15 (D) a consortium of entities described in
16 any of subparagraphs (A), (B), and (C).

17 (7) INDIAN TRIBE.—The term “Indian Tribe”
18 has the meaning given the term in section 4 of the
19 Indian Self-Determination and Education Assistance
20 Act (25 U.S.C. 450b).

21 (8) LOCAL EDUCATIONAL AGENCY.—The term
22 “local educational agency” has the meaning given
23 the term in section 8101 of the Elementary and Sec-
24 ondary Education Act of 1965.

1 (9) POVERTY GUIDELINES.—The term “poverty
2 guidelines” means the poverty guidelines updated
3 periodically in the Federal Register by the Depart-
4 ment of Health and Human Services under the au-
5 thority of section 673 of the Community Services
6 Block Grant Act (42 U.S.C. 9902).

7 (10) SECRETARY.—The term “Secretary”
8 means the Secretary of Health and Human Services.

9 (11) STATE.—The term “State” means each of
10 the several States and the District of Columbia.

11 (12) TERRITORY.—The term “territory” means
12 each of the Commonwealth of Puerto Rico, the
13 United States Virgin Islands, Guam, American
14 Samoa, and the Commonwealth of the Northern
15 Mariana Islands.

16 (13) TRIBAL ORGANIZATION.—The term “Trib-
17 al organization” has the meaning given the term
18 “tribal organization” in section 658P of the Child
19 Care and Development Block Grant Act of 1990 (42
20 U.S.C. 9858n).

21 (14) URBAN INDIAN ORGANIZATION.—The term
22 “Urban Indian organization” has the meaning given
23 the term in section 4 of the Indian Health Care Im-
24 provement Act (25 U.S.C. 1602).

25 (b) UNIVERSAL PRESCHOOL.—

1 (1) APPROPRIATION.—In addition to amounts
2 otherwise available, there is appropriated to the Sec-
3 retary for each of fiscal years 2022 through 2028,
4 out of any money in the Treasury not otherwise ap-
5 propriated, such sums as may be necessary to carry
6 out this section and provide the Federal share of the
7 cost of universal, high-quality, free, inclusive, and
8 mixed delivery preschool services, on a voluntary
9 basis, to children throughout the States under this
10 section, including providing the Federal share of the
11 cost of State activities described in subsection (c)(4).

12 (2) SECRETARIAL RESERVATIONS.—The Sec-
13 retary, in collaboration with the Secretary of Edu-
14 cation, shall reserve, from the amount appropriated
15 under this subsection—

16 (A) not less than 4 percent for payments
17 to Indian Tribes, Tribal organizations, and
18 Urban Indian organizations for activities de-
19 scribed in this section;

20 (B) not more than $\frac{1}{2}$ of 1 percent for the
21 territories, to be distributed among the terri-
22 tories on the basis of their relative need, as de-
23 termined by the Secretary of Health and
24 Human Services in accordance with the objec-

1 tives of this section, for activities described in
2 this section;

3 (C) $\frac{1}{2}$ of 1 percent for eligible local enti-
4 ties that serve children in families who are en-
5 gaged in migrant or seasonal agricultural labor,
6 for activities described in this section;

7 (D) for Federal activities, including admin-
8 istration, monitoring, technical assistance, and
9 research—

10 (i) \$165,000,000 for fiscal year 2022
11 and \$200,000,000 for fiscal year 2023;
12 and

13 (ii) for each of fiscal years 2025
14 through 2028, not more than 2 percent;

15 (E) \$2,500,000,000 for each of fiscal years
16 2022 through 2027 to improve compensation of
17 Head Start staff consistent with subparagraphs
18 (A)(i) and (B)(viii) of section 640(a)(5) of the
19 Head Start Act (42 U.S.C. 9835(a)(5)), not-
20 withstanding section 653(a)(1) of such Act (43
21 U.S.C. 9848(a)(1)); and

22 (F) \$1,250,000,000 annually for each of
23 fiscal years 2023 through 2028 to carry out the
24 program of grants to localities described in sub-
25 section (e).

1 (c) PAYMENTS FOR STATE UNIVERSAL PRESCHOOL
2 SERVICES.—

3 (1) IN GENERAL.—A State that has submitted,
4 and had approved by the Secretary, a State plan for
5 universal preschool services is entitled to a payment
6 under this subsection.

7 (2) PAYMENTS TO STATES.—

8 (A) PRESCHOOL SERVICES.—The Sec-
9 retary shall pay to each State with an approved
10 State plan under paragraph (6), an amount for
11 each year equal to—

12 (i) 100 percent of the State's expendi-
13 tures in the year for preschool services de-
14 scribed in subsection (d), for each of fiscal
15 years 2022, 2023, and 2024;

16 (ii) 90 percent of the State's expendi-
17 tures in the year for such preschool serv-
18 ices, for fiscal year 2025;

19 (iii) 80 percent of the State's expendi-
20 tures in the year for such preschool serv-
21 ices, for fiscal year 2026;

22 (iv) 70 percent of the State's expendi-
23 tures in the year for such preschool serv-
24 ices, for fiscal year 2027; and

1 (v) 60 percent of the State's expendi-
2 tures in the year for such preschool serv-
3 ices, for fiscal year 2028.

4 (B) STATE ACTIVITIES.—The Secretary
5 shall pay to each State with an approved State
6 plan under paragraph (6) an amount for a fis-
7 cal year equal to 50 percent of the amount of
8 the State's expenditures for the activities de-
9 scribed in paragraph (4), except that in no case
10 shall a payment for a fiscal year under this sub-
11 paragraph exceed the amount equal to 10 per-
12 cent of the State's expenditures described in
13 subparagraph (A) for such fiscal year.

14 (C) NON-FEDERAL SHARE.—The remain-
15 der of the cost paid by the State for preschool
16 services, that is not provided under subpara-
17 graph (A), shall be considered the non-Federal
18 share of the cost of those services. The remain-
19 der of the cost paid by the State for State ac-
20 tivities, that is not provided under subpara-
21 graph (B), shall be considered the non-Federal
22 share of the cost of those activities.

23 (3) ADVANCE PAYMENT; RETROSPECTIVE AD-
24 JUSTMENT.—The Secretary may make a payment
25 under subparagraph (A) or (B) of paragraph (2) for

1 a year on the basis of advance estimates of expendi-
2 tures submitted by the State and such other inves-
3 tigation as the Secretary may find necessary, and
4 may reduce or increase the payment as necessary to
5 adjust for any overpayment or underpayment for a
6 previous year.

7 (4) STATE ACTIVITIES.—A State that receives a
8 payment under paragraph (2)(B) shall carry out all
9 of the following activities:

10 (A) State administration of the State's
11 preschool services program described in this
12 section.

13 (B) Supporting a continuous quality im-
14 provement system through the use of data, re-
15 searching, monitoring, training, technical assist-
16 ance, professional development, and coaching to
17 support providers participating or seeking to
18 participate in the State's preschool services pro-
19 gram and to support such providers in meeting
20 the requirements of this section.

21 (C) Providing outreach and enrollment
22 support for families of eligible children, includ-
23 ing specific outreach to families of underserved
24 populations.

25 (D) Supporting data systems building.

1 (E) Supporting staff of eligible providers
2 in pursuing credentials and degrees, including
3 baccalaureate degrees.

4 (F) Supporting activities that ensure ac-
5 cess to inclusive preschool programs for chil-
6 dren with disabilities, including, as applicable,
7 activities that redesign or restructure existing
8 preschool programs, as of the date of the activ-
9 ity, to improve inclusive services for children
10 with disabilities.

11 (G) Providing age-appropriate transpor-
12 tation services for children, which at a min-
13 imum shall include transportation services for
14 children experiencing homelessness and children
15 in foster care.

16 (H) Conducting or updating the State's
17 statewide needs assessment used for purposes
18 of paragraph (6)(B)(ii).

19 (5) LEAD AGENCY.—The Governor of a State
20 desiring to receive a payment under this subsection
21 shall designate a State lead agency (such as a State
22 agency or joint interagency office) for the adminis-
23 tration of the universal preschool services program
24 under this section.

1 (6) STATE PLAN.—In order to be eligible for
2 payments under this section, the Governor of a State
3 shall submit a State plan for universal, high-quality,
4 free, inclusive, and mixed delivery preschool services
5 to the Secretary for approval at such time, in such
6 manner, and containing such information as the Sec-
7 retary, in collaboration with the Secretary of Edu-
8 cation, may require. Such plan shall include each of
9 the following:

10 (A) A certification that the State has in
11 place developmentally appropriate, evidence-
12 based preschool standards that, at a minimum
13 are as rigorous as the standards specified in
14 subparagraph (B) of section 641A(a)(1) of the
15 Head Start Act (42 U.S.C. 9836a(a)(1)) and
16 include program standards for class sizes and
17 ratios.

18 (B) A certification that the State will
19 prioritize the establishment and expansion of
20 universal, high-quality, free, inclusive, and
21 mixed delivery preschool services in high-need
22 communities, as identified by the State, includ-
23 ing—

24 (i) a description of which high-need
25 communities the State will prioritize for

1 that establishment and expansion within
2 and across those communities;

3 (ii) a description of how the State de-
4 termined which communities are high-need
5 communities, including how the State used
6 a research-based methodology, approved by
7 the Secretary, to identify and serve such
8 communities, as determined by—

9 (I) the rate of poverty among eli-
10 gible children in the community;

11 (II) rates of access to high-qual-
12 ity preschool within the community,
13 including, as applicable, rates of dis-
14 parities for underserved or vulnerable
15 populations as identified through a
16 periodic needs assessment conducted
17 through the preschool development
18 grants program under section 9212 of
19 the Every Student Succeeds Act (42
20 U.S.C. 9831 note) as applicable, or
21 through another such statewide needs
22 assessment; and

23 (III) other indicators of commu-
24 nity need as required by the Sec-
25 retary; and

1 (iii) an assurance that the State will
2 distribute funding for such preschool serv-
3 ices under this section within such a high-
4 need community so that a majority of chil-
5 dren in the community are offered such
6 preschool services before the State estab-
7 lishes and expands free preschool services
8 in communities with lower levels of need.

9 (C) As applicable, a description of how the
10 State plans to use funding provided under this
11 section to ensure that existing (as of the date
12 of submission of the State plan) publicly funded
13 preschool programs in the State meet the re-
14 quirements of this section for a preschool pro-
15 gram.

16 (D) A certification that the State will, in
17 establishing and operating the program of pre-
18 school services supported under this section,
19 support a mixed delivery preschool system, in-
20 cluding a certification that the State will facili-
21 tate the participation in the system of Head
22 Start programs and programs offered by other
23 eligible providers, including providers of li-
24 censed family child care).

1 (E) An assurance that the State will use
2 funding provided under this section to ensure
3 children with disabilities have access to and
4 participate in inclusive preschool programs con-
5 sistent with provisions in the Individuals with
6 Disabilities Education Act, including an assur-
7 ance that the State will offer inclusive program-
8 ming that supports the least restrictive environ-
9 ment requirements in Section 619 of the Indi-
10 viduals with Disabilities Act for all eligible chil-
11 dren who are children with disabilities.

12 (F) A certification that the State will sup-
13 port the continuous quality improvement of pro-
14 grams providing preschool services under this
15 section, including support through technical as-
16 sistance, monitoring, and research.

17 (G) A certification that the State will en-
18 sure a highly qualified early childhood work-
19 force to support the requirements of this sec-
20 tion.

21 (H) A description of how the State will co-
22 ordinate the State's preschool standards de-
23 scribed in subparagraph (A) with other early
24 learning standards within the State.

25 (I) A description of how the State will—

1 (i) coordinate services and funding
2 provided under this section with services
3 and funding for other Federal, State, and
4 local child care and early childhood devel-
5 opment programs;

6 (ii) at the option of an Indian Tribe
7 or Tribal organization in the State, col-
8 laborate and coordinate services and fund-
9 ing with such Indian Tribe or Tribal orga-
10 nization;

11 (iii) partner with Head Start agencies
12 to ensure the full utilization of Head Start
13 programs within the State;

14 (iv) collaborate with entities carrying
15 out programs under section 619 or part C
16 of the Individuals with Disabilities Edu-
17 cation Act, to support inclusive preschool
18 programs; and

19 (v) improve transitions of children
20 from early childhood education to elemen-
21 tary school.

22 (J) An assurance that the State will part-
23 ner with not less than 1 institution of higher
24 education to facilitate degree attainment for
25 staff of preschool programs.

1 (K) An assurance that the State will en-
2 sure all preschool services in the State funded
3 under this section will be—

4 (i)(I) universally available to all chil-
5 dren in the State without any additional
6 eligibility requirements; and

7 (II) be high quality, free, and in-
8 clusive;

9 (ii) by not later than 1 year after re-
10 ceiving such funding, meet the State's pre-
11 school education standards described in
12 subparagraph (A);

13 (iii) offer programming that meets the
14 duration requirements of at least 1,020 an-
15 nual hours, in the program performance
16 standards applicable to Head Start pro-
17 grams described in section 641A of the
18 Head Start Act (42 U.S.C. 9836a);

19 (iv) adopt policies and practices to
20 conduct outreach and provide expedited en-
21 rollment, including prioritization, to—

22 (I) children experiencing home-
23 lessness;

24 (II) children in foster care or
25 kinship care;

1 (III) children in families who are
2 engaged in migrant or seasonal agri-
3 cultural labor;

4 (IV) children with disabilities, in-
5 cluding children served under part C
6 of the Individuals with Disabilities
7 Education Act who are an eligible
8 child under section 101(a)(3) of this
9 Act; and

10 (V) dual language learners;

11 (v) provide salaries, and set salary
12 schedules, for staff that are equivalent to
13 salaries of elementary school staff with
14 similar credentials and experience;

15 (vi) at a minimum, provide a living
16 wage for all staff of such providers; and

17 (vii) require educational qualifications
18 for teachers (excluding individuals who
19 were employed by an eligible child care
20 provider or early education program for a
21 cumulative three of the last five years from
22 the date of enactment and have the nec-
23 essary content knowledge and teaching
24 skills for early childhood educators, as
25 demonstrated through measures deter-

1 mined by the State) in the preschool pro-
2 gram including, at a minimum, requiring
3 that lead teachers in the preschool pro-
4 gram have a baccalaureate degree in early
5 childhood education or a related field by
6 not later than 7 years after the date of en-
7 actment of this Act (The requirements
8 specified in this clause shall not apply to
9 individuals who were employed by an eligi-
10 ble child care provider or early education
11 program for a cumulative 3 of the last 5
12 years from the date of enactment and have
13 the necessary content knowledge and
14 teaching skills for early childhood edu-
15 cators, as demonstrated through measures
16 determined by the State.).

17 (L) An assurance that the State will meet
18 the requirements of clauses (ii) and (iii) of sec-
19 tion 658E(c)(2)(T) of the Child Care and De-
20 velopment Block Grant Act of 1990 (42 U.S.C.
21 9858c(c)(2)(T)), with respect to funding and
22 assessments under this section.

23 (M) A certification that subgrant amounts
24 described under subsection (d) are sufficient to
25 enable the eligible provider to meet the require-

1 ments of this title, and will provide for in-
2 creased staff payment amounts based on the
3 criteria described in (K)(v) and (vi).

4 (N) A certification that preschool seats will
5 be distributed equitably among child care (in-
6 cluding family child care), Head Start, and
7 schools within the State.

8 (7) DURATION OF THE PLAN.—Each State plan
9 shall remain in effect for a period of 3 years.
10 Amendments to the State plan shall remain in effect
11 for the duration of the plan.

12 (8) Transitional State Plan—The Secretary
13 shall make available a transitional State plan for a
14 period of one year that contains such information as
15 the Secretary may require, to demonstrate the State
16 will meet the requirements of this title and that in-
17 cludes—

18 (A) an assurance that the State will sub-
19 mit a State plan under paragraph (6); and

20 (B) a description of how the funds received
21 by the State under this title will be spent to ex-
22 pand access to universal, high-quality, free, in-
23 clusive, and mixed delivery preschool programs
24 in alignment with the requirements of this title.

1 (d) SUBGRANTS AND CONTRACTS FOR LOCAL PRE-
2 SCHOOL PROGRAMS.—

3 (1) SUBGRANTS AND CONTRACTS.—

4 (A) IN GENERAL.—A State that receives a
5 payment under subsection (c)(2)(A) for a fiscal
6 year shall use amounts provided through the
7 payment to pay the Federal share of the costs
8 of subgrants to, or contracts with, eligible pro-
9 viders to operate universal, high-quality, free,
10 inclusive, and mixed delivery preschool pro-
11 grams through the State preschool program in
12 accordance with paragraph (2). A State shall
13 reduce or increase the amounts provided under
14 such subgrants or contracts if needed to adjust
15 for any overpayment or underpayment de-
16 scribed in subsection (c)(3).

17 (B) AMOUNT.—A State shall award a
18 subgrant or contract under this subsection in a
19 sufficient amount to enable the eligible provider
20 to operate a universal, high-quality, free, and
21 inclusive preschool program that meets the re-
22 quirements of subsection (c)(6)(K) and which
23 amount shall reflect variations in the cost of
24 preschool services by geographic area, type of
25 provider, and age of child, and the additional

1 costs associated with providing inclusive pre-
2 school services for children with disabilities .

3 (C) DURATION.—The State shall award a
4 subgrant or contract under this subsection for
5 a period of not less than 3 years, unless the
6 subgrant or contract is terminated or sus-
7 pended, or the subgrant period is reduced, for
8 cause.

9 (2) ENHANCED PAYMENTS FOR COMPREHEN-
10 SIVE SERVICES.—In awarding subgrants or con-
11 tracts under this subsection and in addition to meet-
12 ing the requirements of paragraph (1)(B), the State
13 shall award subgrants or contracts with enhanced
14 payments to eligible providers that offer preschool
15 programs funded under this subsection to a high
16 percentage of low-income children to support—

17 (A) comprehensive services, including so-
18 cial, emotional and other services that support
19 child well-being;

20 (B) health and developmental screenings;
21 and

22 (C) service referral for children and fami-
23 lies served by the program involved.

24 (3) ESTABLISHING AND EXPANDING UNIVERSAL
25 PRESCHOOL PROGRAMS.—

1 (A) ESTABLISHING AND EXPANDING UNI-
2 VERSAL PRESCHOOL PROGRAMS IN HIGH-NEED
3 COMMUNITIES.—In awarding subgrants or con-
4 tracts under this subsection, the State shall
5 first prioritize establishing and expanding uni-
6 versal preschool programs within and across
7 high-need communities identified under sub-
8 section (c)(6)(B) by awarding subgrants or con-
9 tracts to eligible providers operating within, or
10 with capacity to operate within and across, such
11 high-need communities. Such subgrants or con-
12 tracts shall be used to enroll and serve children
13 in the preschool program, including—

14 (i) personnel (including classroom and
15 administrative personnel), including com-
16 pensation and benefits;

17 (ii) costs associated with imple-
18 menting the State’s preschool standards,
19 providing curriculum sports, and meeting
20 early learning and development standards;

21 (iii) professional development, teacher
22 supports, and training;

23 (iv) implementing developmentally ap-
24 propriate health and safety standards (in-
25 cluding licensure, where applicable), teach-

1 er to child ratios, and group size maxi-
2 mums;

3 (v) materials, equipment and supplies;

4 (vi) meeting health and safety stand-
5 ards, including licensure; and

6 (vii) rent or mortgage, utilities, build-
7 ing security, indoor and outdoor mainte-
8 nance, and insurance.

9 (4) ESTABLISHING AND EXPANDING UNIVERSAL
10 PRESCHOOL PROGRAMS IN ADDITIONAL COMMU-
11 NITIES.—Once a State that receives a payment
12 under subsection (c)(2)(A) meets the requirements
13 of paragraph (2) with respect to establishing and ex-
14 panding preschool programs within and across high-
15 need communities, the State shall use any remaining
16 funds from such payment to enroll and serve chil-
17 dren in preschool programs, as described in such
18 paragraph, to additional communities in accordance
19 with the statewide needs assessment used for pur-
20 poses of paragraph (6)(B)(ii). Such funds shall be
21 used for the activities described in (2)(A)(i)–(viii).

22 (e) GRANTS TO LOCALITIES.—

23 (1) DEFINITIONS.—In this subsection:

24 (A) ELIGIBLE LOCALITY.—The term “eli-
25 gible locality” means a city, county, or other

1 unit of general local government, a local edu-
2 cational agency, or a Head Start agency.

3 (B) LOW-INCOME YOUNG CHILD.—The
4 term “low-income young child” means a child
5 who is under age 6 and from a family with a
6 family income that is not more than 200 per-
7 cent of the poverty guidelines.

8 (2) IN GENERAL.—The Secretary shall use
9 funds reserved in subsection (b)(2)(F) to award local
10 universal preschool grants to eligible localities lo-
11 cated in States that have made it apparent that they
12 will not apply for payments under subsection
13 (c)(2)(A). The Secretary shall award the grants to
14 eligible localities in a State from the allotment made
15 for that State under paragraph (3). The Secretary
16 shall specify the requirements for an eligible locality
17 to conduct a preschool services program under this
18 subsection which shall, to the greatest extent prac-
19 ticable, be consistent with the requirements applica-
20 ble to States under this section, including ensuring
21 a free, universal, high-quality, inclusive mixed deliv-
22 ery preschool system.

23 (3) ALLOTMENTS.—For each State described in
24 paragraph (2), the Secretary shall allot for the State
25 an amount that bears the same relationship to the

1 funds reserved under subsection (b)(2)(F) as the
2 number of low-income young children in the State
3 bears to the total of all such children in States de-
4 scribed in paragraph (2).

5 (4) APPLICATION.—To receive a grant from the
6 corresponding State allotment under this subsection,
7 an eligible locality shall submit an application to the
8 Secretary at such time, in such manner, and con-
9 taining such information as the Secretary may re-
10 quire. The requirements for the application shall, to
11 the greatest extent practicable, be consistent with
12 the State plan requirements applicable to States
13 under this section.

14 (5) PRIORITY FOR LOCALITIES SERVING UN-
15 DERSERVED COMMUNITIES.—In awarding a grant
16 under this subsection, the Secretary, in collaboration
17 with the Secretary of Education, shall give priority
18 to eligible localities serving high-need communities,
19 determined in accordance with subsection (d)(2)(B).

20 (f) ALLOWABLE SOURCES OF NON-FEDERAL
21 SHARE.—For purposes of calculating the amount of the
22 non-Federal share, as determined under subsection (e), re-
23 lating to a payment under such subsection, a State's non-
24 Federal share—

1 (1) may be in cash or in kind, fairly evaluated,
2 including facilities or property, equipment, or serv-
3 ices;

4 (2) shall include any increase in amounts spent
5 by the State to expand half-day kindergarten pro-
6 grams in the State, as of the day before the date of
7 enactment of this Act, into full-day kindergarten
8 programs;

9 (3) shall not include contributions being used as
10 a non-Federal share or match for another Federal
11 award;

12 (4) shall be provided from State or local
13 sources, contributions from philanthropy or other
14 private organizations, or a combination of such
15 sources and contributions and

16 (5) shall count no more than 50 percent of the
17 State's current spending on prekindergarten pro-
18 grams (as of the date of enactment of this Act) to-
19 ward the State match.

20 (g) MAINTENANCE OF EFFORT.—

21 (1) IN GENERAL.—If a State reduces its com-
22 bined fiscal effort per child for the State's preschool
23 program (whether a publicly funded preschool pro-
24 gram or a program under this section) or through
25 State supplemental assistance funds for Head Start

1 programs assisted under the Head Start Act (42
2 U.S.C. 9831 et seq.), or through any State spending
3 on preschool services for any fiscal year that a State
4 receives payments under subparagraphs (A) and (B)
5 of subsection (c)(2) (referred to in this paragraph as
6 the “reduction fiscal year”) relative to the previous
7 fiscal year, the Secretary, in collaboration with the
8 Secretary of Education, shall reduce support for
9 such State under such subsection by the same
10 amount as the total reduction in State fiscal effort
11 for such reduction fiscal year.

12 (2) WAIVER.—The Secretary, in collaboration
13 with the Secretary of Education, may waive the re-
14 quirements of paragraph (1) if—

15 (A) the Secretaries determine that a waiv-
16 er would be appropriate due to a precipitous de-
17 cline in the financial resources of a State as a
18 result of unforeseen economic hardship, or a
19 natural disaster, that has necessitated across-
20 the-board reductions in State services during
21 the 5-year period preceding the date of the de-
22 termination, including for early childhood edu-
23 cation programs; or

24 (B) due to the circumstance of a State re-
25 quiring reductions in specific programs, includ-

1 ing early childhood education, the State pre-
2 sents to the Secretaries a justification and dem-
3 onstration why other programs could not be re-
4 duced and how early childhood education pro-
5 grams in the State will not be disproportion-
6 ately harmed by such State reductions.

7 (h) SUPPLEMENT NOT SUPPLANT.—Funds received
8 under this section shall be used to supplement and not
9 supplant other Federal, State, and local public funds ex-
10 pended on early childhood education programs in the
11 State.

12 (i) NONDISCRIMINATION PROVISIONS.—The fol-
13 lowing provisions of law shall apply to any program or ac-
14 tivity that receives funds provided under this section:

15 (1) Title IX of the Education Amendments of
16 1972 (20 U.S.C. 1681 et seq.).

17 (2) Title VI of the Civil Rights Act of 1964 (42
18 U.S.C. 2000d et seq.).

19 (3) Section 504 of the Rehabilitation Act of
20 1973 (29 U.S.C. 794).

21 (4) The Americans with Disabilities Act of
22 1990 (42 U.S.C. 12101 et seq.).

23 (5) Section 654 of the Head Start Act (42
24 U.S.C. 9849)

1 **Subtitle E—Child Nutrition and**
2 **Related Programs**

3 **SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.**

4 (a) MULTIPLIER AND THRESHOLD ADJUSTED.—

5 (1) MULTIPLIER.—Clause (vii) of section
6 11(a)(1)(F) of the Richard B. Russell National
7 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is
8 amended to read as follows:

9 “(vii) MULTIPLIER.—

10 “(I) IMPLEMENTATION IN 2022—
11 2030.—For each school year beginning
12 on or after July 1, 2022, and ending
13 before July 1, 2030, the Secretary
14 shall use a multiplier of 2.5.

15 “(II) IMPLEMENTATION AFTER
16 2030.—For each school year beginning
17 on or after July 1, 2030, the Sec-
18 retary shall use a multiplier of 1.6.”.

19 (2) THRESHOLD.—Clause (viii) of section
20 11(a)(1)(F) of the Richard B. Russell National
21 School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is
22 amended to read as follows:

23 “(viii) THRESHOLD.—

24 “(I) IMPLEMENTATION IN 2022—
25 2030.—For each school year beginning

1 on or after July 1, 2022, and ending
2 before July 1, 2030, the threshold
3 shall be not more than 25 percent.

4 “(II) IMPLEMENTATION AFTER
5 2030.—For each school year beginning
6 on or after July 1, 2030, the thresh-
7 old shall be not more than 40 per-
8 cent.”.

9 (3) APPLICABILITY.—The amendments made
10 by this subsection shall apply to a local educational
11 agency with respect to a school year beginning on or
12 after July 1, 2022, for which such local educational
13 agency elects to receive special assistance payments
14 under subparagraph (F) of section 11(a)(1) of the
15 Richard B. Russell National School Lunch Act (42
16 U.S.C. 1759a(a)(1)).

17 (b) STATEWIDE COMMUNITY ELIGIBILITY.—Section
18 11(a)(1)(F) of the Richard B. Russell National School
19 Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by
20 adding at the end the following:

21 “(xiv) STATEWIDE COMMUNITY ELIGI-
22 BILITY.—For each school year beginning
23 on or after July 1, 2022, and ending be-
24 fore July 1, 2030, the Secretary shall es-
25 tablish a statewide community eligibility

1 program under which, in the case of a
2 State agency that agrees to provide fund-
3 ing from sources other than Federal funds
4 to ensure that local educational agencies in
5 the State receive the free reimbursement
6 rate for 100 percent of the meals served at
7 applicable schools—

8 “(I) the multiplier described in
9 clause (vii) shall apply;

10 “(II) the threshold described in
11 clause (viii) shall be applied by sub-
12 stituting zero for 25; and

13 “(III) the percentage of enrolled
14 students who were identified students
15 shall be calculated across all applica-
16 ble schools in the State regardless of
17 local educational agency.”.

18 **SEC. 24002. DIRECT CERTIFICATION FOR CHILDREN RE-**
19 **CEIVING MEDICAID BENEFITS.**

20 (a) IN GENERAL.—Section 9 of the Richard B. Rus-
21 sell National School Lunch Act (42 U.S.C. 1758(b)) is
22 amended—

23 (1) in subsection (b)—

24 (A) by amending paragraph (5) to read as
25 follows:

1 “(5) DISCRETIONARY CERTIFICATION.—

2 “(A) FREE LUNCHES OR BREAKFASTS.—

3 Subject to paragraph (6), any local educational
4 agency may certify any child as eligible for free
5 lunches or breakfasts, without further applica-
6 tion, by directly communicating with the appro-
7 priate State or local agency to obtain docu-
8 mentation of the status of the child as—

9 “(i) a member of a family that is re-
10 ceiving assistance under the temporary as-
11 sistance for needy families program funded
12 under part A of title IV of the Social Secu-
13 rity Act (42 U.S.C. 601 et seq.) that the
14 Secretary determines complies with stand-
15 ards established by the Secretary that en-
16 sure that the standards under the State
17 program are comparable to or more re-
18 strictive than those in effect on June 1,
19 1995;

20 “(ii) a homeless child or youth (de-
21 fined as 1 of the individuals described in
22 section 725(2) of the McKinney-Vento
23 Homeless Assistance Act (42 U.S.C.
24 11434a(2));

1 “(iii) served by the runaway and
2 homeless youth grant program established
3 under the Runaway and Homeless Youth
4 Act (42 U.S.C. 5701 et seq.);

5 “(iv) a migratory child (as defined in
6 section 1309 of the Elementary and Sec-
7 ondary Education Act of 1965 (20 U.S.C.
8 6399));

9 “(v) an eligible child (as defined in
10 paragraph (15)(A)); or

11 “(vi)(I) a foster child whose care and
12 placement is the responsibility of an agen-
13 cy that administers a State plan under
14 part B or E of title IV of the Social Secu-
15 rity Act (42 U.S.C. 621 et seq.); or

16 “(II) a foster child who a court has
17 placed with a caretaker household.

18 “(B) REDUCED PRICE LUNCHESES OR
19 BREAKFASTS.—Subject to paragraph (6), any
20 local educational agency may certify any child
21 who is not eligible for free school lunch or
22 breakfast as eligible for reduced price lunches
23 or breakfasts, without further application, by
24 directly communicating with the appropriate
25 State or local agency to obtain documentation

1 of the status of the child as a child eligible for
2 reduced price meals (as defined in paragraph
3 (15)(A)).”;

4 (B) in paragraph (6)(A), by striking “or
5 (5)” both places it appears and inserting “(5),
6 or (15)”; and

7 (C) in paragraph (15)—

8 (i) in subparagraph (A)—

9 (I) by amending clause (i) to
10 read as follows:

11 “(i) ELIGIBLE CHILD.—The term ‘eli-
12 gible child’ means a child—

13 “(I)(aa) who is eligible for and
14 receiving medical assistance under the
15 Medicaid program; and

16 “(bb) who is a member of a fam-
17 ily with an income as measured by the
18 Medicaid program that does not ex-
19 ceed 133 percent of the poverty line
20 (as determined under the poverty
21 guidelines updated periodically in the
22 Federal Register by the Department
23 of Health and Human Services under
24 the authority of section 673(2) of the
25 Community Services Block Grant Act

1 (42 U.S.C. 9902(2), including any re-
2 vision required by such section)) ap-
3 plicable to a family of the size used
4 for purposes of determining eligibility
5 for the Medicaid program;

6 “(II) who is eligible for the Med-
7 icaid program because such child re-
8 ceives supplemental security income
9 benefits under title XVI of the Social
10 Security Act (42 U.S.C. 1381–1385)
11 or State supplementary benefits of the
12 type referred to in section 1616(a) of
13 such Act (or payments of the type de-
14 scribed in section 212(a) of Public
15 Law 93–66);

16 “(III) who is eligible for the
17 Medicaid program because such child
18 receives an adoption assistance pay-
19 ment made under section 473(a) of
20 the Social Security Act (42 U.S.C.
21 673(a)) or under a similar State-fund-
22 ed or State-operated program, as de-
23 termined by the Secretary;

24 “(IV) who is eligible for the Med-
25 icaid program because such child re-

1 ceives a kinship guardianship assist-
2 ance payment made under section
3 473(d) of the Social Security Act (42
4 U.S.C. 673(d)) or under a similar
5 State-funded or State-operated pro-
6 gram, as determined by the Secretary,
7 without regard to whether such child
8 was previously in foster care; or

9 “(V) who is a member of a
10 household (as that term is defined in
11 section 245.2 of title 7, Code of Fed-
12 eral Regulations (or successor regula-
13 tions)) with a child described in sub-
14 clause (I), (II), (III), or (IV).”; and

15 (II) by adding at the end the fol-
16 lowing:

17 “(iii) CHILD ELIGIBLE FOR REDUCED
18 PRICE MEALS.—The term ‘child eligible for
19 reduced price meals’ means a child—

20 “(I)(aa) who is eligible for and
21 receiving medical assistance under the
22 Medicaid program; and

23 “(bb) who is a member of a fam-
24 ily with an income as measured by the
25 Medicaid program that does exceed

1 133 percent but does not exceed 185
2 percent of the poverty line (as deter-
3 mined under the poverty guidelines
4 updated periodically in the Federal
5 Register by the Department of Health
6 and Human Services under the au-
7 thority of section 673(2) of the Com-
8 munity Services Block Grant Act (42
9 U.S.C. 9902(2), including any revision
10 required by such section)) applicable
11 to a family of the size used for pur-
12 poses of determining eligibility for the
13 Medicaid program; or

14 “(II) who is a member of a
15 household (as that term is defined in
16 section 245.2 of title 7, Code of Fed-
17 eral Regulations (or successor regula-
18 tions)) with a child described in sub-
19 clause (I).”;

20 (ii) by striking subparagraphs (B),
21 (C), (D), (E), (G), and (H);

22 (iii) in subparagraph (F)—

23 (I) in the enumerator, by striking
24 “(F)” and inserting “(D)”; and

1 (II) by striking “conducting the
2 demonstration project under this
3 paragraph” and inserting “carrying
4 out this paragraph”;

5 (iv) by inserting after subparagraph
6 (A) the following:

7 “(B) AGREEMENTS TO CARRY OUT CER-
8 TIFICATION.—To certify a child under subpara-
9 graph (A)(v) or (B) of paragraph (5), a State
10 agency shall enter into an agreement with 1 or
11 more State agencies conducting eligibility deter-
12 minations for the Medicaid program.

13 “(C) PROCEDURES.—Subject to paragraph
14 (6), an agreement under subparagraph (B)
15 shall establish procedures under which—

16 “(i) an eligible child may be certified
17 for free lunches under this Act and free
18 breakfasts under section 4 of the Child
19 Nutrition Act of 1966 (42 U.S.C. 1773),
20 without further application (as defined in
21 paragraph (4)(G)); and

22 “(ii) a child eligible for reduced price
23 meals may be certified for reduced price
24 lunches under this Act or reduced price
25 breakfasts under section 4 of the Child

1 Nutrition Act of 1966 (42 U.S.C. 1773),
2 without further application (as defined in
3 paragraph (4)(G)).”; and

4 (v) by adding at the end the following:

5 “(E) SUNSET.—The authority under this
6 paragraph shall terminate on the last day of
7 school year 2030–2031.”; and

8 (2) in subsection (d)(2)(G), by inserting “or
9 child eligible for reduced price meals” after “eligible
10 child”.

11 (b) APPLICABILITY.—The amendments made by this
12 section shall apply with respect to the period—

13 (1) beginning on July 1, 2022; and

14 (2) ending on the last day of school year 2030–
15 2031.

16 **SEC. 24003. SUMMER ELECTRONIC BENEFITS TRANSFER**
17 **FOR CHILDREN PROGRAM.**

18 The Richard B. Russell National School Lunch Act
19 is amended by inserting after section 13 (42 U.S.C. 1761)
20 the following:

21 **“SEC. 13A. SUMMER ELECTRONIC BENEFITS TRANSFER**
22 **FOR CHILDREN PROGRAM.**

23 “(a) PROGRAM ESTABLISHED.—The Secretary shall
24 establish a program under which States and covered In-
25 dian Tribal organizations participating in such program

1 shall, beginning with summer 2023 and annually for each
2 summer before the date described in subsection (g), issue
3 to eligible households summer EBT benefits—

4 “(1) in accordance with this section; and

5 “(2) for the purpose of providing nutrition as-
6 sistance through electronic benefits transfer during
7 the summer months for eligible children, to ensure
8 continued access to food when school is not in ses-
9 sion for the summer.

10 “(b) SUMMER EBT BENEFITS REQUIREMENTS.—

11 “(1) PURCHASE OPTIONS.—

12 “(A) BENEFITS ISSUED BY STATES.—

13 “(i) WIC PARTICIPATION STATES.—In
14 the case of a State that participated in a
15 demonstration program under section
16 749(g) of the Agriculture, Rural Develop-
17 ment, Food and Drug Administration, and
18 Related Agencies Appropriations Act, 2010
19 (Public Law 111–80; 123 Stat. 2132) dur-
20 ing calendar year 2018 using a WIC
21 model, summer EBT benefits issued pur-
22 suant to subsection (a) by such a State
23 may only be used by the eligible household
24 that receives such summer EBT benefits to
25 purchase—

1 “(I) supplemental foods from re-
2 tailers that have been approved for
3 participation in—

4 “(aa) the special supple-
5 mental nutrition program for
6 women, infants, and children
7 under section 17 of the Child
8 Nutrition Act of 1966 (42 U.S.C.
9 1786); or

10 “(bb) the program under
11 this section; or

12 “(II) food (as defined in section
13 3(k) of the Food and Nutrition Act of
14 2008 (7 U.S.C. 2011(k))) from retail
15 food stores that have been approved
16 for participation in the supplemental
17 nutrition assistance program estab-
18 lished under such Act, in accordance
19 with section 7(b) of such Act (7
20 U.S.C. 2016(b)).

21 “(ii) OTHER STATES.—Summer EBT
22 benefits issued pursuant to subsection (a)
23 by a State not described in clause (i) may
24 only be used by the eligible household that
25 receives such summer EBT benefits to

1 purchase food (as defined in section 3(k)
2 of the Food and Nutrition Act of 2008 (7
3 U.S.C. 2011(k))) from retail food stores
4 that have been approved for participation
5 in the supplemental nutrition assistance
6 program established under such Act, in ac-
7 cordance with section 7(b) of such Act (7
8 U.S.C. 2016(b)).

9 “(B) BENEFITS ISSUED BY COVERED IN-
10 DIAN TRIBAL ORGANIZATIONS.—Summer EBT
11 benefits issued pursuant to subsection (a) by a
12 covered Indian Tribal organization may only be
13 used by the eligible household that receives such
14 summer EBT benefits to purchase supple-
15 mental foods from retailers that have been ap-
16 proved for participation in—

17 “(i) the special supplemental nutrition
18 program for women, infants, and children
19 under section 17 of the Child Nutrition
20 Act of 1966 (42 U.S.C. 1786); or

21 “(ii) the program under this section.

22 “(2) AMOUNT.—Summer EBT benefits issued
23 pursuant to subsection (a)—

24 “(A) shall be—

1 “(i) for calendar year 2023, in an
2 amount equal to \$75 for each child in the
3 eligible household per month during the
4 summer; and

5 “(ii) for calendar year 2024 and each
6 year thereafter, in an amount equal to the
7 amount described in clause (i), adjusted to
8 the nearest lower dollar increment to re-
9 flect changes to the cost of the thrifty food
10 plan (as defined in section 3(u) of the
11 Food and Nutrition Act of 2008 (7 U.S.C.
12 2012(u)) for the 12-month period ending
13 on November 30 of the preceding calendar
14 year; and

15 “(B) may be issued—

16 “(i) in the form of an EBT card; or

17 “(ii) through electronic delivery.

18 “(c) ENROLLMENT IN PROGRAM.—

19 “(1) STATE REQUIREMENTS.—States partici-
20 pating in the program under this section shall—

21 “(A) with respect to a summer, automati-
22 cally enroll eligible children in the program
23 under this section without further application;

24 “(B) establish procedures to carry out the
25 enrollment described in subparagraph (A); and

1 “(C) require local educational agencies to
2 allow eligible households to opt out of participa-
3 tion in the program under this section and es-
4 tablish procedures for opting out of such par-
5 ticipation.

6 “(2) COVERED INDIAN TRIBAL ORGANIZATION
7 REQUIREMENTS.—Covered Indian Tribal organiza-
8 tions participating in the program under this section
9 shall, to the maximum extent practicable, meet the
10 requirements under subparagraphs (A) through (C)
11 of paragraph (1).

12 “(d) IMPLEMENTATION GRANTS.—On and after Oc-
13 tober 1, 2021, the Secretary shall carry out a program
14 to make grants to States and covered Indian Tribal orga-
15 nizations to build capacity for implementing the program
16 under this section.

17 “(e) ALTERNATE PLANS IN THE CASE OF CONTIN-
18 UOUS SCHOOL CALENDAR.—The Secretary shall establish
19 alternative plans for when summer EBT benefits may be
20 issued pursuant to subsection (a) in the case of children
21 who are under a continuous school calendar.

22 “(f) FUNDING.—

23 “(1) PROGRAM FUNDING.—In addition to
24 amounts otherwise available, there is appropriated
25 for each of fiscal years 2022 through 2029, out of

1 any money in the Treasury not otherwise appro-
2 priated, such sums, to remain available for the pe-
3 riod described in paragraph (2), as may be necessary
4 to carry out this section, including for administrative
5 expenses incurred by the Secretary, States, covered
6 Indian Tribal organizations, and local educational
7 agencies.

8 “(2) PERIOD DESCRIBED.—With respect to
9 each fiscal year under paragraph (1), amounts made
10 available for such a fiscal year under such para-
11 graph shall remain available for the 2-year period
12 following the date such amounts are made available.

13 “(3) IMPLEMENTATION GRANT FUNDING.—In
14 addition to amounts otherwise available, including
15 under paragraph (1), there is appropriated for fiscal
16 year 2022, out of any money in the Treasury not
17 otherwise appropriated, \$50,000,000, to remain
18 available until expended, to carry out subsection (d).

19 “(g) SUNSET.—The authority under this section shall
20 terminate on September 30, 2029.

21 “(h) DEFINITIONS.—In this section:

22 “(1) COVERED INDIAN TRIBAL ORGANIZA-
23 TION.—The term ‘covered Indian Tribal organiza-
24 tion’ means an Indian Tribal organization that par-
25 ticipates in the special supplemental nutrition pro-

1 gram for women, infants, and children under section
2 17 of the Child Nutrition Act of 1966 (42 U.S.C.
3 1786).

4 “(2) ELIGIBLE CHILD.—The term ‘eligible
5 child’ means, with respect to a summer, a child who
6 was, during the school year immediately preceding
7 such summer—

8 “(A) certified to receive free or reduced
9 price lunch under the school lunch program
10 under this Act;

11 “(B) certified to receive free or reduced
12 price breakfast under the school breakfast pro-
13 gram under section 4 of the Child Nutrition Act
14 of 1966 (42 U.S.C. 1773); or

15 “(C) enrolled in a school described in sub-
16 paragraph (B), (C), (D), (E), or (F) of section
17 11(a)(1).

18 “(3) ELIGIBLE HOUSEHOLD.—The term ‘eligi-
19 ble household’ means a household that includes at
20 least 1 eligible child.

21 “(4) SUPPLEMENTAL FOODS.—The term ‘sup-
22 plemental foods’—

23 “(A) means foods—

1 “(i) containing nutrients determined
2 by nutritional research to be lacking in the
3 diets of children; and

4 “(ii) that promote the health of the
5 population served by the program under
6 this section, as indicated by relevant nutri-
7 tion science, public health concerns, and
8 cultural eating patterns, as determined by
9 the Secretary; and

10 “(B) includes foods not described in sub-
11 paragraph (A) substituted by State agencies,
12 with the approval of the Secretary, that—

13 “(i) provide the nutritional equivalent
14 of foods described in such subparagraph;
15 and

16 “(ii) allow for different cultural eating
17 patterns than foods described in such sub-
18 paragraph.”.

19 **SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.**

20 (a) In addition to amounts otherwise available, there
21 is appropriated to the Secretary of Agriculture for fiscal
22 year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$500,000,000, to remain available until ex-
24 pended, to award grants to States (as defined in section
25 12(d) of the Richard B. Russell National School Lunch

1 Act (42 U.S.C. 1760(d)) to make competitive subgrants
2 to local educational agencies and schools to purchase
3 equipment with a value of greater than \$1,000 that, with
4 respect to the school lunch program established under the
5 Richard B. Russell National School Lunch Act (42 U.S.C.
6 1751–1769j) and the school breakfast program estab-
7 lished under section 4 of the Child Nutrition Act of 1966
8 (42 U.S.C. 1773), is necessary to serve healthier meals,
9 improve food safety, and increase scratch cooking.

10 (b) The Secretary may set aside up to 5 percent of
11 the funds made available under subsection (a) for the pur-
12 pose of training and technical assistance to support
13 scratch cooking, which may be administered by States or
14 other entities.

15 **SEC. 24005. HEALTHY FOOD INCENTIVES DEMONSTRATION.**

16 (a) In addition to amounts otherwise available, there
17 is appropriated to the Secretary of Agriculture for fiscal
18 year 2022, out of any money in the Treasury not otherwise
19 appropriated, \$634,000,000, to remain available until ex-
20 pended, to provide competitive grants to States in accord-
21 ance with this section.

22 (b) A State that receives a grant under this section
23 shall use such grant funds to make subgrants to local edu-
24 cational agencies and schools for activities that support—

1 (1) serving healthy school meals and afterschool
2 snacks that meet discretionary goals established by
3 the Secretary;

4 (2) increasing scratch cooking;

5 (3) conducting experiential nutrition education
6 activities, including school garden programs;

7 (4) procuring local, regional, and culturally ap-
8 propriate foods and foods produced by underserved
9 or limited resource farmers, as defined by the Sec-
10 retary, to serve as part of the child nutrition pro-
11 grams under the Richard B. Russell National School
12 Lunch Act (42 U.S.C. 1751–1769j) or the Child
13 Nutrition Act of 1966 (42 U.S.C. 1771–1793);

14 (5) reducing the availability of less healthy
15 foods, as defined by the Secretary, during the school
16 day; or

17 (6) carrying out additional activities to encour-
18 age the development of healthy nutrition and phys-
19 ical activity habits among children.

20 (c) A State that receives a grant under this section
21 may use such grant funds to fund a statewide nutrition
22 education coordinator to—

23 (1) support individual school food authority nu-
24 trition education efforts; and

1 (2) facilitate collaboration with other nutrition
2 education efforts in the State.

3 (d) A State that receives a grant under this section
4 may not use more than 5 percent of such grant funds to
5 carry out administrative activities.

6 (e) In this section, the term “State” has the meaning
7 given the term in section 12(d) of the Richard B. Russell
8 National School Lunch Act (42 U.S.C. 1760(d)).

9 **Subtitle F—Human Services and**
10 **Community Supports**

11 **SEC. 25001. ASSISTIVE TECHNOLOGY.**

12 In addition to amounts otherwise available, there is
13 appropriated for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated, \$10,000,000, to
15 remain available until expended, to carry out the Assistive
16 Technology Act of 1998 (29 U.S.C. 3001 et seq.).

17 **SEC. 25002. FAMILY VIOLENCE PREVENTION AND SERVICES**
18 **FUNDING.**

19 In addition to amounts otherwise available, there is
20 appropriated for fiscal year 2022, out of any money in
21 the Treasury not otherwise appropriated, \$27,000,000, to
22 remain available until expended, for necessary administra-
23 tive expenses to carry out sections 303, 309, and 313 of
24 the Family Violence Prevention and Services Act (42

1 U.S.C. 10401–10414) and section 2204 of the American
2 Rescue Plan Act of 2021 (Public Law 117–2).

3 **SEC. 25003. PREGNANCY ASSISTANCE FUND.**

4 Section 10214 of the Patient Protection and Afford-
5 able Care Act (42 U.S.C. 18204) is amended by striking
6 the period and inserting “, and \$25,000,000 for each of
7 fiscal years 2022 through 2024, to remain available until
8 expended, to carry out this part.”.

9 **SEC. 25004. FUNDING FOR THE AGING NETWORK AND IN-**
10 **FRASTRUCTURE.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there are appropriated for fiscal year 2022,
13 out of any money in the Treasury not otherwise appro-
14 priated, to the Department of Health and Human Serv-
15 ices—

16 (1) \$75,000,000 for the Research, Demonstra-
17 tion, and Evaluation Center for the Aging Network
18 to carry out the activities of the Center under sec-
19 tion 201(g) of the Older Americans Act of 1965
20 (OAA) (42 U.S.C. 3011(g));

21 (2) \$655,000,000 to carry out part B of title
22 III of the OAA (42 U.S.C. 3030d), including for—

23 (A) supportive services of the type made
24 available for fiscal year 2021 and authorized
25 under such part;

1 (B) investing in the aging services network
2 for the purposes of improving the availability of
3 supportive services, including investing in the
4 aging services network workforce;

5 (C) the acquisition, alteration, or renova-
6 tion of facilities, including multipurpose senior
7 centers and mobile units; and

8 (D) construction or modernization of facili-
9 ties to serve as multipurpose senior centers;

10 (3) \$140,000,000 to carry out part C of title
11 III of the OAA (42 U.S.C. 3030d-21-3030g-23),
12 including to support the modernization of infrastruc-
13 ture and technology, including kitchen equipment
14 and delivery vehicles, to support the provision of
15 congregate nutrition services and home delivered nu-
16 trition services under such part;

17 (4) \$150,000,000 to carry out part E of title
18 III of the OAA (42 U.S.C. 3030s-3030s-2), includ-
19 ing section 373(e) of such part (42 U.S.C. 3030s-
20 1(e));

21 (5) \$50,000,000 to carry out title VI of the
22 OAA (42 U.S.C. 3057-3057o), including part C of
23 such title (42 U.S.C. 3057k-11);

1 (6) \$50,000,000 to carry out the long-term care
2 ombudsman program under title VII of the OAA (42
3 U.S.C. 3058–3058ff);

4 (7) \$59,000,000 for technical assistance centers
5 or national resource centers supported under the
6 OAA, including all such centers that received fund-
7 ing under title IV of the OAA (42 U.S.C. 3031–
8 3033a) for fiscal year 2021, in order to support
9 technical assistance and resource development re-
10 lated to culturally appropriate care management and
11 services for older individuals with the greatest social
12 need, including racial and ethnic minority individ-
13 uals;

14 (8) \$15,000,000 for technical assistance centers
15 or national resource centers supported under the
16 OAA that are focused on providing services for older
17 individuals who are underserved due to their sexual
18 orientation or gender identity;

19 (9) \$1,000,000 for efforts of national training
20 and technical assistance centers supported under the
21 OAA to—

22 (A) support expanding the reach of the
23 aging services network to more effectively assist
24 older individuals in remaining socially engaged
25 and active;

1 (B) provide additional support in technical
2 assistance and training to the aging services
3 network to address the social isolation of older
4 individuals;

5 (C) promote best practices and identify in-
6 novation in the field; and

7 (D) continue to support a repository for
8 innovations designed to increase the ability of
9 the aging services network to tailor social en-
10 gagement activities to meet the needs of older
11 individuals; and

12 (10) \$5,000,000 to carry out section 417 of the
13 OAA (42 U.S.C. 3032f).

14 Amounts appropriated by this subsection shall remain
15 available until expended.

16 (b) NONAPPLICABILITY OF CERTAIN REQUIRE-
17 MENTS.—The non-Federal contribution requirements
18 under sections 304(d)(1)(D) and 431(a) of the Older
19 Americans Act of 1965 (42 U.S.C. 3024(d)(1)(D),
20 3033(a)), and section 373(h)(2) of such Act (42 U.S.C.
21 3030s–1(h)(2)), shall not apply to—

22 (1) any amounts made available under this sec-
23 tion; or

1 (2) any amounts made available under section
2 2921 of the American Rescue Plan Act of 2021
3 (Public Law 117–2).

4 **SEC. 25005. OFFICE OF THE INSPECTOR GENERAL OF THE**
5 **DEPARTMENT OF HEALTH AND HUMAN SERV-**
6 **ICES.**

7 In addition to amounts otherwise available, there is
8 appropriated to the Department of Health and Human
9 Services for fiscal year 2022, out of any money in the
10 Treasury not otherwise appropriated, \$50,000,000, to re-
11 main available until expended, for the Office of Inspector
12 General of the Department of Health and Human Serv-
13 ices, for salaries and expenses necessary for oversight, in-
14 vestigations, and audits of programs, grants, and projects
15 funded under subtitles D and F of this title.

16 **SEC. 25006. TECHNICAL ASSISTANCE CENTER FOR SUP-**
17 **PORTING DIRECT CARE AND CAREGIVING.**

18 (a) IN GENERAL.—In addition to amounts otherwise
19 available, there is appropriated to the Secretary of Health
20 and Human Services, acting through the Administrator
21 for the Administration for Community Living, for fiscal
22 year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$5,000,000, to remain available until Sep-
24 tember 30, 2026, to establish, directly or through grants,
25 contracts, or cooperative agreements, a national technical

1 assistance center (referred to in this section as the “Cen-
2 ter”) to—

3 (1) provide technical assistance for supporting
4 direct care workforce recruitment, education and
5 training, retention, career advancement, and for sup-
6 porting family caregivers and caregiving activities;

7 (2) develop and disseminate a set of replicable
8 models or evidence-based or evidence-informed strat-
9 egies or best practices for—

10 (A) recruitment, education and training,
11 retention, and career advancement of direct
12 care workers;

13 (B) reducing barriers to accessing direct
14 care services; and

15 (C) increasing access to alternatives to di-
16 rect care services, including assistive tech-
17 nology, that reduce reliance on such services;

18 (3) provide recommendations for education and
19 training curricula for direct care workers; and

20 (4) provide recommendations for activities to
21 further support paid and unpaid family caregivers,
22 including expanding respite care.

23 (b) **DIRECT CARE WORKER DEFINED.**—The term
24 “direct care worker” has the meaning given such term in
25 section 22301.

1 **TITLE III—COMMITTEE ON**
2 **ENERGY AND COMMERCE**
3 **Subtitle A—Air Pollution**

4 **SEC. 30101. CLEAN HEAVY-DUTY VEHICLES.**

5 (a) APPROPRIATION.—

6 (1) IN GENERAL.—In addition to amounts oth-
7 erwise available, there is appropriated to the Admin-
8 istrator of the Environmental Protection Agency for
9 fiscal year 2022, out of any money in the Treasury
10 not otherwise appropriated, \$5,000,000,000, to re-
11 main available until expended (except that no funds
12 shall be disbursed after September 30, 2031), to
13 carry out section 132 of the Clean Air Act, as added
14 by subsection (b).

15 (2) RESERVATION.—Of the funds appropriated
16 by paragraph (1), the Administrator of the Environ-
17 mental Protection Agency shall reserve 3 percent for
18 administrative costs necessary to carry out section
19 132 of the Clean Air Act, as added by subsection
20 (b).

21 (b) AMENDMENT.—Part A of title I of the Clean Air
22 Act (42 U.S.C. 7401 et seq.) is amended by adding at
23 the end the following:

1 **“SEC. 132. CLEAN HEAVY-DUTY VEHICLES.**

2 “(a) PROGRAM.—Beginning not later than 180 days
3 after the date of enactment of this section, the Adminis-
4 trator shall implement a program to make awards of
5 grants and rebates to eligible recipients, and to make
6 awards of contracts to eligible contractors for providing
7 rebates, for up to 100 percent of costs for—

8 “(1) replacing eligible vehicles with zero-emis-
9 sion vehicles;

10 “(2) infrastructure needed to charge, fuel, or
11 maintain zero-emission vehicles;

12 “(3) workforce development and training to
13 support the maintenance, charging, fueling, and op-
14 eration of zero-emission vehicles; and

15 “(4) planning and technical activities to support
16 the adoption and deployment of zero-emission vehi-
17 cles.

18 “(b) APPLICATIONS.—To seek an award under this
19 section, an eligible recipient or eligible contractor shall
20 submit to the Administrator an application in such form
21 and manner as the Administrator shall prescribe.

22 “(c) ALLOCATION.—Of any amount appropriated to
23 carry out this section, no less than 40 percent shall be
24 used for awards to eligible recipients proposing to replace
25 eligible vehicles to serve one or more communities located

1 in an air quality area designated pursuant to section 107
2 as nonattainment for any air pollutant.

3 “(d) DEFINITIONS.—For purposes of this section:

4 “(1) ELIGIBLE CONTRACTOR.—The term ‘eligi-
5 ble contractor’ means a contractor that is a for-prof-
6 it or nonprofit entity that has the capacity—

7 “(A) to sell zero-emission vehicles, or
8 charging or other equipment needed to charge,
9 fuel, or maintain zero-emission vehicles, to indi-
10 viduals or entities that own an eligible vehicle;
11 or

12 “(B) to arrange financing for such a sale.

13 “(2) ELIGIBLE RECIPIENT.—The term ‘eligible
14 recipient’ means—

15 “(A) a State or local governmental entity;

16 “(B) an Indian Tribe (as defined in section
17 302);

18 “(C) a nonprofit school transportation as-
19 sociation; or

20 “(D) an eligible contractor.

21 “(3) ELIGIBLE VEHICLE.—The term ‘eligible
22 vehicle’ means a Class 6 or Class 7 heavy-duty vehi-
23 cle as defined in section 1037.801 of title 40, Code
24 of Federal Regulations (as in effect on the date of
25 enactment of this section).

1 “(4) ZERO-EMISSION VEHICLE.—The term
2 ‘zero-emission vehicle’ means a vehicle that has a
3 drivetrain that produces, under any possible oper-
4 ational mode or condition, zero exhaust emission
5 of—

6 “(A) any air pollutant that is listed pursu-
7 ant to section 108(a) (or any precursor to such
8 an air pollutant); and

9 “(B) any greenhouse gas.”.

10 **SEC. 30102. GRANTS TO REDUCE AIR POLLUTION AT PORTS.**

11 Part A of title I of the Clean Air Act (42 U.S.C. 7401
12 et seq.), as amended, is further amended by adding at the
13 end the following:

14 **“SEC. 133. GRANTS TO REDUCE AIR POLLUTION AT PORTS.**

15 “(a) IN GENERAL.—In addition to amounts other-
16 wise available, there is appropriated to the Administrator
17 for fiscal year 2022, out of any money in the Treasury
18 not otherwise appropriated, \$3,500,000,000, to remain
19 available until expended (except that no funds shall be dis-
20 bursed after September 30, 2031), to award rebates and
21 grants to eligible recipients on a competitive basis to—

22 “(1) purchase or install zero-emissions port
23 equipment and technology for use at, or to directly
24 serve, one or more ports;

1 “(2) conduct any relevant planning or permit-
2 ting in connection with such zero-emissions port
3 equipment and technology; and

4 “(3) develop qualified climate action plans.

5 “(b) RESERVATION.—Of the funds made available by
6 this section, \$875,000,000 shall be reserved for awards
7 to eligible recipients to carry out activities with respect
8 to ports located in nonattainment areas for any air pollut-
9 ant.

10 “(c) LIMITATION.—Funds awarded under this sec-
11 tion shall not be used—

12 “(1) to purchase fully automated cargo-han-
13 dling equipment or terminal infrastructure that is
14 designed for fully automated cargo-handling equip-
15 ment; or

16 “(2) by any recipient or sub-recipient to per-
17 form construction, alteration, installation, or repair
18 work that is not located at, or does not directly
19 serve, the one or more ports involved.

20 “(d) ADMINISTRATION OF FUNDS.—Of the funds
21 made available by this section, the Administrator shall re-
22 serve 2 percent for administrative costs necessary to carry
23 out this section.

24 “(e) DEFINITIONS.—For purposes of this section:

1 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible
2 recipient’ means—

3 “(A) a port authority;

4 “(B) a State, regional, local, or Tribal
5 agency that has jurisdiction over a port author-
6 ity or a port;

7 “(C) an air pollution control agency; or

8 “(D) a private entity (including any non-
9 profit organization) that—

10 “(i) applies for a grant under this sec-
11 tion in partnership with an entity de-
12 scribed in subparagraphs (A), (B), or (C);
13 and

14 “(ii) owns, operates, or uses the facili-
15 ties, cargo-handling equipment, transpor-
16 tation equipment, or related technology of
17 a port.

18 “(2) QUALIFIED CLIMATE ACTION PLAN.—The
19 term ‘qualified climate action plan’ means a detailed
20 and strategic plan that—

21 “(A) establishes goals, implementation
22 strategies, and accounting and inventory prac-
23 tices (including practices used to measure
24 progress towards stated goals) to reduce emis-
25 sions at one or more ports of—

1 “(i) greenhouse gases;

2 “(ii) any air pollutant that is listed
3 pursuant to section 108(a) (or any pre-
4 cursor to such an air pollutant); and

5 “(iii) hazardous air pollutants; and

6 “(B) includes a strategy to collaborate
7 with, communicate with, and address potential
8 effects on stakeholders that may be affected by
9 implementation of such plan, including low-in-
10 come and disadvantaged near-port communities.

11 “(3) ZERO-EMISSIONS PORT EQUIPMENT AND
12 TECHNOLOGY.—The term ‘zero-emissions port
13 equipment and technology’ means any equipment or
14 technology that—

15 “(A) produces zero emissions of any air
16 pollutant that is listed pursuant to section
17 108(a) (or any precursor to such an air pollut-
18 ant) and any greenhouse gas other than water
19 vapor; or

20 “(B) captures 100 percent of such emis-
21 sions produced by an ocean-going vessel at
22 berth.”.

1 **SEC. 30103. GREENHOUSE GAS REDUCTION FUND.**

2 Part A of title I of the Clean Air Act (42 U.S.C. 7401
3 et seq.), as amended, is further amended by adding at the
4 end the following:

5 **“SEC. 134. GREENHOUSE GAS REDUCTION FUND.**

6 “(a) APPROPRIATION.—In addition to amounts oth-
7 erwise available, there is appropriated for fiscal year 2022,
8 out of any money in the Treasury not otherwise appro-
9 priated—

10 “(1) \$7,495,000,000 to the Administrator, to
11 remain available until expended (except that no
12 funds shall be disbursed after September 30, 2026),
13 to make grants, on a competitive basis and not later
14 than 180 calendar days after the date of enactment
15 of this section, to States, units of local government,
16 the District of Columbia, territories of the United
17 States, Tribal governments, and eligible recipients
18 for the purposes of providing financial and technical
19 assistance to enable low-income and disadvantaged
20 communities to deploy zero-emission technologies, in-
21 cluding distributed zero-emission technologies on
22 residential rooftops, and to carry out other green-
23 house gas emission reduction activities, as deter-
24 mined appropriate by the Administrator in accord-
25 ance with this section;

1 “(2) \$19,995,000,000 to the Administrator, to
2 remain available until expended (except that no
3 funds shall be disbursed after September 30, 2026),
4 to make grants, on a competitive basis and not later
5 than 180 calendar days after the date of enactment
6 of this section, to eligible recipients, of which
7 \$8,000,000,000 shall be used to provide financial as-
8 sistance in low-income and disadvantaged commu-
9 nities; and

10 “(3) \$10,000,000 to the Administrator, to re-
11 main available until expended (except that no funds
12 shall be disbursed after September 30, 2031), for
13 the administrative costs necessary to carry out ac-
14 tivities under this section.

15 “(b) USE OF FUNDS.—An eligible recipient that re-
16 ceives a grant pursuant to subsection (a) shall operate in
17 accordance with the following:

18 “(1) DIRECT INVESTMENT.—An eligible recipi-
19 ent shall—

20 “(A) use a broad range of finance and in-
21 vestment tools to provide financial assistance to
22 qualified projects at the national, regional,
23 State, and local levels, including, as applicable,
24 through both concessionary and market rate fi-
25 nancing;

1 “(B) prioritize investment in qualified
2 projects that would otherwise lack access to fi-
3 nancing;

4 “(C) retain, manage, recycle, and monetize
5 all repayments and other revenue received from
6 fees, interest, repaid loans, and all other types
7 of financial assistance provided using grant
8 funds under this section to ensure continued
9 operability; and

10 “(D) meet any requirements set forth by
11 the Administrator to ensure accountability and
12 proper management of funds appropriated by
13 this section.

14 “(2) INDIRECT INVESTMENT.—An eligible re-
15 cipient shall provide financial and technical assist-
16 ance to establish new or support existing public,
17 quasi-public, or nonprofit entities that provide finan-
18 cial assistance to qualified projects at the State,
19 local, territorial, or Tribal level or in the District of
20 Columbia, including community- and low-income-fo-
21 cused lenders and capital providers.

22 “(c) DEFINITIONS.—In this section:

23 “(1) ELIGIBLE RECIPIENT.—The term ‘eligible
24 recipient’ means a nonprofit organization that—

1 “(A) is designed to provide capital, includ-
2 ing by leveraging private capital, and other
3 forms of financial assistance for the rapid de-
4 ployment of low- and zero-emission products,
5 technologies, and activities;

6 “(B) does not take deposits, other than
7 from repayments and other revenue received
8 from financial assistance provided using grant
9 funds under this section;

10 “(C) is funded by public or charitable con-
11 tributions; and

12 “(D) invests in or finances projects alone
13 or in conjunction with other investors.

14 “(2) QUALIFIED PROJECT.—The term ‘qualified
15 project’ includes any low- or zero-emission project,
16 technology, or activity that—

17 “(A) reduces or avoids greenhouse gas
18 emissions and other forms of air pollution in
19 partnership with, and by leveraging investment
20 from, the private sector; or

21 “(B) assists communities in the efforts of
22 those communities to reduce or avoid green-
23 house gas emissions and other forms of air pol-
24 lution.

1 “(3) ZERO-EMISSION TECHNOLOGY.—The term
2 ‘zero-emission technology’ means any technology
3 that produces zero emissions of—

4 “(A) any air pollutant that is listed pursu-
5 ant to section 108(a) (or any precursor to such
6 an air pollutant); and

7 “(B) any greenhouse gas.”.

8 **SEC. 30104. COLLABORATIVE COMMUNITY WILDFIRE AIR**
9 **GRANTS.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the Administrator of the
12 Environmental Protection Agency for fiscal year 2022, out
13 of any money in the Treasury not otherwise appropriated,
14 \$150,000,000, to remain available until expended (except
15 that no funds shall be disbursed after September 30,
16 2031), for grants authorized under section 103 of the
17 Clean Air Act (42 U.S.C. 7403) to assist eligible entities
18 in developing and implementing collaborative community
19 plans to prepare for smoke from wildfires, reduce risks
20 of smoke exposure due to wildfires, and mitigate the
21 health and environmental effects of smoke from wildfires.

22 (b) TECHNICAL ASSISTANCE.—The Administrator of
23 the Environmental Protection Agency may use amounts
24 made available under subsection (a) to provide technical
25 assistance to any eligible entity in—

1 (1) submitting an application for a grant to be
2 made pursuant to this section; or

3 (2) carrying out a project using a grant made
4 pursuant to this section.

5 (c) ADMINISTRATIVE COSTS.—Of the amounts made
6 available under subsection (a), the Administrator of the
7 Environmental Protection Agency shall reserve 7.5 per-
8 cent for administrative costs to carry out this section.

9 (d) ELIGIBLE ENTITIES.—In this section, the term
10 “eligible entity” means a State, a territory, a unit of local
11 government (including any special district, such as an air
12 quality management district), or an Indian Tribe.

13 **SEC. 30105. DIESEL EMISSIONS REDUCTIONS.**

14 (a) IN GENERAL.—In addition to amounts otherwise
15 available, there is appropriated to the Administrator of the
16 Environmental Protection Agency for fiscal year 2022, out
17 of any money in the Treasury not otherwise appropriated,
18 \$170,000,000, to remain available until expended (except
19 that no funds shall be disbursed after September 30,
20 2031), to address diesel emissions, of which—

21 (1) \$100,000,000 shall be for grants, rebates,
22 loans, and other Environmental Protection Agency
23 activities under subtitle G of title VII of the Energy
24 Policy Act of 2005 (42 U.S.C. 16131 through
25 16137) to identify and reduce diesel emissions re-

1 sulting from goods movement facilities, and vehicles
2 servicing goods movement facilities, in low-income
3 and disadvantaged communities to address the
4 health impacts of such emissions on such commu-
5 nities;

6 (2) \$50,000,000 shall be for grants, rebates,
7 loans, and other Environmental Protection Agency
8 activities under subtitle G of title VII of the Energy
9 Policy Act of 2005; and

10 (3) \$20,000,000 shall be for grants, rebates,
11 loans, and other Environmental Protection Agency
12 activities under subtitle G of title VII of the Energy
13 Policy Act of 2005 to identify and reduce diesel
14 emissions in low-income and disadvantaged commu-
15 nities to address the health impacts of such emis-
16 sions on such communities.

17 (b) ADMINISTRATIVE COSTS.—The Administrator of
18 the Environmental Protection Agency shall reserve 5 per-
19 cent of the amounts made available under subsection (a)
20 for the administrative costs necessary to carry out activi-
21 ties pursuant to such subsection.

22 **SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 available, there is appropriated to the Administrator of the
25 Environmental Protection Agency for fiscal year 2022, out

1 of any money in the Treasury not otherwise appropriated,
2 \$320,000,000, to remain available until expended (except
3 that no funds shall be disbursed after September 30,
4 2031), to address air pollution, of which—

5 (1) \$265,000,000 shall be for grants and other
6 activities authorized under sections 102, 103, and
7 105 of the Clean Air Act (42 U.S.C. 7402, 7403,
8 and 7405), of which—

9 (A) \$122,000,000 shall be to deploy, inte-
10 grate, support, and maintain fenceline moni-
11 toring and screening air monitoring, including
12 national air toxics trend stations and other air
13 toxics and community monitoring;

14 (B) \$75,000,000 shall be to expand the
15 national ambient air quality monitoring network
16 with new multipollutant monitoring stations
17 and to replace, repair, operate, and maintain
18 existing monitors;

19 (C) \$3,000,000 shall be to deploy, inte-
20 grate, and operate air quality sensors in low-in-
21 come and disadvantaged communities; and

22 (D) \$15,000,000 shall be for testing and
23 other agency activities to address emissions
24 from wood heaters; and

1 (E) \$50,000,000 shall be for monitoring
2 emissions of methane;

3 (2) \$50,000,000 shall be to carry out, with re-
4 spect to greenhouse gases, sections 111, 115, 169,
5 177, 202, 211, 213, 231, and 612, and other sec-
6 tions of the Clean Air Act (42 U.S.C. 7411, 7415,
7 7479, 7507, 7521, 7545, 7547, 7571, 7671k, and
8 others); and

9 (3) \$5,000,000 shall be to provide grants to
10 States to adopt and implement greenhouse gas and
11 zero-emission standards for mobile sources pursuant
12 to section 177 of the Clean Air Act (42 U.S.C.
13 7507).

14 (b) ADMINISTRATION OF FUNDS.—Of the funds
15 made available pursuant to subsection (a)(1), the Admin-
16 istrator of the Environmental Protection Agency shall re-
17 serve 5 percent for activities funded pursuant to such sub-
18 section other than grants.

19 **SEC. 30107. FUNDING TO ADDRESS AIR POLLUTION AT**
20 **SCHOOLS.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Administrator of the Environmental
23 Protection Agency for fiscal year 2022, out of any money
24 in the Treasury not otherwise appropriated, \$50,000,000,
25 to remain available until expended, for grants, rebates,

1 contracts, and other activities to monitor and reduce air
2 pollution and greenhouse gas emissions at schools in low-
3 income and disadvantaged communities under subsections
4 (a) through (c) of section 103 of the Clean Air Act (42
5 U.S.C. 7403) and section 105 of that Act (42 U.S.C.
6 7405), of which the Administrator shall reserve not less
7 than 25 percent for technical assistance to such schools—

8 (1) to address environmental issues;

9 (2) to develop school environmental quality
10 plans that include standards for school building, de-
11 sign, construction, and renovation; and

12 (3) to identify and mitigate ongoing air pollu-
13 tion hazards.

14 **SEC. 30108. LOW EMISSIONS ELECTRICITY PROGRAM.**

15 Part A of title I of the Clean Air Act (42 U.S.C. 7401
16 et seq.), as amended, is further amended by adding at the
17 end the following:

18 **“SEC. 135. LOW EMISSIONS ELECTRICITY PROGRAM.**

19 “(a) APPROPRIATIONS.—In addition to amounts oth-
20 erwise available, there is appropriated to the Adminis-
21 trator for fiscal year 2022, out of any money in the Treas-
22 ury not otherwise appropriated, \$100,000,000, to remain
23 available until expended (except that no funds shall be dis-
24 bursed after September 30, 2031), to carry out this sec-
25 tion.

1 “(b) USE OF FUNDS.—Of the amounts made avail-
2 able by subsection (a), the Administrator shall use—

3 “(1) not less than \$10,000,000 for consumer-
4 related education and partnerships with respect to
5 reductions in greenhouse gas emissions that result
6 from domestic electricity generation and use;

7 “(2) not less than \$10,000,000 for education,
8 technical assistance, and partnerships within low-in-
9 come and disadvantaged communities with respect to
10 reductions in greenhouse gas emissions that result
11 from domestic electricity generation and use;

12 “(3) not less than \$10,000,000 for industry-re-
13 lated outreach and technical assistance, including
14 through partnerships, with respect to reductions in
15 greenhouse gas emissions that result from domestic
16 electricity generation and use;

17 “(4) not less than \$10,000,000 for outreach
18 and technical assistance to State and local govern-
19 ments, including through partnerships, with respect
20 to reductions in greenhouse gas emissions that result
21 from domestic electricity generation and use;

22 “(5) not less than \$1,000,000 to assess, not
23 later than the date that is 1 year after the date of
24 enactment of this section, the reductions in green-
25 house gas emissions that result from changes in do-

1 domestic electricity generation and use that are antici-
2 pated to occur on an annual basis through fiscal
3 year 2031; and

4 “(6) not less than \$20,000,000 to carry out
5 this section to ensure that the anticipated reductions
6 in greenhouse gas emissions from domestic elec-
7 tricity generation and use as assessed under para-
8 graph (5) are achieved through use of the authori-
9 ties of this Act, including through the establishment
10 of requirements under this Act.”.

11 **SEC. 30109. FUNDING FOR SECTION 211 OF THE CLEAN AIR**
12 **ACT.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Administrator of the Environmental
15 Protection Agency for fiscal year 2022, out of any money
16 in the Treasury not otherwise appropriated, \$15,000,000,
17 to remain available until expended, to carry out section
18 211 of the Clean Air Act (42 U.S.C. 7545), of which—

19 (1) not less than \$5,000,000 shall be for the
20 development and establishment of tests and proto-
21 cols regarding the environmental and public health
22 effects of a fuel or fuel additive; internal and extra-
23 mural data collection and analyses to regularly up-
24 date applicable regulations, guidance, and proce-
25 dures for determining lifecycle greenhouse gas emis-

1 sions of a fuel; and the review, analysis and evalua-
2 tion of the impacts of all transportation fuels, in-
3 cluding fuel lifecycle implications, on the general
4 public and on low-income and disadvantaged commu-
5 nities; and

6 (2) not less than \$5,000,000 shall be for new
7 grants to industry and other related activities to
8 support investments in advanced biofuels.

9 **SEC. 30110. FUNDING FOR IMPLEMENTATION OF THE**
10 **AMERICAN INNOVATION AND MANUFAC-**
11 **TURING ACT.**

12 (a) IN GENERAL.—In addition to amounts otherwise
13 available, there is appropriated to the Administrator of the
14 Environmental Protection Agency for fiscal year 2022, out
15 of any money in the Treasury not otherwise appropriated,
16 \$42,000,000, to remain available until September 30,
17 2026, to carry out section 103 of division S of Public Law
18 116–260, of which—

19 (1) \$3,500,000 shall be to deploy new imple-
20 mentation and compliance tools; and

21 (2) \$15,000,000 shall be for competitive grants
22 for reclaim and innovative destruction technologies.

23 (b) ADMINISTRATION OF FUNDS.—Of the funds
24 made available pursuant to subsection (a)(2), the Admin-
25 istrator of the Environmental Protection Agency shall re-

1 serve 5 percent for administrative costs of carrying out
2 such section 103.

3 **SEC. 30111. FUNDING FOR ENFORCEMENT TECHNOLOGY**
4 **AND PUBLIC INFORMATION.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Administrator of the Environmental
7 Protection Agency for fiscal year 2022, out of any money
8 in the Treasury not otherwise appropriated, \$50,000,000,
9 to remain available until expended (except that no funds
10 shall be disbursed after September 30, 2031), to address
11 air pollution, of which—

12 (1) \$37,000,000 shall be to update Integrated
13 Compliance Information System of the Environ-
14 mental Protection Agency and any associated sys-
15 tems, necessary information technology infrastruc-
16 ture, or public access software tools to ensure access
17 to compliance data and related information;

18 (2) \$7,000,000 shall be for grants to States, In-
19 dian Tribes, and air pollution control agencies (as
20 such terms are defined in section 302 of the Clean
21 Air Act (42 U.S.C. 7602)) to update their systems
22 to ensure communication with such Integrated Com-
23 pliance Information System and any associated sys-
24 tems; and

1 (3) \$6,000,000 shall be to acquire or update in-
2 spection software for use by the Environmental Pro-
3 tection Agency, States, Indian Tribes, and air pollu-
4 tion control agencies (as such terms are defined in
5 section 302 of the Clean Air Act (42 U.S.C. 7602)),
6 or to acquire necessary devices on which to run such
7 inspection software.

8 **SEC. 30112. GREENHOUSE GAS CORPORATE REPORTING.**

9 In addition to amounts otherwise available, there is
10 appropriated to the Environmental Protection Agency Of-
11 fice of Air and Radiation for fiscal year 2022, out of any
12 money in the Treasury not otherwise appropriated,
13 \$5,000,000, to remain available until expended (except
14 that no funds shall be disbursed after September 30,
15 2031), for the Environmental Protection Agency to sup-
16 port—

17 (1) enhanced standardization and transparency
18 of corporate climate action commitments and plans
19 to reduce greenhouse gas emissions;

20 (2) enhanced transparency regarding progress
21 toward meeting such commitments and imple-
22 menting such plans; and

23 (3) progress toward meeting such commitments
24 and implementing such plans.

1 **SEC. 30113. ENVIRONMENTAL PRODUCT DECLARATION AS-**
2 **SISTANCE.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the Administrator of the
5 Environmental Protection Agency for fiscal year 2022, out
6 of any money in the Treasury not otherwise appropriated,
7 \$250,000,000, to remain available until expended (except
8 that no funds shall be disbursed after September 30,
9 2031), to develop and carry out a program, to be known
10 as the Environmental Product Declaration Assistance
11 Program, to support the development, and enhanced
12 standardization and transparency, of environmental prod-
13 uct declarations for construction materials and products,
14 including by—

15 (1) providing grants to businesses that manu-
16 facture construction materials and products for de-
17 veloping and verifying environmental product dec-
18 larations;

19 (2) providing technical assistance to businesses
20 that manufacture construction materials and prod-
21 ucts in developing and verifying environmental prod-
22 uct declarations; and

23 (3) carrying out other activities that assist in
24 measuring and steadily reducing the quantity of em-
25 bodied carbon of construction materials and prod-
26 ucts.

1 (b) ADMINISTRATION OF FUNDS.—Of the amounts
2 made available under this section, the Administrator of
3 the Environmental Protection Agency shall reserve 7.5
4 percent for administrative costs necessary to carry out this
5 section.

6 (c) DEFINITIONS.—In this section:

7 (1) EMBODIED CARBON.—The term “embodied
8 carbon” means the quantity of greenhouse gas emis-
9 sions associated with all relevant stages of produc-
10 tion of a material or product, measured in kilograms
11 of carbon dioxide-equivalent per unit of such mate-
12 rial or product.

13 (2) ENVIRONMENTAL PRODUCT DECLARA-
14 TION.—The term “environmental product declara-
15 tion” means a document that reports the environ-
16 mental impact of a material or product that—

17 (A) includes measurement of the embodied
18 carbon of the material or product;

19 (B) conforms with international standards,
20 such as a Type III environmental product dec-
21 laration, as defined by the International Orga-
22 nization for Standardization standard 14025;
23 and

24 (C) is developed in accordance with any
25 standardized reporting criteria specified by the

1 Administrator of the Environmental Protection
2 Agency.

3 **SEC. 30114. ENVIRONMENTAL PROTECTION AGENCY METH-**
4 **ANE FEE.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Administrator
7 of the Environmental Protection Agency for fiscal year
8 2022, out of any money in the Treasury not otherwise ap-
9 propriated, \$75,000,000, to remain available until ex-
10 pended (except that no funds shall be disbursed after Sep-
11 tember 30, 2024), to carry out section 136 of the Clean
12 Air Act, as added by this section.

13 (b) AMENDMENT.—Part A of title I of the Clean Air
14 Act (42 U.S.C. 7401 et seq.), as amended, is further
15 amended by adding at the end the following:

16 **“SEC. 136. METHANE FEE FROM PETROLEUM AND NATURAL**
17 **GAS SYSTEMS.**

18 “(a) IN GENERAL.—The Administrator shall impose
19 and collect a fee from the owner or operator of each appli-
20 cable facility that is required to report methane emissions
21 pursuant to subpart W of part 98 of title 40, Code of Fed-
22 eral Regulations (or any successor regulations).

23 “(b) APPLICABLE FACILITY.—For purposes of this
24 section, the term ‘applicable facility’ means a facility with-
25 in the following industry segments, as defined in subpart

1 W of part 98 of title 40, Code of Federal Regulations (or
2 any successor regulations):

3 “(1) Offshore petroleum and natural gas pro-
4 duction.

5 “(2) Onshore petroleum and natural gas pro-
6 duction.

7 “(3) Natural gas processing,

8 “(4) Natural gas transmission and compression.

9 “(5) Underground natural gas storage.

10 “(6) Liquefied natural gas storage.

11 “(7) Liquefied natural gas import and export
12 equipment.

13 “(8) Onshore petroleum and natural gas gath-
14 ering and boosting.

15 “(9) Onshore natural gas transmission pipeline

16 “(c) FEE AMOUNT.—The amount of a fee imposed
17 and collected under subsection (a) for an applicable facility
18 shall be equal to the product obtained by multiplying—

19 “(1) subject to subsection (d), the number of
20 tons of methane reported for the applicable facility
21 pursuant to subpart W of part 98 of title 40, Code
22 of Federal Regulations (or any successor regula-
23 tions), during the previous reporting period; and

24 “(2) \$1500.

25 “(d) INTENSITY THRESHOLD.—

1 “(1) PETROLEUM AND NATURAL GAS PRODUC-
2 TION.—With respect to imposing and collecting the
3 fee under subsection (a) for an applicable facility in
4 an industry segment listed in paragraph (1) or (2)
5 of subsection (b), the Administrator shall impose
6 and collect the fee on the reported tons of methane
7 emissions that exceed 0.20 percent of the natural
8 gas sent to sale from such facility.

9 “(2) NONPRODUCTION PETROLEUM AND NAT-
10 URAL GAS SYSTEMS.—With respect to imposing and
11 collecting the fee under subsection (a) for an appli-
12 cable facility in an industry segment listed in para-
13 graph (3), (5), (6), (7), or (8) of subsection (b), the
14 Administrator shall impose and collect the fee on the
15 reported tons of methane emissions that exceed 0.05
16 percent of the natural gas sent to sale from such fa-
17 cility.

18 “(3) NATURAL GAS TRANSMISSION.—With re-
19 spect to imposing and collecting the fee under sub-
20 section (a) for an applicable facility in an industry
21 segment listed in paragraph (4) or (9) of subsection
22 (b), the Administrator shall impose and collect the
23 fee on the reported tons of methane emissions that
24 exceed 0.11 percent of the natural gas sent to sale
25 from such facility.

1 “(e) PERIOD.—The fee under subsection (a) shall be
2 imposed and collected beginning with respect to emissions
3 reported for calendar year 2023 and for each year there-
4 after.

5 “(f) IMPLEMENTATION.—In addition to other au-
6 thorities in this Act addressing air pollution from the oil
7 and natural gas sectors, the Administrator may issue
8 guidance or regulations as necessary to carry out this sec-
9 tion.

10 “(g) REPORTING.—Not later than 2 years after the
11 date of enactment of this section, and as necessary there-
12 after, the Administrator shall revise the requirements of
13 subpart W of part 98 of title 40, Code of Federal Regula-
14 tions—

15 “(1) to reduce the facility emissions threshold
16 for reporting under such subpart and for paying the
17 fee imposed under this section to 10,000 metric tons
18 of carbon dioxide equivalent of greenhouse gases
19 emitted per year; and

20 “(2) to ensure the reporting under such sub-
21 part, and calculation of fees under subsection (e) of
22 this section, are based on empirical data and accu-
23 rately reflect the total methane emissions from the
24 applicable facilities.

1 “(h) LIABILITY FOR FEE PAYMENT.—A facility
2 owner or operator’s liability for payment of the fee under
3 subsection (a) is not affected in any way by emission
4 standards, permit fees, penalties, or other requirements
5 under this Act or any other legal authorities.

6 “(i) USE OF PROCEEDS.—

7 “(1) TRANSFER OF FUNDS.—For each applica-
8 ble fiscal year, the Secretary of the Treasury shall,
9 without further appropriation, transfer to the Ad-
10 ministrator an amount equal to 75 percent of the
11 amounts received during the preceding fiscal year as
12 a result of the methane fee in subsection (a).

13 “(2) USE OF FUNDS.—The Administrator shall,
14 without further appropriation, use the amounts
15 transferred under paragraph (1) (except that no
16 funds shall be disbursed after September 30,
17 2028)—

18 “(A) to cover all direct and indirect costs
19 required to develop and administer this section,
20 including the costs of—

21 “(i) implementing the fee;

22 “(ii) continuous emissions and ambi-
23 ent methane and other greenhouse gas
24 monitoring;

1 “(iii) preparing generally applicable
2 regulations, or guidance;

3 “(iv) modeling, analyses, and dem-
4 onstrations; and

5 “(v) preparing inventories, gathering
6 empirical data, and tracking emissions;

7 “(B) for grants, rebates, contracts and
8 other activities of the Environmental Protection
9 Agency for the purposes of providing financial
10 and technical assistance to owners and opera-
11 tors of applicable facilities preparing and sub-
12 mitting greenhouse gas reports under subpart
13 W of part 98 of title 40, Code of Federal Regu-
14 lations (or successor regulations);

15 “(C) for grants, rebates, contracts, and
16 other activities of the Environmental Protection
17 Agency authorized under section 103 for meth-
18 ane emissions monitoring; and

19 “(D) for grants, rebates, contracts, and
20 other activities of the Environmental Protection
21 Agency for the purposes of providing financial
22 and technical assistance to reduce methane and
23 other greenhouse gas emissions from petroleum
24 and natural gas systems, mitigate legacy air
25 pollution from petroleum and natural gas sys-

1 tems, and provide support for communities, in-
2 cluding funding for—

3 “(i) improving climate resiliency of
4 communities and petroleum and natural
5 gas systems;

6 “(ii) improving and deploying indus-
7 trial equipment and processes that reduce
8 methane and other greenhouse gas emis-
9 sions;

10 “(iii) supporting innovation in reduc-
11 ing methane and other greenhouse gas
12 emissions from petroleum and natural gas
13 systems;

14 “(iv) mitigating health effects of
15 methane and other greenhouse gas emis-
16 sions, and legacy air pollution from petro-
17 leum and natural gas systems in low-in-
18 come and disadvantaged communities; and

19 “(v) supporting environmental res-
20 toration.”.

21 **Subtitle B—Hazardous Materials**

22 **SEC. 30201. SUPERFUND INVESTMENTS.**

23 In addition to amounts otherwise available, there is
24 appropriated for fiscal year 2022, out of any money in
25 the Treasury not otherwise appropriated,

1 \$10,000,000,000, to remain available until expended, for
2 response actions carried out by Federal agencies, con-
3 sistent with section 120 of the Comprehensive Environ-
4 mental Response, Compensation, and Liability Act of
5 1980 (42 U.S.C. 9620) at Federal facilities included on
6 the National Priority List published pursuant to section
7 105 of such Act (42 U.S.C. 9605), which shall supple-
8 ment, not supplant, individual agency appropriations for
9 such response actions.

10 **SEC. 30202. FUNDING TO ADDRESS TOXICS IN SCHOOLS.**

11 In addition to amounts otherwise available, there is
12 appropriated to the Administrator of the Environmental
13 Protection Agency for fiscal year 2022, out of any money
14 in the Treasury not otherwise appropriated, \$50,000,000,
15 to remain available until expended, for grants, contracts,
16 and other activities to reduce pollution at schools in low-
17 income and disadvantaged communities under title V of
18 the Toxic Substances Control Act (15 U.S.C. 2695 et
19 seq.).

20 **SEC. 30203. GRANTS TO REDUCE WASTE IN COMMUNITIES.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated to the Administrator of the
23 Environmental Protection Agency for fiscal year 2022, out
24 of any money in the Treasury not otherwise appropriated,
25 \$750,000,000, to remain available until expended (except

1 that no funds shall be disbursed after September 30,
2 2031), to make grants, on a competitive basis, to eligible
3 recipients to—

4 (1) minimize the amount of waste generated
5 from manufacturing processes or when consumer
6 products are disposed of, including by encouraging
7 product or manufacturing redesign or redevelopment
8 that reduces packaging and waste byproducts;

9 (2) construct, expand, or modernize infrastruc-
10 ture for organics recycling and reuse, including any
11 facility, machinery, or equipment used to collect and
12 process organic material;

13 (3) create market demand or manufacturing ca-
14 pacity for recovered, recyclable, or recycled commod-
15 ities and products;

16 (4) support projects and programs that reduce
17 food waste; or

18 (5) support the development and implementa-
19 tion of activities that reduce the amount of waste
20 disposed of in landfills, including—

21 (A) expanding the availability of curbside
22 organic waste collection;

23 (B) encouraging diversion of organic waste
24 from landfills; or

1 (C) increasing fees imposed on the disposal
2 of waste, including organic waste, at landfills.

3 (b) RESERVATION.—Of the funds made available
4 under this section, the Administrator of the Environ-
5 mental Protection Agency shall reserve \$300,000,000 for
6 grants for projects in low-income or disadvantaged com-
7 munities.

8 (c) ADMINISTRATION OF FUNDS.—Of the funds
9 made available under this section, the Administrator of
10 the Environmental Protection Agency shall reserve 2 per-
11 cent for administrative costs to carry out this section.

12 (d) DEFINITION OF ELIGIBLE RECIPIENT.—In this
13 section, the term “eligible recipient” means—

14 (1) a single unit of State, local, or Tribal gov-
15 ernment;

16 (2) a partnership of multiple units of State,
17 local, or Tribal governments;

18 (3) a partnership of one or more units of State,
19 local, or Tribal governments and one or more for-
20 profit or nonprofit organizations; or

21 (4) a nonprofit organization or a partnership of
22 nonprofit organizations.

1 **SEC. 30204. ENVIRONMENTAL AND CLIMATE JUSTICE**
2 **BLOCK GRANTS.**

3 (a) **APPROPRIATION.**—In addition to amounts other-
4 wise available, there is appropriated to the Administrator
5 of the Environmental Protection Agency for fiscal year
6 2022, out of any money in the Treasury not otherwise ap-
7 propriated, \$5,000,000,000, to remain available until ex-
8 pended (except that no funds shall be disbursed after Sep-
9 tember 30, 2031), to carry out this section.

10 (b) **GRANTS.**—

11 (1) **IN GENERAL.**—The Administrator of the
12 Environmental Protection Agency may use amounts
13 made available under subsection (a) to award grants
14 for periods of up to 3 years to eligible entities to
15 carry out activities described in paragraph (2) that
16 benefit disadvantaged communities, as defined by
17 the Administrator.

18 (2) **ELIGIBLE ACTIVITIES.**—An eligible entity
19 may use a grant awarded under this subsection
20 for—

21 (A) investments in community low-emis-
22 sion, zero-emission, and emission-reducing in-
23 frastructure, including construction of such in-
24 frastructure;

25 (B) climate resiliency, mitigation, and ad-
26 aptation projects, including projects related to

1 urban heat islands, extreme heat, wood heater
2 emissions, and wildfire events;

3 (C) community-led pollution monitoring,
4 prevention, and remediation, including any nec-
5 essary job training programs;

6 (D) reducing indoor toxics and indoor air
7 pollution;

8 (E) facilitating engagement of disadvan-
9 tagged communities in State and Federal public
10 processes, including facilitating such engage-
11 ment in advisory groups, workshops, and
12 rulemakings; or

13 (F) any other activity the Administrator of
14 the Environmental Protection Agency deter-
15 mines appropriate.

16 (3) ELIGIBLE ENTITIES.—In this subsection,
17 the term “eligible entity” means—

18 (A) a partnership between an Indian
19 Tribe, a local government, or an institution of
20 higher education and a community-based non-
21 profit organization;

22 (B) a community-based nonprofit organiza-
23 tion; or

24 (C) a partnership of community-based non-
25 profit organizations.

1 (4) **PRIORITY.**—In awarding grants under this
2 subsection, the Administrator of the Environmental
3 Protection Agency shall give priority to eligible enti-
4 ties described in subparagraph (B) or (C) of para-
5 graph (3).

6 (c) **TECHNICAL ASSISTANCE.**—The Administrator of
7 the Environmental Protection Agency shall reserve
8 \$500,000,000 of the amounts made available under sub-
9 section (a) for grants or contracts for technical assistance
10 throughout the United States related to grants awarded
11 in this section.

12 **Subtitle C—Drinking Water**

13 **SEC. 30301. LEAD SERVICE LINE REPLACEMENT.**

14 (a) **IN GENERAL.**—In addition to amounts otherwise
15 available, there is appropriated for fiscal year 2022, out
16 of any money in the Treasury not otherwise appropriated,
17 \$30,000,000,000, to make capitalization grants under sec-
18 tion 1452 of the Safe Drinking Water Act (42 U.S.C.
19 300j–12), to remain available until expended, for full lead
20 service line replacement projects and associated activities
21 directly connected to the identification, planning, design,
22 and full replacement of lead service lines, of which
23 \$20,000,000,000 shall be for subsidies to disadvantaged
24 communities (as defined in subsection (d)(3) of such sec-
25 tion) in the form of loans, with 100 percent forgiveness

1 of principal, or grants, notwithstanding subsection (d)(2)
2 of such section.

3 (b) PROHIBITION ON PARTIAL LINE REPLACE-
4 MENT.—No funds made available under this section may
5 be used for partial replacement of lead service lines.

6 (c) NO LEVERAGING.—Funds made available under
7 this section may not be used as a source of payment of,
8 or security for (directly or indirectly), in whole or in part,
9 any obligation the interest on which is exempt from the
10 tax imposed under chapter 1 of the Internal Revenue Code
11 of 1986.

12 **SEC. 30302. COMMUNITY WATER SYSTEM RISK AND RESIL-**
13 **IENCE.**

14 In addition to amounts otherwise available, there is
15 appropriated for fiscal year 2022, out of any money in
16 the Treasury not otherwise appropriated, \$500,000,000,
17 to remain available until expended, for grants under sec-
18 tion 1433(g) of the Safe Drinking Water Act (42 U.S.C.
19 300i–2(g)).

20 **SEC. 30303. GRANTS FOR STATE PROGRAMS.**

21 In addition to amounts otherwise available, there is
22 appropriated for fiscal year 2022, out of any money in
23 the Treasury not otherwise appropriated, \$100,000,000,
24 to remain available until expended, for grants under sec-

1 tion 1443 of the Safe Drinking Water Act (42 U.S.C.
2 300j-2).

3 **SEC. 30304. ASSISTANCE FOR COLONIAS.**

4 In addition to amounts otherwise available, there is
5 appropriated for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$100,000,000,
7 to remain available until expended, for grants under sec-
8 tion 1456 of the Safe Drinking Water Act (42 U.S.C.
9 300j-16).

10 **SEC. 30305. GRANTS TO REDUCE LEAD IN SCHOOL DRINK-**
11 **ING WATER.**

12 In addition to amounts otherwise available, there is
13 appropriated for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated, \$700,000,000,
15 to remain available until expended, for grants under sec-
16 tions 1464 and 1465 of the Safe Drinking Water Act (42
17 U.S.C. 300j-24 and 300j-25), of which—

18 (1) \$420,000,000 shall be for grants for the in-
19 stallation and maintenance of lead filtration stations
20 at schools and child care programs;

21 (2) \$150,000,000 shall be for grants under sec-
22 tion 1464(d); and

23 (3) \$50,000,000 shall be for grants under sec-
24 tion 1465(b)(1) to pay the costs of replacement of
25 drinking water fountains in schools.

1 **SEC. 30306. GRANTS FOR INDIAN RESERVATION DRINKING**
2 **WATER INFRASTRUCTURE.**

3 In addition to amounts otherwise available, there is
4 appropriated for fiscal year 2022, out of any money in
5 the Treasury not otherwise appropriated, \$100,000,000,
6 to remain available until expended, to implement eligible
7 projects under section 2001 of America's Water Infra-
8 structure Act of 2018 (42 U.S.C. 300j-3c note), notwith-
9 standing the geographic limitations in that section.

10 **SEC. 30307. ASSISTANCE FOR AREAS AFFECTED BY NAT-**
11 **URAL DISASTERS.**

12 In addition to amounts otherwise available, there is
13 appropriated for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated, \$100,000,000,
15 to remain available until expended, for grants under sec-
16 tion 2020 of America's Water Infrastructure Act of 2018
17 (42 U.S.C. 300j-12 note), of which, notwithstanding sub-
18 section (a)(2) of such section, \$10,000,000 shall be avail-
19 able to make grants to Guam, the Virgin Islands, Amer-
20 ican Samoa, and the Northern Mariana Islands for the
21 purposes of providing assistance to eligible systems to re-
22 store or increase compliance with national primary drink-
23 ing water regulations in an underserved area.

1 **SEC. 30308. ASSISTANCE FOR DISADVANTAGED COMMU-**
2 **NITIES.**

3 In addition to amounts otherwise available, there is
4 appropriated for fiscal year 2022, out of any money in
5 the Treasury not otherwise appropriated, \$200,000,000,
6 to remain available until expended, for grants under sec-
7 tion 1459A(b) of the Safe Drinking Water Act (42 U.S.C.
8 300j-19a(b)).

9 **SEC. 30309. GRANTS FOR CONTAMINANT MONITORING.**

10 In addition to amounts otherwise available, there is
11 appropriated for fiscal year 2022, out of any money in
12 the Treasury not otherwise appropriated, \$100,000,000,
13 to remain available until expended, to make grants to pay
14 for the costs of monitoring required under section
15 1445(a)(2) of the Safe Drinking Water Act (42 U.S.C.
16 300j-4(a)(2)).

17 **SEC. 30310. TECHNICAL ASSISTANCE TO SMALL PUBLIC**
18 **WATER SYSTEMS.**

19 In addition to amounts otherwise available, there is
20 appropriated for fiscal year 2022, out of any money in
21 the Treasury not otherwise appropriated, \$100,000,000,
22 to remain available until expended, to provide technical as-
23 sistance under section 1442(e) of the Safe Drinking Water
24 Act (42 U.S.C. 300j-1(e)).

1 **SEC. 30311. FUNDING FOR WATER ASSISTANCE PROGRAM.**

2 (a) IN GENERAL.—In addition to amounts otherwise
3 available, there is appropriated to the Secretary of Health
4 and Human Services (in this section referred to as the
5 “Secretary”) for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$500,000,000,
7 to remain available until expended, for grants to States
8 and Indian Tribes to assist low-income households, par-
9 ticularly those with the lowest incomes, that pay a high
10 proportion of household income for drinking water and
11 wastewater services, by providing funds to owners or oper-
12 ators of public water systems or treatment works to reduce
13 arrearages of and rates charged to such households for
14 such services.

15 (b) ALLOTMENT.—The Secretary shall—

16 (1) allot amounts appropriated in this section to
17 a State or Indian Tribe based on—

18 (A) the percentage of households in the
19 State, or under the jurisdiction of the Indian
20 Tribe, with annual income equal to or less than
21 150 percent of the Federal poverty line; and

22 (B) the percentage of households in the
23 State, or under the jurisdiction of the Indian
24 Tribe, that spend more than 30 percent of
25 monthly income on housing; and

1 Energy for each of fiscal years 2023 through 2031,
2 out of any money in the Treasury not otherwise ap-
3 propriated, such sums as are necessary to issue
4 grants under section 224 of the Federal Power Act
5 (as added by this section) (except that no funds
6 shall be disbursed after September 30, 2031).

7 (b) PROGRAM.—Part II of the Federal Power Act is
8 amended by adding after section 223 (16 U.S.C. 824w)
9 the following:

10 **“SEC. 224. CLEAN ELECTRICITY PERFORMANCE PROGRAM.**

11 “(a) ESTABLISHMENT OF PROGRAM.—Not later than
12 1 year after the date of enactment of this section, the Sec-
13 retary shall establish a program to—

14 “(1) issue grants for each of calendar years
15 2023 through 2030 to eligible electricity suppliers in
16 accordance with this section; and

17 “(2) collect payments for each of calendar years
18 2023 through 2030 from eligible electricity suppliers
19 in accordance with this section.

20 “(b) GRANTS TO ELIGIBLE ELECTRICITY SUP-
21 PLIERS.—

22 “(1) ELIGIBILITY FOR GRANTS.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), an eligible electricity sup-
25 plier shall be eligible for a grant under this sec-

1 tion for a performance year if the certified
2 clean electricity percentage of the eligible elec-
3 tricity supplier for that performance year is in-
4 creased by at least 4 percentage points from the
5 greater of—

6 “(i) the highest certified clean elec-
7 tricity percentage of the eligible electricity
8 supplier for any year prior to that per-
9 formance year; or

10 “(ii) the baseline clean electricity per-
11 centage of the eligible electricity supplier.

12 “(B) ADJUSTMENT.—With respect to a
13 performance year in which an eligible electricity
14 supplier submitted a payment under this section
15 for the year prior to that performance year, the
16 eligible electricity supplier shall be eligible for a
17 grant under this section if the certified clean
18 electricity percentage of the eligible electricity
19 supplier for that performance year is increased
20 by at least—

21 “(i) the number of percentage points
22 described in subparagraph (A); plus

23 “(ii) the number of percentage points
24 that equals the sum described in sub-

1 section (c)(2)(B) for the year for which the
2 payment was submitted.

3 “(2) GRANT CALCULATION.—Except as pro-
4 vided in subsection (d), the Secretary shall issue to
5 an eligible electricity supplier a grant under this sec-
6 tion for a performance year in an amount equal to
7 \$150 for each megawatt-hour of qualified clean elec-
8 tricity validly claimed by the eligible electricity sup-
9 plier under subsection (e)(1)(A)(i) for that perform-
10 ance year that exceeds the sum of—

11 “(A) the product obtained by multi-
12 plying—

13 “(i) the total load of the eligible elec-
14 tricity supplier for that performance year;
15 and

16 “(ii) 0.015; and

17 “(B) the greater of—

18 “(i) the largest quantity of megawatt-
19 hours of qualified clean electricity claimed
20 by the eligible electricity supplier under
21 subsection (e)(1)(A)(i) for any year prior
22 to that performance year; or

23 “(ii) the quantity of megawatt-hours
24 represented by the baseline clean electricity

1 percentage of the eligible electricity sup-
2 plier.

3 “(3) INITIAL GRANTS.—In calculating a grant
4 for performance year 2023, the product described in
5 paragraph (2)(A) shall be obtained by substituting
6 0.025 for 0.015.

7 “(c) PAYMENTS.—

8 “(1) IN GENERAL.—Except as provided in para-
9 graph (3) and subsection (d), the Secretary shall col-
10 lect a payment for a performance year in accordance
11 with this subsection from each eligible electricity
12 supplier that does not have a certified clean elec-
13 tricity percentage for that performance year that is
14 increased by at least 4 percentage points above the
15 greater of—

16 “(A) the highest certified clean electricity
17 percentage of the eligible electricity supplier
18 from any year prior to that performance year;
19 or

20 “(B) the baseline clean electricity percent-
21 age of the eligible electricity supplier.

22 “(2) PAYMENT CALCULATION.—For each eligi-
23 ble electricity supplier, the payment described in
24 paragraph (1) shall be equal to the dollar amount
25 that is the product obtained by multiplying—

1 “(A) \$40; and

2 “(B) the quantity of megawatt-hours that
3 represents the percentage of the total electricity
4 load of the eligible electricity supplier for the
5 performance year that is represented by the
6 number that equals the sum of—

7 “(i) 4; plus

8 “(ii) the number that is equal to—

9 “(I) the greater of—

10 “(aa) the highest certified
11 clean electricity percentage of the
12 eligible electricity supplier for
13 any year prior to that perform-
14 ance year; or

15 “(bb) the baseline clean elec-
16 tricity percentage of the eligible
17 electricity supplier; minus

18 “(II) the certified clean elec-
19 tricity percentage of the eligible elec-
20 tricity supplier for that performance
21 year.

22 “(3) EXCEPTION.—The Secretary shall not col-
23 lect a payment for a performance year from an eligi-
24 ble electricity supplier that has a certified clean elec-
25 tricity percentage for that performance year that is

1 85 percent or greater, subject to the condition that
2 the certified clean electricity percentage of the eligi-
3 ble electricity supplier for that performance year is
4 not less than the certified clean electricity percent-
5 age of the eligible electricity supplier for the year
6 prior to that performance year.

7 “(4) DEADLINE.—The Secretary shall collect a
8 payment under this section from an eligible elec-
9 tricity supplier not later than 6 months after the
10 date on which the eligible electricity supplier submits
11 the applicable certification under subsection
12 (e)(1)(A)(i).

13 “(5) RESTRICTION.—An eligible electricity sup-
14 plier may not recover the cost of a payment sub-
15 mitted under this section from any person other
16 than the shareholders or owners of the eligible elec-
17 tricity supplier.

18 “(d) DEFERRAL OF GRANTS AND PAYMENTS.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
20 with respect to any of calendar years 2023 through
21 2029, an eligible electricity supplier may elect to
22 defer a grant or a payment for the calendar year,
23 and shall notify the Secretary of such election at
24 such time and in such form as the Secretary re-
25 quires.

1 “(2) LIMITATION.—An eligible electricity sup-
2 plier may not make an election described in para-
3 graph (1) for a calendar year if the eligible elec-
4 tricity supplier made that election for the preceding
5 2 calendar years.

6 “(3) GRANT OR PAYMENT FOLLOWING DEFER-
7 RAL.—

8 “(A) ELIGIBILITY.—An eligible electricity
9 supplier making an election under this sub-
10 section shall be eligible for a grant, or shall
11 submit a payment, for a performance year fol-
12 lowing a deferred year based on whether its cer-
13 tified clean electricity percentage increased, on
14 average, by 4 or more percentage points in that
15 performance year and each consecutive deferred
16 year immediately preceding that performance
17 year.

18 “(B) AMOUNTS.—The amount of a grant
19 or payment pursuant to this subsection shall be
20 based on the calculations set forth in sub-
21 sections (b) and (c), respectively, adjusted to
22 account for the performance year and each de-
23 ferred year.

24 “(e) REQUIREMENTS.—

1 “(1) CONDITIONS.—In each of calendar years
2 2024 through 2031, each eligible electricity sup-
3 plier—

4 “(A) shall submit to the Secretary, by a
5 date determined by the Secretary (but not later
6 than June 1)—

7 “(i) a performance certification for
8 the preceding calendar year, using such
9 methods and subject to such audit provi-
10 sions as the Secretary determines appro-
11 priate, of—

12 “(I) the total electricity load of
13 the eligible electricity supplier in such
14 preceding calendar year;

15 “(II) the quantity of megawatt-
16 hours of qualified clean electricity that
17 the eligible electricity supplier claims
18 for such preceding calendar year for
19 purposes of this section; and

20 “(III) the percentage of the total
21 electricity load certified under sub-
22 clause (I) that is qualified clean elec-
23 tricity claimed under subclause (II);

24 “(ii) a written assurance that the eli-
25 gible electricity supplier will promptly re-

1 port to any applicable commission, board,
2 or governance body that regulates the eligi-
3 ble electricity supplier any grant received
4 or payment submitted by the eligible elec-
5 tricity supplier under this section; and

6 “(iii) a compliance certification that
7 the eligible electricity supplier has com-
8 plied, with respect to each grant received
9 or payment submitted by the eligible elec-
10 tricity supplier under this section, as appli-
11 cable, with—

12 “(I) all written assurances sub-
13 mitted under this section;

14 “(II) the requirements of para-
15 graph (3); and

16 “(III) requirements established
17 by the Secretary to ensure the finan-
18 cial integrity of grants issued and
19 payments collected under this section;
20 and

21 “(B) may not receive a grant under this
22 section for a performance year unless the eligi-
23 ble electricity supplier—

24 “(i) complies with subparagraph (A)
25 with respect to that performance year; and

1 “(ii) submits to the Secretary, for
2 that performance year, a written assurance
3 in accordance with section 803(b)(3) of the
4 Energy Independence and Security Act (42
5 U.S.C. 17282(b)(3)) (for purposes of
6 which any reference to a grant under that
7 section shall be considered to be a ref-
8 erence to a grant under this section).

9 “(2) BASELINE.—Each eligible electricity sup-
10 plier, including each new eligible electricity supplier,
11 shall provide sufficient information to the Secretary,
12 as determined by the Secretary, to establish its base-
13 line clean electricity percentage.

14 “(3) USE OF FUNDS.—An eligible electricity
15 supplier shall use a grant received under this section
16 exclusively for the benefit of the ratepayers of the el-
17 igible electricity supplier, including direct bill assist-
18 ance to ratepayers, investments in qualified clean
19 electricity and energy efficiency, and worker reten-
20 tion.

21 “(f) DEFINITIONS.—In this section:

22 “(1) BASELINE CLEAN ELECTRICITY PERCENT-
23 AGE.—

24 “(A) IN GENERAL.—Except as provided in
25 subparagraph (B), the term ‘baseline clean elec-

1 tricity percentage’ means, with respect to an el-
2 igible electricity supplier, the average percent-
3 age of the total electricity load of the eligible
4 electricity supplier for calendar years 2019 and
5 2020 that is represented by, as determined by
6 the Secretary—

7 “(i) the average clean electricity per-
8 centage of the eligible electricity supplier
9 for such calendar years; and

10 “(ii) a share of any unallocated quali-
11 fied clean electricity for such calendar
12 years.

13 “(B) NEW ELIGIBLE ELECTRICITY SUP-
14 PLIERS.—With respect to a new eligible elec-
15 tricity supplier, the term ‘baseline clean elec-
16 tricity percentage’ means the prevailing average
17 clean electricity percentage of comparable eligi-
18 ble electricity suppliers in the area in which the
19 new eligible electricity supplier provides end-use
20 electricity customers with electricity, as deter-
21 mined by the Secretary.

22 “(2) CARBON DIOXIDE EQUIVALENT EMIS-
23 SIONS.—The term ‘carbon dioxide equivalent emis-
24 sions’ means, with respect to a greenhouse gas, the
25 number of metric tons of carbon dioxide emissions

1 with the same global warming potential over a 20-
2 year period as 1 metric ton of emissions of the
3 greenhouse gas, as determined by the Secretary, tak-
4 ing into consideration relevant methods and informa-
5 tion described in assessment reports prepared by the
6 Intergovernmental Panel on Climate Change.

7 “(3) CARBON INTENSITY.—The term ‘carbon
8 intensity’ means the carbon dioxide equivalent emis-
9 sions released into the atmosphere from the genera-
10 tion of 1 megawatt-hour of electricity by an electric
11 generating unit, as determined by the Secretary.

12 “(4) CERTIFIED CLEAN ELECTRICITY PERCENT-
13 AGE.—The term ‘certified clean electricity percent-
14 age’ means, with respect to an eligible electricity
15 supplier, the percentage certified by the eligible elec-
16 tricity supplier under subsection (e)(1)(A)(i)(III),
17 which may only include qualified clean electricity
18 with respect to which the eligible electricity supplier
19 holds the exclusive rights to the qualifying at-
20 tributes.

21 “(5) CLEAN ELECTRICITY PERCENTAGE.—The
22 term ‘clean electricity percentage’ means, with re-
23 spect to an eligible electricity supplier, the percent-
24 age of the total electricity load of the eligible elec-
25 tricity supplier that is qualified clean electricity, with

1 respect to which the eligible electricity supplier holds
2 the exclusive rights to the qualifying attributes.

3 “(6) ELIGIBLE ELECTRICITY SUPPLIER.—The
4 term ‘eligible electricity supplier’ means, notwith-
5 standing section 201(b)(1), any entity within the
6 United States, including an entity described in sec-
7 tion 201(f), that—

8 “(A) provides end-use electricity customers
9 with electricity; and

10 “(B) is granted the authority or has an ob-
11 ligation pursuant to Federal, State, or local law
12 or regulation to provide electricity to end-use
13 electricity customers.

14 “(7) NEW ELIGIBLE ELECTRICITY SUPPLIER.—
15 The term ‘new eligible electricity supplier’ means an
16 eligible electricity supplier that did not provide elec-
17 tricity to end-use electricity customers in both of cal-
18 endar years 2019 and 2020.

19 “(8) PERFORMANCE YEAR.—The term ‘per-
20 formance year’ means the calendar year for which a
21 certification was submitted under subsection
22 (e)(1)(A)(i).

23 “(9) QUALIFIED CLEAN ELECTRICITY.—The
24 term ‘qualified clean electricity’ means electricity
25 generated by an electric generating unit, or tech-

1 nology type or class thereof, that has a carbon inten-
2 sity that is not more than 0.10.

3 “(10) SECRETARY.—The term ‘Secretary’
4 means the Secretary of Energy.

5 “(11) TOTAL ELECTRICITY LOAD.—The term
6 ‘total electricity load’ means, with respect to an eli-
7 gible electricity supplier, the total quantity, in mega-
8 watt-hours, of electricity provided by the eligible
9 electricity supplier to end-use electricity customers in
10 a calendar year.”.

11 **PART 2—RESIDENTIAL EFFICIENCY AND**
12 **ELECTRIFICATION REBATES**

13 **SEC. 30421. HOME ENERGY PERFORMANCE-BASED, WHOLE-**
14 **HOUSE REBATES AND TRAINING GRANTS.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Secretary of
17 Energy (referred to in this section as the “Secretary”) for
18 fiscal year 2022, out of any money in the Treasury not
19 otherwise appropriated, \$9,000,000,000, to remain avail-
20 able until September 30, 2031, to institute guidelines for
21 State energy offices to provide rebates to homeowners and
22 aggregators for whole-house energy saving retrofits as au-
23 thorized under section 362 of the Energy Policy and Con-
24 servation Act (42 U.S.C. 6322), which shall be made avail-
25 able as follows:

1 (1) HOME ON-LINE PERFORMANCE-BASED EN-
2 ERGY EFFICIENCY (HOPE) CONTRACTOR TRAINING
3 GRANTS.—

4 (A) IN GENERAL.—\$500,000,000 shall be
5 available for the Secretary to award grants to
6 States through the State Energy Program,
7 which shall partner with nonprofit organizations
8 to fund qualifying programs described in sub-
9 paragraph (B) that provide training courses
10 and opportunities to support home energy effi-
11 ciency upgrade construction services to train
12 workers, both on-line and in-person, to support
13 and provide for the home energy efficiency ret-
14 rofits under paragraph (2).

15 (B) QUALIFYING PROGRAMS.—For the
16 purposes of this paragraph, qualifying programs
17 are programs that—

18 (i) provide the equivalent of at least
19 30 hours in total course time;

20 (ii) are provided by a provider that is
21 accredited by the Interstate Renewable En-
22 ergy Council or has other accreditation de-
23 termined to be equivalent by the Secretary;

24 (iii) are, with respect to a particular
25 job, aligned with the relevant National Re-

1 newable Energy Laboratory Job Task
2 Analysis, or other credentialing program
3 foundation that helps identify the nec-
4 essary core knowledge areas, critical work
5 functions, or skills, as approved by the
6 Secretary;

7 (iv) have established learning objec-
8 tives;

9 (v) include, as the Secretary deter-
10 mines appropriate, an appropriate assess-
11 ment of such learning objectives that may
12 include a final exam, to be proctored on-
13 site or through remote proctoring, or an
14 in-person field exam; and

15 (vi) include training related to—

16 (I) contractor certification;

17 (II) energy auditing or assess-
18 ment;

19 (III) home energy systems (in-
20 cluding Energy Star-qualified HVAC
21 systems and Wi-Fi-enabled home en-
22 ergy communications technology, or
23 any future technology that achieves
24 the same goals);

1 (IV) insulation installation and
2 air leakage control;

3 (V) health and safety regarding
4 the installation of energy efficiency
5 measures or health and safety impacts
6 associated with energy efficiency ret-
7 rofits;

8 (VI) indoor air quality;

9 (VII) energy efficiency retrofits
10 in manufactured housing; and

11 (VIII) residential electrification
12 training and conversion training.

13 (C) STATE ENERGY PROGRAM PRO-
14 VIDERS.—A State energy office may use not
15 more than 10 percent of the amounts made
16 available to the State energy office under this
17 paragraph to administer a qualifying program
18 described in subparagraph (B), including for
19 the conduct of design and operations activities.

20 (D) TERMS AND CONDITIONS.—

21 (i) ELIGIBLE USE OF FUNDS.—Of the
22 amounts made available to a State under
23 this paragraph, 85 percent shall be used by
24 the State—

1 (I) to support the operations of
2 qualifying programs, including estab-
3 lishing, modifying, or maintaining the
4 online systems, staff time, and soft-
5 ware and online program manage-
6 ment, through a course that meets the
7 applicable criteria;

8 (II) to reimburse the contractor
9 company for training costs for em-
10 ployees;

11 (III) to provide any home tech-
12 nology support needed for an em-
13 ployee to receive training pursuant to
14 this section; and

15 (IV) to support wages of employ-
16 ees during training.

17 (ii) TIMING OF OBLIGATIONS.—
18 Amounts made available under this para-
19 graph shall be used, as necessary, to cover
20 or reimburse allowable costs incurred after
21 the date of enactment of this Act.

22 (iii) UNOBLIGATED AMOUNTS.—
23 Amounts made available under this para-
24 graph which are not accepted, are volun-
25 tarily returned, or otherwise recaptured for

1 any reason shall be used to fund grants
2 under paragraph (2).

3 (2) HOME OWNER MANAGING ENERGY SAVINGS
4 (HOMES) REBATES.—

5 (A) IN GENERAL.—95 percent of amounts
6 made available under this section shall be avail-
7 able to the Secretary to award grants to State
8 energy offices to establish Home Owner Man-
9 aging Energy Savings (HOMES) Rebate Pro-
10 grams through the State Energy Program
11 under part B of title III of the Energy Policy
12 and Conservation Act (42 U.S.C. 6291 et seq.),
13 in accordance with the formula for the State
14 Energy Program in effect on January 1, 2021.

15 (B) COORDINATION.—In carrying out this
16 section, the Secretary shall coordinate with
17 State energy offices to ensure that programs
18 that receive awards are formulated to achieve
19 maximum greenhouse gas emissions reductions
20 and household energy and costs savings.

21 (C) APPLICATION.—In order to receive a
22 grant under this section a State shall submit to
23 the Secretary an application that includes a
24 plan to implement a qualifying State program
25 that includes—

1 (i) a plan to ensure that each home
2 energy efficiency retrofit under the pro-
3 gram—

4 (I) is completed by a contractor
5 who meets minimum training require-
6 ments, certification requirements, and
7 other requirements established by the
8 Secretary; and

9 (II) includes installation of 1 or
10 more home energy efficiency retrofit
11 measures that are modeled to achieve,
12 or are shown to achieve, the minimum
13 reduction required in home energy
14 use, or with respect to a portfolio of
15 home energy efficiency retrofits, in ag-
16 gregated home energy use for such
17 portfolio;

18 (ii) a plan—

19 (I) to utilize, for purposes of
20 modeled performance home rebates,
21 modeling software, methods, and pro-
22 cedures for determining and docu-
23 menting the reductions in home en-
24 ergy use resulting from the implemen-
25 tation of a home energy efficiency ret-

1 rofit that is calibrated to historical en-
2 ergy usage for a home consistent with
3 BPI 2400, that are approved by the
4 Secretary, that can provide evidence
5 for necessary improvements to a State
6 program, and that can help to cali-
7 brate models for accuracy;

8 (II) to utilize, for purposes of
9 measured performance home rebates,
10 open-source advanced measurement
11 and verification software approved by
12 the Secretary for determining and
13 documenting the monthly and hourly
14 (if available) weather-normalized base-
15 line energy use of a home, the reduc-
16 tions in monthly and hourly (if avail-
17 able) weather-normalized energy use
18 of a home resulting from the imple-
19 mentation of a home energy efficiency
20 retrofit, and open-source advanced
21 measurement and verification software
22 approved by the Secretary; and

23 (III) to value savings based on
24 time, location, or greenhouse gas
25 emissions;

1 (iii) procedures for a homeowner to
2 transfer the right to claim a rebate to the
3 contractor performing the applicable home
4 energy efficiency retrofit or to an
5 aggregator, if the State program will uti-
6 lize aggregators;

7 (iv) if the State program will utilize
8 aggregators to facilitate delivery of rebates
9 to homeowners or contractors, require-
10 ments for an entity to be eligible to serve
11 as an aggregator;

12 (v) quality monitoring to ensure that
13 each installation that receives a rebate is
14 documented in a certificate, provided by
15 the contractor to the homeowner, that de-
16 tails the work, including information about
17 the characteristics of equipment and mate-
18 rials installed, as well as projected energy
19 savings or energy generation, in a way that
20 will enable the homeowner to clearly com-
21 municate the value of the high-performing
22 features funded by the rebate to buyers,
23 real estate agents, appraisers and lenders;
24 and

1 (vi) a procedure for providing the con-
2 tractor performing a home energy effi-
3 ciency retrofit or an aggregator who has
4 the right to claim such rebate with \$200
5 for each home located in an underserved
6 community that receives a home efficiency
7 retrofit for which a rebate is provided
8 under the program.

9 (D) AMOUNT OF REBATES FOR SINGLE
10 FAMILY AND MULTIFAMILY HOMES.—Of the
11 amounts provided to a State energy office
12 under this section, 85 percent shall be used to
13 provide Home Owner Managing Energy Savings
14 (HOMES) Rebates to—

15 (i) individuals and aggregators for the
16 energy efficiency upgrades of single-family
17 homes of not more than 4 units—

18 (I) \$2,000 for a retrofit that
19 achieves at least 20 percent modeled
20 energy system savings or 50 percent
21 of the project cost, whichever is lower;

22 (II) \$4,000 for a retrofit that
23 achieves at least 35 percent modeled
24 energy system savings or 50 percent

1 of the project cost, whichever is lower;
2 or

3 (III) for measured energy sav-
4 ings, a payment per kilowatt hour
5 saved, or kilowatt hour-equivalent
6 saved, equal to \$2,000 for a 20 per-
7 cent reduction of energy use for the
8 average home in the State, for homes
9 or portfolios of homes that achieve at
10 least 15 percent energy savings, or 50
11 percent of the project cost, whichever
12 is lower;

13 (ii) multifamily building owners and
14 aggregators for the energy efficiency up-
15 grades of multifamily buildings—

16 (I) \$2,000 per dwelling unit for a
17 retrofit that achieves at least 20 per-
18 cent modeled energy system savings
19 up a maximum of \$200,000 per multi-
20 family building;

21 (II) \$4,000 per dwelling unit for
22 a retrofit that achieves at least 35
23 percent modeled energy system sav-
24 ings up to a maximum of \$400,000
25 per multifamily building; or

1 (III) for measured energy sav-
2 ings, a payment rate per kilowatt
3 hours saved, or kilowatt hour-equiva-
4 lent saves, equal to \$2,000 for a 20
5 percent reduction of energy use for
6 the average multifamily building in
7 the State, for multifamily buildings or
8 portfolios of buildings that achieve at
9 least 15 percent energy savings, or 50
10 percent of the project cost, whichever
11 is lower; or

12 (iii) individuals and aggregators for
13 the energy efficiency upgrades of single
14 family homes of 4 units or less or multi-
15 family buildings that are occupied by resi-
16 dents with an annual income of less than
17 80 percent of the area median income as
18 published by the Department of Housing
19 and Urban Development—

20 (I) \$4,000 for a retrofit that
21 achieves at least 20 percent modeled
22 energy system savings or 80 percent
23 of the project cost, whichever is lower;

24 (II) \$8,000 for a retrofit that
25 achieves at least 35 percent modeled

1 energy system savings or 80 percent
2 of the project cost, whichever is lower;
3 or

4 (III) for measured energy sav-
5 ings, a payment rate per kilowatt
6 hour saved, or kilowatt hour-equiva-
7 lent saved, equal to \$4,000 for a 20
8 percent reduction of energy use for
9 the average multifamily building in
10 the State, for multifamily buildings or
11 portfolios of buildings that achieve at
12 least 15 percent energy savings, or 80
13 percent of the project cost, whichever
14 is lower.

15 (E) REQUIREMENT.—Not less than 25
16 percent of the funds provided to a State energy
17 office under this section shall be used for the
18 purposes of each of clauses (i), (ii), and (iii) of
19 subparagraph (D).

20 (F) ELIGIBILITY OF CERTAIN APPLI-
21 ANCES.—In calculating total energy savings for
22 single family or multifamily homes under this
23 section, a program may include savings from
24 the purchase of high-efficiency natural gas
25 HVAC systems and water heaters certified

1 under the Energy Star program until the date
2 that is 6 years after the date of enactment of
3 this Act.

4 (G) PLANNING.—Not to exceed 20 percent
5 of any grant made with funds made available
6 under this paragraph shall be expended for
7 planning and management development and ad-
8 ministration.

9 (H) TECHNICAL ASSISTANCE.—Amounts
10 made available under this paragraph shall be
11 used for single family, multifamily, and manu-
12 factured housing rebates and the Secretary
13 shall, in consultation with States, contractors,
14 and other technical experts design support,
15 methodology, and contractor criteria as appro-
16 priate for the different building stock.

17 (I) USE OF FUNDS.—Rebate amounts
18 made available through the High-Efficiency
19 Electric Home Rebate Program established
20 under subsection (b)(1) of section 124 of the
21 Energy Policy Act of 2005 (42 U.S.C. 15821)
22 (as amended by section 30422 of this subtitle)
23 may be used in conjunction with the funds
24 made available under this section.

25 (b) DEFINITIONS.—In this section:

1 (1) AGGREGATOR.—The term “aggregator”
2 means a gas utility, electric utility, or commercial,
3 nonprofit, or government entity that may receive re-
4 bates provided under a State program under this
5 section for 1 or more portfolios consisting of 1 or
6 more energy efficiency retrofits.

7 (2) CONTRACTOR CERTIFICATION.—The term
8 “contractor certification” means—

9 (A) an industry recognized certification
10 that may be obtained by a residential contractor
11 to advance the expertise and education of the
12 contractor in energy efficiency retrofits of resi-
13 dential buildings; and

14 (B) any other certification the Secretary
15 determines appropriate for purposes of the
16 HOMES Rebate Program established under
17 subsection (a)(2).

18 (3) CONTRACTOR COMPANY.—The term “con-
19 tractor company” means a company—

20 (A) the business of which is to provide
21 services to residential building owners with re-
22 spect to HVAC systems, insulation, air sealing,
23 or other services that are approved by the Sec-
24 retary;

1 (B) that holds the licenses and insurance
2 required by the State in which the company
3 provides services; and

4 (C) that provides services for which a re-
5 bate may be provided pursuant to the HOMES
6 Rebate Program established under subsection
7 (a)(2).

8 (4) ENERGY STAR PROGRAM.—The term “En-
9 ergy Star program” means the program established
10 by section 324A of the Energy Policy and Conserva-
11 tion Act (42 U.S.C. 6294a).

12 (5) HOME.—The term “home” means a build-
13 ing with not more than 4 dwelling units or a manu-
14 factured housing unit (including a unit built before
15 June 15, 1976), that—

16 (A) is located in the United States;

17 (B) was constructed before the date of en-
18 actment of this Act; and

19 (C) is occupied at least 6 months out of
20 the year.

21 (6) HVAC SYSTEM.—The term “HVAC sys-
22 tem” means a system—

23 (A) is certified under the Energy Star pro-
24 gram;

1 (B) consisting of a heating component, a
2 ventilation component, and an air-conditioning
3 component; and

4 (C) the components of which may include
5 central air conditioning, a heat pump, a fur-
6 nace, a boiler, a rooftop unit, and a window
7 unit.

8 (7) MULTIFAMILY BUILDING.—The term “mul-
9 tifamily building” means a building with 5 or more
10 dwelling units.

11 (8) STATE ENERGY OFFICE.—The term “State
12 energy office” means the State agency responsible
13 for developing State energy conservation plans under
14 section 362 of the Energy Policy and Conservation
15 Act (42 U.S.C. 6322).

16 (9) UNDERSERVED COMMUNITY.—The term
17 “underserved community” means—

18 (A) a community located in a ZIP Code
19 that includes 1 or more census tracts that are
20 identified as—

21 (i) a low-income community; or

22 (ii) a community of racial or ethnic
23 minority concentration; or

24 (B) any other community that the Sec-
25 retary determines is disproportionately vulner-

1 able to, or bears a disproportionate burden of,
2 any combination of economic, social, and envi-
3 ronmental stressors.

4 **SEC. 30422. HIGH-EFFICIENCY ELECTRIC HOME REBATE**
5 **PROGRAM.**

6 (a) IN GENERAL.—Section 124 of the Energy Policy
7 Act of 2005 (42 U.S.C. 15821) is amended to read as
8 follows:

9 **“SEC. 124. HIGH-EFFICIENCY ELECTRIC HOME REBATE**
10 **PROGRAM.**

11 “(a) APPROPRIATIONS.—

12 “(1) IN GENERAL.—In addition to amounts
13 otherwise available, there is appropriated to the Sec-
14 retary for fiscal year 2022, out of any money in the
15 Treasury not otherwise appropriated,
16 \$3,500,000,000, to remain available until September
17 30, 2031, to carry out this section, including to pro-
18 vide rebates under this section, of which the Sec-
19 retary—

20 “(A) may use not more than \$5,000,000
21 for community and consumer education and
22 outreach related to this section; and

23 “(B) shall use not more than
24 \$300,000,000—

25 “(i) to administer this section; and

1 “(ii) to provide administrative and
2 technical support to certified contractor
3 companies, qualified providers, States, and
4 Indian Tribes.

5 “(2) ADDITIONAL FUNDING FOR TRIBAL COM-
6 MUNITIES AND LOW- OR MODERATE-INCOME HOUSE-
7 HOLDS.—In addition to amounts otherwise available,
8 there is appropriated to the Secretary for fiscal year
9 2022, out of any money in the Treasury not other-
10 wise appropriated, \$5,500,000,000, to remain avail-
11 able until September 30, 2031, for—

12 “(A) rebates under this section relating to
13 qualified electrification projects carried out in
14 Tribal communities or for low- or moderate-in-
15 come households; and

16 “(B) any necessary administrative or tech-
17 nical support for those qualified electrification
18 projects.

19 “(b) HIGH-EFFICIENCY ELECTRIC HOME REBATES
20 FOR QUALIFIED ELECTRIFICATION PROJECTS.—

21 “(1) HIGH-EFFICIENCY ELECTRIC HOME RE-
22 BATES.—The Secretary shall establish a program
23 within the Department, to be known as the ‘High-
24 Efficiency Electric Home Rebate Program’, under
25 which the Secretary shall provide to homeowners

1 and owners of multifamily buildings high-efficiency
2 electric home rebates, in accordance with this sub-
3 section, for qualified electrification projects carried
4 out at, or relating to, the homes or multifamily
5 buildings, as applicable.

6 “(2) AMOUNT OF REBATE.—

7 “(A) IN GENERAL.—Subject to subsection
8 (c)(1)(A), a high-efficiency electric home rebate
9 under paragraph (1) shall be equal to—

10 “(i) in the case of a qualified elec-
11 trification project described in subsection
12 (d)(11)(A)(i)(II) that installs a heat pump
13 used for water heating, not more than
14 \$1,250;

15 “(ii) in the case of a qualified elec-
16 trification project described in subsection
17 (d)(11)(A)(i)(II) that installs a heat pump
18 HVAC system—

19 “(I)(aa) not more than \$3,000 if
20 the heat pump HVAC system has a
21 heating capacity of not less than
22 27,500 Btu per hour; or

23 “(bb) not more than \$4,000 if
24 the heat pump HVAC system meets
25 Energy Star program cold climate cri-

1 teria and is installed in a cold climate,
2 as determined by the Secretary;

3 “(II)(aa) not more than \$1,500 if
4 the heat pump HVAC system has a
5 heating capacity of less than 27,500
6 Btu per hour; or

7 “(bb) not more than \$2,000 if
8 the heat pump HVAC system meets
9 Energy Star program cold climate cri-
10 teria and is installed in a cold climate,
11 as determined by the Secretary; and

12 “(III) \$250, in addition to the
13 amount described in subclause (I) or
14 (II), if a qualified electrification
15 project described in subsection
16 (d)(11)(A)(i)(V) that installs insula-
17 tion, air sealing, and ventilation in ac-
18 cordance with clause (v) is completed
19 within 6 months before or after the
20 qualified electrification project de-
21 scribed in that subclause;

22 “(iii) in the case of a qualified elec-
23 trification project described in subclause
24 (III) or (IV) of subsection (d)(11)(A)(i),
25 not more than \$600;

1 “(iv) in the case of a qualified elec-
2 trification project described in subsection
3 (d)(11)(A)(i)(I) that installs an electric
4 load or service center panel that enables
5 the installation and use of any upgrade,
6 appliance, system, equipment, infrastruc-
7 ture, component, or other item installed
8 pursuant to any other qualified electrifica-
9 tion project, not more than \$3,000;

10 “(v) in the case of a qualified elec-
11 trification project described in subsection
12 (d)(11)(A)(i)(V) that installs insulation
13 and air sealing, not more than \$800; and

14 “(vi) in the case of any other qualified
15 electrification project, including a qualified
16 electrification project described in any of
17 subclauses (I) through (III) of subsection
18 (d)(11)(A)(ii), for which the Secretary pro-
19 vides a high-efficiency electric home rebate,
20 not more than an amount determined by
21 the Secretary for that qualified electrifica-
22 tion project, subject to subparagraph (B).

23 “(B) LIMITATIONS ON AMOUNT OF RE-
24 BATE.—

1 “(i) MAXIMUM TOTAL AMOUNT.—Sub-
2 ject to subsection (c)(1)(B), the maximum
3 total amount that may be awarded as high-
4 efficiency electric home rebates under this
5 subsection shall be \$10,000 with respect to
6 each home for which a high-efficiency elec-
7 tric home rebate is provided.

8 “(ii) COSTS.—

9 “(I) IN GENERAL.—Subject to
10 subsection (c)(1)(C), the amount of a
11 high-efficiency electric home rebate
12 provided to a homeowner under this
13 subsection shall not exceed 50 percent
14 of the total cost of the applicable
15 qualified electrification project.

16 “(II) LABOR COSTS.—Subject to
17 subsection (c)(1)(C), not more than
18 50 percent of the labor costs associ-
19 ated with a qualified electrification
20 project may be included in the 50 per-
21 cent of total costs for which a high-ef-
22 ficiency electric home rebate is pro-
23 vided under this subsection, as de-
24 scribed in subclause (I), subject to the
25 condition that labor costs account for

1 not more than 50 percent of the
2 amount of the high-efficiency electric
3 home rebate.

4 “(3) LIMITATIONS ON QEPS.—

5 “(A) CONTRACTORS.—A high-efficiency
6 electric home rebate may be provided for a
7 qualified electrification project carried out by a
8 contractor company only if that contractor com-
9 pany is a certified contractor company.

10 “(B) HEAT PUMP HVAC SYSTEMS.—A
11 high-efficiency electric home rebate may be pro-
12 vided for a qualified electrification project that
13 installs or enables the installation of a heat
14 pump HVAC system only if the heat pump
15 HVAC system—

16 “(i) replaces—

17 “(I) a nonelectric HVAC system;

18 “(II) an electric resistance
19 HVAC system; or

20 “(III) an air conditioning unit
21 that—

22 “(aa) does not have a re-
23 versing valve; and

1 “(bb) has a lower seasonal
2 energy-efficiency ratio than the
3 heat pump HVAC system; or

4 “(ii) is part of new construction, as
5 determined by the Secretary.

6 “(C) HEAT PUMPS FOR WATER HEAT-
7 ING.—A high-efficiency electric home rebate
8 may be provided for a qualified electrification
9 project that installs or enables the installation
10 of a heat pump used for water heating only if
11 the heat pump—

12 “(i) replaces—

13 “(I) a nonelectric heat pump
14 water heater;

15 “(II) a nonelectric water heater;

16 or

17 “(III) an electric resistance water
18 heater; or

19 “(ii) is part of new construction, as
20 determined by the Secretary.

21 “(D) ELECTRIC STOVES, COOKTOPS,
22 RANGES, AND OVENS.—A high-efficiency electric
23 home rebate may be provided for a qualified
24 electrification project described in subsection

1 (d)(11)(A)(i)(III) only if the applicable electric
2 stove, cooktop, range, or oven—

3 “(i) replaces a nonelectric stove,
4 cooktop, range, or oven; or

5 “(ii) is part of new construction, as
6 determined by the Secretary.

7 “(E) ELECTRIC HEAT PUMP CLOTHES
8 DRYERS.—A high-efficiency electric home re-
9 bate may be provided for a qualified electrifica-
10 tion project described in subsection
11 (d)(11)(A)(i)(IV) only if the applicable electric
12 heat pump clothes dryer—

13 “(i) replaces a nonelectric clothes
14 dryer; or

15 “(ii) is part of new construction.

16 “(4) ADDITIONAL INCENTIVES FOR CONTRAC-
17 TORS AND QUALIFIED PROVIDERS.—

18 “(A) GENERAL INCENTIVE.—

19 “(i) IN GENERAL.—With respect to
20 each qualified electrification project de-
21 scribed in clause (ii), the Secretary shall
22 provide a payment of \$100 to the certified
23 contractor company or qualified provider
24 carrying out the qualified electrification
25 project.

1 “(ii) QUALIFIED ELECTRIFICATION
2 PROJECT DESCRIBED.—A qualified elec-
3 trification project referred to in clause (i)
4 is a qualified electrification project—

5 “(I) that is carried out at a home
6 or multifamily building;

7 “(II) for which a rebate is pro-
8 vided under this subsection; and

9 “(III) with respect to which the
10 certified contractor company or quali-
11 fied provider is not eligible for a high-
12 er payment under any of subpara-
13 graphs (B) through (D).

14 “(B) INCENTIVE FOR QEPS IN CERTAIN
15 COMMUNITIES AND HOUSEHOLDS.—

16 “(i) IN GENERAL.—With respect to
17 each qualified electrification project de-
18 scribed in clause (ii), the Secretary shall
19 provide a payment of \$200 to the certified
20 contractor company or qualified provider
21 carrying out the qualified electrification
22 project.

23 “(ii) QUALIFIED ELECTRIFICATION
24 PROJECT DESCRIBED.—A qualified elec-

1 trification project referred to in clause (i)
2 is a qualified electrification project—

3 “(I) that is carried out at a home
4 or multifamily building that—

5 “(aa) is located in an under-
6 served community or a Tribal
7 community; or

8 “(bb) is certified, or the
9 household of the homeowner of
10 which is certified, as applicable,
11 as low- or moderate-income;

12 “(II) for which a rebate is pro-
13 vided under this subsection; and

14 “(III) with respect to which the
15 certified contractor company or quali-
16 fied provider is not eligible for a high-
17 er payment under subparagraph (C)
18 or (D).

19 “(C) INCENTIVE FOR CERTAIN LABOR
20 PRACTICES.—

21 “(i) IN GENERAL.—With respect to
22 each qualified electrification project de-
23 scribed in clause (ii), the Secretary shall
24 provide a payment of \$250 to the certified
25 contractor company or qualified provider

1 carrying out the qualified electrification
2 project.

3 “(ii) QUALIFIED ELECTRIFICATION
4 PROJECT DESCRIBED.—A qualified elec-
5 trification project referred to in clause (i)
6 is a qualified electrification project—

7 “(I) that is carried out—

8 “(aa) at a home or multi-
9 family building; and

10 “(bb) by a certified con-
11 tractor company or qualified pro-
12 vider that allows for the use of
13 collective bargaining agreements;

14 “(II) for which a rebate is pro-
15 vided under this subsection; and

16 “(III) with respect to which—

17 “(aa) all laborers and me-
18 chanics employed on the qualified
19 electrification project are paid
20 wages at rates not less than
21 those prevailing on projects of a
22 character similar in the locality;
23 and

24 “(bb) the certified con-
25 tractor company or qualified pro-

1 vider is not eligible for a higher
2 payment under subparagraph
3 (D).

4 “(D) MAXIMUM INCENTIVE.—

5 “(i) IN GENERAL.—With respect to
6 each qualified electrification project de-
7 scribed in clause (ii), the Secretary shall
8 provide a payment of \$500 to the certified
9 contractor company or qualified provider
10 carrying out the qualified electrification
11 project.

12 “(ii) QUALIFIED ELECTRIFICATION
13 PROJECT DESCRIBED.—A qualified elec-
14 trification project referred to in clause (i)
15 is a qualified electrification project—

16 “(I) that is carried out—

17 “(aa) at a home or multi-
18 family building that—

19 “(AA) is located in an
20 underserved community or a
21 Tribal community; or

22 “(BB) is certified, or
23 the household of the home-
24 owner of which is certified,

1 as applicable, as low- or
2 moderate-income; and

3 “(bb) by a certified con-
4 tractor company or qualified pro-
5 vider that allows for the use of
6 collective bargaining agreements;

7 “(II) for which a rebate is pro-
8 vided under this subsection; and

9 “(III) with respect to which all
10 laborers and mechanics employed on
11 the qualified electrification project are
12 paid wages at rates not less than
13 those prevailing on projects of a char-
14 acter similar in the locality.

15 “(E) CLARIFICATION.—An amount pro-
16 vided to a certified contractor company or
17 qualified provider under any of subparagraphs
18 (A) through (D) shall be in addition to the
19 amount of any high-efficiency electric home re-
20 bate received by the certified contractor com-
21 pany or qualified provider.

22 “(5) CLAIM.—

23 “(A) IN GENERAL.—Subject to paragraph
24 (2)(B), a homeowner, a certified contractor
25 company, or a qualified provider may claim a

1 separate high-efficiency electric home rebate
2 under this subsection for each qualified elec-
3 trification project carried out at a home.

4 “(B) TRANSFER.—The Secretary shall es-
5 tablish and publish procedures pursuant to
6 which a homeowner or owner of a multifamily
7 building may transfer the right to claim a re-
8 bate under this subsection to the certified con-
9 tractor company or qualified provider carrying
10 out the applicable qualified electrification
11 project.

12 “(6) MULTIFAMILY BUILDINGS.—

13 “(A) IN GENERAL.—Subject to subpara-
14 graph (B), the owner of a multifamily building
15 may combine the amounts of high-efficiency
16 electric home rebates for each dwelling unit in
17 the multifamily building into a single rebate,
18 subject to—

19 “(i) the condition that the applicable
20 qualified electrification projects benefit
21 each dwelling unit with respect to which
22 the rebate is claimed; and

23 “(ii) any maximum per-dwelling unit
24 rate established by the Secretary.

25 “(B) COSTS.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), the amount of a rebate under subpara-
3 graph (A) shall not exceed 50 percent of
4 the total cost, including labor costs, of the
5 applicable qualified electrification projects.

6 “(ii) LOW- OR MODERATE-INCOME
7 BUILDINGS.—In the case of a multifamily
8 building that is certified by the Secretary
9 as low- or moderate-income, the amount of
10 a rebate under subparagraph (A) shall not
11 exceed 100 percent of the total cost of the
12 applicable qualified electrification projects.

13 “(C) PROCEDURES.—The Secretary shall
14 establish and publish procedures—

15 “(i) pursuant to which the owner of a
16 multifamily building may combine rebate
17 amounts in accordance with this sub-
18 section; and

19 “(ii) for the enforcement of any limi-
20 tations under this subsection.

21 “(7) PROCESS.—

22 “(A) REBATE PROCESS.—Not later than
23 July 1, 2022, the Secretary shall establish a re-
24 bate processing system that provides immediate
25 price relief for consumers who purchase and

1 have installed qualified electrification projects,
2 in accordance with this section.

3 “(B) QUALIFIED ELECTRIFICATION
4 PROJECT LIST.—

5 “(i) IN GENERAL.—Not later than
6 July 1, 2022, the Secretary shall publish a
7 list of qualified electrification projects for
8 which a high-efficiency electric home re-
9 bate may be provided under this subsection
10 that includes, at a minimum, the qualified
11 electrification projects described in sub-
12 section (d)(11)(A).

13 “(ii) REQUIREMENTS.—The list pub-
14 lished under clause (i) shall include speci-
15 fications for each qualified electrification
16 project included on the list, including—

17 “(I) appropriate certifications
18 under the Energy Star program; and

19 “(II) other applicable require-
20 ments, such as requirements relating
21 to grid-interactive capability.

22 “(iii) UPDATES.—

23 “(I) IN GENERAL.—Not less fre-
24 quently than once every 3 years and
25 subject to subclause (II), the Sec-

1 retary shall publish an updated list of
2 qualified electrification projects for
3 which a high-efficiency electric home
4 rebate may be provided under this
5 subsection.

6 “(II) LIMITATION.—An updated
7 list under subclause (I) shall not allow
8 for any reductions in efficiency levels
9 for qualified electrification projects in-
10 cluded on the updated list that are
11 below an efficiency level provided in a
12 previously published version of the
13 list.

14 “(c) SPECIAL PROVISIONS FOR LOW- AND MOD-
15 ERATE-INCOME HOUSEHOLDS AND MULTIFAMILY BUILD-
16 INGS.—

17 “(1) MAXIMUM AMOUNTS.—With respect to a
18 qualified electrification project carried out at a loca-
19 tion described in paragraph (2)—

20 “(A) a high-efficiency electric home rebate
21 shall be equal to—

22 “(i) in the case of a qualified elec-
23 trification project described in subsection
24 (b)(2)(A)(i), not more than \$1,750;

1 “(ii) in the case of a qualified elec-
2 trification project described in subsection
3 (b)(2)(A)(ii)—

4 “(I)(aa) not more than \$6,000 if
5 the applicable heat pump HVAC sys-
6 tem has a heating capacity of not less
7 than 27,500 Btu per hour; or

8 “(bb) not more than \$7,000 if
9 the applicable heat pump HVAC sys-
10 tem meets Energy Star program cold
11 climate criteria and is installed in a
12 cold climate, as determined by the
13 Secretary; and

14 “(II)(aa) not more than \$3,000 if
15 the applicable heat pump HVAC sys-
16 tem has a heating capacity of less
17 than 27,500 Btu per hour; or

18 “(bb) not more than \$3,500 if
19 the applicable heat pump HVAC sys-
20 tem meets Energy Star program cold
21 climate criteria and is installed in a
22 cold climate, as determined by the
23 Secretary;

1 “(iii) in the case of a qualified elec-
2 trification project described in subsection
3 (b)(2)(A)(iii), not more than \$840;

4 “(iv) in the case of a qualified elec-
5 trification project described in subsection
6 (b)(2)(A)(iv), not more than \$4,000;

7 “(v) in the case of a qualified elec-
8 trification project described in subsection
9 (b)(2)(A)(v) that installs insulation and air
10 sealing, not more than \$1,600; and

11 “(vi) in the case of a qualified elec-
12 trification project described in subsection
13 (b)(2)(A)(vi), not more than an amount
14 determined by the Secretary for that quali-
15 fied electrification project, subject to sub-
16 paragraph (B);

17 “(B) the maximum total amount of high-
18 efficiency electric home rebates that may be
19 awarded with respect to each home of a home-
20 owner shall be \$14,000; and

21 “(C) the amount of a high-efficiency elec-
22 tric home rebate may be used to cover not more
23 than 100 percent of the costs, including labor
24 costs, of the applicable qualified electrification
25 project.

1 “(2) LOCATION DESCRIBED.—The maximum
2 amounts described in paragraph (1) shall apply to—
3 “(A) a home—
4 “(i) with respect to which the house-
5 hold of the homeowner is certified as low-
6 or moderate-income;
7 “(ii) that is located in a Tribal com-
8 munity; or
9 “(iii) in the case of a home that is
10 rented, with respect to which the household
11 of the renter is certified as low- or mod-
12 erate-income; or
13 “(B) a multifamily building—
14 “(i) that—
15 “(I) is certified as low- or mod-
16 erate-income; or
17 “(II) is located in a Tribal com-
18 munity; and
19 “(ii) with respect to which more than
20 more than ½ of the dwelling units in the
21 multifamily building—
22 “(I) are occupied by households
23 the annual household incomes of
24 which do not exceed 80 percent of the
25 median annual household income for

1 the area in which the multifamily
2 building is located; and

3 “(II) have average monthly rent-
4 al prices that are equal to, or less
5 than, an amount that is equal to 30
6 percent of the average monthly house-
7 hold income for the area in which the
8 multifamily building is located.

9 “(3) REQUIREMENT.—The Secretary may pro-
10 vide a rebate in an amount described in paragraph
11 (1) to the owner of a multifamily building or home
12 (in the case of a home that is rented) that meets the
13 requirements of this section if the owner agrees in
14 writing to provide commensurate benefits of future
15 savings to renters in the multifamily building or
16 home.

17 “(d) DEFINITIONS.—In this section:

18 “(1) CERTIFIED CONTRACTOR.—The term ‘cer-
19 tified contractor’ means a contractor with a certifi-
20 cation reflecting training, education, or other tech-
21 nical expertise relating to qualified electrification
22 projects for residential buildings, as identified by the
23 Secretary.

1 “(2) CERTIFIED CONTRACTOR COMPANY.—The
2 term ‘certified contractor company’ means a com-
3 pany—

4 “(A) the business of which is to provide
5 services—

6 “(i) to residential building owners;
7 and

8 “(ii) for which a rebate may be pro-
9 vided pursuant to this section;

10 “(B) that holds the licenses and insurance
11 required by the State in which the company
12 provides services; and

13 “(C) that employs 1 or more certified con-
14 tractors that perform the services for which a
15 rebate may be provided under this section.

16 “(3) ELECTRIC LOAD OR SERVICE CENTER UP-
17 GRADE.—The term ‘electric load or service center
18 upgrade’ means an improvement to a circuit breaker
19 panel that enables the installation and use of—

20 “(A) a QEP described in any of subclauses
21 (II) through (IV) of paragraph (9)(A)(i); or

22 “(B) a QEP described in any of subclauses
23 (I) through (III) of paragraph (9)(A)(ii).

24 “(4) ENERGY STAR PROGRAM.—The term ‘En-
25 ergy Star program’ means the program established

1 by section 324A of the Energy Policy and Conserva-
2 tion Act (42 U.S.C. 6294a).

3 “(5) HEAT PUMP.—The term ‘heat pump’
4 means a heat pump used for water heating, space
5 heating, or space cooling that—

6 “(A) relies solely on electricity for its
7 source of power; and

8 “(B) is air-sourced, geothermal- or ground-
9 sourced, or water-sourced.

10 “(6) HIGH-EFFICIENCY ELECTRIC HOME RE-
11 BATE.—The term ‘high-efficiency electric home re-
12 bate’ means a rebate provided in accordance with
13 subsection (b).

14 “(7) HOME.—The term ‘home’ means each of—

15 “(A) a building with not more than 4
16 dwelling units, individual condominium units, or
17 manufactured housing units, that—

18 “(i) is located in a State; and

19 “(ii)(I) is the primary residence of—

20 “(aa) the owner of that building,
21 condominium unit, or manufactured
22 housing unit, as applicable; or

23 “(bb) a renter; or

24 “(II) is a new-construction single-fam-
25 ily residential home; and

1 “(B) a unit of a multifamily building
2 that—

3 “(i) is owned by an individual who is
4 not the owner of the multifamily building;

5 “(ii) is located in a State, the District
6 of Columbia, or a territory of the United
7 States; and

8 “(iii) is the primary residence of—

9 “(I) the owner of that unit; or

10 “(II) a renter.

11 “(8) HVAC.—The term ‘HVAC’ means heat-
12 ing, ventilation, and air conditioning.

13 “(9) LOW- OR MODERATE-INCOME.—The term
14 ‘low - or moderate -income’, with respect to a house-
15 hold, means a household—

16 “(A) with an annual income that is less
17 than 80 percent of the annual median income
18 of the area in which the household is located;
19 or

20 “(B) that is low-income (as defined in sec-
21 tion 412 of the Energy Conservation and Pro-
22 duction Act (42 U.S.C. 6862)).

23 “(10) MULTIFAMILY BUILDING.—The term
24 ‘multifamily building’ means any building—

25 “(A) with 5 or more dwelling units that—

1 “(i) are built on top of one another or
2 side-by-side; and

3 “(ii) may share common facilities; and

4 “(B) that is not a home.

5 “(11) QUALIFIED ELECTRIFICATION PROJECT;
6 QEP.—

7 “(A) IN GENERAL.—The terms ‘qualified
8 electrification project’ and ‘QEP’ mean a
9 project that, as applicable—

10 “(i) installs, or enables the installa-
11 tion and use of, in a home or multifamily
12 building—

13 “(I) an electric load or service
14 center upgrade;

15 “(II) an electric heat pump;

16 “(III) an induction or noninduc-
17 tion electric stove, cooktop, range, or
18 oven;

19 “(IV) an electric heat pump
20 clothes dryer; or

21 “(V) insulation, air sealing, and
22 ventilation, in accordance with re-
23 quirements established by the Sec-
24 retary; or

1 “(ii) installs, or enables the installa-
2 tion and use of, in a home or multifamily
3 building described in subparagraph (B)—

4 “(I) a solar photovoltaic system,
5 including any electrical equipment,
6 wiring, or other components necessary
7 for the installation and use of the
8 solar photovoltaic system, including a
9 battery storage system;

10 “(II) electric vehicle charging in-
11 frastructure or electric vehicle support
12 equipment necessary to recharge an
13 electric vehicle on-site; or

14 “(III) electrical rewiring, power
15 sharing plugs, or other installation
16 tasks directly related to and necessary
17 for the safe and effective functioning
18 of a QEP in a home or multifamily
19 building.

20 “(B) HOME OR MULTIFAMILY BUILDING
21 DESCRIBED.—A home or multifamily building
22 referred to in subparagraph (A)(ii) is a home or
23 multifamily building that is certified, or the
24 household of the homeowner of which is cer-

1 tified, as applicable, as low- or moderate-in-
2 come.

3 “(C) EXCLUSIONS.—The terms ‘qualified
4 electrification project’ and ‘QEP’ do not include
5 any project with respect to which the appliance,
6 system, equipment, infrastructure, component,
7 or other item described in clause (i) or (ii) of
8 subparagraph (A) is not certified under the En-
9 ergy Star program if, as of the date on which
10 the project is carried out, the item is of a cat-
11 egory for which a certification is provided under
12 that program.

13 “(12) QUALIFIED PROVIDER.—The term ‘quali-
14 fied provider’ means an electric utility, Tribal-owned
15 entity or Tribally Designated Housing Entity
16 (TDHE), or commercial, nonprofit, or government
17 entity, including a retailer and a certified contractor
18 company, that provides services for which a rebate
19 may be provided pursuant to this section for 1 or
20 more portfolios that consist of 1 or more qualified
21 electrification projects.

22 “(13) SOLAR PHOTOVOLTAIC SYSTEM.—The
23 term ‘solar photovoltaic system’ means a system—

1 “(A) placed on-site at a home or multi-
2 family building, or as part of the community of
3 the home or multifamily building; and

4 “(B) that generates electricity from the
5 sun specifically for the home, multifamily build-
6 ing, or community.

7 “(14) TRIBAL COMMUNITY.—The term ‘Tribal
8 community’ means a Tribal tract or Tribal block
9 group.

10 “(15) UNDERSERVED COMMUNITY.—The term
11 ‘underserved community’ means a community lo-
12 cated in a census tract that is identified by the Sec-
13 retary as—

14 “(A) a low- or moderate-income commu-
15 nity; or

16 “(B) a community of racial or ethnic mi-
17 nority concentration.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) The table of contents for the Energy Policy
20 Act of 2005 (Public Law 109–58; 119 Stat. 594) is
21 amended by striking the item relating to section 124
22 and inserting the following:

 “Sec. 124. High-Efficiency Electric Home Rebate Program.”.

23 (2) Section 3201(c)(2)(A)(i) of the Energy Act
24 of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is amended
25 by striking “(a)” each place it appears.

1 **PART 3—BUILDING EFFICIENCY AND**
2 **RESILIENCE**

3 **SEC. 30431. WEATHERIZATION ASSISTANCE PROGRAM.**

4 (a) **IN GENERAL.**—In addition to amounts otherwise
5 available, there is appropriated to the Secretary of Energy
6 for fiscal year 2022, out of any money in the Treasury
7 not otherwise appropriated, \$3,500,000,000, to remain
8 available until September 30, 2031, to carry out activities
9 under part A of title IV of the Energy Conservation and
10 Production Act (42 U.S.C. 6861 through 6872).

11 (b) **FINANCIAL ASSISTANCE FOR WAP ENHANCE-**
12 **MENT AND INNOVATION.**—Notwithstanding subsections
13 (j) and (k) of section 414D of the Energy Conservation
14 and Production Act (42 U.S.C. 6864d(j) and (k)), the Sec-
15 retary shall use \$850,000,000 of the amount made avail-
16 able under subsection (a) of this section to award financial
17 assistance under such section 414D, including financial
18 assistance to implement measures to make dwelling units
19 that are occupied by low-income persons weatherization-
20 ready.

21 (c) **AVERAGE COST PER DWELLING UNIT.**—Section
22 415(c) of the Energy Conservation and Production Act
23 (42 U.S.C. 6865(c)) is amended—

24 (1) in paragraph (1), by striking “\$6,500” and
25 inserting “\$12,000”; and

1 (2) in paragraph (4), by striking “\$3,000” and
2 inserting “\$6,000”.

3 **SEC. 30432. CRITICAL FACILITY MODERNIZATION.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to the Secretary of
6 Energy for fiscal year 2022, out of any money in the
7 Treasury not otherwise appropriated, \$3,200,000,000, to
8 remain available until September 30, 2031, to carry out
9 a program under which the Secretary of Energy provides
10 funds to States to be used in accordance with subsection
11 (c).

12 (b) ALLOCATION OF FUNDS.—The Secretary of En-
13 ergy shall allocate funds made available under subsection
14 (a) to States in accordance with the formula used to allo-
15 cate Federal financial assistance granted pursuant to sec-
16 tion 363 of the Energy Policy and Conservation Act (42
17 U.S.C. 6323) (as of January 1, 2021), except that no
18 matching requirement shall apply.

19 (c) USE OF FUNDS.—

20 (1) IN GENERAL.—A State that receives funds
21 under this section shall use such funds to—

22 (A) provide technical assistance for car-
23 rying out a covered project;

1 (B) facilitate carrying out a covered
2 project, including by providing a grant, loan, or
3 other financial assistance to another entity;

4 (C) carry out a covered project; or

5 (D) pay for any administrative expenses
6 related to any activity described in subpara-
7 graphs (A) through (C).

8 (2) LIMIT ON TECHNICAL ASSISTANCE.—A

9 State that receives funds under this section may not
10 use more than 10 percent of such funds to provide
11 technical assistance under paragraph (1)(A) related
12 to the development, facilitation, management, over-
13 sight, or measurement of results of covered projects.

14 (d) DEFINITIONS.—In this section:

15 (1) COVERED PROJECT.—The term “covered
16 project” means a building project at an eligible facil-
17 ity that—

18 (A) increases—

19 (i) the resiliency of an eligible facility,
20 which includes—

21 (I) making improvements to pub-
22 lic health and safety;

23 (II) mitigating power outages;

24 (III) hardening against natural
25 disasters;

1 (IV) improving indoor air quality;

2 and

3 (V) making any modifications ne-
4 cessitated by the COVID-19 pan-
5 demic;

6 (ii) energy efficiency;

7 (iii) the use of renewable energy; or

8 (iv) grid integration; and

9 (B) may include a combined heat and
10 power, microgrid, or energy storage component.

11 (2) ELIGIBLE FACILITY.—The term “eligible fa-
12 cility” means any public or nonprofit building, as de-
13 termined by the Secretary, including—

14 (A) a public school, including an elemen-
15 tary school and a secondary school;

16 (B) a facility used to operate an early
17 childhood education program;

18 (C) the facilities of a local educational
19 agency;

20 (D) a medical facility;

21 (E) a local or State government building;

22 (F) a community facility;

23 (G) a public safety facility;

24 (H) a day care center;

25 (I) an institution of higher education;

1 (J) a public library; and

2 (K) a wastewater treatment facility.

3 (3) PUBLIC OR NONPROFIT BUILDING.—The
4 term “public or nonprofit building” means a public
5 or nonprofit building described in section
6 362(d)(5)(B) of the Energy Policy and Conservation
7 Act (42 U.S.C. 6322(d)(5)(B)).

8 (4) STATE.—The term “State” has the mean-
9 ing given the term in section 3 of the Energy Policy
10 and Conservation Act (42 U.S.C. 6202).

11 **SEC. 30433. ASSISTANCE FOR LATEST AND ZERO BUILDING**
12 **ENERGY CODE ADOPTION.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Energy for fiscal year 2022, out of any money in the
16 Treasury not otherwise appropriated, \$300,000,000, to re-
17 main available until September 30, 2031, to carry out ac-
18 tivities under part D of title III of the Energy Policy and
19 Conservation Act (42 U.S.C. 6321 through 6326), of
20 which—

21 (1) \$100,000,000, shall be for grants to assist
22 States, and units of local government that have au-
23 thority to adopt building codes, to—

24 (A) adopt—

1 (i) a building energy code (or codes)
2 for residential buildings that meets or ex-
3 ceeds the 2021 International Energy Con-
4 servation Code, or achieves equivalent or
5 greater energy savings;

6 (ii) a building energy code (or codes)
7 for commercial buildings that meets or ex-
8 ceeds the ANSI/ASHRAE/IES Standard
9 90.1–2019, or achieves equivalent or great-
10 er energy savings; or

11 (iii) any combination of building en-
12 ergy codes described in clause (i) or (ii);
13 and

14 (B) implement a plan for the jurisdiction
15 to achieve full compliance with any building en-
16 ergy code adopted under subparagraph (A) in
17 new and renovated residential or commercial
18 buildings, as applicable, which plan shall in-
19 clude active training and enforcement programs
20 and measurement of the rate of compliance
21 each year; and

22 (2) \$200,000,000, shall be for grants to assist
23 States, and units of local government that have au-
24 thority to adopt building codes, to—

1 (A) adopt a building energy code (or
2 codes) for residential and commercial buildings
3 that meets or exceeds the zero energy provisions
4 in the 2021 International Energy Conservation
5 Code or an equivalent stretch code; and

6 (B) implement a plan for the jurisdiction
7 to achieve full compliance with any building en-
8 ergy code adopted under subparagraph (A) in
9 new and renovated residential and commercial
10 buildings, which plan shall include active train-
11 ing and enforcement programs and measure-
12 ment of the rate of compliance each year.

13 (b) STATE MATCH.—The State cost share require-
14 ment under the item relating to “Department of Energy—
15 Energy Conservation” in title II of the Department of the
16 Interior and Related Agencies Appropriations Act, 1985
17 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assist-
18 ance provided under this section.

19 (c) ADMINISTRATIVE COSTS.—Of the amounts made
20 available under this section, the Secretary shall reserve 5
21 percent for administrative costs necessary to carry out this
22 section.

1 **PART 4—ZERO EMISSIONS VEHICLE**
2 **INFRASTRUCTURE BUILDOUT**

3 **SEC. 30441. DEFINITIONS.**

4 In this part:

5 (1) **ELECTRIC VEHICLE.**—The term “electric
6 vehicle” means a vehicle that derives all or part of
7 its power from electricity.

8 (2) **ELECTRIC VEHICLE SUPPLY EQUIPMENT.**—
9 The term “electric vehicle supply equipment” means
10 any conductors, including ungrounded, grounded,
11 and equipment grounding conductors, electric vehicle
12 connectors, attachment plugs, and all other fittings,
13 devices, power outlets, electrical equipment, off-grid
14 charging installations, or apparatuses installed spe-
15 cifically for the purpose of delivering energy to an
16 electric vehicle or to a battery intended to be used
17 in an electric vehicle.

18 (3) **SECRETARY.**—The term “Secretary” means
19 the Secretary of Energy.

20 **SEC. 30442. ELECTRIC VEHICLE SUPPLY EQUIPMENT RE-**
21 **BATE PROGRAM.**

22 (a) **APPROPRIATION.**—In addition to amounts other-
23 wise available, there is appropriated to the Secretary for
24 fiscal year 2022, out of any money in the Treasury not
25 otherwise appropriated, \$2,000,000,000, to remain avail-
26 able until expended (except that no funds shall be dis-

1 bursed after September 30, 2031), to establish and carry
2 out a rebate program to provide rebates to eligible entities
3 for covered expenses associated with electric vehicle supply
4 equipment located at workplaces, multi-unit housing struc-
5 tures, and publicly accessible locations.

6 (b) REBATE PROGRAM REQUIREMENTS.—

7 (1) ELIGIBLE EQUIPMENT AND LOCATIONS.—

8 (A) IN GENERAL.—Not later than 180
9 days after the date of the enactment of this
10 Act, the Secretary shall publish and maintain
11 on the Department of Energy internet website
12 a list of electric vehicle supply equipment that
13 is eligible for the rebate program. Such list may
14 include technical specifications and require-
15 ments for such electric vehicle supply equipment
16 to enhance safety, cybersecurity, performance,
17 accessibility, and alignment with relevant codes
18 and standards, as determined appropriate by
19 the Secretary.

20 (B) LOCATION REQUIREMENT.—An eligible
21 entity may receive a rebate under the rebate
22 program only if the electric vehicle supply
23 equipment included on the list published under
24 subparagraph (A) is installed—

25 (i) in the United States;

- 1 (ii) on property—
- 2 (I) owned by the eligible entity;
- 3 or
- 4 (II) on which the eligible entity
- 5 has authority to install electric vehicle
- 6 supply equipment; and
- 7 (iii) at a location that is—
- 8 (I) a multi-unit housing struc-
- 9 ture;
- 10 (II) a workplace, and available to
- 11 employees of such workplace or em-
- 12 ployees of a nearby workplace; or
- 13 (III) publicly accessible, including
- 14 a publicly accessible commercial loca-
- 15 tion.
- 16 (C) PUBLIC ACCESSIBILITY.—For electric
- 17 vehicle supply equipment not located at a multi-
- 18 unit housing structure or a workplace, an eligi-
- 19 ble entity may receive a rebate under the rebate
- 20 program only if the installed electric vehicle
- 21 supply equipment is—
- 22 (i) publicly accessible for a minimum
- 23 of 12 hours per day at least 5 days per
- 24 week; and

1 (ii) networked or otherwise capable of
2 being monitored remotely.

3 (2) APPLICATION.—In order to receive a rebate
4 under the rebate program, an eligible entity shall
5 submit to the Secretary an application. Such appli-
6 cation shall include—

7 (A) the estimated cost of covered expenses
8 to be expended on the electric vehicle supply
9 equipment that is eligible under paragraph (1);

10 (B) the estimated installation cost of the
11 electric vehicle supply equipment that is eligible
12 under paragraph (1);

13 (C) the global positioning system location,
14 including the integer number of degrees, min-
15 utes, and seconds, of where such electric vehicle
16 supply equipment is to be installed, and identi-
17 fication of whether such location is—

18 (i) a multi-unit housing structure;

19 (ii) a workplace; or

20 (iii) publicly accessible, including a
21 publicly accessible commercial location, in
22 accordance with paragraph (1)(C);

23 (D) the technical specifications of such
24 electric vehicle supply equipment, including the

1 maximum power voltage and amperage of such
2 equipment;

3 (E) an assessment of the electrical capac-
4 ity at the location where such electric vehicle
5 supply equipment is to be installed, and, as nec-
6 essary, proof of communication with the electric
7 utility that will serve the electric vehicle supply
8 equipment to be installed; and

9 (F) any other information determined by
10 the Secretary to be necessary for a complete ap-
11 plication.

12 (3) FUNDING SET-ASIDES.—Each fiscal year,
13 the Secretary may set aside an amount of funding
14 under the rebate program to ensure, to the extent
15 possible given the applications meeting the require-
16 ments of the rebate program submitted, rebates are
17 distributed—

18 (A) to individuals and small businesses, as
19 determined by the Secretary; and

20 (B) for electric vehicle supply equipment—

21 (i) located in rural communities, as
22 determined by the Secretary; and

23 (ii) located in low-income and dis-
24 advantaged communities, as determined by
25 the Secretary.

1 (4) REBATE AMOUNT.—

2 (A) IN GENERAL.—Except as provided in
3 subparagraph (B), the amount of a rebate made
4 under the rebate program for new electric vehi-
5 cle supply equipment at a location shall be the
6 lesser of—

7 (i) 75 percent of the applicable cov-
8 ered expenses;

9 (ii) \$1,000 for covered expenses asso-
10 ciated with the purchase and installation of
11 non-networked level 2 charging equipment;

12 (iii) \$4,000 for covered expenses asso-
13 ciated with the purchase and installation of
14 networked level 2 charging equipment; or

15 (iv) \$100,000 for covered expenses as-
16 sociated with the purchase and installation
17 of networked direct current fast charging
18 equipment.

19 (B) REBATE AMOUNT FOR REPLACEMENT
20 EQUIPMENT.—The amount of a rebate made
21 under the rebate program for replacement of
22 pre-existing electric vehicle supply equipment of
23 similar specifications at a location shall be the
24 lesser of—

1 (i) 75 percent of the applicable cov-
2 ered expenses;

3 (ii) \$500 for covered expenses associ-
4 ated with the purchase and installation of
5 non-networked level 2 charging equipment;

6 (iii) \$2,000 for covered expenses asso-
7 ciated with the purchase and installation of
8 networked level 2 charging equipment; or

9 (iv) \$35,000 for covered expenses as-
10 sociated with the purchase and installation
11 of networked direct current fast charging
12 equipment.

13 (5) DISBURSEMENT OF REBATE.—

14 (A) MATERIALS REQUIRED FOR DISBURSE-
15 MENT OF REBATE.—Before a rebate may be
16 disbursed to an eligible entity, such eligible en-
17 tity shall submit to the Secretary—

18 (i) a record of payment for covered
19 expenses expended on the installation of
20 the electric vehicle supply equipment that
21 is eligible under paragraph (1);

22 (ii) a record of payment for the elec-
23 tric vehicle supply equipment that is eligi-
24 ble under paragraph (1);

1 (iii) the global positioning system lo-
2 cation, including the integer number of de-
3 grees, minutes, and seconds, of where such
4 electric vehicle supply equipment was in-
5 stalled and identification of whether such
6 location is—

7 (I) a multi-unit housing struc-
8 ture;

9 (II) a workplace; or

10 (III) publicly accessible, including
11 a publicly accessible commercial loca-
12 tion, in accordance with paragraph
13 (1)(C);

14 (iv) the technical specifications of the
15 electric vehicle supply equipment that is el-
16 igible under paragraph (1), including the
17 maximum power voltage and amperage of
18 such equipment; and

19 (v) any other information determined
20 by the Secretary to be necessary.

21 (B) AGREEMENT TO MAINTAIN.—To be eli-
22 gible for a rebate under the rebate program, an
23 eligible entity shall enter into an agreement
24 with the Secretary to maintain the electric vehi-
25 cle supply equipment that is eligible under

1 paragraph (1) in a satisfactory manner, and at
2 the location stated in the application or in the
3 materials submitted under subparagraph (A),
4 as applicable, for not fewer than 5 years after
5 the date on which the eligible entity receives the
6 rebate under the rebate program.

7 (C) EXCEPTION.—The Secretary may de-
8 cline to disburse a rebate under the rebate pro-
9 gram if materials submitted under subpara-
10 graph (A) vary significantly, as determined by
11 the Secretary, from the global positioning sys-
12 tem location and technical specifications for the
13 electric vehicle supply equipment that is eligible
14 under paragraph (1) provided in an application
15 under paragraph (2).

16 (6) MULTI-PORT CHARGERS.—An eligible entity
17 shall be awarded a rebate under the rebate program
18 for covered expenses relating to the purchase and in-
19 stallation of a multi-port charger based on the num-
20 ber of publicly accessible charging ports, with each
21 subsequent port after the first port being eligible for
22 75 percent of the full rebate amount.

23 (7) HYDROGEN FUEL CELL REFUELING EQUIP-
24 MENT.—Hydrogen fuel cell refueling equipment shall
25 be eligible for a rebate under the rebate program as

1 though it were networked direct current fast charg-
2 ing equipment, and all applicable requirements re-
3 lated to such equipment shall apply.

4 (8) NETWORKED DIRECT CURRENT FAST
5 CHARGING.—Of amounts appropriated to carry out
6 the rebate program, not more than 40 percent may
7 be used for rebates of networked direct current fast
8 charging equipment or hydrogen fuel cell refueling
9 equipment.

10 (c) DEFINITIONS.—In this section:

11 (1) COVERED EXPENSES.—The term “covered
12 expenses” means an expense that is associated with
13 the purchase and installation of electric vehicle sup-
14 ply equipment, including—

15 (A) the cost of electric vehicle supply
16 equipment;

17 (B) labor costs associated with the installa-
18 tion of such electric vehicle supply equipment;

19 (C) material costs associated with the in-
20 stallation of such electric vehicle supply equip-
21 ment, including expenses borne by rebate recipi-
22 ents for electrical equipment and necessary up-
23 grades or modifications to the electrical grid
24 and associated infrastructure required for the

1 installation of such electric vehicle supply equip-
2 ment;

3 (D) permit costs associated with the instal-
4 lation of such electric vehicle supply equipment;
5 and

6 (E) the cost of an on-site energy storage
7 system that supports electrical load balancing
8 or otherwise improves the performance of such
9 electric vehicle supply equipment.

10 (2) ELIGIBLE ENTITY.—The term “eligible enti-
11 ty” means an individual, a State, local, Tribal, or
12 Territorial government, a private entity, a not-for-
13 profit entity, a nonprofit entity, or a metropolitan
14 planning organization.

15 (3) LEVEL 2 CHARGING EQUIPMENT.—The
16 term “level 2 charging equipment” means electric
17 vehicle supply equipment that provides an alter-
18 nating current power source at a minimum of 208
19 volts.

20 (4) MULTI-PORT CHARGER.—The term “multi-
21 port charger” means electric vehicle charging unit
22 capable of charging more than one electric vehicle si-
23 multaneously.

24 (5) NETWORKED DIRECT CURRENT FAST
25 CHARGING EQUIPMENT.—The term “networked di-

1 rect current fast charging equipment” means electric
2 vehicle supply equipment that is capable of providing
3 a direct current power source at a minimum of 50
4 kilowatts and is enabled to connect to a network to
5 facilitate data collection and access.

6 (6) REBATE PROGRAM.—The term “rebate pro-
7 gram” means the rebate program established under
8 subsection (a).

9 **SEC. 30443. ELECTRIC VEHICLE CHARGING EQUITY PRO-**
10 **GRAM.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to the Secretary for
13 fiscal year 2022, out of any money in the Treasury not
14 otherwise appropriated, \$1,000,000,000, to remain avail-
15 able until September 30, 2031 (except that no funds shall
16 be disbursed after September 30, 2031), to carry out this
17 section.

18 (b) PROGRAM.—The Secretary shall use amounts
19 made available under subsection (a) to establish and carry
20 out a program, to be known as the EV Charging Equity
21 Program, to—

22 (1) provide technical assistance to eligible enti-
23 ties described in subsection (f);

24 (2) award grants on a competitive basis to eligi-
25 ble entities described in subsection (f) for projects

1 that increase deployment and accessibility of electric
2 vehicle supply equipment in underserved or dis-
3 advantaged communities, including projects that
4 are—

5 (A) publicly accessible;

6 (B) located within or are easily accessible
7 to residents of—

8 (i) public or affordable housing;

9 (ii) multi-unit dwellings; or

10 (iii) single-family homes; and

11 (C) located within or easily accessible to
12 places of work, provided that such electric vehi-
13 cle supply equipment is accessible no fewer than
14 5 days per week; and

15 (3) provide education and outreach regarding
16 the EV Charging Equity Program and the benefits
17 and opportunities for electric vehicle charging to in-
18 dividuals and relevant entities that live within or
19 serve underserved or disadvantaged communities, in-
20 cluding by providing—

21 (A) an electric vehicle charging resource
22 guide that is maintained electronically on a
23 website, is public, and is directed towards indi-
24 viduals and relevant entities that live within or

1 serve underserved or disadvantaged commu-
2 nities;

3 (B) targeted outreach towards, and coordi-
4 nated public outreach with, relevant local,
5 State, and Tribal entities, nonprofit organiza-
6 tions, and institutions of higher education, that
7 are located within or serve underserved or dis-
8 advantaged communities; and

9 (C) any other form of education or out-
10 reach as the Secretary determines appropriate.

11 (c) COST SHARE.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amount of a grant awarded under
14 this section for a project shall not exceed 80 percent
15 of project costs.

16 (2) SINGLE-FAMILY HOMES.—The amount of a
17 grant awarded under this section for a project that
18 involves, as a primary focus, single-family homes
19 shall not exceed 60 percent of project costs.

20 (d) PRIORITY.—In awarding grants and providing
21 technical assistance under this section, the Secretary shall
22 give priority to projects that—

23 (1) provide the greatest benefit to the greatest
24 number of people within an underserved or dis-
25 advantaged community;

1 (2) incorporate renewable energy resources;

2 (3) maximize local job creation, particularly
3 among low-income, women, and minority workers; or

4 (4) utilize or involve locally owned small and
5 disadvantaged businesses, including women and mi-
6 nority-owned businesses.

7 (e) LIMITATION.—Not more than 15 percent of the
8 amount awarded for grants under this section in a fiscal
9 year shall be awarded for projects that involve, as a pri-
10 mary focus, single-family homes.

11 (f) ELIGIBLE ENTITIES.—

12 (1) IN GENERAL.—To be eligible for a grant or
13 technical assistance under the EV Charging Equity
14 Program, an entity shall be—

15 (A) an individual or household that is the
16 owner of where a project will be carried out;

17 (B) a State, local, Tribal, or Territorial
18 government, or an agency or department there-
19 of;

20 (C) an electric utility, including—

21 (i) a municipally owned electric utility;

22 (ii) a publicly owned electric utility;

23 (iii) an investor-owned utility; and

24 (iv) a rural electric cooperative;

25 (D) a nonprofit organization or institution;

1 (E) a public housing authority;

2 (F) an institution of higher education, as
3 determined by the Secretary;

4 (G) an entity that utilizes or involves lo-
5 cally owned small and disadvantaged busi-
6 nesses, including women and minority-owned
7 businesses; or

8 (H) a partnership between any number of
9 eligible entities described in subparagraphs (A)
10 through (G).

11 (2) UPDATES.—The Secretary may add to or
12 otherwise revise the list of eligible entities as the
13 Secretary determines necessary.

14 (g) DEFINITIONS.—In this section:

15 (1) PUBLICLY ACCESSIBLE.—The term “pub-
16 licly accessible” means, with respect to electric vehi-
17 cle supply equipment, electric vehicle supply equip-
18 ment that is available, at zero or reasonable cost, to
19 members of the public for the purpose of charging
20 a privately owned or leased electric vehicle, or elec-
21 tric vehicle that is available for use by members of
22 the general public as part of a ride service or vehicle
23 sharing service or program, including within or
24 around—

25 (A) public sidewalks and streets;

- 1 (B) public parks;
- 2 (C) public buildings, including—
 - 3 (i) libraries;
 - 4 (ii) schools; and
 - 5 (iii) government offices;
- 6 (D) public parking;
- 7 (E) shopping centers; and
- 8 (F) commuter transit hubs.

9 (2) UNDERSERVED OR DISADVANTAGED COM-
10 MUNITY.—The term “underserved or disadvantaged
11 community” means a community or geographic area
12 that is identified as—

- 13 (A) a low-income community;
- 14 (B) a Tribal community;
- 15 (C) having a disproportionately low num-
16 ber of electric vehicle charging stations per cap-
17 ita, compared to similar areas; or
- 18 (D) any other community that the Sec-
19 retary determines is disproportionately vulner-
20 able to, or bears a disproportionate burden of,
21 any combination of economic, social, environ-
22 mental, and climate stressors.

1 **SEC. 30444. STATE ENERGY PLANS.**

2 (a) APPROPRIATION.—Section 365(f) of the Energy
3 Policy and Conservation Act (42 U.S.C. 6325(f)) is
4 amended to read as follows:

5 “(f) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Secretary for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$500,000,000, to remain available
9 until September 30, 2031 (except that no funds shall be
10 disbursed after September 30, 2031), to carry out section
11 367.”.

12 (b) STATE ENERGY TRANSPORTATION PLANS.—

13 (1) IN GENERAL.—The Energy Policy and Con-
14 servation Act is amended by adding after section
15 366 (42 U.S.C. 6326) the following:

16 **“SEC. 367. STATE ENERGY TRANSPORTATION PLANS.**

17 “(a) IN GENERAL.—The Secretary may provide fi-
18 nancial assistance and technical assistance to a State to
19 develop a State energy transportation plan, for inclusion
20 in a State energy conservation plan under section 362(d),
21 to promote the electrification of the transportation system,
22 reduced consumption of fossil fuels, and reduced energy
23 demand.

24 “(b) DEVELOPMENT.—A State developing a State en-
25 ergy transportation plan under this section shall carry out
26 this activity through the State energy office that is respon-

1 sible for developing the State energy conservation plan
2 under section 362.

3 “(c) CONTENTS.—A State developing a State energy
4 transportation plan under this section shall include in such
5 plan a plan to—

6 “(1) deploy a network of electric vehicle supply
7 equipment to ensure access to electricity for electric
8 vehicles, including commercial vehicles, to an extent
9 that such electric vehicles can travel throughout the
10 State without running out of a charge; and

11 “(2) promote modernization of the electric grid,
12 including through the use of renewable energy
13 sources to power the electric grid, to accommodate
14 demand for power to operate electric vehicle supply
15 equipment and to utilize energy storage capacity
16 provided by electric vehicles, including commercial
17 vehicles.

18 “(d) TECHNICAL ASSISTANCE.—Upon request of the
19 Governor of a State, the Secretary shall provide informa-
20 tion and technical assistance in the development, imple-
21 mentation, or revision of a State energy transportation
22 plan.

23 “(e) ELECTRIC VEHICLE SUPPLY EQUIPMENT DE-
24 FINED.—For purposes of this section, the term ‘electric
25 vehicle supply equipment’ means any conductors, includ-

1 ing ungrounded, grounded, and equipment grounding con-
2 ductors, electric vehicle connectors, attachment plugs, and
3 all other fittings, devices, power outlets, electrical equip-
4 ment, off-grid charging installations, or apparatuses in-
5 stalled specifically for the purpose of delivering energy to
6 an electric vehicle or to a battery intended to be used in
7 an electric vehicle.”.

8 (2) CONFORMING AMENDMENT.—The table of
9 contents for part D of title III of the Energy Policy
10 and Conservation Act is amended by adding at the
11 end the following:

“Sec. 367. State energy transportation plans.”.

12 (c) STATE ENERGY CONSERVATION PLANS.—Section
13 362(d) of the Energy Policy and Conservation Act (42
14 U.S.C. 6322(d)) is amended—

15 (1) in paragraph (16), by striking “; and” and
16 inserting a semicolon;

17 (2) by redesignating paragraph (17) as para-
18 graph (18); and

19 (3) by inserting after paragraph (16) the fol-
20 lowing:

21 “(17) a State energy transportation plan devel-
22 oped in accordance with section 367; and”.

23 **SEC. 30445. TRANSPORTATION ELECTRIFICATION.**

24 (a) APPROPRIATION.—In addition to amounts other-
25 wise available, there is appropriated to the Secretary for

1 fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, to remain available until Sep-
3 tember 30, 2031 (except that no funds shall be disbursed
4 after September 30, 2031)—

5 (1) \$4,000,000,000 for grants under section
6 131(b) of the Energy Independence and Security Act
7 of 2007 (42 U.S.C. 17011(b)); and

8 (2) \$6,000,000,000 for grants under subsection
9 (b) of this section.

10 (b) USE OF FUNDS.—The Secretary may use
11 amounts made available under subsection (a)(2) of this
12 section to—

13 (1) provide grants under subsection (c) of sec-
14 tion 131 of the Energy Independence and Security
15 Act of 2007 (42 U.S.C. 17011) for the conduct of
16 qualified electric transportation projects (as defined
17 in such section 131); and

18 (2) provide grants in accordance with section
19 131(c) of such Act for the conduct of any of the fol-
20 lowing projects:

21 (A) Installation of electric vehicle supply
22 equipment for recharging plug-in electric drive
23 vehicles, including such equipment that is acces-
24 sible in rural and urban areas and in under-
25 served or disadvantaged communities and such

1 equipment for medium- and heavy-duty vehicles,
2 including at depots and in-route locations.

3 (B) Multi-use charging hubs used for mul-
4 tiple forms of transportation.

5 (C) Medium- and heavy-duty vehicle smart
6 charging management and refueling.

7 (D) Battery recycling and secondary use,
8 including for medium- and heavy-duty vehicles.

9 (E) Shiplside or shoreside electrification for
10 ground support equipment at ports.

11 (F) Electric airport ground support vehi-
12 cles.

13 (G) Sharing of best practices, and tech-
14 nical assistance provided by the Department of
15 Energy to public utilities commissions and utili-
16 ties, for medium- and heavy-duty vehicle elec-
17 trification.

18 (c) PRIORITY.—In making grants under section
19 131(b) of the Energy Independence and Security Act of
20 2007 (42 U.S.C. 17011(b)) using amounts made available
21 under subsection (a)(1) of this section, in addition to the
22 priority considerations described in paragraph (3) of such
23 section 131(b), the Secretary shall give priority consider-
24 ation to applications that are likely to make a significant
25 contribution to the advancement of the production of the

1 components and charging equipment for the vehicles de-
2 scribed in paragraph (1) of such section 131(b) in the
3 United States.

4 **PART 5—DOE LOAN AND GRANT PROGRAMS**

5 **SEC. 30451. FUNDING FOR DEPARTMENT OF ENERGY LOAN**
6 **PROGRAMS OFFICE.**

7 (a) COMMITMENT AUTHORITY.—In addition to com-
8 mitment authority otherwise available and previously pro-
9 vided, the Secretary of Energy may make commitments
10 to guarantee loans for eligible projects under section 1703
11 of the Energy Policy Act of 2005 up to a total principal
12 amount of \$30,000,000,000, to remain available until Sep-
13 tember 30, 2031, except that no commitments shall be
14 made using the authority provided by this section after
15 September 30, 2031: *Provided*, That for amounts collected
16 pursuant to section 1702(b)(2) of the Energy Policy Act
17 of 2005, the source of such payment received from bor-
18 rowers may not be a loan or other debt obligation that
19 is guaranteed by the Federal Government: *Provided fur-*
20 *ther*, That none of the loan guarantee authority made
21 available by this section shall be available for any project
22 unless the Director of the Office of Management and
23 Budget has certified in advance in writing that the loan
24 guarantee and the project comply with the provisions
25 under this section: *Provided further*, That none of such

1 loan guarantee authority made available by this section
2 shall be available for commitments to guarantee loans for
3 any projects where funds, personnel, or property (tangible
4 or intangible) of any Federal agency, instrumentality, per-
5 sonnel, or affiliated entity are expected to be used (directly
6 or indirectly) through acquisitions, contracts, demonstra-
7 tions, exchanges, grants, incentives, leases, procurements,
8 sales, other transaction authority, or other arrangements,
9 to support the project or to obtain goods or services from
10 the project: *Provided further*, That the previous proviso
11 shall not be interpreted as precluding the use of the loan
12 guarantee authority provided by this section for commit-
13 ments to guarantee loans for—

14 (1) projects as a result of such projects benefit-
15 ting from otherwise allowable Federal tax benefits;

16 (2) projects as a result of such projects benefit-
17 ting from being located on Federal land pursuant to
18 a lease or right-of-way agreement for which all con-
19 sideration for all uses is—

20 (A) paid exclusively in cash;

21 (B) deposited in the Treasury as offsetting
22 receipts; and

23 (C) equal to the fair market value as deter-
24 mined by the head of the relevant Federal agen-
25 cy;

1 (3) projects as a result of such projects benefit-
2 ting from Federal insurance programs; or

3 (4) electric generation projects using trans-
4 mission facilities owned or operated by a Federal
5 Power Marketing Administration or the Tennessee
6 Valley Authority that have been authorized, ap-
7 proved, and financed independent of the project re-
8 ceiving the guarantee.

9 (b) APPROPRIATION.—In addition to amounts other-
10 wise available and previously provided, there is appro-
11 priated to the Secretary of Energy for fiscal year 2022,
12 out of any money in the Treasury not otherwise appro-
13 priated, \$700,000,000, to remain available until expended
14 (except that no funds shall be disbursed after September
15 30, 2031), for the costs of guarantees made under section
16 1703 of the Energy Policy Act of 2005, using the loan
17 guarantee authority provided under subsection (a) of this
18 section, for renewable or energy efficient systems and
19 manufacturing, and distributed energy generation, trans-
20 mission, and distribution.

21 (c) ADMINISTRATIVE EXPENSES.—Of the amount
22 made available under subsection (b), the Secretary of En-
23 ergy shall reserve 3 percent for administrative expenses
24 to carry out title XVII of the Energy Policy Act of 2005
25 and for carrying out section 1702(h)(3) of such Act.

1 **SEC. 30452. ADVANCED TECHNOLOGY VEHICLE MANUFAC-**
2 **TURING.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Secretary of
5 Energy for fiscal year 2022, out of any money in the
6 Treasury not otherwise appropriated, \$3,000,000,000, to
7 remain available until expended (except that no funds
8 shall be disbursed after September 30, 2031), for the costs
9 of—

10 (1) providing direct loans under subsection (d)
11 of section 136 of the Energy Independence and Se-
12 curity Act of 2007 (42 U.S.C. 17013); and

13 (2) providing direct loans in accordance with
14 such section 136, for reequipping, expanding, or es-
15 tablishing a manufacturing facility in the United
16 States to produce, or for engineering integration
17 performed in the United States of, any of the fol-
18 lowing that emit, under any possible operational
19 mode or condition, zero exhaust emissions of any
20 greenhouse gas:

21 (A) A medium duty vehicle or a heavy duty
22 vehicle.

23 (B) A train or locomotive.

24 (C) A maritime vessel.

25 (D) An aircraft.

26 (E) Hyperloop technology.

1 (b) ADMINISTRATIVE COSTS.—The Secretary shall
2 reserve \$12,000,000 of amounts made available under
3 subsection (a) for administrative costs of providing loans
4 as described in subsection (a).

5 (c) ELIMINATION OF LOAN PROGRAM CAP.—Section
6 136(d)(1) of the Energy Independence and Security Act
7 of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking
8 “a total of not more than \$25,000,000,000 in”.

9 **SEC. 30453. DOMESTIC MANUFACTURING CONVERSION**
10 **GRANTS.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to the Secretary of
13 Energy for fiscal year 2022, out of any money in the
14 Treasury not otherwise appropriated, \$1,000,000,000, to
15 remain available until expended (except that no funds
16 shall be disbursed after September 30, 2031), for grants
17 relating to domestic production of zero-emission vehicles
18 under section 712 of the Energy Policy Act of 2005 (42
19 U.S.C. 16062).

20 (b) ADMINISTRATIVE COSTS.—The Secretary shall
21 reserve 2 percent of amounts made available under sub-
22 section (a) for administrative costs of making grants de-
23 scribed in such subsection (a) pursuant to section 712 of
24 the Energy Policy Act of 2005 (42 U.S.C. 16062).

1 **SEC. 30454. ENERGY COMMUNITY REINVESTMENT FINANC-**
2 **ING.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Secretary for
5 fiscal year 2022, out of any money in the Treasury not
6 otherwise appropriated, \$2,000,000,000, to remain avail-
7 able until expended (except that no funds shall be dis-
8 bursed after September 30, 2031), for the cost of pro-
9 viding financial support under section 1706 of the Energy
10 Policy Act of 2005.

11 (b) AMENDMENT.—Title XVII of the Energy Policy
12 Act of 2005 (42 U.S.C. 16511 et seq.) is amended by add-
13 ing at the end the following:

14 **“SEC. 1706. ENERGY COMMUNITY REINVESTMENT FINANC-**
15 **ING PROGRAM.**

16 “(a) ESTABLISHMENT.—Notwithstanding section
17 1702(f) and section 1703, and not later than 180 days
18 after the date of enactment of this section, the Secretary
19 shall establish a program to provide financial support, in
20 such form and on such terms and conditions as the Sec-
21 retary determines appropriate, to eligible entities for the
22 purpose of enabling low-carbon reinvestments in energy
23 communities, which such reinvestments may include—

24 “(1) supporting workers who are or have been
25 engaged in providing, or have been affected by the
26 provision of, energy-intensive goods or services by

1 helping such workers find employment opportunities,
2 including by providing training and education;

3 “(2) redeveloping a community that is or was
4 engaged in providing, or has been affected by the
5 provision of, energy-intensive goods or services;

6 “(3) accelerating remediation of environmental
7 damage caused by the provision of energy-intensive
8 goods or services; and

9 “(4) mitigating the effects on customers of any
10 significant reduction in the carbon intensity of goods
11 or services provided by the eligible entity, including
12 by the cost-effective abatement of greenhouse gas
13 emissions from continuing operations and the
14 repowering, retooling, repurposing, redeveloping, or
15 remediating of any long-lived assets, lands, or infra-
16 structure currently or previously used by the eligible
17 entity primarily to support the provision of energy-
18 intensive goods or services.

19 “(b) APPLICATION REQUIREMENT.—To apply for fi-
20 nancial support provided under this section, an eligible en-
21 tity shall submit to the Secretary an application at such
22 time, in such manner, and containing such information as
23 the Secretary may require, which such application shall
24 include—

1 “(1) a detailed plan describing the activities to
2 be carried out in accordance with subsection (a), in-
3 cluding activities for the measurement, monitoring,
4 and verification of emissions of greenhouse gases;
5 and

6 “(2) if the eligible entity is a utility subject to
7 regulation by a State commission or other State reg-
8 ulatory authority, assurances, as determined appro-
9 priate by the Secretary, that such eligible entity
10 shall pass through any financial benefit from the
11 provision of any financial support under this section
12 to its customers or energy communities.

13 “(c) OTHER REQUIREMENTS.—

14 “(1) FEES.—Notwithstanding section
15 1702(h)(1), the Secretary shall charge and collect a
16 fee from each eligible entity that received financial
17 support provided under this section in an amount
18 the Secretary determines sufficient to cover applica-
19 ble administrative expenses (including any costs as-
20 sociated with third party consultants engaged by the
21 Secretary).

22 “(2) USE OF APPROPRIATED FUNDS.—Any cost
23 for any financial support provided under this section
24 shall be paid by the Secretary using appropriated
25 funds.

1 “(3) APPLICATION OF OTHER LAW.—Section
2 20320(a) of division B of Public Law 109-289 (42
3 U.S.C. 16515(a)) shall not apply to this section.

4 “(d) DEFINITIONS.—In this section:

5 “(1) COST; DIRECT LOAN.—The terms ‘cost’
6 and ‘direct loan’ have the meanings given such
7 terms in section 502 of the Federal Credit Reform
8 Act of 1990 (2 U.S.C. 661a).

9 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
10 tity’ means any entity that is directly affiliated with
11 the provision of energy-intensive goods or services.

12 “(3) ENERGY COMMUNITY.—The term ‘energy
13 community’ means a community whose members are
14 or were engaged in providing, or have been affected
15 by the provision of, energy-intensive goods and serv-
16 ices.

17 “(4) FINANCIAL SUPPORT.—The term ‘financial
18 support’ means any credit product or support the
19 Secretary determines appropriate to implement this
20 section, including—

21 “(A) a direct loan;

22 “(B) a line of credit; and

23 “(C) a guarantee, including of a letter of
24 credit for the purposes of subsection (a)(3).

1 “(5) GUARANTEE.—The term ‘guarantee’ has
2 the meaning given such term in section 1701.”.

3 **PART 6—ELECTRIC TRANSMISSION**

4 **SEC. 30461. TRANSMISSION LINE AND INTERTIE GRANTS**
5 **AND LOANS.**

6 (a) APPROPRIATION.—

7 (1) IN GENERAL.—In addition to amounts oth-
8 erwise available, there is appropriated to the Sec-
9 retary of Energy for fiscal year 2022, out of any
10 money in the Treasury not otherwise appropriated,
11 \$8,000,000,000, to remain available until September
12 30, 2031 (except that no funds shall be disbursed
13 after September 30, 2031), for purposes of providing
14 grants and direct loans under subsection (b), and for
15 administrative expenses associated with carrying out
16 this section: *Provided*, That none of such loan au-
17 thority made available by this section shall be avail-
18 able for loans for any projects where funds, per-
19 sonnel, or property (tangible or intangible) of any
20 Federal agency, instrumentality, personnel, or affili-
21 ated entity are expected to be used (directly or indi-
22 rectly) through acquisitions, contracts, demonstra-
23 tions, exchanges, grants, incentives, leases, procure-
24 ments, sales, other transaction authority, or other
25 arrangements to support the project or to obtain

1 goods or services from the project: *Provided further,*
2 That the previous proviso shall not be interpreted as
3 precluding the use of the loan authority provided by
4 this section for commitments to loans for: (1)
5 projects benefitting from otherwise allowable Federal
6 tax benefits; (2) projects benefitting from being lo-
7 cated on Federal land pursuant to a lease or right-
8 of-way agreement for which all consideration for all
9 uses is: (A) paid exclusively in cash; (B) deposited
10 in the Treasury as offsetting receipts; and (C) equal
11 to the fair market value as determined by the head
12 of the relevant Federal agency; (3) projects benefit-
13 ting from Federal insurance programs; or (4) elec-
14 tric generation projects using transmission facilities
15 owned or operated by a Federal Power Marketing
16 Administration or the Tennessee Valley Authority
17 that have been authorized, approved, and financed
18 independent of the project receiving the guarantee:
19 *Provided further,* That none of the loan authority
20 made available by this section shall be available for
21 any project unless the Director of the Office of Man-
22 agement and Budget has certified in advance in
23 writing that the loan and the project comply with
24 the provisions under this section.

1 (2) LIMIT.—Not more than \$1,000,000,000 of
2 the amount appropriated under paragraph (1) may
3 be used to pay for the costs of providing direct loans
4 under subsection (b).

5 (b) IN GENERAL.—Except as provided in subsection
6 (c), the Secretary of Energy may provide grants and direct
7 loans to eligible entities to construct new, or make up-
8 grades to existing, eligible transmission lines or eligible
9 interties, including the related facilities thereof, if the Sec-
10 retary of Energy determines that such construction or up-
11 grade would support—

12 (1) a more robust and resilient electric grid;
13 and

14 (2) the integration of electricity from a clean
15 energy facility into the electric grid.

16 (c) OTHER REQUIREMENTS.—

17 (1) INTEREST RATES.—The Secretary of En-
18 ergy shall determine the rate of interest to charge on
19 direct loans provided under subsection (b) by taking
20 into consideration market yields on outstanding mar-
21 ketable obligations of the United States of com-
22 parable maturities as of the date the loan is dis-
23 bursed.

24 (2) TERMS AND CONDITIONS.—In providing di-
25 rect loans under subsection (b), the Secretary may

1 require such terms and conditions the Secretary de-
2 termines appropriate.

3 (3) RECOVERY OF COSTS FOR GRANTS.—A
4 grant provided under this section may not be used
5 to construct new, or make upgrades to existing, eli-
6 gible transmission lines or eligible interties if the
7 costs for such construction or upgrade are approved
8 for recovery through a Transmission Organization
9 (as defined in section 3 of the Federal Power Act
10 (16 U.S.C. 796)).

11 (d) DEFINITIONS.—In this section:

12 (1) CLEAN ENERGY FACILITY.—The term
13 “clean energy facility” means any electric generating
14 unit that does not emit carbon dioxide.

15 (2) DIRECT LOAN.—The term “direct loan”
16 means a disbursement of funds by the Government
17 to a non-Federal borrower under a contract that re-
18 quires the repayment of such funds with or without
19 interest. The term includes the purchase of, or par-
20 ticipation in, a loan made by another lender and fi-
21 nancing arrangements that defer payment for more
22 than 90 days, including the sale of a government
23 asset on credit terms.

24 (3) ELIGIBLE ENTITY.—The term “eligible enti-
25 ty” means a non-Federal entity.

1 (4) ELIGIBLE INTERTIE.—The term “eligible
2 intertie” means—

3 (A) any interties across the seam between
4 the Western Interconnection and the Eastern
5 Interconnection;

6 (B) the Pacific Northwest-Pacific South-
7 west Intertie;

8 (C) any interties between the Electric Reli-
9 ability Council of Texas and the Western Inter-
10 connection or the Eastern Interconnection; or

11 (D) such other interties that the Secretary
12 determines contribute to—

13 (i) a more robust and resilient electric
14 grid; and

15 (ii) the integration of electricity from
16 a clean energy facility into the electric
17 grid.

18 (5) ELIGIBLE TRANSMISSION LINE.—The term
19 “eligible transmission line” means an electric power
20 transmission line that—

21 (A) in the case of new construction under
22 subsection (b), has a transmitting capacity of
23 not less than 1,000 megawatts;

24 (B) in the case of an upgrade made under
25 subsection (b), the upgrade to which will in-

1 crease its transmitting capacity by not less than
2 500 megawatts; and

3 (C) is capable of transmitting electricity—

4 (i) across any eligible intertie;

5 (ii) from an offshore wind generating
6 facility; or

7 (iii) along a route, or in a corridor,
8 determined by the Secretary of Energy to
9 be necessary to meet interregional or na-
10 tional electricity transmission needs.

11 **SEC. 30462. GRANTS TO FACILITATE THE SITING OF INTER-**
12 **STATE ELECTRICITY TRANSMISSION LINES.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Energy for fiscal year 2022, out of any money in the
16 Treasury not otherwise appropriated, \$800,000,000, to re-
17 main available until September 30, 2031 (provided no
18 funds shall be disbursed after such date), for making
19 grants in accordance with this section and for administra-
20 tive expenses associated with carrying out this section.

21 (b) USE OF FUNDS.—

22 (1) IN GENERAL.—The Secretary may make a
23 grant under this section to a siting authority for,
24 with respect to a covered transmission project, any
25 of the following activities:

1 (A) Studies and analyses of the impacts of
2 the covered transmission project, including the
3 environmental, reliability, wildlife, cultural, his-
4 torical, water, land-use, public health, employ-
5 ment, tax-revenue, market, cost, and rate regu-
6 lation impacts.

7 (B) Examination of up to 3 alternate
8 siting corridors within which the covered trans-
9 mission project feasibly could be sited.

10 (C) Hosting and facilitation of negotiations
11 in settlement meetings involving the siting au-
12 thority, the covered transmission project appli-
13 cant, and opponents of the covered transmission
14 project, for the purpose of identifying and ad-
15 dressing issues that are preventing approval of
16 the application relating to the siting or permit-
17 ting of the covered transmission project.

18 (D) Participation by the siting authority in
19 regulatory proceedings or negotiations in an-
20 other jurisdiction, or under the auspices of a
21 Transmission Organization (as defined in sec-
22 tion 3 of the Federal Power Act (16 U.S.C.
23 796)) that is also considering the siting or per-
24 mitting of the covered transmission project.

1 (E) Participation by the siting authority in
2 regulatory proceedings at the Federal Energy
3 Regulatory Commission or a State regulatory
4 commission for determining applicable rates
5 and cost allocation for the covered transmission
6 project.

7 (F) Other measures and actions that may
8 improve the chances of, and shorten the time
9 required for, approval by the siting authority of
10 the application relating to the siting or permit-
11 ting of the covered transmission project, as the
12 Secretary determines appropriate.

13 (2) ECONOMIC DEVELOPMENT.—The Secretary
14 may make a grant under this section to a siting au-
15 thority, or other State, local, or Tribal governmental
16 entity, for economic development activities for com-
17 munities that may be affected by the construction
18 and operation of a covered transmission project.

19 (c) CONDITIONS.—

20 (1) FINAL DECISION ON APPLICATION.—In
21 order to receive a grant for an activity described in
22 subsection (b)(1), the Secretary shall require a siting
23 authority to agree, in writing, to reach a final deci-
24 sion on the application relating to the siting or per-
25 mitting of the applicable covered transmission

1 project not later than 2 years after the date on
2 which such grant is provided, unless the Secretary
3 authorizes an extension for good cause.

4 (2) FEDERAL SHARE.—The Federal share of
5 the cost of an activity described in subparagraph
6 (D) or (E) of subsection (b)(1) shall not exceed 50
7 percent.

8 (3) ECONOMIC DEVELOPMENT.—The Secretary
9 may only disburse grant funds for economic develop-
10 ment activities under subsection (b)(2)—

11 (A) to a siting authority upon approval by
12 the siting authority of the applicable covered
13 transmission project; and

14 (B) to any other State, local, or Tribal
15 governmental entity upon commencement of
16 construction of the applicable covered trans-
17 mission project in the area under the jurisdic-
18 tion of the entity.

19 (d) RETURNING FUNDS.—If a siting authority that
20 receives a grant for an activity described in subsection
21 (b)(1) fails to use all grant funds within 2 years of receipt,
22 the siting authority shall return to the Secretary any such
23 unused funds.

24 (e) DEFINITIONS.—In this section:

1 (1) COVERED TRANSMISSION PROJECT.—The
2 term “covered transmission project” means a high-
3 voltage interstate electricity transmission line—

4 (A) that is proposed to be constructed and
5 to operate at a minimum of 275 kilovolts of ei-
6 ther alternating-current or direct-current elec-
7 tric energy by an entity; and

8 (B) for which such entity has applied, or
9 informed a siting authority of such entity’s in-
10 tent to apply, for regulatory approval.

11 (2) SITING AUTHORITY.—The term “siting au-
12 thority” means a State, local, or Tribal govern-
13 mental entity with authority to make a final deter-
14 mination regarding the siting, permitting, or regu-
15 latory status of a covered transmission project that
16 is proposed to be located in an area under the juris-
17 diction of the entity.

18 **SEC. 30463. ORGANIZED WHOLESALE ELECTRICITY MAR-**
19 **KET TECHNICAL ASSISTANCE GRANTS.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated to the Secretary for
22 fiscal year 2022, out of any money in the Treasury not
23 otherwise appropriated, \$100,000,000, to remain available
24 until fiscal year 2031 (except that no funds shall be dis-
25 bursed after September 30, 2031), for purposes of pro-

1 viding technical assistance and grants under subsection
2 (b).

3 (b) TECHNICAL ASSISTANCE AND GRANTS.—The
4 Secretary shall use amounts made available under sub-
5 section (a) to—

6 (1) provide grants to States to pay for—

7 (A) technical assistance for any of the ac-
8 tivities described in subsection (c); or

9 (B) the procurement of data or technology
10 systems related to any of the activities de-
11 scribed in subsection (c); and

12 (2) provide technical assistance for the activities
13 described in subsection (c).

14 (c) ACTIVITIES.—The activities described in this sub-
15 section are—

16 (1) forming, expanding, or improving an orga-
17 nized wholesale electricity market, including with re-
18 spect to—

19 (A) market governance assistance;

20 (B) planning and policy assistance; and

21 (C) regulatory development assistance;

22 (2) aligning the policies of an organized whole-
23 sale electricity market with relevant State policies;
24 and

1 (3) evaluating the economic, operational, reli-
2 ability, environmental, and other benefits of orga-
3 nized wholesale electricity markets.

4 (d) APPLICATIONS.—

5 (1) IN GENERAL.—To apply for technical as-
6 sistance or a grant provided under this section, a
7 State shall submit to the Secretary an application at
8 such time, in such manner, and containing such in-
9 formation as the Secretary may require.

10 (2) GRANTS.—An application for a grant sub-
11 mitted under paragraph (1) shall certify how the
12 State will use the grant in accordance with sub-
13 section (b).

14 (e) PRIORITY.—In evaluating applications submitted
15 under subsection (c), the Secretary shall give priority to
16 applications that are submitted by more than one State.

17 (f) DEFINITIONS.—In this section:

18 (1) INDEPENDENT SYSTEM OPERATOR; RE-
19 GIONAL TRANSMISSION ORGANIZATION.—The terms
20 “Independent System Operator” and “Regional
21 Transmission Organization” have the meanings
22 given such terms in section 3 of the Federal Power
23 Act (16 U.S.C. 796).

24 (2) ORGANIZED WHOLESALE ELECTRICITY MAR-
25 KET.—The term “organized wholesale electricity

1 market” means an Independent System Operator or
2 a Regional Transmission Organization.

3 (3) SECRETARY.—The term “Secretary” means
4 the Secretary of Energy.

5 (4) STATE.—The term “State” means any
6 State of the United States, the District of Columbia,
7 the Commonwealth of Puerto Rico, the Virgin Is-
8 lands, American Samoa, the Commonwealth of the
9 Northern Mariana Islands, and Guam.

10 **SEC. 30464. INTERREGIONAL AND OFFSHORE WIND ELEC-**
11 **TRICITY TRANSMISSION PLANNING, MOD-**
12 **ELING, AND ANALYSIS.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise available, there is appropriated to the Secretary of
15 Energy for fiscal year 2022, out of any money in the
16 Treasury not otherwise appropriated, \$100,000,000, to re-
17 main available until September 30, 2031 (except that no
18 funds shall be disbursed after such date), to carry out this
19 section.

20 (b) USE OF FUNDS.—The Secretary of Energy shall
21 use amounts made available under subsection (a) to—

22 (1) pay expenses associated with convening rel-
23 evant stakeholders, including States, generation and
24 transmission developers, regional transmission orga-
25 nizations, independent system operators, environ-

1 mental organizations, Indian Tribes, and other
2 stakeholders the Secretary determines appropriate,
3 to address the development of interregional elec-
4 tricity transmission and transmission of electricity
5 that is generated by offshore wind; and

6 (2) conduct planning, modeling, and analysis
7 regarding interregional electricity transmission and
8 transmission of electricity that is generated by off-
9 shore wind, taking into account the local, regional,
10 and national economic, reliability, resilience, secu-
11 rity, public policy, and environmental benefits of
12 interregional electricity transmission and trans-
13 mission of electricity that is generated by offshore
14 wind, including planning, modeling, and analysis, as
15 the Secretary determines appropriate, pertaining
16 to—

17 (A) clean energy integration into the elec-
18 tric grid, including the identification of renew-
19 able energy zones;

20 (B) the effects of changes in weather due
21 to climate change on the reliability and resil-
22 ience of the electric grid;

23 (C) cost allocation methodologies that fa-
24 cilitate the expansion of the bulk power system;

1 (D) the benefits of coordination between
2 generator interconnection processes and trans-
3 mission planning processes;

4 (E) the effect of increased electrification
5 on the electric grid;

6 (F) power flow modeling;

7 (G) the benefits of increased interconnec-
8 tions or interties between or among the West-
9 ern Interconnection, the Eastern Interconnec-
10 tion, the Electric Reliability Council of Texas,
11 and other interconnections, as applicable;

12 (H) the cooptimization of transmission and
13 generation, including variable energy resources,
14 energy storage, and demand-side management;

15 (I) the opportunities for use of nontrans-
16 mission alternatives and grid-enhancing tech-
17 nologies;

18 (J) economic development opportunities for
19 communities arising from development of inter-
20 regional electricity transmission and trans-
21 mission of electricity that is generated by off-
22 shore wind; and

23 (K) evaluation of existing rights-of-way
24 and the need for additional transmission cor-
25 ridors.

1 **PART 7—ENVIRONMENTAL REVIEWS**

2 **SEC. 30471. DEPARTMENT OF ENERGY.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Department of Energy for fiscal year
5 2022, out of any money in the Treasury not otherwise ap-
6 propriated, \$200,000,000, to remain available until Sep-
7 tember 30, 2031 (except that no amounts may be dis-
8 bursed after September 30, 2031), to provide for more ef-
9 ficient and more effective environmental reviews under the
10 National Environmental Policy Act of 1969 through the
11 hiring and training of additional personnel, the develop-
12 ment of programmatic assessments or templates, the pro-
13 curement of technical or scientific services, the develop-
14 ment of data or technology systems, stakeholder and com-
15 munity engagement, and the purchase of new equipment.

16 **SEC. 30472. FEDERAL ENERGY REGULATORY COMMISSION.**

17 In addition to amounts otherwise available, there is
18 appropriated to the Federal Energy Regulatory Commis-
19 sion for fiscal year 2022, out of any money in the Treas-
20 ury not otherwise appropriated, \$100,000,000, to remain
21 available until September 30, 2031 (except that no
22 amounts may be disbursed after September 30, 2031), to
23 provide for more efficient and more effective environ-
24 mental reviews under the National Environmental Policy
25 Act of 1969 through the hiring and training of additional
26 personnel, the development of programmatic assessments

1 or templates, the procurement of technical or scientific
2 services, the development of data or technology systems,
3 stakeholder and community engagement, and the purchase
4 of new equipment.

5 **PART 8—OTHER ENERGY MATTERS**

6 **SEC. 30481. FEDERAL ENERGY EFFICIENCY FUND.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to the Secretary of
9 Energy for fiscal year 2022, out of any money in the
10 Treasury not otherwise appropriated, \$17,500,000,000, to
11 remain available until expended (except that no funds
12 shall be disbursed after September 30, 2031), to provide
13 grants to agencies to assist them in meeting the require-
14 ments of section 543 of the National Energy Conservation
15 Policy Act (42 U.S.C. 8253) or to assist agencies in reduc-
16 ing the carbon emissions of new or existing Federal build-
17 ings and Federal fleets.

18 (b) USE OF FUNDS.—The Secretary shall use the
19 funds made available pursuant to subsection (a) to provide
20 grants to agencies pursuant to section 546(b) of the Na-
21 tional Energy Conservation Policy Act (42 U.S.C.
22 8256(b)), and to establish a program to provide competi-
23 tive grants to agencies, to carry out projects for onsite
24 or offsite measures that—

1 (1) are applied to or serve a Federal building
2 or Federal fleet; and

3 (2) involve energy conservation, cogeneration
4 facilities, renewable energy sources, low carbon ma-
5 terials, improvements in operations and maintenance
6 efficiencies, retrofit activities, automotive supply
7 equipment, building electrification, energy storage
8 devices, energy consuming devices and required sup-
9 port structures, or carbon-pollution free electricity.

10 (c) CONSIDERATIONS.—In providing grants under
11 subsection (b), the Secretary may consider—

12 (1) the cost-effectiveness of the project;

13 (2) the extent to which a project promotes the
14 integration of clean energy, carbon pollution-free
15 electricity, low carbon materials, automotive supply
16 equipment, and such other onsite or offsite measures
17 as the Secretary determines to be appropriate;

18 (3) the amount of energy and cost savings an-
19 ticipated to the Federal Government;

20 (4) the amount of funding committed to the
21 project by the agency requesting the grant;

22 (5) the extent that a proposal leverages financ-
23 ing from other non-Federal sources; and

24 (6) any other factor which the Secretary deter-
25 mines is in furtherance of this section.

1 (d) DEFINITIONS.—In this section:

2 (1) AUTOMOTIVE SUPPLY EQUIPMENT.—The
3 term “automotive supply equipment” means any
4 conductors, including ungrounded, grounded, and
5 equipment grounding conductors, electric vehicle
6 connectors, attachment plugs, and all other fittings,
7 devices, power outlets, electrical equipment, or
8 apparatuses installed specifically for the purpose of
9 delivering energy to an electric vehicle or to a bat-
10 tery intended to be used in an electric vehicle.

11 (2) LOW CARBON MATERIAL.—The term “low
12 carbon material” means any material for which the
13 quantity of greenhouse gases (measured in kilograms
14 of carbon dioxide equivalent) emitted to the atmos-
15 phere by the manufacture, transportation, installa-
16 tion, maintenance, and disposal of the material is
17 significantly lower than such quantity for another,
18 similar material, as measured and reported in an en-
19 vironmental product declaration.

20 **SEC. 30482. ENERGY EFFICIENCY AND CONSERVATION**
21 **BLOCK GRANTS.**

22 (a) IN GENERAL.—In addition to amounts otherwise
23 available, there is appropriated to the Secretary of Energy
24 for fiscal year 2022, out of any money in the Treasury
25 not otherwise appropriated, \$5,000,000,000, to remain

1 available until September 30, 2031 (except that no funds
2 shall be disbursed after September 30, 2031), to carry out
3 the Energy Efficiency and Conservation Block Grant Pro-
4 gram established under section 542(a) of the Energy Inde-
5 pendence and Security Act of 2007 (42 U.S.C. 17152(a)),
6 of which—

7 (1) \$2,500,000,000 shall be distributed in ac-
8 cordance with section 543 of such Act (42 U.S.C.
9 17153); and

10 (2) \$2,500,000,000 shall be awarded to eligi-
11 ble entities on a competitive basis.

12 (b) PROGRAM.—In carrying out subsection (a), in ad-
13 dition to providing assistance described in section
14 542(b)(1) of the Energy Independence and Security Act
15 of 2007 (42 U.S.C. 17152(b)(1)), the Secretary may also
16 provide assistance to eligible entities for implementing
17 strategies to reduce fossil fuel emissions created as a re-
18 sult of activities within the jurisdictions of eligible entities
19 in a manner that diversifies energy supplies, including by
20 facilitating and promoting the use of alternative fuels.

21 (c) USE OF FUNDS.—In carrying out subsection (a),
22 for purposes of section 544 of the Energy Independence
23 and Security Act of 2007 (42 U.S.C. 17154), the Sec-
24 retary may also consider to be activities that achieve the

1 purposes of the Energy Efficiency and Conservation Block
2 Grant Program—

3 (1) the deployment of energy distribution tech-
4 nologies that significantly increase energy efficiency
5 or expand access to alternative fuels, including dis-
6 tributed resources, district heating and cooling sys-
7 tems, and infrastructure for delivering alternative
8 fuels; and

9 (2) programs for financing energy efficiency, re-
10 newable energy, and zero-emission transportation
11 (and associated infrastructure) capital investments,
12 projects, and programs—

13 (A) which may include loan programs and
14 performance contracting programs for
15 leveraging of additional public and private sec-
16 tor funds, and programs that allow rebates,
17 grants, or other incentives for the purchase and
18 installation of energy efficiency, renewable en-
19 ergy, and zero-emission transportation (and as-
20 sociated infrastructure) measures; or

21 (B) which may be used or implemented in
22 connection with buildings owned and operated
23 by a State, a political subdivision of a State, an
24 agency or instrumentality of a State, or an or-
25 ganization exempt from taxation under section

1 501(c)(3) of the Internal Revenue Code of 1986
2 (26 U.S.C. 501(c)(3)).

3 (d) **COMPETITIVE GRANTS.**—In carrying out sub-
4 section (a), for purposes of section 546(c)(2) of the En-
5 ergy Independence and Security Act of 2007 (42 U.S.C.
6 17156(c)(2)), the Secretary may give priority to units of
7 local government that plan to carry out projects to expand
8 the use of alternative fuels that would result in significant
9 energy efficiency improvements or reductions in fossil fuel
10 use.

11 (e) **ADMINISTRATIVE EXPENSES.**—Of the amount
12 made available under subsection (a), the Secretary shall
13 reserve 10 percent for administrative expenses to carry out
14 this section.

15 (f) **TECHNICAL AMENDMENTS.**—Section 543 of the
16 Energy Independence and Security Act of 2007 (42
17 U.S.C. 17153) is amended—

18 (1) in subsection (c), by striking “subsection
19 (a)(2)” and inserting “subsection (a)(3)”; and

20 (2) in subsection (d), by striking “subsection
21 (a)(3)” and inserting “subsection (a)(4)”.

22 **SEC. 30483. LOW-INCOME SOLAR.**

23 (a) **APPROPRIATION.**—In addition to amounts other-
24 wise available, there is appropriated to the Department
25 of Energy for fiscal year 2022, out of any amounts in the

1 Treasury not otherwise appropriated, \$2,500,000,000, to
2 remain available until expended (except that no funds
3 shall be disbursed after September 30, 2031), to carry out
4 this section.

5 (b) IN GENERAL.—The Secretary shall use funds ap-
6 propriated by subsection (a) to provide financial assistance
7 to eligible entities to—

- 8 (1) carry out eligible planning projects; or
- 9 (2) carry out eligible installation projects.

10 (c) APPLICATIONS.—

11 (1) IN GENERAL.—To be eligible to receive as-
12 sistance under this section, an eligible entity shall
13 submit to the Secretary an application at such time,
14 in such manner, and containing such information as
15 the Secretary may require.

16 (2) INCLUSION FOR INSTALLATION ASSIST-
17 ANCE.—For an eligible entity to receive assistance
18 for an eligible installation project, the Secretary
19 shall require the eligible entity to include in an ap-
20 plication under paragraph (1)—

21 (A) information that demonstrates that the
22 eligible entity has obtained, or has the capacity
23 to obtain, necessary permits, subscribers, access
24 to an installation site, and any other items or

1 agreements necessary to complete the installa-
2 tion of the applicable covered facility;

3 (B) information that demonstrates that the
4 covered facility installed using such assistance
5 will comply with local building and safety codes
6 and standards;

7 (C) a description of the mechanism
8 through which financial benefits will be distrib-
9 uted to beneficiaries or subscribers; and

10 (D) an estimate of the anticipated finan-
11 cial benefit for beneficiaries or subscribers.

12 (3) CONSIDERATION OF PLANNING
13 PROJECTS.—The Secretary may consider the com-
14 pletion of an eligible planning project pursuant to
15 subsection (b)(1) by the eligible entity to be suffi-
16 cient to demonstrate the ability of the eligible entity
17 to meet the requirements of paragraph (2)(A).

18 (d) SELECTION.—

19 (1) IN GENERAL.—In selecting eligible projects
20 to receive assistance under this section, the Sec-
21 retary shall—

22 (A) prioritize—

23 (i) eligible installation projects that
24 will result in the most financial benefit for

1 beneficiaries, as determined by the Sec-
2 retary;

3 (ii) eligible installation projects that
4 will result in development of covered facili-
5 ties in underserved areas; and

6 (iii) eligible projects that include ap-
7 prenticeship, job training, or community
8 participation as part of their application;
9 and

10 (B) ensure that such assistance is provided
11 in a manner that results in eligible projects
12 being carried out on a geographically diverse
13 basis within and among States.

14 (2) DETERMINATION OF FINANCIAL BEN-
15 EFIT.—In determining the amount of financial ben-
16 efit for low-income households of an eligible installa-
17 tion project, the Secretary shall ensure that all cal-
18 culations for estimated household energy savings are
19 based solely on electricity offsets from the applicable
20 covered facility and use formulas established by the
21 State or local government with jurisdiction over the
22 applicable covered facility for verifiable household
23 energy savings estimates that accrue to low-income
24 households.

25 (e) ASSISTANCE.—

1 (1) FORM.—The Secretary may provide assist-
2 ance under this section in the form of a grant, re-
3 bate, or low-interest loan.

4 (2) MULTIPLE PROJECTS FOR SAME FACIL-
5 ITY.—

6 (A) IN GENERAL.—An eligible entity may
7 apply for assistance under this section for an el-
8 igible planning project and an eligible installa-
9 tion project for the same covered facility.

10 (B) SEPARATE SELECTIONS.—Selection by
11 the Secretary for assistance under this section
12 of an eligible planning project does not require
13 the Secretary to select for assistance under this
14 section an eligible installation project for the
15 same covered facility.

16 (f) USE OF ASSISTANCE.—

17 (1) ELIGIBLE PLANNING PROJECTS.—An eligi-
18 ble entity receiving assistance for an eligible plan-
19 ning project under this section may use such assist-
20 ance to pay the costs of pre-installation activities as-
21 sociated with an applicable covered facility, includ-
22 ing—

23 (A) feasibility studies;

24 (B) permitting;

25 (C) site assessment;

1 (D) identification of beneficiaries or sub-
2 sscribers; or

3 (E) such other costs determined by the
4 Secretary to be appropriate.

5 (2) ELIGIBLE INSTALLATION PROJECTS.—An
6 eligible entity receiving assistance for an eligible in-
7 stallation project under this section may use such
8 assistance to pay the costs of—

9 (A) installation and operation of a covered
10 facility, including costs associated with mate-
11 rials, permitting, labor, or site preparation;

12 (B) storage technology sited at a covered
13 facility;

14 (C) interconnection service expenses;

15 (D) offsetting the cost of a subscription for
16 a covered facility described in subsection
17 (h)(4)(A) for subscribers that are members of a
18 low-income household; or

19 (E) such other costs determined by the
20 Secretary to be appropriate.

21 (g) USE OF FUNDS.—Of the funds appropriated by
22 this section, the Secretary shall use not less than 85 per-
23 cent to provide assistance for eligible installation projects.

24 (h) DEFINITIONS.—In this section:

1 (1) BENEFICIARY.—The term “beneficiary”
2 means a low-income household that receives a finan-
3 cial benefit from the installation and operation of a
4 covered facility.

5 (2) COMMUNITY SOLAR FACILITY.—The term
6 “community solar facility” means a solar generating
7 facility that—

8 (A) has multiple subscribers that receive fi-
9 nancial benefits that are directly attributable to
10 the facility; and

11 (B) has a nameplate rating of 5 megawatts
12 AC or less.

13 (3) COMMUNITY SOLAR SUBSCRIPTION.—The
14 term “community solar subscription” means a share
15 in the capacity, or a proportional interest in the elec-
16 tricity generation, of a community solar facility.

17 (4) COVERED FACILITY.—The term “covered
18 facility” means—

19 (A) a community solar facility at least 50
20 percent of the capacity of which is reserved for
21 low-income households;

22 (B) a solar generating facility located at a
23 residence of a low-income household; or

24 (C) a solar generating facility located at a
25 multi-family affordable housing complex.

1 (5) ELIGIBLE ENTITY.—The term “eligible enti-
2 ty” means—

3 (A) a nonprofit organization that provides
4 services to low-income households or multi-fam-
5 ily affordable housing complexes;

6 (B) a developer, owner, or operator of a
7 covered facility;

8 (C) a State, or political subdivision thereof;

9 (D) an Indian Tribe, tribally owned electric
10 utility, or tribal energy development organiza-
11 tion;

12 (E) a Native Hawaiian community-based
13 organization;

14 (F) any other national or regional entity
15 that has experience developing or installing
16 solar generating facilities for low-income house-
17 holds that maximize financial benefits to those
18 households; and

19 (G) an electric cooperative or a munici-
20 pality that is an electric utility (as such terms
21 are defined in section 3 of the Federal Power
22 Act).

23 (6) ELIGIBLE INSTALLATION PROJECT.—The
24 term “eligible installation project” means a project
25 to install and operate a covered facility.

1 (7) ELIGIBLE PLANNING PROJECT.—The term
2 “eligible planning project” means a project to carry
3 out pre-installation activities for the development of
4 a covered facility.

5 (8) ELIGIBLE PROJECT.—The term “eligible
6 project” means—

7 (A) an eligible planning project; or

8 (B) an eligible installation project.

9 (9) FEASIBILITY STUDY.—The term “feasibility
10 study” means a study or assessment that determines
11 the feasibility of a specific solar generating facility,
12 including a customer interest assessment and a
13 siting assessment, as determined by the Secretary.

14 (10) INDIAN TRIBE.—The term “Indian Tribe”
15 means any Indian Tribe, band, nation, Tribal Orga-
16 nization, or other organized group or community, in-
17 cluding any Alaska Native village, Regional Corpora-
18 tion, or Village Corporation, that is recognized as el-
19 igible for the special programs and services provided
20 by the United States to Indians because of their sta-
21 tus as Indians.

22 (11) INTERCONNECTION SERVICE.—The term
23 “interconnection service” has the meaning given
24 such term in section 111(d)(15) of the Public Utility

1 Regulatory Policies Act of 1978 (16 U.S.C.
2 2621(d)(15)).

3 (12) LOW-INCOME HOUSEHOLD.—The term
4 “low-income household” means a household with an
5 income that—

6 (A) is at or below 80 percent of the area
7 median income, or 200 percent of the Federal
8 poverty level, whichever is higher, except that
9 the Secretary may establish a higher level if the
10 Secretary determines that such a higher level is
11 necessary to carry out the purposes of this sec-
12 tion; or

13 (B) if the State in which the household is
14 located elects, is the basis for eligibility for as-
15 sistance under the Low-Income Home Energy
16 Assistance Act of 1981 (42 U.S.C. 8621 et
17 seq.), provided that such basis is at least 200
18 percent of the Federal poverty level.

19 (13) MULTI-FAMILY AFFORDABLE HOUSING
20 COMPLEX.—The term “multi-family affordable hous-
21 ing complex” means any federally subsidized afford-
22 able housing complex in which at least 50 percent of
23 the units are reserved for low-income households.

24 (14) NATIVE HAWAIIAN COMMUNITY-BASED OR-
25 GANIZATION.—The term “Native Hawaiian commu-

1 nity-based organization” means any organization
2 that is composed primarily of Native Hawaiians
3 from a specific community and that assists in the
4 social, cultural, and educational development of Na-
5 tive Hawaiians in that community.

6 (15) SECRETARY.—The term “Secretary”
7 means the Secretary of Energy.

8 (16) SOLAR GENERATING FACILITY.—The term
9 “solar generating facility” means—

10 (A) a generator that creates electricity
11 from photons; and

12 (B) the accompanying hardware enabling
13 that electricity to flow—

14 (i) onto the electric grid;

15 (ii) into a facility or structure; or

16 (iii) into an energy storage device.

17 (17) STATE.—The term “State” means each of
18 the 50 States, the District of Columbia, Guam, the
19 Commonwealth of Puerto Rico, the Northern Mar-
20 iana Islands, the Virgin Islands, and American
21 Samoa.

22 (18) SUBSCRIBER.—The term “subscriber”
23 means a person who—

1 (A) owns a community solar subscription,
2 or an equivalent unit or share of the capacity
3 or generation of a community solar facility; or

4 (B) is a member of a low-income household
5 that financially benefits from a community solar
6 facility, even if the person does not own a com-
7 munity solar subscription for the facility.

8 (19) **UNDERSERVED AREA.**—The term “under-
9 served area” means—

10 (A) a geographical area with low or no
11 photovoltaic solar deployment, as determined by
12 the Secretary;

13 (B) a geographical area that has low or no
14 access to electricity, as determined by the Sec-
15 retary;

16 (C) a geographical area with a high energy
17 burden, as determined by the Secretary; or

18 (D) trust land, as defined in section 3765
19 of title 38, United States Code.

20 **SEC. 30484. OVERSIGHT.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Department of Energy for fiscal year
23 2022, out of any money in the Treasury not otherwise ap-
24 propriated, \$50,000,000, to remain available until Sep-
25 tember 30, 2031 (except that no funds shall be disbursed

1 after September 30, 2031), for oversight by the Depart-
2 ment of Energy Office of Inspector General of the Depart-
3 ment of Energy activities for which funding is appro-
4 priated in this subtitle.

5 **Subtitle F—Affordable Health Care**
6 **Coverage**

7 **SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE FOR**
8 **CERTAIN LOW-INCOME POPULATIONS.**

9 (a) REDUCING COST SHARING UNDER QUALIFIED
10 HEALTH PLANS.—Section 1402 of the Patient Protection
11 and Affordable Care Act (42 U.S.C. 18071) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (2), by inserting “(or,
14 with respect to plan years 2023 and 2024,
15 whose household income does not exceed 400
16 percent of the poverty line for a family of the
17 size involved)” before the period; and

18 (B) in the matter following paragraph (2),
19 by adding at the end the following new sen-
20 tence: “In the case of an individual with a
21 household income that does not exceed 138 per-
22 cent of the poverty line for a family of the size
23 involved for any month occurring during the pe-
24 riod beginning on January 1, 2022, and ending
25 on December 31, 2022, such individual shall,

1 for such month and for each succeeding month
2 during such period, be treated as having house-
3 hold income equal to 100 percent for purposes
4 of applying this section.”; and

5 (2) in subsection (c)—

6 (A) in paragraph (1)(A), in the matter
7 preceding clause (i), by inserting “, with respect
8 to eligible insureds (other than, with respect to
9 plan years 2023 and 2024, specified enrollees
10 (as defined in paragraph (6)(C))),” after “first
11 be achieved”;

12 (B) in paragraph (2), in the matter pre-
13 ceding subparagraph (A), by inserting “with re-
14 spect to eligible insureds (other than, with re-
15 spect to plan years 2023 and 2024, specified
16 enrollees)” after “under the plan”;

17 (C) in paragraph (3)—

18 (i) in subparagraph (A), by striking
19 “this subsection” and inserting “paragraph
20 (1) or (2)”;

21 (ii) in subparagraph (B), by striking
22 “this section” and inserting “paragraphs
23 (1) and (2)”;

24 (D) by adding at the end the following new
25 paragraph:

1 “(6) SPECIAL RULE FOR SPECIFIED ENROLL-
2 EES.—

3 “(A) IN GENERAL.—The Secretary shall
4 establish procedures under which the issuer of
5 a qualified health plan to which this section ap-
6 plies shall reduce cost-sharing under the plan
7 with respect to months occurring during plan
8 years 2023 and 2024 for enrollees who are
9 specified enrollees (as defined in subparagraph
10 (C)) in a manner sufficient to increase the
11 plan’s share of the total allowed costs of bene-
12 fits provided under the plan to 99 percent of
13 such costs.

14 “(B) METHODS FOR REDUCING COST
15 SHARING.—

16 “(i) IN GENERAL.—An issuer of a
17 qualified health plan making reductions
18 under this paragraph shall notify the Sec-
19 retary of such reductions and the Sec-
20 retary shall, out of funds made available
21 under clause (ii), make periodic and timely
22 payments to the issuer equal to 12 percent
23 of the total allowed costs of benefits pro-
24 vided under each such plan to specified en-
25 rollees during plan years 2023 and 2024.

1 “(ii) APPROPRIATION.—In addition to
2 amounts otherwise available, there are ap-
3 propriated, out of any money in the Treas-
4 ury not otherwise appropriated, such sums
5 as may be necessary to the Secretary to
6 make payments under clause (i).

7 “(C) SPECIFIED ENROLLEE DEFINED.—
8 For purposes of this section, the term ‘specified
9 enrollee’ means, with respect to a month occur-
10 ring during a plan year, an eligible insured with
11 a household income that does not exceed 138
12 percent of the poverty line for a family of the
13 size involved during such month. Such insured
14 shall be deemed to be a specified enrollee for
15 each succeeding month in such plan year.”.

16 (b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN
17 LOWER-INCOME POPULATIONS.—Section 1311(c) of the
18 Patient Protection and Affordable Care Act (42 U.S.C.
19 18031(c)) is amended—

20 (1) in paragraph (6)—

21 (A) in subparagraph (C), by striking at the
22 end “and”;

23 (B) in subparagraph (D), by striking the
24 period at the end and inserting “; and”; and

1 (C) by adding at the end the following new
2 subparagraph:

3 “(E) with respect to a qualified health plan
4 with respect to which section 1402 applies, for
5 months occurring during the period beginning
6 on January 1, 2022, and ending on December
7 31, 2024, enrollment periods described in sub-
8 paragraph (A) of paragraph (8) for individuals
9 described in subparagraph (B) of such para-
10 graph.”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(8) SPECIAL ENROLLMENT PERIOD FOR CER-
14 TAIN LOW-INCOME POPULATIONS.—

15 “(A) IN GENERAL.—The enrollment period
16 described in this paragraph is, in the case of an
17 individual described in subparagraph (B), the
18 continuous period beginning on the first day
19 that such individual is so described.

20 “(B) INDIVIDUAL DESCRIBED.—For pur-
21 poses of subparagraph (A), an individual de-
22 scribed in this subparagraph is an individual—

23 “(i) with a household income that
24 does not exceed 138 percent of the poverty
25 line for a family of the size involved; and

1 “(ii) who is not eligible for minimum
2 essential coverage (as defined in section
3 5000A(f) of the Internal Revenue Code of
4 1986), other than for coverage described in
5 any of subparagraphs (B) through (E) of
6 paragraph (1) of such section.”.

7 (c) ADDITIONAL BENEFITS FOR CERTAIN LOW-IN-
8 COME INDIVIDUALS FOR PLAN YEAR 2024.—Section
9 1301(a) of the Patient Protection and Affordable Care Act
10 (42 U.S.C. 18021(a)) is amended—

11 (1) in paragraph (1)—

12 (A) in subparagraph (B), by striking
13 “and” at the end;

14 (B) in subparagraph (C)(iv), by striking
15 the period and inserting “; and”; and

16 (C) by adding at the end the following new
17 subparagraph:

18 “(D) provides, with respect to a plan of-
19 fered in the silver level of coverage to which sec-
20 tion 1402 applies during plan year 2024, for
21 benefits described in paragraph (5) in the case
22 of an individual who, for a month during such
23 plan year, has a household income that does not
24 exceed 138 percent of the poverty line for a
25 family of the size involved, and who is eligible

1 to receive cost-sharing reductions under section
2 1402.”; and

3 (2) by adding at the end the following new
4 paragraph:

5 “(5) ADDITIONAL BENEFITS FOR CERTAIN
6 LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—

7 “(A) IN GENERAL.—For purposes of para-
8 graph (1)(D), the benefits described in this
9 paragraph to be provided by a qualified health
10 plan are benefits consisting of non-emergency
11 medical transportation services (as described in
12 section 1902(a)(4)) and services described in
13 subsection (a)(4)(C) of section 1905 of the So-
14 cial Security Act, without any restriction on the
15 choice of a qualified provider from whom such
16 an individual so enrolled in such plan may re-
17 ceive such services described in such subsection,
18 and without any imposition of cost sharing,
19 which are not otherwise provided under such
20 plan as part of the essential health benefits
21 package described in section 1302(a).

22 “(B) PAYMENTS FOR ADDITIONAL BENE-
23 FITS.—

24 “(i) IN GENERAL.—An issuer of a
25 qualified health plan making payments for

1 services described in subparagraph (A) fur-
2 nished to individuals described in para-
3 graph (1)(D) during plan year 2024 shall
4 notify the Secretary of such payments and
5 the Secretary shall, out of funds made
6 available under clause (ii), make periodic
7 and timely payments to the issuer equal to
8 payments for such services so furnished.

9 “(ii) APPROPRIATION.—In addition to
10 amounts otherwise available, there is ap-
11 propriated, out of any money in the Treas-
12 ury not otherwise appropriated, such sums
13 as may be necessary to the Secretary to
14 make payments under clause (i).”

15 (d) EDUCATION AND OUTREACH ACTIVITIES.—

16 (1) IN GENERAL.—Section 1321(c) of the Pa-
17 tient Protection and Affordable Care Act (42 U.S.C.
18 18041(c)) is amended by adding at the end the fol-
19 lowing new paragraph:

20 “(3) OUTREACH AND EDUCATIONAL ACTIVI-
21 TIES.—

22 “(A) IN GENERAL.—In the case of an Ex-
23 change established or operated by the Secretary
24 within a State pursuant to this subsection, the
25 Secretary shall carry out outreach and edu-

1 educational activities for purposes of informing in-
2 dividuals described in section
3 1902(a)(10)(A)(i)(VIII) of the Social Security
4 Act who reside in States that have not ex-
5 pended amounts under a State plan (or waiver
6 of such plan) under title XIX of such Act for
7 all such individuals about qualified health plans
8 offered through the Exchange, including by in-
9 forming such individuals of the availability of
10 coverage under such plans and financial assist-
11 ance for coverage under such plans. Such out-
12 reach and educational activities shall be pro-
13 vided in a manner that is culturally and linguis-
14 tically appropriate to the needs of the popu-
15 lations being served by the Exchange (including
16 hard-to-reach populations, such as racial and
17 sexual minorities, limited English proficient
18 populations, individuals residing in areas where
19 the unemployment rates exceeds the national
20 average unemployment rate, individuals in rural
21 areas, veterans, and young adults).

22 “(B) LIMITATION ON USE OF FUNDS.—No
23 funds appropriated under this paragraph shall
24 be used for expenditures for promoting non-
25 ACA compliant health insurance coverage.

1 “(C) NON-ACA COMPLIANT HEALTH INSUR-
2 ANCE COVERAGE.—For purposes of subpara-
3 graph (B):

4 “(i) The term ‘non-ACA compliant
5 health insurance coverage’ means health
6 insurance coverage, or a group health plan,
7 that is not a qualified health plan.

8 “(ii) Such term includes the following:

9 “(I) An association health plan.

10 “(II) Short-term limited duration
11 insurance.

12 “(D) FUNDING.—In addition to amounts
13 otherwise available, there is appropriated, out of
14 any money in the Treasury not otherwise ap-
15 propriated, to remain available until expended,
16 \$15,000,000 for fiscal year 2022, and
17 \$30,000,000 for each of fiscal years 2023 and
18 2024, to carry out this paragraph.”.

19 (2) NAVIGATOR PROGRAM.—Section 1311(i)(6)
20 of the Patient Protection and Affordable Care Act
21 (42 U.S.C. 18031(i)(6)) is amended—

22 (A) by striking “FUNDING.—Grants
23 under” and inserting “FUNDING.—

24 “(A) STATE EXCHANGES.—Grants under”;

25 and

1 (B) by adding at the end the following new
2 subparagraph:

3 “(B) FEDERAL EXCHANGES.—For pur-
4 poses of carrying out this subsection, with re-
5 spect to an Exchange established and operated
6 by the Secretary within a State pursuant to sec-
7 tion 1321(c), the Secretary shall obligate
8 \$10,000,000 out of amounts collected through
9 the user fees on participating health insurance
10 issuers pursuant to section 156.50 of title 45,
11 Code of Federal Regulations (or any successor
12 regulations) for fiscal year 2022, and
13 \$20,000,000 for each of fiscal years 2023 and
14 2024. Such amount so obligated for a fiscal
15 year shall remain available until expended.”.

16 **SEC. 30602. TEMPORARY EXPANSION OF HEALTH INSUR-**
17 **ANCE PREMIUM TAX CREDITS FOR CERTAIN**
18 **LOW-INCOME POPULATIONS.**

19 (a) IN GENERAL.—Section 36B is amended by redес-
20 ignating subsection (h) as subsection (i) and by inserting
21 after subsection (g) the following new subsection:

22 “(h) CERTAIN TEMPORARY RULES FOR 2022
23 THROUGH 2024.—With respect to any taxable year begin-
24 ning after December 31, 2021, and before January 1,
25 2025—

1 “(1) ELIGIBILITY FOR CREDIT NOT LIMITED
2 BASED ON INCOME.—Section 36B(c)(1)(A) shall be
3 disregarded in determining whether a taxpayer is an
4 applicable taxpayer.

5 “(2) CREDIT ALLOWED TO CERTAIN LOW-IN-
6 COME EMPLOYEES OFFERED EMPLOYER-PROVIDED
7 COVERAGE.—Subclause (II) of subsection
8 (c)(2)(C)(i) shall not apply if the taxpayer’s house-
9 hold income does not exceed 138 percent of the pov-
10 erty line for a family of the size involved. The last
11 sentence of such subsection shall also apply for pur-
12 poses of this paragraph. Subclause (II) of subsection
13 (c)(2)(C)(i) shall also not apply to an individual de-
14 scribed in the last sentence of such subsection if the
15 taxpayer’s household income does not exceed 138
16 percent of the poverty line for a family of the size
17 involved.

18 “(3) CREDIT ALLOWED TO CERTAIN LOW-IN-
19 COME EMPLOYEES OFFERED QUALIFIED SMALL EM-
20 PLOYER HEALTH REIMBURSEMENT ARRANGE-
21 MENTS.—A qualified small employer health reim-
22 bursement arrangement shall not be treated as con-
23 stituting affordable coverage for an employee (or any
24 spouse or dependent of such employee) for any
25 months of a taxable year if the employee’s household

1 income for such taxable year does not exceed 138
2 percent of the poverty line for a family of the size
3 involved.

4 “(4) LIMITATIONS ON RECAPTURE.—

5 “(A) IN GENERAL.—In the case of a tax-
6 payer whose household income is less than 200
7 percent of the poverty line for the size of the
8 family involved for the taxable year, the amount
9 of the increase under subsection (f)(2)(A) shall
10 in no event exceed \$300 (one-half of such
11 amount in the case of a taxpayer whose tax is
12 determined under section 1(c) for the taxable
13 year).

14 “(B) LIMITATION ON INCREASE FOR CER-
15 TAIN NON-FILERS.—In the case of any taxpayer
16 who would not be required to file a return of
17 tax for the taxable year but for any require-
18 ment to reconcile advance credit payments
19 under subsection (f), if an Exchange established
20 under title I of the Patient Protection and Af-
21 fordable Care Act has determined that—

22 “(i) such taxpayer is eligible for ad-
23 vance payments under section 1412 of
24 such Act for any portion of such taxable
25 year, and

1 “(ii) such taxpayer’s household in-
2 come for such taxable year is projected to
3 not exceed 138 percent of the poverty line
4 for a family of the size involved,
5 subsection (f)(2)(A) shall not apply to such tax-
6 payer for such taxable year and such taxpayer
7 shall not be required to file such return of tax.

8 “(C) INFORMATION PROVIDED BY EX-
9 CHANGE.—The information required to be pro-
10 vided by an Exchange to the Secretary and to
11 the taxpayer under subsection (f)(3) shall in-
12 clude such information as is necessary to deter-
13 mine whether such Exchange has made the de-
14 terminations described in clauses (i) and (ii) of
15 subparagraph (B) with respect to such tax-
16 payer.”.

17 (b) EMPLOYER SHARED RESPONSIBILITY PROVISION
18 NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-IN-
19 COME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—
20 Section 4980H(c)(3) is amended to read as follows:

21 “(3) APPLICABLE PREMIUM TAX CREDIT AND
22 COST-SHARING REDUCTION.—

23 “(A) IN GENERAL.—The term ‘applicable
24 premium tax credit and cost-sharing reduction’
25 means—

1 “(i) any premium tax credit allowed
2 under section 36B,

3 “(ii) any cost-sharing reduction under
4 section 1402 of the Patient Protection and
5 Affordable Care Act, and

6 “(iii) any advance payment of such
7 credit or reduction under section 1412 of
8 such Act.

9 “(B) EXCEPTION WITH RESPECT TO CER-
10 TAIN LOW-INCOME TAXPAYERS.—Such term
11 shall not include any premium tax credit, cost-
12 sharing reduction, or advance payment other-
13 wise described in subparagraph (A) if such
14 credit, reduction, or payment is allowed or paid
15 for a taxable year of an employee (beginning
16 after December 31, 2021, and before January
17 1, 2025) with respect to which—

18 “(i) an Exchange established under
19 title I of the Patient Protection and Af-
20 fordable Care Act has determined that
21 such employee’s household income for such
22 taxable year is projected to not exceed 138
23 percent of the poverty line for a family of
24 the size involved, or

1 “(ii) such employee’s household in-
2 come for such taxable year does not exceed
3 138 percent of the poverty line for a family
4 of the size involved.”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2021.

8 **SEC. 30603. ESTABLISHING A HEALTH INSURANCE AFFORD-**
9 **ABILITY FUND.**

10 (a) IN GENERAL.—Subtitle D of title I of the Patient
11 Protection and Affordable Care Act is amended by insert-
12 ing after part 5 (42 U.S.C. 18061 et seq.) the following
13 new part:

14 **“PART 6—IMPROVE HEALTH INSURANCE**
15 **AFFORDABILITY FUND**

16 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

17 “‘There is hereby established the ‘Improve Health In-
18 surance Affordability Fund’ to be administered by the Sec-
19 retary of Health and Human Services, acting through the
20 Administrator of the Centers for Medicare & Medicaid
21 Services (in this section referred to as the ‘Adminis-
22 trator’), to provide funding, in accordance with this part,
23 to the 50 States and the District of Columbia (each re-
24 ferred to in this section as a ‘State’) beginning on January
25 1, 2023, for the purposes described in section 1352.

1 **“SEC. 1352. USE OF FUNDS.**

2 “(a) IN GENERAL.—A State shall use the funds allo-
3 cated to the State under this part for one of the following
4 purposes:

5 “(1) To provide reinsurance payments to health
6 insurance issuers with respect to individuals enrolled
7 under individual health insurance coverage (other
8 than through a plan described in subsection (b)) of-
9 fered by such issuers.

10 “(2) To provide assistance (other than through
11 payments described in paragraph (1)) to reduce out-
12 of-pocket costs, such as copayments, coinsurance,
13 premiums, and deductibles, of individuals enrolled
14 under qualified health plans offered on the indi-
15 vidual market through an Exchange and of individ-
16 uals enrolled under standard health plans offered
17 through a basic health program established under
18 section 1331.

19 “(b) EXCLUSION OF CERTAIN GRANDFATHERED
20 PLANS, TRANSITIONAL PLANS, STUDENT HEALTH
21 PLANS, AND EXCEPTED BENEFITS.—For purposes of
22 subsection (a), a plan described in this subsection is the
23 following:

24 “(1) A grandfathered health plan (as defined in
25 section 1251).

1 part for a year (beginning with 2023), a State shall
2 submit to the Administrator an application at such
3 time (but, in the case of allocations for 2023, not
4 later than 120 days after the date of the enactment
5 of this part and, in the case of allocations for a sub-
6 sequent year, not later than January 1 of the pre-
7 vious year) and in such form and manner as speci-
8 fied by the Administrator containing—

9 “(A) a description of how the funds will be
10 used; and

11 “(B) such other information as the Admin-
12 istrator may require.

13 “(2) AUTOMATIC APPROVAL.—An application so
14 submitted is approved (as outlined in the terms of
15 the plan) unless the Administrator notifies the State
16 submitting the application, not later than 90 days
17 after the date of the submission of such application,
18 that the application has been denied for not being in
19 compliance with any requirement of this part and of
20 the reason for such denial.

21 “(3) 5-YEAR APPLICATION APPROVAL.—If an
22 application of a State is approved for a purpose de-
23 scribed in section 1352 for a year, such application
24 shall be treated as approved for such purpose for
25 each of the subsequent 4 years.

1 “(4) OVERSIGHT AUTHORITY AND AUTHORITY
2 TO REVOKE APPROVAL.—

3 “(A) OVERSIGHT.—The Secretary may
4 conduct periodic reviews of the use of funds
5 provided to a State under this section, with re-
6 spect to a purpose described in section 1352, to
7 ensure the State uses such funds for such pur-
8 pose and otherwise complies with the require-
9 ments of this section.

10 “(B) REVOCATION OF APPROVAL.—The
11 approval of an application of a State, with re-
12 spect to a purpose described in section 1352,
13 may be revoked if the State fails to use funds
14 provided to the State under this section for
15 such purpose or otherwise fails to comply with
16 the requirements of this section.

17 “(b) DEFAULT FEDERAL SAFEGUARD FOR 2023 AND
18 2024 FOR CERTAIN STATES.—

19 “(1) IN GENERAL.—For 2023 and 2024, in the
20 case of a State described in paragraph (5), with re-
21 spect to such year, the State shall not be eligible to
22 submit an application under subsection (a), and the
23 Administrator, in consultation with the applicable
24 State authority, shall from the amount calculated
25 under paragraph (3) for such year, carry out the

1 purpose described in paragraph (2) in such State for
2 such year.

3 “(2) SPECIFIED USE.—The amount described
4 in paragraph (3), with respect to a State described
5 in paragraph (5) for 2023 or 2024, shall be used to
6 carry out the purpose described in section
7 1352(a)(1) in such State for such year, as applica-
8 ble, by providing reinsurance payments to health in-
9 surance issuers with respect to attachment range
10 claims (as defined in section 1354(b)(2), using the
11 dollar amounts specified in subparagraph (B) of
12 such section for such year) in an amount equal to,
13 subject to paragraph (4), the percentage (specified
14 for such year by the Secretary under such subpara-
15 graph) of the amount of such claims.

16 “(3) AMOUNT DESCRIBED.—The amount de-
17 scribed in this paragraph, with respect to 2023 or
18 2024, is the amount equal to the total sum of
19 amounts that the Secretary would otherwise esti-
20 mate under section 1354(b)(2)(A)(i) for such year
21 for each State described in paragraph (5) for such
22 year, as applicable, if each such State were not so
23 described for such year.

24 “(4) ADJUSTMENT.—For purposes of this sub-
25 section, the Secretary may apply a percentage under

1 paragraph (3) with respect to a year that is less
2 than the percentage otherwise specified in section
3 1354(b)(2)(B) for such year, if the cost of paying
4 the total eligible attachment range claims for States
5 described in paragraph (5) for such year at such
6 percentage otherwise specified would exceed the
7 amount calculated under paragraph (3) for such
8 year.

9 “(5) STATE DESCRIBED.—A State described in
10 this paragraph, with respect to years 2023 and
11 2024, is a State that, as of January 1 of 2022 or
12 2023, respectively, was not expending amounts
13 under the State plan (or waiver of such plan) for all
14 individuals described in section
15 1902(a)(10)(A)(i)(VIII) during such year.

16 **“SEC. 1354. ALLOCATIONS.**

17 “(a) APPROPRIATION.—In addition to amounts oth-
18 erwise available, there is appropriated, out of any money
19 in the Treasury not otherwise appropriated,
20 \$10,000,000,000 for 2023 and each subsequent year to
21 provide allocations for States under subsection (b) and
22 payments under section 1353(b) .

23 “(b) ALLOCATIONS.—

24 “(1) PAYMENT.—

1 “(A) IN GENERAL.—From amounts appro-
2 priated under subsection (a) for a year, the
3 Secretary shall, with respect to a State not de-
4 scribed in section 1353(b) for such year and
5 not later than the date specified under subpara-
6 graph (B) for such year, allocate for such State
7 the amount determined for such State and year
8 under paragraph (2).

9 “(B) SPECIFIED DATE.—For purposes of
10 subparagraph (A), the date specified in this
11 subparagraph is—

12 “(i) for 2023, the date that is 90 days
13 after the date of the enactment of this
14 part; and

15 “(ii) for 2024 or a subsequent year,
16 January 1 of the previous year.

17 “(C) NOTIFICATIONS OF ALLOCATION
18 AMOUNTS.—For 2024 and each subsequent
19 year, the Secretary shall notify each State of
20 the amount determined for such State under
21 paragraph (2) for such year by not later than
22 January 1 of the previous year.

23 “(2) ALLOCATION AMOUNT DETERMINA-
24 TIONS.—

1 “(A) IN GENERAL.—For purposes of para-
2 graph (1), the amount determined under this
3 paragraph for a year for a State described in
4 paragraph (1)(A) for such year is the amount
5 equal to—

6 “(i) the amount that the Secretary es-
7 timates would be expended under this part
8 for such year on attachment range claims
9 of individuals residing in such State if such
10 State used such funds only for the purpose
11 described in paragraph (1) of section
12 1352(a) at the dollar amounts and per-
13 centage specified under subparagraph (B)
14 for such year; minus

15 “(ii) the amount, if any, by which the
16 Secretary determines—

17 “(I) the estimated amount of
18 premium tax credits under section
19 36B of the Internal Revenue Code of
20 1986 that would be attributable to in-
21 dividuals residing in such State for
22 such year without application of this
23 part; exceeds

24 “(II) the estimated amount of
25 premium tax credits under section

1 36B of the Internal Revenue Code of
2 1986 that would be attributable to in-
3 dividuals residing in such State for
4 such year if section 1353(b) applied
5 for such year and applied with respect
6 to such State for such year.

7 For purposes of the previous sentence and sec-
8 tion 1353(b)(3), the term ‘attachment range
9 claims’ means, with respect to an individual, the
10 claims for such individual that exceed a dollar
11 amount specified by the Secretary for a year,
12 but do not exceed a ceiling dollar amount speci-
13 fied by the Secretary for such year, under sub-
14 paragraph (B).

15 “(B) SPECIFICATIONS.—For purposes of
16 subparagraph (A) and section 1353(b)(3), the
17 Secretary shall determine the dollar amounts
18 and the percentage to be specified under this
19 subparagraph for a year in a manner to ensure
20 that the total amount of expenditures under
21 this part for such year is estimated to equal the
22 total amount appropriated for such year under
23 subsection (a) if such expenditures were used
24 solely for the purpose described in paragraph
25 (1) of section 1352(a) for attachment range

1 claims at the dollar amounts and percentage so
2 specified for such year.

3 “(3) AVAILABILITY.—Funds allocated to a
4 State under this subsection for a year shall remain
5 available through the end of the subsequent year.”.

6 (b) BASIC HEALTH PROGRAM FUNDING ADJUST-
7 MENTS.—Section 1331 of the Patient Protection and Af-
8 fordable Care Act (42 U.S.C. 18051) is amended—

9 (1) in subsection (a), by adding at the end the
10 following new paragraph:

11 “(3) PROVISION OF INFORMATION ON QUALI-
12 FIED HEALTH PLAN PREMIUMS.—

13 “(A) IN GENERAL.—For plan years begin-
14 ning on or after January 1, 2023, the program
15 described in paragraph (1) shall provide that a
16 State may not establish a basic health program
17 unless such State furnishes to the Secretary,
18 with respect to each qualified health plan of-
19 fered in such State during a year that receives
20 any reinsurance payment from funds made
21 available under part 6 for such year, the ad-
22 justed premium amount (as defined in subpara-
23 graph (B)) for each such plan and year.

24 “(B) ADJUSTED PREMIUM AMOUNT DE-
25 FINED.—For purposes of subparagraph (A), the

1 term ‘adjusted premium amount’ means, with
2 respect to a qualified health plan and a year,
3 the monthly premium for such plan and year
4 that would have applied had such plan not re-
5 ceived any payments described in subparagraph
6 (A) for such year.’; and

7 (2) in subsection (d)(3)(A)(ii), by adding at the
8 end the following new sentence: “In making such de-
9 termination, the Secretary shall calculate the value
10 of such premium tax credits that would have been
11 provided to such individuals enrolled through a basic
12 health program established by a State during a year
13 using the adjusted premium amounts (as defined in
14 subsection (a)(3)(B)) for qualified health plans of-
15 fered in such State during such year.”.

16 **Subtitle G—Medicaid**

17 **PART 1—FEDERAL MEDICAID PROGRAM TO** 18 **CLOSE THE COVERAGE GAP**

19 **SEC. 30701. CLOSING THE MEDICAID COVERAGE GAP.**

20 (a) FEDERAL MEDICAID PROGRAM TO CLOSE COV-
21 ERAGE GAP IN NONEXPANSION STATES.—Title XIX of
22 the Social Security Act (42 U.S.C. 1396 et seq.) is amend-
23 ed by adding at the end the following new section:

1 **“SEC. 1948. FEDERAL MEDICAID PROGRAM TO CLOSE COV-**
2 **ERAGE GAP IN NONEXPANSION STATES.**

3 “(a) ESTABLISHMENT.—Not later than January 1,
4 2025, the Secretary shall establish a program (in this sec-
5 tion referred to as the ‘Federal Medicaid program’ or the
6 ‘Program’ under which, in the case of a State that the
7 Secretary determines (based on the State plan under this
8 title, waiver of such plan, or other relevant information)
9 is not expected to expend amounts under the State plan
10 (or waiver of such plan) for all individuals who would be
11 entitled to medical assistance pursuant to section
12 1902(a)(10)(A)(i)(VIII) during a year (beginning with
13 2025), (in this section defined as ‘a coverage gap State’,
14 with respect to such year), the Secretary shall (including
15 through contract with eligible entities (as specified by the
16 Secretary), consistent with subsection (b)) provide for the
17 offering to such individuals residing in such State of
18 health benefits. The Federal Medicaid program shall be
19 offered in a coverage gap State for each quarter during
20 the period beginning on January 1 of such year, and end-
21 ing with the last day of the first quarter during which
22 the State provides medical assistance to all such individ-
23 uals under the State plan (or waiver of such plan). Under
24 the Federal Medicaid program, the Secretary—

25 “(1) may use the Federally Facilitated Market-
26 place to facilitate eligibility determinations and en-

1 rollments under the Federal Medicaid Program and
2 shall establish a set of eligibility rules to be applied
3 under the Program in a manner consistent with sec-
4 tion 1902(e)(14);

5 “(2) shall establish benefits, beneficiary protec-
6 tions, and access to care standards by, at a min-
7 imum—

8 “(A) establishing a minimum set of health
9 benefits to be provided (and providing such ben-
10 efits) under the Federal Medicaid program,
11 which shall be in compliance with the require-
12 ments of section 1937 and shall consist of
13 benchmark coverage described in section
14 1937(b)(1) or benchmark equivalent coverage
15 described in section 1937(b)(2) to the same ex-
16 tent as medical assistance provided to such an
17 individual under this title (without application
18 of this section) is required under section
19 1902(k)(1) to consist of such benchmark cov-
20 erage or benchmark equivalent coverage;

21 “(B) applying the provisions of sections
22 1902(a)(8), 1902(a)(34), and 1943 with respect
23 to such an individual, health benefits under the
24 Federal Medicaid program, and making applica-
25 tion for such benefits in the same manner as

1 such provisions would apply to such an indi-
2 vidual, medical assistance under this title (other
3 than pursuant to this section), and making ap-
4 plication for such medical assistance under this
5 title (other than pursuant to this section); and
6 providing that redeterminations and appeals of
7 eligibility and coverage determinations of items
8 and services (including benefit reductions, ter-
9 minations, and suspension) shall be conducted
10 under the Federal Medicaid program in accord-
11 ance with a Federal fair hearing process estab-
12 lished by the Secretary that is subject to the
13 same requirements as applied under section
14 1902(a)(3) with respect to redeterminations
15 and appeals of eligibility, and with respect to
16 coverage of items and services (including benefit
17 reductions, terminations, and suspension),
18 under a State plan under this title and that
19 may provide for such fair hearings related to
20 denials of eligibility (based on modified adjusted
21 gross income eligibility determinations) to be
22 conducted through the Federally Facilitated
23 Marketplace for Exchanges;

24 “(C) applying, in accordance with sub-
25 section (d), the provisions of section 1927

1 (other than subparagraphs (B) and (C) of sub-
2 section (b)(1) of such section) with respect to
3 the Secretary and payment under the Federal
4 Medicaid program for covered outpatient drugs
5 with respect to a rebate period in the same
6 manner and to the same extent as such provi-
7 sions apply with respect to a State and payment
8 under the State plan for covered outpatient
9 drugs with respect to the rebate period;

10 “(D) applying the provisions of sections
11 1902(a)(14), 1902(a)(23), 1902(a)(47), and
12 1920 through 1920C (as applicable) to the Fed-
13 eral Medicaid program and such individuals en-
14 rolled in and entitled to health benefits under
15 such program in the same manner and to the
16 same extent as such provisions apply to such in-
17 dividuals eligible for medical assistance under
18 the State plan, and applying the provisions of
19 section 1902(a)(30)(A) with respect to medical
20 assistance available under the Federal Medicaid
21 program in the same manner and to the same
22 extent as such provisions apply to medical as-
23 sistance under a State plan under this title, ex-
24 cept that—

1 “(i) the Secretary shall provide that
2 no cost sharing shall be applied under the
3 Federal Medicaid program;

4 “(ii) the Secretary may waive the pro-
5 visions of subparagraph (A) of section
6 1902(a)(23) to the extent deemed appro-
7 priate to facilitate the implementation of
8 managed care;

9 “(iii) in applying the provisions of sec-
10 tion 1902(a)(47) and sections 1920
11 through 1920C, the Secretary—

12 “(I) shall establish a single pre-
13 sumptive eligibility process for individ-
14 uals eligible under the Federal Med-
15 icaid program, under which the Sec-
16 retary may contract with entities to
17 carry out such process; and

18 “(II) may apply such provisions
19 and process in accordance with such
20 phased-in implementation as the Sec-
21 retary deems necessary, but beginning
22 as soon as practicable); and

23 “(E) prohibiting payment from being avail-
24 able under the Federal Medicaid program for

1 any item or service subject to a payment exclu-
2 sion under this title or title XI.

3 “(b) ADMINISTRATION OF FEDERAL MEDICAID PRO-
4 GRAM THROUGH CONTRACTS WITH MEDICAID MANAGED
5 CARE ORGANIZATION AND THIRD PARTY PLAN ADMINIS-
6 TRATOR REQUIREMENTS.—

7 “(1) IN GENERAL.—For the purpose of pro-
8 viding medical assistance to individuals described in
9 section 1902(a)(10)(A)(i)(VIII) enrolled under the
10 Federal Medicaid program across all coverage gap
11 geographic areas (as defined in paragraph (8)) in
12 which such individuals reside, the Secretary shall so-
13 licit bids described in paragraph (2) and enter into
14 contracts with a total of at least 2 eligible entities
15 (as specified by the Secretary, which may be a med-
16 icaid managed care organization (in this section de-
17 fined as a managed care organization described in
18 section 1932(a)(1)(B)(i)), a third party plan admin-
19 istrator, or both). An eligible entity entering into a
20 contract with the Secretary under this paragraph
21 may administer such benefits as a medicaid man-
22 aged care organization (as so defined), in which case
23 such contract shall be in accordance with paragraph
24 (3) with respect to such geographic area, or as a
25 third-party administrator, in which case such con-

1 tract shall be in accordance with paragraph (4) with
2 respect to such geographic area. The Secretary may
3 so contract with a Medicaid managed care organiza-
4 tion or third party plan administrator in each cov-
5 erage gap geographic area (and may specify which
6 type of eligible entity may bid with respect to a cov-
7 erage gap geographic area or areas) and may con-
8 tract with more than one such eligible entity in the
9 same coverage gap geographic area.

10 “(2) BIDS.—

11 “(A) IN GENERAL.—To be eligible to enter
12 into a contract under this subsection, for a
13 year, an entity shall submit (at such time, in
14 such manner, and containing such information
15 as specified by the Secretary) one or more bids
16 to provide medical assistance under the Pro-
17 gram in one or more coverage gap geographic
18 areas, which are actuarially sound and reflect
19 the projected monthly cost to the entity of pro-
20 viding medical assistance under the Program to
21 an individual enrolled under the Program in
22 such a geographic area (or areas) for such year.

23 “(B) SELECTION.—In selecting from bids
24 submitted under subparagraph (A) for purposes
25 of entering into contracts with eligible entities

1 under this subsection, with respect to a cov-
2 erage gap geographic area, the Secretary shall
3 take into account at least each of the following,
4 with respect to each such bid:

5 “(i) Network adequacy (as proposed
6 in the submitted bid).

7 “(ii) The amount, duration, and scope
8 of benefits (such as value-added services
9 offered in the submitted bid), as compared
10 to the minimum set of benefits established
11 by the Secretary under subsection
12 (a)(2)(A).

13 “(iii) The amount of the bid, taking
14 into account the average per member cost
15 of providing medical assistance under
16 State plans under this title (or waivers of
17 such plans) to individuals enrolled in such
18 plans (or waivers) who are at least 18
19 years of age and residing in the coverage
20 gap geographic area, as well as the average
21 cost of providing medical assistance under
22 State plans under this title (and waivers of
23 such plans) to individuals described in sec-
24 tion 1902(a)(10)(A)(i)(VIII).

1 “(iv) The organizational capacity of
2 the entity, the experience of the entity with
3 Medicaid managed care, the experience of
4 the entity with Medicaid managed care for
5 individuals described in section
6 1902(a)(10)(A)(i)(VIII), the performance
7 of the entity (if available) on the adult core
8 set quality measures in States that are not
9 coverage gap States.

10 “(3) CONTRACT WITH MEDICAID MANAGED
11 CARE ORGANIZATION.—In the case of a contract
12 under paragraph (1) between the Secretary and an
13 eligible entity administering benefits under the Pro-
14 gram as a Medicaid managed care organization, with
15 respect to one or more coverage gap geographic
16 areas, the following shall apply:

17 “(A) The provisions of clauses (i) through
18 (xi) of section 1903(m)(2)(A), clause (xii) of
19 such section (to the extent such clause relates
20 to subsections (b), (d), (f), and (i) of section
21 1932), and clause (xiii) of such section
22 1903(m)(2)(A) shall, to the greatest extent
23 practicable, apply to the contract, to the Sec-
24 retary, and to the Medicaid managed care orga-
25 nization, with respect to providing medical as-

1 sistance under the Federal Medicaid program
2 with respect to such area (or areas), in the
3 same manner and to the same extent as such
4 provisions apply to a contract under section
5 1903(m) between a State and an entity that is
6 a medicaid managed care organization (as de-
7 fined in section 1903(m)(1)), to the State, and
8 to the entity, with respect to providing medical
9 assistance to individuals eligible for benefits
10 under this title.

11 “(B) The provisions of section 1932(h)
12 shall apply to the contract, Secretary, and Med-
13 icaid managed care organization.

14 “(C) The contract shall provide that the
15 entity pay claims in a timely manner and in ac-
16 cordance with the provisions of section
17 1902(a)(37).

18 “(D) The contract shall provide that the
19 Secretary shall make payments under this sec-
20 tion to the entity, with respect to coverage of
21 each individual enrolled under the Program in
22 such a coverage gap geographic area with re-
23 spect to which the entity administers the Pro-
24 gram in an amount specified in the contract,

1 subject to subparagraph (D)(ii) and paragraph
2 (6).

3 “(E) The contract shall require—

4 “(i) the application of a minimum
5 medical loss ratio (as calculated under sub-
6 section (d) of section 438.8 of title 42,
7 Code of Federal Regulations (or any suc-
8 cessor regulation)) for payment for medical
9 assistance administered by the managed
10 care organization under the Program, with
11 respect to a year, that is equal to or great-
12 er than 85 percent (or such higher percent
13 as specified by the Secretary); and

14 “(ii) in the case, with respect to a
15 year, the minimum medical loss ratio (as
16 so calculated) for payment for services
17 under the benefits so administered is less
18 than 85 percent (or such higher percent as
19 specified by the Secretary under clause
20 (i)), remittance by the organization to the
21 Secretary of any payments (or portions of
22 payments) made to the organization under
23 this section in an amount equal to the dif-
24 ference in payments for medical assistance,
25 with respect to the year, resulting from the

1 organization's failure to meet such ratio
2 for such year.

3 “(F) The contract shall require that the el-
4 igible entity submit to the Secretary—

5 “(i) the number of individuals enrolled
6 in the Program with respect to each cov-
7 erage gap geographic area and month with
8 respect to which the contract applies;

9 “(ii) encounter data (disaggregated by
10 race, ethnicity, and age) with respect to
11 each coverage gap geographic area and
12 month with respect to which the contract
13 applies; and

14 “(iii) such additional information as
15 specified by the Secretary for purposes of
16 payment, program integrity, oversight,
17 quality measurement, or such other pur-
18 pose specified by the Secretary.

19 “(G) The contract shall require that the el-
20 igible entity perform any other activity identi-
21 fied by the Secretary.

22 “(4) CONTRACT WITH A THIRD PARTY PLAN
23 ADMINISTRATOR.—

24 “(A) IN GENERAL.—In the case of a con-
25 tract under paragraph (1) between the Sec-

1 retary and an eligible entity to administer the
2 Program as a third party plan administrator,
3 with respect to one or more coverage gap geo-
4 graphic areas, such contract shall provide that,
5 with respect to medical assistance provided
6 under the Federal Medicaid program to individ-
7 uals who are enrolled in the Program with re-
8 spect to such area (or areas)—

9 “(i) the third party plan administrator
10 shall, consistent with such requirements as
11 may be established by the Secretary—

12 “(I) establish provider networks,
13 payment rates, and utilization man-
14 agement, consistent with the provi-
15 sions of section 1902(a)(30)(A), as
16 applied by subsection (a)(4) of this
17 section;

18 “(II) pay claims in a timely man-
19 ner and in accordance with the provi-
20 sions of section 1902(a)(37);

21 “(III) submit to the Secretary—

22 “(aa) the number of individ-
23 uals enrolled in the Program with
24 respect to each coverage gap geo-
25 graphic area and month with re-

1 spect to which the contract ap-
2 plies;

3 “(bb) encounter data
4 (disaggregated by race, ethnicity,
5 and age) with respect to each
6 coverage gap geographic area and
7 month with respect to which the
8 contract applies; and

9 “(cc) such additional infor-
10 mation as specified by the Sec-
11 retary for purposes of payment,
12 program integrity, oversight,
13 quality measurement, or such
14 other purpose specified by the
15 Secretary; and

16 “(IV) perform any other activity
17 identified by the Secretary;

18 “(ii) the Secretary shall make pay-
19 ments (for the claims submitted by the
20 third party plan administrator and for an
21 economic and efficient administrative fee)
22 under this section to the third party plan
23 administrator, with respect to coverage of
24 each individual enrolled under the Program
25 in a coverage gap geographic area with re-

1 spect to which the third party plan admin-
2 istrator administers the Program in an
3 amount determined under the contract,
4 subject to subclause (VI)(bb) and para-
5 graph (7); and

6 “(iii) the provisions of clause (xii) of
7 section 1903(m)(2)(A) (to the extent such
8 clause relates to subsections (b), (d), (f),
9 and (i) of section 1932) shall, to the great-
10 est extent practicable, apply to the con-
11 tract, to the Secretary, and to the third
12 party plan administrator, with respect to
13 providing medical assistance under the
14 Federal Medicaid program with respect to
15 such area (or areas), in the same manner
16 and to the same extent as such provisions
17 apply to a contract under section 1903(m)
18 between a State and an entity that is a
19 medicaid managed care organization (as
20 defined in section 1903(m)(1)), to the
21 State, and to the entity, with respect to
22 providing medical assistance to individuals
23 eligible for benefits under this title

24 “(B) THIRD PARTY PLAN ADMINISTRATOR
25 DEFINED.—For purposes of this section, the

1 term ‘third party plan administrator’ means an
2 entity that satisfies such requirements as estab-
3 lished by the Secretary, which shall include at
4 least that such an entity administers health
5 plan benefits, pays claims under the plan, es-
6 tablishes provider networks, sets payment rates,
7 and are not risk-bearing entities.

8 “(5) ADMINISTRATIVE AUTHORITY.—The Sec-
9 retary may take such actions as are necessary to ad-
10 minister this subsection, including by setting net-
11 work adequacy standards, establishing quality re-
12 quirements, establishing reporting requirements, lim-
13 iting administrative costs, and specifying any other
14 program requirements or standards necessary in
15 contracting with specified entities under this sub-
16 section, and overseeing such entities, with respect to
17 the administration of the Federal Medicaid program.

18 “(6) PREEMPTION.—In carrying out the duties
19 under a contract entered into under paragraph (1)
20 between the Secretary and a Medicaid managed care
21 organization or a third party plan administrator,
22 with respect to a coverage gap State—

23 “(A) the Secretary may establish minimum
24 standards and licensure requirements for such a
25 Medicaid managed care organization or third

1 party plan administrator for purposes of car-
2 rying out such duties; and

3 “(B) any provisions of law of that State
4 which relate to the licensing of the organization
5 or administrator and which prohibit the organi-
6 zation or administrator from providing coverage
7 pursuant to a contract under this section shall
8 be superseded.

9 “(7) PENALTIES.—In the case of an eligible en-
10 tity with a contract under this section that fails to
11 comply with the requirements of such entity pursu-
12 ant to this section or such contract, the Secretary
13 may withhold payment (or any portion of such pay-
14 ment) to such entity under this section in accord-
15 ance with a process specified by the Secretary, im-
16 pose a corrective action plan on such entity, termi-
17 nate the contract, or impose a civil monetary penalty
18 on such entity in an amount not to exceed \$10,000
19 for each such failure. In implementing this para-
20 graph, the Secretary shall have the authorities pro-
21 vided the Secretary under section 1932(e) and sub-
22 parts F and I of part 438 of title 42, Code of Fed-
23 eral Regulations.

24 “(8) COVERAGE GAP GEOGRAPHIC AREA.—For
25 purposes of this section, the term ‘coverage gap geo-

1 graphic area' means an area of one or more coverage
2 gap States, as specified by the Secretary, or any
3 area within such a State, as specified by the Sec-
4 retary.

5 “(c) PERIODIC DATA MATCHING.—The Secretary
6 shall, including through contract, periodically verify the
7 income of an individual enrolled in the Federal Medicaid
8 program for a year, before the end of such year, to deter-
9 mine if there has been any change in the individual’s eligi-
10 bility for benefits under the program. For purposes of the
11 previous sentence, in the case that, pursuant to such
12 verification, an individual is determined to have had a
13 change in income that results in such individual no longer
14 be included as an individual described in section
15 1902(a)(10)(A)(i)(VIII), the Secretary shall apply the
16 same processes and protections as States are required
17 under this title to apply with respect to an individual who
18 is determined to have had a change in income that results
19 in such individual no longer being included as eligible for
20 medical assistance under this title (other than pursuant
21 to this section).

22 “(d) DRUG REBATES.—For purposes of subsection
23 (a)(2)(C), in applying section 1927, the Secretary shall
24 (either directly or through contracts)—

1 “(1) require an eligible entity with a contract
2 under subsection (b) to report the data required to
3 be reported under section 1927(b)(2) by a State
4 agency and require such entity to submit to the Sec-
5 retary rebate data, utilization data, and any other
6 information that would otherwise be required under
7 section 1927 to be submitted to the Secretary by a
8 State;

9 “(2) shall take such actions as are necessary
10 and develop or adapt such processes and mecha-
11 nisms as are necessary to report and collect data as
12 is necessary and to bill and track rebates under sec-
13 tion 1927, as applied pursuant to subsection
14 (a)(2)(B) for drugs that are provided under the Fed-
15 eral Medicaid program;

16 “(3) provide that the coverage requirements of
17 prescription drugs under the Federal Medicaid pro-
18 gram comply with the coverage requirements under
19 section 1927;

20 “(4) require that in order for payment to be
21 available under the Federal Medicaid program or
22 under section 1903(a) for covered outpatient drugs
23 of a manufacturer, the manufacturer must have en-
24 tered into and have in effect a rebate agreement to
25 provide rebates under section 1927 to the Federal

1 Medicaid program in the same form and manner as
2 the manufacturer is required to provide rebates
3 under an agreement described in section 1927(b) to
4 a State Medicaid program under this title;

5 “(5) require an eligible entity with a contract
6 under subsection (b) to provide for a drug use re-
7 view program described in subsection (g) of section
8 1927 in accordance with the requirements applicable
9 to a State under such subsection (g) with respect to
10 a drug use review program; and

11 “(6) adopt a mechanism to prevent the require-
12 ments of section 1927 from applying to covered out-
13 patient drugs under the Federal Medicaid program
14 pursuant to this subsection and subsection (a)(2)(C)
15 if such drugs are subject to discounts under section
16 340B of the Public Health Service Act.

17 “(e) TRANSITIONS.—

18 “(1) FROM EXCHANGE PLANS ONTO FEDERAL
19 MEDICAID PROGRAM.—The Secretary shall provide
20 for a process under which, in the case of individuals
21 entitled to medical assistance pursuant section
22 1902(a)(10)(A)(i)(VIII) who are enrolled in qualified
23 health plans through an Exchange in a coverage gap
24 State, the Secretary takes such steps as are nec-
25 essary to transition such individuals to coverage

1 under the Federal Medicaid program. Such process
2 shall apply procedures described in section
3 1943(b)(1)(C) to screen for eligibility and enroll-
4 ment under the Federal Medicaid program in the
5 same manner as such procedures screen for eligi-
6 bility and enrollment under qualified health plans
7 through an Exchange established under title I of the
8 Patient Protection and Affordable Care Act.

9 “(2) IN CASE COVERAGE GAP STATE BEGINS
10 PROVIDING COVERAGE UNDER STATE PLAN.—The
11 Secretary shall provide for a process for, in the case
12 of a coverage gap State in which the State begins
13 to provide medical assistance to individuals described
14 in section 1902(a)(10)(A)(i)(VIII) under the State
15 plan (or waiver of such plan) and the Federal Med-
16 icaid program ceases to be offered, transitioning in-
17 dividuals from such program to the State plan (or
18 waiver), as eligible, including a process for
19 transitioning all eligibility redeterminations.

20 “(3) AUTHORITY FOR PHASE-IN.—The Sec-
21 retary may apply section 1902(a)(34), pursuant to
22 subsection (a)(2)(B) of this section, in accordance
23 with such phased-in implementation as the Secretary
24 deems necessary, but beginning as soon as prac-
25 ticable.

1 “(f) COORDINATION WITH AND ENROLLMENT
2 THROUGH EXCHANGES.—The Secretary shall take such
3 actions as are necessary to provide, in the case of a cov-
4 erage gap State in which the Federal Medicaid program
5 is offered, for the availability of information on, deter-
6 minations of eligibility for, and enrollment in such pro-
7 gram through and coordinated with the Exchange estab-
8 lished with respect to such State under title I of the Pa-
9 tient Protection and Affordable Care Act.

10 “(g) THIRD PARTY LIABILITY.—The provisions of
11 section 1902(a)(25) shall apply with respect to the Fed-
12 eral Medicaid program, the Secretary, and the eligible en-
13 tities with a contract under subsection (b) in the same
14 manner as such provisions apply with respect to State
15 plans under this title (or waiver of such plans) and the
16 State or local agency administering such plan (or waiver).
17 The Secretary may specify a timeline (which may include
18 a phase-in) for implementing this subsection.

19 “(h) FRAUD AND ABUSE PROVISIONS.—Provisions of
20 law (other than criminal law provisions) identified by the
21 Secretary, in consultation (as appropriate) with the In-
22 spector General of the Department of Health and Human
23 Services, that impose sanctions with respect to waste,
24 fraud, and abuse under this title or title XI, such as the
25 False Claims Act (31 U.S.C. 3729 et seq.), as well as pro-

1 visions of law (other than criminal law provisions) identi-
2 fied by the Secretary that provide oversight authority,
3 shall also apply to the Federal Medicaid program.

4 “(i) MAINTENANCE OF EFFORT.—

5 “(1) PAYMENT.—

6 “(A) IN GENERAL.—In the case of a State
7 that, as of January 1, 2022, is expending
8 amounts for all individuals described in section
9 1902(a)(10)(A)(i)(VIII) under the State plan
10 (or waiver of such plan) and that stops expend-
11 ing amounts for all such individuals under the
12 State plan (or waiver of such plan), such State
13 shall for each quarter beginning after January
14 1, 2022, during which such State does not ex-
15 pend amounts for all such individuals provide
16 for payment under this subsection to the Sec-
17 retary of the product of—

18 “(i) 10 percent of, subject to subpara-
19 graph (B), the average monthly per capita
20 costs expended under the State plan (or
21 waiver of such plan) for such individuals
22 during the most recent previous quarter
23 with respect to which the State expended
24 amounts for all such individuals; and

1 “(ii) the sum, for each month during
2 such quarter, of the number of individuals
3 enrolled under such program in such State.

4 “(B) ANNUAL INCREASE.—For purposes of
5 subparagraph (A), in the case of a State with
6 respect to which such subparagraph applies
7 with respect to a period of consecutive quarters
8 occurring during more than one calendar year,
9 for such consecutive quarters occurring during
10 the second of such calendar years or a subse-
11 quent calendar year, the average monthly per
12 capita costs for each such quarter for such
13 State determined under subparagraph (A)(i), or
14 this subparagraph, shall be annually increased
15 by the Secretary by the percentage increase in
16 Medicaid spending under this title during the
17 preceding year (as determined based on the
18 most recent National Health Expenditure data
19 with respect to such year).

20 “(2) FORM AND MANNER OF PAYMENT.—Pay-
21 ment under paragraph (1) shall be made in a form
22 and manner specified by the Secretary.

23 “(3) COMPLIANCE.—If a State fails to pay to
24 the Secretary an amount required under paragraph
25 (1), interest shall accrue on such amount at the rate

1 provided under section 1903(d)(5). The amount so
2 owed and applicable interest shall be immediately
3 offset against amounts otherwise payable to the
4 State under section 1903(a), in accordance with the
5 Federal Claims Collection Act of 1996 and applica-
6 ble regulations.

7 “(4) DATA MATCH.—The Secretary shall per-
8 form such periodic data matches as may be nec-
9 essary to identify and compute the number of indi-
10 viduals enrolled under the Federal Medicaid pro-
11 gram under section 1948 in a coverage gap State (as
12 referenced in subsection (a) of such section) for pur-
13 poses of computing the amount under paragraph
14 (1).

15 “(5) NOTICE.—The Secretary shall notify each
16 State described in paragraph (1) not later than a
17 date specified by the Secretary that is before the be-
18 ginning of each quarter (beginning with 2022) of the
19 amount computed under paragraph (1) for the State
20 for that year.

21 “(j) APPROPRIATIONS.—In addition to amounts oth-
22 erwise available, there is appropriated, out of any funds
23 in the Treasury not otherwise appropriated, for each fiscal
24 year such sums as are necessary to carry out subsections
25 (a) through (i) of this section.”.

1 (b) DRUG REBATE CONFORMING AMENDMENT.—
2 Section 1927(a)(1) of the Social Security Act (42 U.S.C.
3 1396r–8(a)(1)) is amended in the first sentence—

4 (1) by striking “or under part B of title XVIII”
5 and inserting “, under the Federal Medicaid pro-
6 gram under section 1948, or under part B of title
7 XVIII”; and

8 (2) by inserting “including as such subsection is
9 applied pursuant to subsections (a)(2)(C) and (d) of
10 section 1948 with respect to the Federal Medicaid
11 program,” before “and must meet”.

12 **PART 2—EXPANDING ACCESS TO MEDICAID**

13 **HOME AND COMMUNITY-BASED SERVICES**

14 **SEC. 30711. DEFINITIONS.**

15 In this part:

16 (1) APPROPRIATE COMMITTEES OF CON-
17 GRESS.—The term “appropriate committees of Con-
18 gress” means the Committee on Energy and Com-
19 merce of the House of Representatives, the Com-
20 mittee on Finance of the Senate, the Committee on
21 Health, Education, Labor and Pensions of the Sen-
22 ate, and the Special Committee on Aging of the Sen-
23 ate.

24 (2) DIRECT CARE WORKER.—The term “direct
25 care worker” means, with respect to a State, any of

1 the following individuals who by contract, by receipt
2 of payment for care, or as a result of the operation
3 of law, provides directly to Medicaid eligible individ-
4 uals home and community-based services available
5 under the State Medicaid program:

6 (A) A registered nurse, licensed practical
7 nurse, nurse practitioner, or clinical nurse spe-
8 cialist who provides licensed nursing services, or
9 a licensed nursing assistant who provides such
10 services under the supervision of a registered
11 nurse, licensed practical nurse, nurse practi-
12 tioner, or clinical nurse specialist.

13 (B) A direct support professional.

14 (C) A personal care attendant.

15 (D) A home health aide.

16 (E) Any other paid health care profes-
17 sional or worker determined to be appropriate
18 by the State and approved by the Secretary.

19 (3) HCBS PROGRAM IMPROVEMENT STATE.—
20 The term “HCBS program improvement State”
21 means a State that is awarded a planning grant
22 under section 1011(a) and has an HCBS improve-
23 ment plan approved by the Secretary under section
24 1011(d).

1 (4) HEALTH PLAN.—The term “health plan”
2 means any of the following entities that provide or
3 arrange for home and community-based services for
4 Medicaid eligible individuals who are enrolled with
5 the entities under a contract with a State:

6 (A) A medicaid managed care organiza-
7 tion, as defined in section 1903(m)(1)(A) of the
8 Social Security Act (42 U.S.C.
9 1396b(m)(1)(A)).

10 (B) A prepaid inpatient health plan or pre-
11 paid ambulatory health plan, as defined in sec-
12 tion 438.2 of title 42, Code of Federal Regula-
13 tions (or any successor regulation)).

14 (C) Any other entity determined to be ap-
15 propriate by the State and approved by the Sec-
16 retary.

17 (5) HOME AND COMMUNITY-BASED SERV-
18 ICES.—The term “home and community-based serv-
19 ices” means any of the following (whether provided
20 on a fee-for-service, risk, or other basis):

21 (A) Home health care services authorized
22 under paragraph (7) of section 1905(a) of the
23 Social Security Act (42 U.S.C. 1396d(a)).

24 (B) Private duty nursing services author-
25 ized under paragraph (8) of such section, when

1 such services are provided in a Medicaid eligible
2 individual's home.

3 (C) Personal care services authorized
4 under paragraph (24) of such section.

5 (D) PACE services authorized under para-
6 graph (26) of such section.

7 (E) Home and community-based services
8 authorized under subsections (b), (c), (i), (j),
9 and (k) of section 1915 of such Act (42 U.S.C.
10 1396n), authorized under a waiver under sec-
11 tion 1115 of such Act (42 U.S.C. 1315), or
12 provided through coverage authorized under
13 section 1937 of such Act (42 U.S.C. 1396u-7).

14 (F) Case management services authorized
15 under section 1905(a)(19) of the Social Secu-
16 rity Act (42 U.S.C. 1396d(a)(19)) and section
17 1915(g) of such Act (42 U.S.C. 1396n(g)).

18 (G) Rehabilitative services, including those
19 related to behavioral health, described in section
20 1905(a)(13) of such Act (42 U.S.C.
21 1396d(a)(13)).

22 (H) Self-directed personal assistance serv-
23 ices authorized under section 1915(j) of the So-
24 cial Security Act (42 U.S.C. 1396n(j)).

1 (I) School-based services when the school
2 is the location for provision of services if the
3 services are—

4 (i) authorized under section 1905(a)
5 of such Act (42 U.S.C. 1396d(a)) (or
6 under a waiver under section 1915(c) or
7 demonstration under section 1115) ; and

8 (ii) described in another subparagraph
9 of this paragraph.

10 (J) Such other services specified by the
11 Secretary.

12 (6) INSTITUTIONAL SETTING.—The term “insti-
13 tutional setting” means—

14 (A) a skilled nursing facility (as defined in
15 section 1819(a) of the Social Security Act (42
16 U.S.C. 1395i–3(a)));

17 (B) a nursing facility (as defined in section
18 1919(a) of such Act (42 U.S.C. 1396r(a)));

19 (C) a long-term care hospital (as described
20 in section 1886(d)(1)(B)(iv) of such Act (42
21 U.S.C. 1395ww(d)(1)(B)(iv)));

22 (D) a facility (or distinct part thereof) de-
23 scribed in section 1905(d) of such Act (42
24 U.S.C. 1396d(d));

1 (E) an institution (or distinct part thereof)
2 which is a psychiatric hospital (as defined in
3 section 1861(f) of such Act (42 U.S.C.
4 1395x(f))) or that provides inpatient psychiatric
5 services in a residential setting specified by the
6 Secretary;

7 (F) an institution (or distinct part thereof)
8 described in section 1905(i) of such Act (42
9 U.S.C. 1396d(i)); and

10 (G) any other relevant facility, as deter-
11 mined by the Secretary.

12 (7) MEDICAID ELIGIBLE INDIVIDUAL.—The
13 term “Medicaid eligible individual” means an indi-
14 vidual who is eligible for and receiving medical as-
15 sistance under a State Medicaid plan or a waiver
16 such plan. Such term includes an individual who
17 would become eligible for medical assistance and en-
18 rolled under a State Medicaid plan, or waiver of
19 such plan, upon removal from a waiting list.

20 (8) STATE MEDICAID PROGRAM.—The term
21 “State Medicaid program” means, with respect to a
22 State, the State program under title XIX of the So-
23 cial Security Act (42 U.S.C. 1396 et seq.) (including
24 any waiver or demonstration under such title or

1 under section 1115 of such Act (42 U.S.C. 1315) re-
2 lating to such title).

3 (9) SECRETARY.—The term “Secretary” means
4 the Secretary of Health and Human Services.

5 (10) STATE.—The term “State” means each of
6 the 50 States, the District of Columbia, Puerto Rico,
7 the Virgin Islands, Guam, the Northern Mariana Is-
8 lands, and American Samoa.

9 **SEC. 30712. HCBS IMPROVEMENT PLANNING GRANTS.**

10 (a) FUNDING.—

11 (1) IN GENERAL.—In addition to amounts oth-
12 erwise available, there is appropriated to the Sec-
13 retary for fiscal year 2022, out of any money in the
14 Treasury not otherwise appropriated, \$130,000,000,
15 to remain available until expended, for carrying out
16 this section.

17 (2) TECHNICAL ASSISTANCE AND GUIDANCE.—
18 The Secretary shall reserve \$5,000,000 of the
19 amount appropriated under paragraph (1) for pur-
20 poses of issuing guidance and providing technical as-
21 sistance to States intending to apply for, or award-
22 ed, a planning grant under this section, and for
23 other administrative expenses related to awarding
24 planning grants under this section.

25 (b) AWARD AND USE OF GRANTS.—

1 (1) DEADLINE FOR AWARD OF GRANTS.—From
2 the amount appropriated under subsection (a)(1),
3 the Secretary, not later than 12 months after the
4 date of enactment of this Act, shall solicit State re-
5 quests for HCBS improvement planning grants and
6 award such grants to all States that meet such re-
7 quirements as determined by the Secretary.

8 (2) CRITERIA FOR DETERMINING AMOUNT OF
9 GRANTS.—The Secretary shall take into account the
10 improvements a State would propose to make, con-
11 sistent with the areas of focus of the HCBS im-
12 provement plan requirements described under sub-
13 section (c) in determining the amount of the plan-
14 ning grant to be awarded to each State that requests
15 such a grant.

16 (3) USE OF FUNDS.—A State awarded a plan-
17 ning grant under this section shall use the grant to
18 carry out planning activities for purposes of devel-
19 oping and submitting to the Secretary an HCBS im-
20 provement plan for the State that meets the require-
21 ments of subsections (c) and (d) in order to expand
22 access to home and community-based services and
23 strengthen the direct care workforce that provides
24 such services. A State may use planning grant funds
25 to support activities related to the implementation of

1 the HCBS improvement plan for the State, collect
2 and report information described in subsection (c),
3 identify areas for improvement to the service deliv-
4 ery systems for home and community-based services,
5 carry out activities related to evaluating payment
6 rates for home and community-based services and
7 identifying improvements to update the rate setting
8 process, and for such other purposes as the Sec-
9 retary shall specify, including the following:

10 (A) Caregiver supports.

11 (B) Addressing social determinants of
12 health (other than housing or homelessness).

13 (C) Promoting equity and addressing
14 health disparities.

15 (D) Promoting community integration and
16 compliance with the home and community-based
17 settings rule published on January 16, 2014, or
18 any successor regulation.

19 (E) Building partnerships.

20 (F) Infrastructure investments (such as
21 case management or other information tech-
22 nology systems).

23 (c) HCBS IMPROVEMENT PLAN REQUIREMENTS.—

24 In order to meet the requirements of this subsection, an
25 HCBS improvement plan developed using funds awarded

1 to a State under this section shall include, with respect
2 to the State and subject to subsection (d), the following:

3 (1) EXISTING MEDICAID HCBS LANDSCAPE.—

4 (A) ELIGIBILITY AND BENEFITS.—A de-
5 scription of the existing standards, pathways,
6 and methodologies for eligibility (which shall be
7 delineated by the State based on eligibility
8 group under the State plan or waiver of such
9 plan) for home and community-based services,
10 including limits on assets and income, the home
11 and community-based services available under
12 the State Medicaid program and the types of
13 settings in which they may be provided, and
14 utilization management standards for such
15 services.

16 (B) ACCESS.—

17 (i) BARRIERS.—A description of the
18 barriers to accessing home and community-
19 based services in the State identified by
20 Medicaid eligible individuals, the families
21 of such individuals, and providers of such
22 services, such as barriers for individuals
23 who wish to leave institutional settings, in-
24 dividuals experiencing homelessness or
25 housing instability, and individuals in geo-

1 graphical areas of the State with low or no
2 access to such services.

3 (ii) AVAILABILITY; UNMET NEED.—A
4 summary, in accordance with guidance
5 issued by the Secretary, of the extent to
6 which home and community-based services
7 are available to all individuals in the State
8 who would be eligible for such services
9 under the State Medicaid program (includ-
10 ing individuals who are on a waitlist for
11 such services).

12 (C) UTILIZATION.—An assessment of the
13 utilization of home and community-based serv-
14 ices in the State during such period specified by
15 the Secretary.

16 (D) SERVICE DELIVERY STRUCTURES AND
17 SUPPORTS.—A description of the service deliv-
18 ery structures for providing home and commu-
19 nity-based services in the State, including
20 whether models of self-direction are used and to
21 which Medicaid eligible individuals such models
22 are available, the share of total services that are
23 administered by agencies, the use of managed
24 care and fee-for-service to provide such services,
25 and the supports provided for family caregivers.

1 (E) WORKFORCE.—A description of the di-
2 rect care workforce that provides home and
3 community-based services, including estimates
4 (and a description of the methodology used to
5 develop such estimates) of the number of full-
6 and part-time direct care workers, the average
7 and range of direct care worker wages, the ben-
8 efits provided to direct care workers, the turn-
9 over and vacancy rates of direct care worker po-
10 sitions, the membership of direct care workers
11 in labor organizations and, to the extent the
12 State has access to such data, demographic in-
13 formation about such workforce, including in-
14 formation on race, ethnicity, and gender.

15 (F) PAYMENT RATES.—

16 (i) IN GENERAL.—A description of the
17 payment rates for home and community-
18 based services, including, to the extent ap-
19 plicable, how payments for such services
20 are factored into the development of man-
21 aged care capitation rates, and when the
22 State last updated payment rates for home
23 and community-based services, and the ex-
24 tent to which payment rates are passed
25 through to direct care worker wages.

1 (ii) ASSESSMENT.—An assessment of
2 the relationship between payment rates for
3 such services and average beneficiary wait
4 times for such services, provider-to-bene-
5 ficiary ratios in the geographic region.

6 (G) QUALITY.—A description of how the
7 quality of home and community-based services
8 is measured and monitored.

9 (H) LONG-TERM SERVICES AND SUPPORTS
10 PROVIDED IN INSTITUTIONAL SETTINGS.—A de-
11 scription of the number of individuals enrolled
12 in the State Medicaid program who receive
13 items and services for greater than 30 days in
14 an institutional setting that is a nursing facility
15 or intermediate care facility, and the demo-
16 graphic information of such individuals who are
17 provided such items and services in such set-
18 tings.

19 (I) HCBS SHARE OF OVERALL MEDICAID
20 LTSS SPENDING.—For the most recent State
21 fiscal year for which complete data is available,
22 the percentage of expenditures made by the
23 State under the State Medicaid program for
24 long-term services and supports that are for
25 home and community-based services.

1 (J) DEMOGRAPHIC DATA.—To the extent
2 available and as applicable with respect to the
3 information required under subparagraphs
4 (B),(C), and (H), demographic data for such
5 information, disaggregated by age groups, pri-
6 mary disability, income brackets, gender, race,
7 ethnicity, geography, primary language, and
8 type of service setting.

9 (2) GOALS FOR HCBS IMPROVEMENTS.—A de-
10 scription of how the State will do the following:

11 (A) Conduct the activities required under
12 subsection (jj) of section 1905 of the Social Se-
13 curity Act(as added under section 30713).

14 (B) Reduce barriers and disparities in ac-
15 cess or utilization of home and community-
16 based services in the State.

17 (C) Monitor and report (with supporting
18 data to the extent available and applicable
19 disaggregated by age groups, primary disability,
20 income brackets, gender, race, ethnicity, geog-
21 raphy, primary language, and type of service
22 setting, on—

23 (i) access to home and community-
24 based services under the State Medicaid
25 program, disparities in access to such serv-

1 ices, and the utilization of such services;
2 and

3 (ii) the amount of State Medicaid ex-
4 penditures for home and community-based
5 services under the State Medicaid program
6 as a proportion of the total amount of
7 State expenditures under the State Med-
8 icaid program for long-term services and
9 supports.

10 (D) Monitor and report on wages, benefits,
11 and vacancy and turnover rates for direct care
12 workers.

13 (E) Assess and monitor the sufficiency of
14 payments under the State Medicaid program
15 for the specific types of home and community-
16 based services available under such program for
17 purposes of supporting direct care worker re-
18 cruitment and retention and ensuring the avail-
19 ability of home and community-based services.

20 (F) Coordinate implementation of the
21 HCBS improvement plan among the State
22 Medicaid agency, agencies serving individuals
23 with disabilities, agencies serving the elderly,
24 and other relevant State and local agencies and
25 organizations that provide related supports,

1 such as those for housing, transportation, em-
2 ployment, and other services and supports.

3 (d) DEVELOPMENT AND APPROVAL REQUIRE-
4 MENTS.—

5 (1) DEVELOPMENT REQUIREMENTS.—In order
6 to meet the requirements of this subsection, a State
7 awarded a planning grant under this section shall
8 develop an HCBS improvement plan for the State
9 with input from stakeholders through a public notice
10 and comment process that includes consultation with
11 Medicaid eligible individuals who are recipients of
12 home and community-based services, family care-
13 givers of such recipients, providers, health plans, di-
14 rect care workers, chosen representatives of direct
15 care workers, and aging, disability, and workforce
16 advocates.

17 (2) AUTHORITY TO ADJUST CERTAIN PLAN
18 CONTENT REQUIREMENTS.—The Secretary may
19 modify the requirements for any of the information
20 specified in subsection (c)(1) if a State requests a
21 modification and demonstrates to the satisfaction of
22 the Secretary that it is impracticable for the State
23 to collect and submit the information.

24 (3) SUBMISSION AND APPROVAL.—Not later
25 than 24 months after the date on which a State is

1 awarded a planning grant under this section, the
2 State shall submit an HCBS improvement plan for
3 approval by the Secretary, along with assurances by
4 the State that the State will implement the plan in
5 accordance with the requirements of the HCBS Im-
6 provement Program established under subsection (jj)
7 of section 1905 of the Social Security Act (42
8 U.S.C. 1396d) (as added by section 30713). The
9 Secretary shall approve and make publicly available
10 the HCBS improvement plan for a State after the
11 plan and such assurances are submitted to the Sec-
12 retary for approval and the Secretary determines the
13 plan meets the requirements of subsection (c). A
14 State may amend its HCBS improvement plan, sub-
15 ject to the approval of the Secretary that the plan
16 as so amended meets the requirements of subsection
17 (c). The Secretary may withhold or recoup funds
18 provided under this section to a State or pursuant
19 to section 1905(jj) of the Social Security Act, as
20 added by section 30713, if the State fails to imple-
21 ment the HCBS improvement plan of the State or
22 meet applicable deadlines under this section.

1 **SEC. 30713. HCBS IMPROVEMENT PROGRAM.**

2 (a) INCREASED FMAP FOR HCBS PROGRAM IM-
3 PROVEMENT STATES.—Section 1905 of the Social Secu-
4 rity Act (42 U.S.C. 1396d) is amended—

5 (1) in subsection (b), by striking “and (ii)” and
6 inserting “(ii), and (jj)”; and

7 (2) by adding at the end the following new sub-
8 section:

9 “(jj) ADDITIONAL SUPPORT FOR HCBS PROGRAM
10 IMPROVEMENT STATES.—

11 “(1) IN GENERAL.—

12 “(A) ADDITIONAL SUPPORT.—Subject to
13 paragraph (5), in the case of a State that is an
14 HCBS program improvement State, for each
15 fiscal quarter that begins on or after the first
16 date on which the State is an HCBS program
17 improvement State—

18 “(i) and for which the State meets the
19 requirements described in paragraphs (2)
20 and (4), notwithstanding subsection (b) or
21 (ff), subject to subparagraph (B), with re-
22 spect to amounts expended during the
23 quarter by such State for medical assist-
24 ance for home and community-based serv-
25 ices, the Federal medical assistance per-
26 centage for such State and quarter (as de-

1 terminated for the State under subsection
2 (b) and, if applicable, increased under sub-
3 section (y), (z), (aa), or (ii), or section
4 6008(a) of the Families First Coronavirus
5 Response Act) shall be increased by 7 per-
6 centage points; and

7 “(ii) with respect to the State meeting
8 the requirements described in paragraphs
9 (2) and (4), notwithstanding section
10 1903(a)(7), 1903(a)(3)(F), and 1903(t),
11 with respect to amounts expended during
12 the quarter and before October 1, 2031,
13 for administrative costs for expanding and
14 enhancing home and community-based
15 services, including for enhancing Medicaid
16 data and technology infrastructure, modi-
17 fying rate setting processes, adopting or
18 improving training programs for direct
19 care workers and family caregivers, and
20 adopting, carrying out, or enhancing pro-
21 grams that register direct care workers or
22 connect beneficiaries to direct care work-
23 ers, the per centum specified in such sec-
24 tion shall be increased to 80 percent.

1 In no case may the application of clause (i) re-
2 sult in the Federal medical assistance percent-
3 age determined for a State being more than 95
4 percent with respect to such expenditures. In no
5 case shall the application of clause (ii) result in
6 a reduction to the per centum otherwise speci-
7 fied without application of such clause. Any in-
8 crease pursuant to clause (ii) shall be available
9 to a State before the State meets the require-
10 ments of paragraphs (2) and (4).

11 “(B) ADDITIONAL HCBS IMPROVEMENT
12 EFFORTS.—Subject to paragraph (5), in addi-
13 tion to the increase to the Federal medical as-
14 sistance percentage under subparagraph (A)(i)
15 for amounts expended during a quarter for
16 medical assistance for home and community-
17 based services by an HCBS program improve-
18 ment State that meets the requirements of
19 paragraphs (2) and (4) for the quarter, the
20 Federal medical assistance percentage for
21 amounts expended by the State during the
22 quarter for medical assistance for home and
23 community-based services shall be further in-
24 creased by 2 percentage points (but not to ex-
25 ceed 95 percent) during the first 8 fiscal quar-

1 ters throughout which the State has imple-
2 mented and has in effect a program to support
3 self-directed care that meets the requirements
4 of paragraph (3).

5 “(C) NONAPPLICATION OF TERRITORIAL
6 FUNDING CAPS.—Any payment made to Puerto
7 Rico, the Virgin Islands, Guam, the Northern
8 Mariana Islands, or American Samoa for ex-
9 penditures that are subject to an increase in the
10 Federal medical assistance percentage under
11 subparagraph (A)(i) or (B), or an increase in
12 an applicable Federal matching percentage
13 under subparagraph (A)(ii), shall not be taken
14 into account for purposes of applying payment
15 limits under subsections (f) and (g) of section
16 1108.

17 “(D) NONAPPLICATION TO CHIP EFMAP.—
18 Any increase described in subparagraph (A) (or
19 payment made for expenditures on medical as-
20 sistance that are subject to such increase) shall
21 not be taken into account in calculating the en-
22 hanced FMAP of a State under section 2105.

23 “(2) REQUIREMENTS.—As conditions for re-
24 ceipt of the increase under paragraph (1) to the
25 Federal medical assistance percentage determined

1 for a State, with respect to a fiscal year quarter, the
2 State shall meet each of the following requirements:

3 “(A) NONSUPPLANTATION.—The State
4 uses the Federal funds attributable to the in-
5 crease in the Federal medical assistance per-
6 centage for amounts expended during a quarter
7 for medical assistance for home and commu-
8 nity-based services under subparagraphs (A)
9 and, if applicable, (B) of paragraph (1) to sup-
10 plement, and not supplant, the level of State
11 funds expended for home and community-based
12 services for eligible individuals through pro-
13 grams in effect as of the date the State is
14 awarded a planning grant under section 30712
15 of the Act titled ‘An Act to provide for rec-
16 onciliation pursuant to title II of S. Con. Res.
17 14’. In applying this subparagraph, the Sec-
18 retary shall provide that a State shall have a 3-
19 year period to spend any accumulated unspent
20 State funds attributable to the increase de-
21 scribed in clause (i) in the Federal medical as-
22 sistance percentage.

23 “(B) MAINTENANCE OF EFFORT.—

24 “(i) IN GENERAL.—The State does
25 not—

1 “(I) reduce the amount, dura-
2 tion, or scope of home and commu-
3 nity-based services available under the
4 State plan or waiver (relative to the
5 home and community-based services
6 available under the plan or waiver as
7 of the date on which the State was
8 awarded a planning grant under sec-
9 tion 30712 of the Act titled ‘An Act
10 to provide for reconciliation pursuant
11 to title II of S. Con. Res. 14’;

12 “(II) reduce payment rates for
13 home and community-based services
14 lower than such rates that were in
15 place as of the date described in sub-
16 clause (I), including, to the extent ap-
17 plicable, payment rates for such serv-
18 ices that are included in managed
19 care capitation rates; or

20 “(III) except to the extent per-
21 mitted under clause (ii), adopt more
22 restrictive standards, methodologies,
23 or procedures for determining eligi-
24 bility, benefits, or services for receipt
25 of home and community-based serv-

1 ices, including with respect to cost-
2 sharing, than the standards, meth-
3 odologies, or procedures applicable as
4 of such date.

5 “(ii) FLEXIBILITY TO SUPPORT INNO-
6 VATIVE MODELS.—A State may make
7 modifications that would otherwise violate
8 the maintenance of effort described in
9 clause (i) if the State demonstrates to the
10 satisfaction of the Secretary that such
11 modifications shall not result in—

12 “(I) home and community-based
13 services that are less comprehensive
14 or lower in amount, duration, or
15 scope;

16 “(II) fewer individuals (overall
17 and within particular eligibility groups
18 and categories) receiving home and
19 community-based services; or

20 “(III) increased cost-sharing for
21 home and community-based services.

22 “(C) ACCESS TO SERVICES.—Not later
23 than an implementation date as specified by the
24 Secretary after the first day of the first fiscal
25 quarter for which a State receives an increase

1 to the Federal medical assistance percentage or
2 other applicable Federal matching percentage
3 under paragraph (1), the State does all of the
4 following to improve access to services:

5 “(i) Reduce access barriers and dis-
6 parities in access or utilization of home
7 and community-based services, as de-
8 scribed in the State HCBS improvement
9 plan.

10 “(ii) Provides coverage of personal
11 care services authorized under subsection
12 (a)(24) for all individuals eligible for med-
13 ical assistance in the State.

14 “(iii) Provides for navigation of home
15 and community-based services through ‘no
16 wrong door’ programs, provides expedited
17 eligibility for home and community-based
18 services, and improves home and commu-
19 nity-based services counseling and edu-
20 cation programs.

21 “(iv) Expands access to behavioral
22 health services as defined in the State’s
23 HCBS improvement plan.

24 “(v) Improves coordination of home
25 and community-based services with em-

1 employment, housing, and transportation sup-
2 ports.

3 “(vi) Provides supports to family care-
4 givers, such as respite care, caregiver as-
5 sessments, peer supports, or paid family
6 caregiving.

7 “(vii) Adopts, expands eligibility for,
8 or expands covered items and services pro-
9 vided under 1 or more eligibility categories
10 authorized under subclause (XIII), (XV),
11 or (XVI) of section 1902(a)(10)(A)(ii).

12 “(D) STRENGTHENED AND EXPANDED
13 WORKFORCE.—

14 “(i) IN GENERAL.—The State
15 strengthens and expands the direct care
16 workforce that provides home and commu-
17 nity-based services by—

18 “(I) adopting processes to ensure
19 that payments for home and commu-
20 nity-based services are sufficient to
21 ensure that care and services are
22 available to the extent described in the
23 State HCBS improvement plan; and

24 “(II) updating qualification
25 standards (as appropriate), and devel-

1 oping and adopting training opportu-
2 nities, for the continuum of providers
3 of home and community-based serv-
4 ices, including programs for inde-
5 pendent providers of such services and
6 agency direct care workers, as well as
7 unique programs and resources for
8 family caregivers.

9 “(ii) PAYMENT RATES.—In carrying
10 out clause (i)(I), the State shall—

11 “(I) update and increase, as ap-
12 propriate, payment rates for delivery
13 of home and community-based serv-
14 ices to support the recruitment and
15 retention of the direct care workforce;

16 “(II) review and, if necessary to
17 ensure sufficient access to care, in-
18 crease payment rates for home and
19 community-based services, not less
20 frequently than once every 3 years,
21 through a transparent process involv-
22 ing meaningful input from stake-
23 holders, including recipients of home
24 and community-based services, family
25 caregivers of such recipients, pro-

1 viders, health plans, direct care work-
2 ers, chosen representatives of direct
3 care workers, and aging, disability,
4 and workforce advocates; and

5 “(III) ensure that increases in
6 the payment rates for home and com-
7 munity-based services—

8 “(aa) at a minimum, results
9 in a proportionate increase to
10 payments for direct care workers
11 and in a manner that is deter-
12 mined with input from the stake-
13 holders described in subclause
14 (II); and

15 “(bb) incorporate into pro-
16 vider payment rates for home
17 and community-based services
18 provided under this title by a
19 managed care entity (as defined
20 in section 1932(a)(1)(B)) a pre-
21 paid inpatient health plan or pre-
22 paid ambulatory health plan, as
23 defined in section 438.2 of title
24 42, Code of Federal Regulations
25 (or any successor regulation)),

1 under a contract and paid
2 through capitation rates with the
3 State.

4 “(3) SELF-DIRECTED MODELS FOR THE DELIV-
5 ERY OF SERVICES.—As conditions for receipt of the
6 increase under paragraph (1)(B) to the Federal
7 medical assistance percentage determined for a
8 State, with respect to a fiscal year quarter, the State
9 shall establish directly, or by contract with 1 or
10 more non-profit entities, including an agency with
11 choice or a similar service delivery model, a program
12 for the performance of all of the following functions:

13 “(A) Registering qualified direct care
14 workers and assisting beneficiaries in finding
15 direct care workers.

16 “(B) Undertaking activities to recruit and
17 train independent providers to enable bene-
18 ficiaries to direct their own care, including by
19 providing or coordinating training for bene-
20 ficiaries on self-directed care.

21 “(C) Ensuring the safety of, and sup-
22 porting the quality of, care provided to bene-
23 ficiaries, such as by conducting background
24 checks and addressing complaints reported by
25 recipients of home and community-based serv-

1 ices consistent with Fair Hearing requirements
2 and prior notice of service reductions, including
3 under subpart F of part 438 of title 42, Code
4 of Federal Regulations and section 438.71(d) of
5 such title.

6 “(D) Facilitating coordination between
7 State and local agencies and direct care workers
8 for matters of public health, training opportuni-
9 ties, changes in program requirements, work-
10 place health and safety, or related matters.

11 “(E) Supporting beneficiary hiring, if se-
12 lected by the beneficiary, of independent pro-
13 viders of home and community-based services,
14 including by processing applicable tax informa-
15 tion, collecting and processing timesheets, sub-
16 mitting claims and processing payments to such
17 providers.

18 “(F) To the extent a State permits bene-
19 ficiaries to hire a family member or individual
20 with whom they have an existing relationship to
21 provide home and community-based service,
22 providing support to beneficiaries who wish to
23 hire a caregiver who is a family member or in-
24 dividual with whom they have an existing rela-
25 tionship, such as by facilitating enrollment of

1 such family member or individual as a provider
2 of home and community-based services under
3 the State plan or a waiver of such plan.

4 “(G) Ensuring that such programs do not
5 discriminate against labor organizations or
6 workers who may join or decline to join a labor
7 organization.

8 “(4) REPORTING AND OVERSIGHT.—As condi-
9 tions for receipt of the increase under paragraph (1)
10 to the Federal medical assistance percentage deter-
11 mined for a State, with respect to a fiscal year quar-
12 ter, the State shall meet each of the following re-
13 quirements:

14 “(A) The State designates (by a date spec-
15 ified by the Secretary) an HCBS ombudsman
16 office that—

17 “(i) operates independently from the
18 State Medicaid agency and managed care
19 entities;

20 “(ii) provides direct assistance to re-
21 cipients of home and community-based
22 services available under the State Medicaid
23 program and their families; and

1 “(iii) identifies and reports systemic
2 problems to State officials, the public, and
3 the Secretary.

4 “(B) Beginning with the 5th fiscal quarter
5 for which the State is an HCBS program im-
6 provement State, and annually thereafter, the
7 State reports to the Secretary on the state (as
8 of the last quarter before the report) of the
9 components of the home and community-based
10 services landscape described in the State HCBS
11 improvement plan, including with respect to—

12 “(i) the availability and utilization of
13 home and community-based services,
14 disaggregated (to the extent available and
15 as applicable) by age groups, primary dis-
16 ability, income brackets, gender, race, eth-
17 nicity, geography, primary language, and
18 type of service setting;

19 “(ii) wages, benefits, turnover and va-
20 cancy rates for the direct care workforce;

21 “(iii) changes in payment rates for
22 home and community-based services;

23 “(iv) implementation of the activities
24 to strengthen and expand access to home
25 and community-based services and the di-

1 rect care workforce that provides such
2 services in accordance with the require-
3 ments of subparagraphs (C) and (D) of
4 paragraph (2);

5 “(v) if applicable, implementation of
6 the activities described in paragraph (3);

7 “(vi) State expenditures for home and
8 community-based services under the State
9 plan or a waiver of such plan as a propor-
10 tion of the total amount of State expendi-
11 tures under the plan or waiver of such plan
12 for long-term services and supports; and

13 “(vii) the challenges in, and best prac-
14 tices for, expanding access to home and
15 community-based services, reducing dis-
16 parities, and supporting and expanding the
17 direct care workforce.

18 “(5) BENCHMARKS FOR DEMONSTRATING IM-
19 PROVEMENTS.—An HCBS program improvement
20 State shall cease to be eligible for an increase in the
21 Federal medical assistance percentage under para-
22 graph (1)(A)(i) or (1)(B) or an increase in an appli-
23 cable Federal matching percentage under paragraph
24 (1)(A)(ii) at any time or beginning with the 29th fis-
25 cal quarter that begins on or after the first date on

1 which a State is an HCBS program improvement
2 State if the State is found to be out of compliance
3 with paragraph (2)(B) or any other requirement of
4 this subsection and, beginning with such 29th fiscal
5 quarter, unless, not later than 90 days before the
6 first day of such fiscal quarter, the State submits to
7 the Secretary a report demonstrating the following
8 improvements:

9 “(A) Increased availability (above a mar-
10 ginal increase) of home and community-based
11 services in the State relative to such availability
12 as reported in the State HCBS improvement
13 plan and adjusted for demographic changes in
14 the State since the submission of such plan.

15 “(B) Reduced disparities in the utilization
16 and availability of home and community-based
17 services relative to the availability and utiliza-
18 tion of such services by such populations as re-
19 ported in such plan according to age groups,
20 primary disability, income brackets, gender,
21 race, ethnicity, geography, primary language,
22 and type of service setting (to the extent avail-
23 able and applicable), and adjusted for demo-
24 graphic changes in the State since the submis-
25 sion of such plan.

1 “(C) Evidence that rates are sufficient to
2 ensure access to items and services for individ-
3 uals eligible for HCBS in such State.

4 “(D) With respect to the percentage of ex-
5 penditures made by the State for long-term
6 services and supports that are for home and
7 community-based services, in the case of an
8 HCBS program improvement State for which
9 such percentage (as reported in the State
10 HCBS improvement plan) was—

11 “(i) less than 50 percent, the State
12 demonstrates that the percentage of such
13 expenditures has increased to at least 50
14 percent since the plan was approved; and

15 “(ii) at least 50 percent, the State
16 demonstrates that such percentage has not
17 decreased since the plan was approved.

18 “(6) DEFINITIONS.—In this subsection, the
19 terms ‘State Medicaid plan’, ‘direct care worker’,
20 ‘HCBS program improvement State’, and ‘home and
21 community-based services’ have the meaning given
22 those terms in section 30711 of the Act titled ‘An
23 Act to provide for reconciliation pursuant to title II
24 of S. Con. Res. 14.’.”

1 **SEC. 30714. FUNDING FOR TECHNICAL ASSISTANCE AND**
2 **OTHER ADMINISTRATIVE REQUIREMENTS**
3 **RELATED TO MEDICAID HCBS.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 available, there is appropriated to the Secretary for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$35,000,000, to remain available until ex-
8 pended, to carry out the following activities:

9 (1) To prepare and submit to the appropriate
10 committees of Congress—

11 (A) not later than 4 years after the date
12 of enactment of this Act, a report that in-
13 cludes—

14 (i) a description of the HCBS im-
15 provement plans approved by the Secretary
16 under section 30712(d);

17 (ii) a description (which may be a
18 narrative report with examples or other-
19 wise) of the landscape, at both the national
20 and State levels, with respect to gaps in
21 coverage of home and community-based
22 services, disparities in access to, and utili-
23 zation of, such services, and barriers to ac-
24 cessing such services; and

25 (iii) a description of the national land-
26 scape with respect to the direct care work-

1 force that provides home and community-
2 based services, including with respect to
3 wages, benefits, and challenges to the
4 availability of such workers; and

5 (B) not later than 7 years after the date
6 of enactment of this Act, and every 3 years
7 thereafter, a report that includes—

8 (i) the number of HCBS program im-
9 provement States;

10 (ii) a summary of the progress being
11 made by such States with respect to
12 strengthening and expanding access to
13 home and community-based services and
14 the direct care workforce that provides
15 such services and meeting the benchmarks
16 for demonstrating improvements required
17 under section 1905(jj)(5) of the Social Se-
18 curity Act (as added by section 30713);

19 (iii) a summary of States' perform-
20 ance measures as a part of the home and
21 community-based services core quality
22 measures and beneficiary and family care-
23 giver surveys; and

24 (iv) a summary of the challenges and
25 best practices reported by States in ex-

1 panding access to home and community-
2 based services and supporting and expand-
3 ing the direct care workforce that provides
4 such services.

5 (2) To provide HCBS program improvement
6 States with technical assistance related to carrying
7 out the HCBS improvement plans approved by the
8 Secretary under section 30712(d) and meeting the
9 requirements and benchmarks for demonstrating im-
10 provements required under section 1905(jj) of the
11 Social Security Act (as added by section 30713),
12 and to issue such guidance or regulations as nec-
13 essary to carry out this subtitle and the amendments
14 made by this subtitle, including guidance specifying
15 how States shall assess and track access to home
16 and community-based services over time.

17 **SEC. 30715. FUNDING FOR HCBS QUALITY MEASUREMENT**
18 **AND IMPROVEMENT.**

19 (a) IN GENERAL.—Title XI of the Social Security Act
20 (42 U.S.C. 1301 et seq.) is amended—

21 (1) in section 1139A—

22 (A) in subsection (a)(4)(B)—

23 (i) by striking “Beginning with the
24 annual State report on fiscal year 2024”
25 and inserting the following:

1 “(i) IN GENERAL.—Subject to clause
2 (ii), beginning with the annual State report
3 on fiscal year 2024”; and

4 (ii) by adding at the end the following
5 new clause:

6 “(ii) REPORTING HCBS QUALITY
7 MEASURES.—With respect to reporting on
8 information regarding the quality of home
9 and community-based services provided to
10 children under title XIX, beginning with
11 the annual State report for the first fiscal
12 year that begins on or after the date that
13 is 2 years after the date that the Secretary
14 publishes the home and community-based
15 services quality measures developed under
16 subsection (b)(5)(B) the Secretary shall re-
17 quire States to report such information
18 using the standardized format for report-
19 ing information and procedures developed
20 under subparagraph (A) and using such
21 home and community-based quality meas-
22 ures developed under subsection (b)(5) (in-
23 cluding any updates or changes to such
24 measures).”;

25 (B) in subsection (b)(5)—

1 (i) by striking “Beginning no later
2 than January 1, 2013” and inserting the
3 following:

4 “(A) IN GENERAL.—Beginning no later
5 than January 1, 2013”; and

6 (ii) by adding at the end the following
7 new subparagraph:

8 “(B) HCBS QUALITY MEASURES.—Begin-
9 ning with the first year that begins on the date
10 that is 2 years after the date of enactment of
11 this subparagraph, the core measures described
12 in subsection (a) (and any updates or changes
13 to such measures) shall include home and com-
14 munity-based services quality measures devel-
15 oped by the Secretary in the manner described
16 in section 1139B(b)(5)(D). The Secretary may
17 determine which measures are to be included in
18 the core set under this section and which in the
19 core set under section 1139B, based on the dif-
20 ferences in health care needs for the relevant
21 populations.”; and

22 (2) in section 1139B—

23 (A) in subsection (b)—

24 (i) in paragraph (3), by adding at the
25 end the following new subparagraph:

1 “(C) MANDATORY REPORTING WITH RE-
2 SPECT TO HCBS QUALITY MEASURES.—Begin-
3 ning with the State report required under sub-
4 section (d)(1) for the first year that begins on
5 or after the date that is 2 years after the date
6 that the Secretary publishes the home and com-
7 munity-based quality measures developed under
8 paragraph (5)(D), the Secretary shall require
9 States to report information, using the stand-
10 ardized format for reporting information and
11 procedures developed under subparagraph (A),
12 regarding the quality of home and community-
13 based services for Medicaid eligible adults using
14 either—

15 “(i) the home and community-based
16 services quality measures included in the
17 core set of adult health quality measures
18 under subparagraph (D), and any updates
19 or changes to such measures; or

20 “(ii) an equivalent alternative set of
21 home and community-based services qual-
22 ity measures approved by the Secretary.”;
23 and

24 (ii) in paragraph (5), by adding at the
25 end the following new subparagraph:

1 “(D) HCBS QUALITY MEASURES.—

2 “(i) IN GENERAL.—Beginning with
3 respect to State reports required under
4 subsection (d)(1) for the first year that be-
5 gins on or after the date that is 2 years
6 after the date of enactment of this sub-
7 paragraph, the core set of adult health
8 quality measures maintained under this
9 paragraph (and any updates or changes to
10 such measures) shall include home and
11 community-based services quality measures
12 developed in accordance with this subpara-
13 graph.

14 “(ii) REQUIREMENTS.—

15 “(I) INTERAGENCY COLLABORA-
16 TION; STAKEHOLDER INPUT.—In de-
17 veloping (and subsequently reviewing
18 and updating) the home and commu-
19 nity-based services quality measures
20 included in the core set of adult
21 health quality measures maintained
22 under this paragraph, the Secretary
23 shall—

24 “(aa) collaborate with the
25 Administrator of the Centers for

1 Medicare & Medicaid Services,
2 the Administrator of the Admin-
3 istration for Community Living,
4 the Director of the Agency for
5 Healthcare Research and Qual-
6 ity, and the Assistant Secretary
7 for Mental Health and Substance
8 Use; and

9 “(bb) ensure that such home
10 and community-based services
11 quality measures are informed by
12 input from stakeholders, includ-
13 ing recipients of home and com-
14 munity-based services, family
15 caregivers of such recipients, pro-
16 viders, health plans, direct care
17 workers, chosen representatives
18 of direct care workers, and aging,
19 disability, and workforce advo-
20 cates.

21 “(II) REFLECTIVE OF FULL
22 ARRAY OF SERVICES.—Such home and
23 community-based services quality
24 measures shall—

1 “(aa) reflect the full array
2 of home and community-based
3 services and recipients of such
4 services; and

5 “(bb) include—

6 “(AA) outcomes-based
7 measures;

8 “(BB) measures of
9 availability of services;

10 “(CC) measures of pro-
11 vider capacity and avail-
12 ability;

13 “(DD) measures re-
14 lated to person-centered
15 care;

16 “(EE) measures spe-
17 cific to self-directed care;

18 “(FF) measures related
19 to transitions to and from
20 institutional care; and

21 “(GG) beneficiary and
22 family caregiver surveys.

23 “(III) DEMOGRAPHICS.—Such
24 home and community-based services
25 quality measures shall allow for the

1 collection, to the extent available, of
2 data that is disaggregated by age
3 groups, primary disability, income
4 brackets, gender, race, ethnicity, geog-
5 raphy, primary language, and type of
6 service setting.

7 “(IV) DEFINITIONS.—For pur-
8 poses of this section and section
9 1139A, the terms ‘home and commu-
10 nity-based services’, ‘health plan’; and
11 ‘direct care worker’ have the mean-
12 ings given those terms in section
13 30711 of the Act titled ‘An Act to
14 provide for reconciliation pursuant to
15 title II of S. Con. Res. 14’.

16 “(iii) FUNDING.—In addition to
17 amounts otherwise available, there is ap-
18 propriated to the Secretary for fiscal year
19 2022, out of any money in the Treasury
20 not otherwise appropriated, \$5,000,000, to
21 remain available until expended, for car-
22 rying out this subparagraph.”; and

23 (B) in subsection (d)(1)(A), by striking “;
24 and” and inserting “and, beginning with the re-
25 port for the first year that begins after the date

1 that is 2 years after the Secretary publishes the
2 home and community-based quality measures
3 developed under subsection (b)(5)(D), home
4 and community-based services quality measures
5 included in the core set of adult health quality
6 measures maintained under subsection (b)(5)
7 and any updates or changes to such measures
8 or an equivalent alternative set of home and
9 community-based services quality measures ap-
10 proved by the Secretary; and”.

11 (b) INCREASED FEDERAL MATCHING RATE FOR
12 ADOPTION AND REPORTING.—

13 (1) IN GENERAL.—Section 1903(a)(3) of the
14 Social Security Act (42 U.S.C. 1396b(a)(3)) is
15 amended—

16 (A) in subparagraph (F)(ii), by striking
17 “plus” after the semicolon and inserting “and”;
18 and

19 (B) by inserting after subparagraph (F),
20 the following:

21 “(G) 80 percent of so much of the sums
22 expended during such quarter as are attrib-
23 utable to the reporting of information regarding
24 the quality of home and community-based serv-

1 ices in accordance with sections
2 1139A(a)(4)(B)(ii) and 1139B(b)(3)(C); and”.

3 (2) EXEMPTION FROM TERRITORIES’ PAYMENT
4 LIMITS.—Section 1108(g)(4) of the Social Security
5 Act is amended by adding at the end the following
6 new subparagraph:

7 “(C) ADDITIONAL EXEMPTION RELATING
8 TO HCBS QUALITY REPORTING.—Payments
9 under section 1903(a)(3)(G) shall not be taken
10 into account in applying payment limits under
11 subsection (f) and this subsection.”.

12 **PART 3—OTHER MEDICAID**

13 **SEC. 30721. PERMANENT EXTENSION OF MEDICAID PRO-**
14 **TECTIONS AGAINST SPOUSAL IMPOVERISH-**
15 **MENT FOR RECIPIENTS OF HOME AND COM-**
16 **MUNITY-BASED SERVICES.**

17 Section 1924(h)(1)(A) of the Social Security Act (42
18 U.S.C. 1396r–5(h)(1)(A)) is amended by striking “(at the
19 option of the State) is described in section
20 1902(a)(10)(A)(ii)(VI)” and inserting the following: “is
21 eligible for medical assistance for home and community-
22 based services provided under subsection (c), (d), or (i)
23 of section 1915 or under a waiver approved under section
24 1115, or who is eligible for such medical assistance by rea-
25 son of being determined eligible under section

1 1902(a)(10)(C) or by reason of section 1902(f) or other-
2 wise on the basis of a reduction of income based on costs
3 incurred for medical or other remedial care, or who is eligi-
4 ble for medical assistance for home and community-based
5 attendant services and supports under section 1915(k)”.

6 **SEC. 30722. PERMANENT EXTENSION OF MONEY FOLLOWS**
7 **THE PERSON REBALANCING DEMONSTRA-**
8 **TION.**

9 (a) IN GENERAL.—Subsection (h) of section 6071 of
10 the Deficit Reduction Act of 2005 (42 U.S.C. 1396a note)
11 is amended—

12 (1) in paragraph (1)—

13 (A) in subparagraph (I), by inserting
14 “and” after the semicolon;

15 (B) by amending subparagraph (J) to read
16 as follows:

17 “(J) \$450,000,000 for each fiscal year
18 after fiscal year 2021.”; and

19 (C) by striking subparagraph (K);

20 (2) in paragraph (2), by striking “September
21 30, 2023” and inserting “September 30 of the sub-
22 sequent fiscal year”; and

23 (3) by adding at the end the following new
24 paragraph:

1 “(3) TECHNICAL ASSISTANCE.—Out of the
2 amounts made available under paragraph (1), for
3 the 3-year period beginning with fiscal year 2022
4 and for each subsequent 3-year period, \$5,000,000
5 shall be made available for carrying out subsection
6 (f) and (i).”.

7 (b) REDISTRIBUTION OF UNEXPENDED GRANT
8 AWARDS.—Subsection (e)(2) of section 6071 of the Deficit
9 Reduction Act of 2005 (42 U.S.C. 1396a note) is amended
10 by adding at the end the following new sentence: “Any
11 portion of a State grant award for a fiscal year under this
12 section that is unexpended by the State at the end of the
13 fourth succeeding fiscal year shall be rescinded by the Sec-
14 retary and added to the appropriation for the fifth suc-
15 ceeding fiscal year.”.

16 **SEC. 30723. EXTENDING CONTINUOUS MEDICAID COV-**
17 **ERAGE FOR PREGNANT AND POSTPARTUM**
18 **WOMEN.**

19 (a) REQUIRING FULL BENEFITS FOR PREGNANT
20 AND POSTPARTUM WOMEN FOR 12-MONTH PERIOD POST
21 PREGNANCY.—

22 (1) IN GENERAL.—Paragraph (5) of section
23 1902(e) of the Social Security Act (42 U.S.C.
24 1396a(e)) is amended—

1 (A) by striking “(5) A woman who” and
2 inserting “(5)(A) For any fiscal year quarter
3 with respect to which the amendments made by
4 section 30723(a)(1)(B) of the Act titled ‘An
5 Act to provide for reconciliation pursuant to
6 title II of S. Con. Res. 14’ do not apply (begin-
7 ning with the first fiscal year quarter beginning
8 one year after the date of the enactment of
9 such Act), a woman who”; and

10 (B) by adding at the end the following new
11 subparagraph:

12 “(B) For any fiscal year quarter (beginning
13 with the first fiscal year quarter beginning one year
14 after the date of the enactment of this subpara-
15 graph), any individual who, while pregnant, is eligi-
16 ble for and received medical assistance under the
17 State plan or a waiver of such plan (regardless of
18 the basis for the individual’s eligibility for medical
19 assistance and including during a period of retro-
20 active eligibility under subsection (a)(34)), shall re-
21 main eligible, notwithstanding section 1916(c)(3) or
22 any other limitation under this title, for medical as-
23 sistance through the end of the month in which the
24 12-month period (beginning on the last day of preg-
25 nancy of the individual) ends, and such medical as-

1 sistance shall be in accordance with clauses (i) and
2 (ii) of paragraph (16)(B).”.

3 (2) CONFORMING AMENDMENTS.—Title XIX of
4 the Social Security Act (42 U.S.C. 1396 et seq.) is
5 amended—

6 (A) in section 1902(a)(10), in the matter
7 following subparagraph (G), by striking “(VII)
8 the medical assistance” and all that follows
9 through “, (VIII)” and inserting “(VIII)”;

10 (B) in section 1902(e)(6), by striking “In
11 the case of” and inserting “For any fiscal year
12 quarter with respect to which the amendments
13 made by section 30723(a)(1)(B) of the Act ti-
14 tled ‘An Act to provide for reconciliation pursu-
15 ant to title II of S. Con. Res. 14’ do not apply
16 (beginning with the first fiscal year quarter be-
17 ginning one year after the date of the enact-
18 ment of such Act), in the case of”;

19 (C) in section 1902(l)(1)(A), by striking
20 “60-day period” and inserting “12-month pe-
21 riod”;

22 (D) in section 1903(v)(4)(A)—

23 (i) in clause (i), by striking “60-day
24 period” and inserting “12-month period
25 (or, for any fiscal year quarter with respect

1 to which the amendments made by section
2 30723(a)(1)(B) of the Act titled ‘An Act
3 to provide for reconciliation pursuant to
4 title II of S. Con. Res. 14’ do not apply
5 (beginning with the first fiscal year quar-
6 ter beginning one year after the date of the
7 enactment of such Act), 60-day period”);
8 and

9 (ii) in clause (ii), by inserting “and
10 including an individual to whom section
11 1902(e)(5)(B) applies, in accordance with
12 such section, through the end of the month
13 in which the 12-month period (beginning
14 on the last day of pregnancy of the indi-
15 vidual) ends” before the period at the end;
16 and

17 (E) in section 1905(a), in the 4th sentence
18 in the matter following paragraph (31), by
19 striking “60-day period” and inserting “12-
20 month period (or, for any fiscal year quarter
21 with respect to which the amendments made by
22 section 30723(a)(1)(B) of the Act titled ‘An
23 Act to provide for reconciliation pursuant to
24 title II of S. Con. Res. 14’ do not apply (begin-
25 ning with the first fiscal year quarter beginning

1 one year after the date of the enactment of
2 such Act), 60-day period)”.
3

3 (b) TRANSITION FROM STATE OPTION.—Section
4 1902(e)(16)(A) of the Social Security Act (42 U.S.C.
5 1396a(e)(16)(A)) is amended by striking “At the option
6 of the State” and inserting “For any fiscal year quarter
7 with respect to which the amendments made by section
8 30723(a)(1)(B) of the Act titled ‘An Act to provide for
9 reconciliation pursuant to title II of S. Con. Res. 14’ do
10 not apply (beginning with the first fiscal year quarter be-
11 ginning one year after the date of the enactment of such
12 Act), at the option of the State”.

13 (c) EFFECTIVE DATE.—

14 (1) IN GENERAL.—Subject to paragraph (2),
15 the amendments made by this section shall take ef-
16 fect on the 1st day of the 1st fiscal year quarter
17 that begins one year after the date of the enactment
18 of this Act and shall apply with respect to medical
19 assistance provided on or after such date.

20 (2) EXCEPTION FOR STATE LEGISLATION.—In
21 the case of a State plan under title XIX of the So-
22 cial Security Act (42 U.S.C. 1396 et seq.) that the
23 Secretary of Health and Human Services determines
24 requires State legislation in order for the plan to
25 meet any requirement imposed by amendments made

1 by this section, the plan shall not be regarded as
2 failing to comply with the requirements of such title
3 solely on the basis of its failure to meet such a re-
4 quirement before the first day of the first calendar
5 quarter beginning after the close of the first regular
6 session of the State legislature that begins after the
7 date of the enactment of this Act. For purposes of
8 the previous sentence, in the case of a State that has
9 a 2-year legislative session, each year of the session
10 shall be considered to be a separate regular session
11 of the State legislature.

12 **SEC. 30724. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGI-**
13 **BILITY FOR CHILDREN UNDER THE MED-**
14 **ICAID PROGRAM.**

15 (a) IN GENERAL.—Section 1902(e) of the Social Se-
16 curity Act (42 U.S.C. 1396a(e)) is amended—

17 (1) in paragraph (12), by inserting “before the
18 date of the enactment of paragraph (17)” after
19 “subsection (a)(10)(A)”.

20 (2) by adding at the end following new para-
21 graph:

22 “(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR
23 CHILDREN.—The State plan (or waiver of such
24 State plan) shall provide that an individual who is
25 under the age of 19 and who is determined to be eli-

1 gible for benefits under a State plan approved under
2 subsection (a)(10)(A) shall remain eligible for such
3 benefits until the earlier of—

4 “(A) the end of the 12-month period begin-
5 ning on the date of such determination;

6 “(B) the time that such individual attains
7 the age of 19; or

8 “(C) the date that such individual ceases
9 to be a resident of such State.”.

10 (b) EFFECTIVE DATE.—

11 (1) IN GENERAL.—Subject to paragraph (2),
12 the amendments made by subsection (a)(2) shall
13 apply with respect to eligibility determinations or re-
14 determinations made on or after the date of the en-
15 actment of this Act.

16 (2) EXCEPTION FOR STATE LEGISLATION.—In
17 the case of a State plan under title XIX of the So-
18 cial Security Act (42 U.S.C. 1396 et seq.) that the
19 Secretary of Health and Human Services determines
20 requires State legislation in order for the plan to
21 meet any requirement imposed by amendments made
22 under subsection (a)(2), the plan shall not be re-
23 garded as failing to comply with the requirements of
24 such title solely on the basis of its failure to meet
25 such a requirement before the first day of the first

1 calendar quarter beginning after the close of the
2 first regular session of the State legislature that be-
3 gins after the date of the enactment of this Act. For
4 purposes of the previous sentence, in the case of a
5 State that has a 2-year legislative session, each year
6 of the session shall be considered to be a separate
7 regular session of the State legislature.

8 **SEC. 30725. ALLOWING FOR MEDICAL ASSISTANCE UNDER**
9 **MEDICAID FOR INMATES DURING 30-DAY PE-**
10 **RIOD PRECEDING RELEASE.**

11 The subdivision (A) following paragraph (31) of sec-
12 tion 1905(a) of the Social Security Act (42 U.S.C.
13 1396d(a)) is amended by inserting “and, beginning on the
14 first day of the first fiscal year quarter that begins one
15 year after the date of the enactment of the Act titled ‘An
16 Act to provide for reconciliation pursuant to title II of S.
17 Con. Res. 14’, except during the 30-day period preceding
18 the date of release of such individual from such public in-
19 stitution” after “medical institution”.

20 **SEC. 30726. EXTENSION OF CERTAIN PROVISIONS.**

21 (b) EXPRESS LANE ELIGIBILITY OPTION.—Section
22 1902(e)(13) of the Social Security Act (42 U.S.C.
23 1396a(e)(13)) is amended by striking subparagraph (I).

24 (c) CONFORMING AMENDMENTS FOR ASSURANCE OF
25 AFFORDABILITY STANDARD FOR CHILDREN AND FAMI-

1 LIES.—Section 1902(gg)(2) of the Social Security Act (42
2 U.S.C. 1396a(gg)(2)) is amended—

3 (1) in the paragraph heading, by striking
4 “THROUGH SEPTEMBER 30, 2027”; and

5 (2) by striking “through September 30” and all
6 that follows through “ends on September 30, 2027”
7 and inserting “(but beginning on October 1, 2019,”.

8 **Subtitle H—Children’s Health**
9 **Insurance Program**

10 **SEC. 30801. PERMANENT EXTENSION OF CHILDREN’S**
11 **HEALTH INSURANCE PROGRAM.**

12 (a) IN GENERAL.—Section 2104(a)(28) of the Social
13 Security Act (42 U.S.C. 1397dd(a)(28)) is amended to
14 read as follows:

15 “(28) for fiscal year 2027 and each subsequent
16 year, such sums as are necessary to fund allotments
17 to States under subsection (m).”.

18 (b) ALLOTMENTS.—

19 (1) IN GENERAL.—Section 2104(m) of the So-
20 cial Security Act (42 U.S.C. 1397dd(m)) is amend-
21 ed—

22 (A) in paragraph (2)(B)(i), by striking “,
23 2023, and 2027” and inserting “and 2023”;

24 (B) in paragraph (5)—

1 (i) by striking “(10), or (11)” and in-
2 serting “or (10)”;

3 (ii) by striking “for a fiscal year” and
4 inserting “for a fiscal year before 2027”;
5 and

6 (iii) by striking “2023, or 2027” and
7 inserting “or 2023”;

8 (C) in paragraph (7)—

9 (i) in subparagraph (A), by striking
10 “and ending with fiscal year 2027,”; and

11 (ii) in the flush left matter at the end,
12 by striking “or fiscal year 2026” and in-
13 serting “fiscal year 2026, or a subsequent
14 even-numbered fiscal year”;

15 (D) in paragraph (9)—

16 (i) by striking “(10), or (11)” and in-
17 serting “or (10)”;

18 (ii) by striking “2023, or 2027,” and
19 inserting “or 2023”;

20 (E) by striking paragraph (11).

21 (2) CONFORMING AMENDMENT.—Section
22 50101(b)(2) of the Bipartisan Budget Act of 2018
23 (Public Law 115–123) is repealed.

1 **SEC. 30802. PERMANENT EXTENSIONS OF OTHER PRO-**
2 **GRAMS AND DEMONSTRATION PROJECTS.**

3 (a) PEDIATRIC QUALITY MEASURES PROGRAM.—
4 Section 1139A(i)(1) of the Social Security Act (42 U.S.C.
5 1320b–9a(i)(1)) is amended—

6 (1) in subparagraph (C), by striking at the end
7 “and”;

8 (2) in subparagraph (D), by striking the period
9 at the end and insert a semicolon; and

10 (3) by adding at the end the following new sub-
11 paragraphs:

12 “(E) for fiscal year 2028, \$15,000,000 for
13 the purpose of carrying out this section (other
14 than subsections (e), (f), and (g)); and

15 “(F) for a subsequent fiscal year, the
16 amount appropriated under this paragraph for
17 the previous fiscal year, increased by the per-
18 centage increase in the consumer price index for
19 all urban consumers (all items; United States
20 city average) over such previous fiscal year, for
21 the purpose of carrying out this section (other
22 than subsections (e), (f), and (g)).”

23 (b) ASSURANCE OF AFFORDABILITY STANDARD FOR
24 CHILDREN AND FAMILIES.—Section 2105(d)(3) of the
25 Social Security Act (42 U.S.C. 1397ee(d)(3)) is amend-
26 ed—

1 (1) in the paragraph heading, by striking
2 “THROUGH SEPTEMBER 30, 2027”; and

3 (2) in subparagraph (A)—

4 (A) in the matter preceding clause (i)—

5 (i) by striking “During the period
6 that begins on the date of enactment of
7 the Patient Protection and Affordable Care
8 Act and ends on September 30, 2027” and
9 inserting “Beginning on the date of the en-
10 actment of the Patient Protection and Af-
11 fordable Care Act”;

12 (ii) by striking “During the period
13 that begins on October 1, 2019, and ends
14 on September 30, 2027” and inserting
15 “Beginning on October 1, 2019”; and

16 (iii) by striking “The preceding sen-
17 tences shall not be construed as preventing
18 a State during any such periods from” and
19 inserting “The preceding sentences shall
20 not be construed as preventing a State
21 from”;

22 (B) in clause (i), by striking the semicolon
23 at the end and inserting a period;

24 (C) by striking clauses (ii) and (iii); and

1 (D) by striking “periods from” and all that
2 follows through “applying eligibility standards”
3 and inserting “periods from applying eligibility
4 standards”.

5 (c) QUALIFYING STATES OPTION.—Section
6 2105(g)(4) of the Social Security Act (42 U.S.C.
7 1397ee(g)(4)) is amended—

8 (1) in the paragraph heading, by striking “FOR
9 FISCAL YEARS 2009 THROUGH 2027” and inserting
10 “AFTER FISCAL YEAR 2008”; and

11 (2) in subparagraph (A), by striking “for any
12 of fiscal years 2009 through 2027” and inserting
13 “for any fiscal year after fiscal year 2008”.

14 (d) OUTREACH AND ENROLLMENT PROGRAM.—Sec-
15 tion 2113 of the Social Security Act (42 U.S.C. 1397mm)
16 is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (1), by striking “during
19 the period of fiscal years 2009 through 2027”
20 and inserting “, beginning with fiscal year
21 2009,”;

22 (B) in paragraph (2)—

23 (i) by striking “10 percent of such
24 amounts” and inserting “10 percent of
25 such amounts for the period or the fiscal

1 year for which such amounts are appro-
2 priated”; and

3 (ii) by striking “during such period”
4 and inserting “, during such period or such
5 fiscal year,”; and

6 (C) in paragraph (3), by striking “For the
7 period of fiscal years 2024 through 2027, an
8 amount equal to 10 percent of such amounts”
9 and inserting “Beginning with fiscal year 2024,
10 an amount equal to 10 percent of such amounts
11 for the period or the fiscal year for which such
12 amounts are appropriated”; and

13 (2) in subsection (g)—

14 (A) by striking “2017,,” and inserting
15 “2017,”;

16 (B) by striking “and \$48,000,000” and in-
17 serting “\$48,000,000”; and

18 (C) by inserting after “through 2027” the
19 following: “, \$60,000,000 for fiscal years 2028,
20 2029, and 2020, for each 3 fiscal years after
21 fiscal year 2030, the amount appropriated
22 under this subsection for the previous fiscal
23 year, increased by the percentage increase in
24 the consumer price index for all urban con-

1 sumers (all items; United States city average)
2 over such previous fiscal year”.

3 (e) CHILD ENROLLMENT CONTINGENCY FUND.—
4 Section 2104(n) of the Social Security Act (42 U.S.C.
5 1397dd(n)) is amended—

6 (1) in paragraph (2)—

7 (A) in subparagraph (A)(ii)—

8 (i) by striking “and 2024 through
9 2026” and inserting “beginning with fiscal
10 year 2024”; and

11 (ii) by striking “2023, and 2027” and
12 inserting “and 2023”; and

13 (B) in subparagraph (B)—

14 (i) by striking “2024 through 2026”
15 and inserting “beginning with fiscal year
16 2024”; and

17 (ii) by striking “2023, and 2027” and
18 inserting “and 2023”; and

19 (2) in paragraph (3)(A)—

20 (A) by striking “fiscal years 2024 through
21 2026” and inserting “fiscal year 2024 or any
22 subsequent fiscal year”; and

23 (B) by striking “2023, or 2027” and in-
24 serting “or 2023”.

1 **SEC. 30803. STATE OPTION TO INCREASE CHILDREN'S ELI-**
2 **GIBILITY FOR MEDICAID AND CHIP.**

3 (a) IN GENERAL.—Section 2110(b)(1)(B)(ii) of the
4 Social Security Act (42 U.S.C. 1397jj(b)(1)(B)(ii)) is
5 amended—

6 (1) in subclause (II), by striking “or” at the
7 end;

8 (2) in subclause (III), by striking “and” at the
9 end and inserting “or”; and

10 (3) by inserting after subclause (III) the fol-
11 lowing new subclause:

12 “(IV) at the option of the State,
13 whose family income exceeds the maximum
14 income level otherwise established for chil-
15 dren under the State child health plan as
16 of the date of the enactment of this sub-
17 clause; and”.

18 (b) TREATMENT OF TERRITORIES.—Section
19 2104(m)(7) of the Social Security Act (42 U.S.C.
20 1397dd(m)(7)) is amended—

21 (1) in the matter preceding subparagraph (A),
22 by striking “the 50 States or the District of Colum-
23 bia” and inserting “a State (including the District
24 of Columbia and each commonwealth and terri-
25 tory)”;

1 (2) in subparagraph (B)(ii), by striking “or
2 District”; and

3 (3) in the matter following subparagraph (B),
4 by striking each place it occurs “or District”.

5 **SEC. 30804. EXTENDING CONTINUOUS CHIP COVERAGE FOR**
6 **PREGNANT AND POSTPARTUM WOMEN.**

7 (a) REQUIRING FULL BENEFITS FOR PREGNANT
8 AND POSTPARTUM WOMEN FOR 12-MONTH PERIOD POST
9 PREGNANCY.—

10 (1) IN GENERAL.—Section 2107(e)(1)(J) of the
11 Social Security Act (42 U.S.C. 1397gg(e)(1)(J)) is
12 amended—

13 (A) by striking “Paragraphs (5) and (16)”
14 and inserting “(I) For any fiscal year quarter
15 with respect to which the amendments made by
16 section 30804(a)(1)(B) of the Act titled ‘An
17 Act to provide for reconciliation pursuant to
18 title II of S. Con. Res. 14’ do not apply (begin-
19 ning with the first fiscal year quarter beginning
20 one year after the date of the enactment of
21 such Act), paragraphs (5)(A) and (16)”;

22 (B) by adding at the end the following new
23 clause:

24 “(ii) For any fiscal year quarter (beginning
25 with the first fiscal year quarter beginning one

1 year after the date of the enactment of this
2 clause), section 1902(e)(5)(B) (requiring, not-
3 withstanding section 2103(e)(3)(C)(ii)(I) or any
4 other limitation under this title, continuous cov-
5 erage for pregnant and postpartum individuals,
6 including 12 months postpartum, of medical as-
7 sistance) if the State provides child health as-
8 sistance for targeted low-income children who
9 are pregnant or to targeted low-income preg-
10 nant women, under the State child health plan
11 or waiver, including coverage of all items or
12 services provided to a targeted low-income child
13 or targeted low-income pregnant woman (as ap-
14 plicable) under the State child health plan or
15 waiver).”.

16 (2) CONFORMING AMENDMENTS.—Section 2112
17 of the Social Security Act (42 U.S.C. 1397ll) is
18 amended—

19 (A) in subsection (d)—

20 (i) in paragraph (1), by inserting
21 “and includes, through application of sec-
22 tion 1902(e)(5)(B) pursuant to section
23 2107(e)(1)(J)(ii), continuous coverage for
24 pregnant and postpartum individuals, in-

1 cluding 12 months postpartum of assist-
2 ance” before the period at the end; and

3 (ii) in paragraph (2), by striking “60-
4 day period” and all that follows through
5 “ends” and inserting “12-month period
6 (or, for any fiscal year quarter with respect
7 to which the amendments made by section
8 30804(a)(1)(B) of the Act titled ‘An Act
9 to provide for reconciliation pursuant to
10 title II of S. Con. Res. 14’ do not apply
11 (beginning with the first fiscal year quar-
12 ter beginning one year after the date of the
13 enactment of such Act), 60-day period)
14 (beginning on the last day of her preg-
15 nancy) ends”; and

16 (B) in subsection (f)(2), by striking “60-
17 day period” and inserting “12-month period
18 (or, for any fiscal year quarter with respect to
19 which the amendments made by section
20 30804(a)(1)(B) of the Act titled ‘An Act to
21 provide for reconciliation pursuant to title II of
22 S. Con. Res. 14’ do not apply (beginning with
23 the first fiscal year quarter beginning one year
24 after the date of the enactment of such Act),
25 60-day period)”.

1 (b) EFFECTIVE DATE.—

2 (1) IN GENERAL.—Subject to paragraph (2),
3 the amendments made by this section shall take ef-
4 fect on the 1st day of the 1st fiscal year quarter
5 that begins one year after the date of the enactment
6 of this Act and shall apply with respect to child
7 health assistance and pregnancy-related assistance,
8 as applicable, provided on or after such date.

9 (2) EXCEPTION FOR STATE LEGISLATION.—In
10 the case of a State child health plan under title XXI
11 of the Social Security Act (42 U.S.C. 1397aa et
12 seq.) that the Secretary of Health and Human Serv-
13 ices determines requires State legislation in order for
14 the plan to meet any requirement imposed by
15 amendments made under this section, the plan shall
16 not be regarded as failing to comply with the re-
17 quirements of such title solely on the basis of its
18 failure to meet such a requirement before the first
19 day of the first calendar quarter beginning after the
20 close of the first regular session of the State legisla-
21 ture that begins after the date of the enactment of
22 this Act. For purposes of the previous sentence, in
23 the case of a State that has a 2-year legislative ses-
24 sion, each year of the session shall be considered to
25 be a separate regular session of the State legislature.

1 **SEC. 30805. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGI-**
2 **BILITY FOR CHILDREN UNDER THE CHIL-**
3 **DREN’S HEALTH INSURANCE PROGRAM.**

4 Section 2107(e)(1) of the Social Security Act (42
5 U.S.C. 1397gg(e)(1)) is amended—

6 (1) by redesignating subparagraphs (K)
7 through (T) as subparagraphs (L) through (U), re-
8 spectively; and

9 (2) by inserting after subparagraph (J) the fol-
10 lowing new subparagraph:

11 “(K) Section 1902(e)(17) (relating to 1
12 year of continuous eligibility for children).”.

13 **Subtitle I—Medicare Coverage of**
14 **Dental, Hearing, and Vision**
15 **Services**

16 **SEC. 30901. PROVIDING COVERAGE FOR DENTAL AND ORAL**
17 **HEALTH CARE UNDER THE MEDICARE PRO-**
18 **GRAM.**

19 (a) **COVERAGE.**—Section 1861(s)(2) of the Social Se-
20 curity Act (42 U.S.C. 1395x(s)(2)) is amended—

21 (1) in subparagraph (GG), by striking “and”
22 after the semicolon at the end;

23 (2) in subparagraph (HH), by striking the pe-
24 riod at the end and adding “; and”; and

25 (3) by adding at the end the following new sub-
26 paragraph:

1 “(II) dental and oral health services (as defined
2 in subsection (III));”.

3 (b) DENTAL AND ORAL HEALTH SERVICES DE-
4 FINED.—Section 1861 of the Social Security Act (42
5 U.S.C. 1395x) is amended by adding at the end the fol-
6 lowing new subsection:

7 “(III) DENTAL AND ORAL HEALTH SERVICES.—

8 “(1) IN GENERAL.—The term ‘dental and oral
9 health services’ means items and services (other
10 than such items and services for which payment may
11 be made under part A as inpatient hospital services)
12 that are furnished during 2028 or a subsequent
13 year, for which coverage was not provided under
14 part B as of the date of the enactment of this sub-
15 section, and that are—

16 “(A) the preventive and screening services
17 described in paragraph (2) furnished by a doc-
18 tor of dental surgery or of dental medicine (as
19 described in subsection (r)(2)) or an oral health
20 professional (as defined in paragraph (4)); or

21 “(B) the basic treatments specified for
22 such year by the Secretary pursuant to para-
23 graph (3)(A) and the major treatments speci-
24 fied for such year by the Secretary pursuant to

1 paragraph (3)(B) furnished by such a doctor or
2 such a professional.

3 “(2) PREVENTIVE AND SCREENING SERV-
4 ICES.—The preventive and screening services de-
5 scribed in this paragraph are the following:

6 “(A) Oral exams.

7 “(B) Dental cleanings.

8 “(C) Dental x-rays performed in the office
9 of a doctor or professional described in para-
10 graph (1)(A).

11 “(D) Fluoride treatments.

12 “(3) BASIC AND MAJOR TREATMENTS.—For
13 2028 and each subsequent year, the Secretary shall
14 specify—

15 “(A) basic treatments (which may include
16 basic tooth restorations, basic periodontal serv-
17 ices, tooth extractions, and oral disease man-
18 agement services); and

19 “(B) major treatments (which may include
20 major tooth restorations, major periodontal
21 services, bridges, crowns, and root canals);

22 that shall be included as dental and oral health serv-
23 ices for such year.

24 “(4) ORAL HEALTH PROFESSIONAL.—The term
25 ‘oral health professional’ means, with respect to den-

1 tal and oral health services, a health professional
2 (other than a doctor of dental surgery or of dental
3 medicine (as described in subsection (r)(2))) who is
4 licensed to furnish such services, acting within the
5 scope of such license, by the State in which such
6 services are furnished.”.

7 (c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

8 (1) IN GENERAL.—Section 1833(a)(1) of the
9 Social Security Act (42 U.S.C. 1395l(a)(1)), as
10 amended by section 30511(b), is further amended—

11 (A) in subparagraph (N), by inserting
12 “and dental and oral health services (as defined
13 in section 1861(III))” after “section
14 1861(hhh)(1)”;

15 (B) by striking “and” before “(EE)”; and

16 (C) by inserting before the semicolon at
17 the end the following: “and (FF) with respect
18 to dental and oral health services (as defined in
19 section 1861(III)), the amount paid shall be the
20 payment amount specified under section
21 1834(z)”.

22 (2) PAYMENT AND LIMITS SPECIFIED.—Section
23 1834 of the Social Security Act (42 U.S.C. 1395m)
24 is amended by adding at the end the following new
25 subsection:

1 “(z) PAYMENT AND LIMITS FOR DENTAL AND ORAL
2 HEALTH SERVICES.—

3 “(1) IN GENERAL.—The payment amount
4 under this part for dental and oral health services
5 (as defined in section 1861(III)) shall be, subject to
6 paragraph (3), the applicable percent (specified in
7 paragraph (2)) of the lesser of—

8 “(A) the actual charge for the service; or

9 “(B) the amount determined under the
10 payment basis determined under section 1848
11 for the service, or, in lieu of such amount, if de-
12 termined appropriate by the Secretary, an
13 amount specified by the Secretary for such
14 service under a fee schedule determined appro-
15 priate by the Secretary, taking into account fee
16 schedules for such services—

17 “(i) under the TRICARE program
18 under chapter 55 of title 10 of the United
19 States Code;

20 “(ii) under the health insurance pro-
21 gram under chapter 89 of title 5 of such
22 Code;

23 “(iii) under State plans (or waivers of
24 such plans) under title XIX;

1 “(iv) under Medicare Advantage plans
2 under part C;

3 “(v) established by the Secretary of
4 Veterans Affairs; and

5 “(vi) established by other health care
6 payers.

7 “(2) APPLICABLE PERCENT.—For purposes of
8 paragraph (1), the applicable percent specified in
9 this paragraph is, with respect to dental and oral
10 health services (as defined in section 1861(l)) fur-
11 nished in a year—

12 “(A) that are preventive and screening
13 services described in paragraph (2) or basic
14 treatments specified for such year pursuant to
15 paragraph (3)(A) of such section, 80 percent;
16 and

17 “(B) that are major treatments specified
18 for such year pursuant to paragraph (3)(B) of
19 such section—

20 “(i) in the case such services are fur-
21 nished during 2028, 10 percent;

22 “(ii) in the case such services are fur-
23 nished during 2029 or a subsequent year
24 before 2032, the applicable percent speci-
25 fied under this subparagraph for the pre-

1 vious year, increased by 10 percentage
2 points; and

3 “(iii) in the case such services are fur-
4 nished during 2032 or a subsequent year,
5 50 percent.

6 “(3) LIMITATIONS.—With respect to dental and
7 oral health services that are—

8 “(A) preventive and screening oral exams,
9 payment may be made under this part for not
10 more than two such exams during a 12-month
11 period;

12 “(B) dental cleanings, payment may be
13 made under this part for not more than two
14 such cleanings during a 12-month period; and

15 “(C) not described in subparagraph (A) or
16 (B), payment may be made under this part only
17 at such frequencies and under such cir-
18 cumstances determined appropriate by the Sec-
19 retary.

20 “(4) USE OF BUNDLED PAYMENTS.—The Sec-
21 retary may make payment for dentures and associ-
22 ated professional services, and for any other dental
23 and oral health services, as bundled payments as the
24 Secretary determines appropriate.

1 “(5) LIMITATION ON JUDICIAL REVIEW.—There
2 shall be no administrative or judicial review under
3 section 1869 or otherwise of—

4 “(A) the determination of payment
5 amounts under this subsection for dental and
6 oral health services and under subsection (h)(6)
7 or subsection (z)(4) for dentures;

8 “(B) the determination of what services
9 are basic and major services under subpara-
10 graphs (A) and (B) of section 1861(III)(3); or

11 “(C) the determination of the frequency
12 and circumstance limitations for dental and oral
13 health services under paragraph (3)(C).”.

14 (d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—

15 (1) IN GENERAL.—Section 1848(j)(3) of the
16 Social Security Act (42 U.S.C. 1395w-4(j)(3)) is
17 amended by inserting “(2)(II),” before “(3)”.

18 (2) EXCLUSION FROM MIPS.—Section
19 1848(q)(1)(C)(ii) of the Social Security Act (42
20 U.S.C. 1395w-4(q)(1)(C)(ii)) is amended—

21 (A) in subclause (II), by striking “or” at
22 the end;

23 (B) in subclause (III), by striking the pe-
24 riod at the end and inserting “; or”; and

1 (C) by adding at the end the following new
2 subclause:

3 “(IV) with respect to 2028 and
4 each subsequent year, is a doctor of
5 dental surgery or of dental medicine
6 (as described in section 1861(r)(2)) or
7 is an oral health professional (as de-
8 fined in section 1861(lll)(4)).”.

9 (3) INCLUSION OF ORAL HEALTH PROFES-
10 SIONALS AS CERTAIN PRACTITIONERS.—Section
11 1842(b)(18)(C) of the Social Security Act (42
12 U.S.C. 1395u(b)(18)(C)) is amended by adding at
13 the end the following new clause:

14 “(vii) With respect to 2028 and each subse-
15 quent year, an oral health professional (as defined in
16 section 1861(lll)(4)).”.

17 (e) DENTURES.—

18 (1) IN GENERAL.—Section 1861(s)(8) of the
19 Social Security Act (42 U.S.C. 1395x(s)(8)) is
20 amended—

21 (A) by striking “(other than dental)”; and

22 (B) by inserting “and excluding dental, ex-
23 cept for a full or partial set of dentures (as de-
24 scribed in section 1834(h)(6)) furnished on or
25 after January 1, 2028” after “colostomy care”.

1 (2) SPECIAL PAYMENT RULES.—

2 (A) LIMITATIONS.—Section 1834(h) of the
3 Social Security Act (42 U.S.C. 1395m(h)) is
4 amended by adding at the end the following
5 new paragraph:

6 “(6) SPECIAL PAYMENT RULE FOR DEN-
7 TURES.—Payment may be made under this part
8 with respect to an individual for dentures—

9 “(A) not more than once during any 5-year
10 period (except in the case that a doctor de-
11 scribed in section 1861(III)(1)(A) determines
12 such dentures do not fit the individual); and

13 “(B) only to the extent that such dentures
14 are furnished pursuant to a written order of
15 such a doctor or professional.”.

16 (B) APPLICATION OF COMPETITIVE ACQUI-
17 SITION.—

18 (i) IN GENERAL.—Section
19 1834(h)(1)(H) of the Social Security Act
20 (42 U.S.C. 1395m(h)(1)(H)) is amended—

21 (I) in the subparagraph heading,
22 by inserting “, DENTURES” after
23 “ORTHOTICS”;

1 (II) by inserting “, of dentures
2 described in paragraph (2)(D) of such
3 section,” after “2011,”; and

4 (III) in clause (i), by inserting “,
5 such dentures” after “orthotics”.

6 (ii) CONFORMING AMENDMENT.—Sec-
7 tion 1847(a)(2) of the Social Security Act
8 (42 U.S.C. 1395w-3(a)(2)) is amended by
9 adding at the end the following new sub-
10 paragraph:

11 “(D) DENTURES.—Dentures described in
12 section 1861(s)(8) for which payment would
13 otherwise be made under section 1834(h).”.

14 (iii) EXEMPTION OF CERTAIN ITEMS
15 FROM COMPETITIVE ACQUISITION.—Sec-
16 tion 1847(a)(7) of the Social Security Act
17 (42 U.S.C. 1395w-3(a)(7)) is amended by
18 adding at the end the following new sub-
19 paragraph:

20 “(C) CERTAIN DENTURES.—Those items
21 and services described in paragraph (2)(D) if
22 furnished by a physician or other practitioner
23 (as defined by the Secretary) to the physician’s
24 or practitioner’s own patients as part of the

1 physician’s or practitioner’s professional serv-
2 ice.”.

3 (f) **EXCLUSION MODIFICATIONS.**—Section 1862(a) of
4 the Social Security Act (42 U.S.C. 1395y(a)) is amend-
5 ed—

6 (1) in paragraph (1)—

7 (A) in subparagraph (O), by striking
8 “and” at the end;

9 (B) in subparagraph (P), by striking the
10 semicolon at the end and inserting “, and”; and

11 (C) by adding at the end the following new
12 subparagraph:

13 “(Q) in the case of dental and oral health serv-
14 ices (as defined in section 1861(l)) that are preven-
15 tive and screening services described in paragraph
16 (2) of such section, which are furnished more fre-
17 quently than provided under section 1834(z)(3) or
18 under circumstances other than circumstances deter-
19 mined appropriate under subparagraph (C) of such
20 section;”; and

21 (2) in paragraph (12), by inserting before the
22 semicolon at the end the following: “and except that
23 payment may be made under part B for dental and
24 oral health services that are covered under section

1 1861(s)(2)(II) and for dentures under section
2 1861(s)(8)”.

3 (g) CERTAIN NON-APPLICATION.—

4 (1) IN GENERAL.—Paragraphs (1) and (4) of
5 section 1839(a) of the Social Security Act (42
6 U.S.C. 1395r(a)) are amended by adding at the end
7 of each such paragraphs the following: “In applying
8 this paragraph there shall not be taken into account
9 benefits and administrative costs attributable to the
10 amendments made by section 30901 (other than
11 subsection (g)) of the Act titled ‘An Act to provide
12 for reconciliation pursuant to title II of S. Con. Res.
13 14’ and the Government contribution under section
14 1844(a)(5)”.

15 (2) PAYMENT.—Section 1844(a) of such Act
16 (42 U.S.C. 1395w(a)) is amended—

17 (A) in paragraph (4), by striking the pe-
18 riod at the end and inserting “; plus”;

19 (B) by adding at the end the following new
20 paragraph:

21 “(5) a Government contribution equal to the
22 amount that is estimated to be payable for benefits
23 and related administrative costs incurred that are
24 attributable to the amendments made by section
25 30901 (other than subsection (g)) of the Act titled

1 ‘An Act to provide for reconciliation pursuant to
2 title II of S. Con. Res. 14’ .’; and

3 (C) in the flush matter at the end, by
4 striking “paragraph (4)” and inserting “para-
5 graphs (4) and (5)”.

6 (h) IMPLEMENTATION.—

7 (1) FUNDING.—

8 (A) IN GENERAL.—In addition to amounts
9 otherwise available, the Secretary of Health and
10 Human Services (in this subsection referred to
11 as the “Secretary”) shall provide for the trans-
12 fer from the Federal Supplementary Medical
13 Insurance Trust Fund under section 1841 of
14 the Social Security Act (42 U.S.C. 1395t) to
15 the Centers for Medicare & Medicaid Services
16 Program Management Account of—

17 (i) \$20,000,000 for each of fiscal
18 years 2022 through 2028 for purposes of
19 implementing the amendments made by
20 this section; and

21 (ii) such sums as determined appro-
22 priate by the Secretary for each subse-
23 quent fiscal year for purposes of admin-
24 istering the provisions of such amend-
25 ments.

1 (B) AVAILABILITY AND ADDITIONAL USE
2 OF FUNDS.—Funds transferred pursuant to
3 subparagraph (A) shall remain available until
4 expended and may be used, in addition to the
5 purpose specified in subparagraph (A)(i), to im-
6 plement the amendments made by sections
7 30902 and 30903.

8 (2) ADMINISTRATION.—The Secretary may im-
9 plement, by program instruction or otherwise, any of
10 the provisions of, or amendments made by, this sec-
11 tion.

12 (3) PAPERWORK REDUCTION ACT.—Chapter 35
13 of title 44, United States Code, shall not apply to
14 the provisions of, or the amendments made by, this
15 section.

16 **SEC. 30902. PROVIDING COVERAGE FOR HEARING CARE**
17 **UNDER THE MEDICARE PROGRAM.**

18 (a) PROVISION OF AURAL REHABILITATION AND
19 TREATMENT SERVICES BY QUALIFIED AUDIOLOGISTS.—
20 Section 1861(l)(3) of the Social Security Act (42 U.S.C.
21 1395x(l)(3)) is amended by inserting “(and, beginning
22 October 1, 2023, such aural rehabilitation and treatment
23 services)” after “assessment services”.

24 (b) COVERAGE OF HEARING AIDS.—

1 (1) INCLUSION OF HEARING AIDS AS PROS-
2 THETIC DEVICES.—Section 1861(s)(8) of the Social
3 Security Act (42 U.S.C. 1395x(s)(8)) is amended by
4 inserting “, and including hearing aids (as described
5 in section 1834(h)(7)) furnished on or after October
6 1, 2023, to individuals diagnosed with profound or
7 severe hearing loss” before the semicolon at the end.

8 (2) PAYMENT LIMITATIONS FOR HEARING
9 AIDS.—Section 1834(h) of the Social Security Act
10 (42 U.S.C. 1395m(h)), as amended by section
11 30901(e)(2)(A), is further amended by adding at the
12 end the following new paragraph:

13 “(7) LIMITATIONS FOR HEARING AIDS.—

14 “(A) IN GENERAL.—Payment may be
15 made under this part with respect to an indi-
16 vidual, with respect to hearing aids furnished
17 on or after October 1, 2023—

18 “(i) not more than once during a 5-
19 year period;

20 “(ii) only for types of such hearing
21 aids that are not over-the-counter hearing
22 aids (as defined in section 520(q)(1) of the
23 Federal Food, Drug, and Cosmetic Act)
24 and that are determined appropriate by
25 the Secretary; and

1 “(iii) only if furnished pursuant to a
2 written order of a physician or qualified
3 audiologist (as defined in section
4 1861(l)(4)(B)).

5 “(B) LIMITATION ON JUDICIAL REVIEW.—
6 There shall be no administrative or judicial re-
7 view under section 1869 or otherwise of—

8 “(i) the determination of the types of
9 hearing aids paid for under subparagraph
10 (A)(ii); or

11 “(ii) the determination of fee schedule
12 rates for hearing aids described in this
13 paragraph.”.

14 (3) APPLICATION OF COMPETITIVE ACQUISI-
15 TION.—

16 (A) IN GENERAL.—Section 1834(h)(1)(H)
17 of the Social Security Act (42 U.S.C.
18 1395m(h)(1)(H)), as amended by section
19 30901(e)(2)(B)(i), is further amended—

20 (i) in the header, by inserting “,
21 HEARING AIDS” after “DENTURES”;

22 (ii) by inserting “, of hearing aids de-
23 scribed in paragraph (2)(E) of such sec-
24 tion,” after “paragraph (2)(D) of such sec-
25 tion”; and

1 (iii) in clause (i), by inserting “, such
2 hearing aids” after “such dentures”.

3 (B) CONFORMING AMENDMENT.—

4 (i) IN GENERAL.—Section 1847(a)(2)
5 of the Social Security Act (42 U.S.C.
6 1395w-3(a)(2)), as amended by section
7 30901(e)(2)(B)(ii), is further amended by
8 adding at the end the following new sub-
9 paragraph:

10 “(E) HEARING AIDS.—Hearing aids de-
11 scribed in section 1861(s)(8) for which payment
12 would otherwise be made under section
13 1834(h).”.

14 (ii) EXEMPTION OF CERTAIN ITEMS
15 FROM COMPETITIVE ACQUISITION.—Sec-
16 tion 1847(a)(7) of the Social Security Act
17 (42 U.S.C. 1395w-3(a)(7)), as amended
18 by section 30901(e)(2)(B)(iii), is further
19 amended by adding at the end the fol-
20 lowing new subparagraph:

21 “(D) CERTAIN HEARING AIDS.—Those
22 items and services described in paragraph
23 (2)(E) if furnished by a physician or other
24 practitioner (as defined by the Secretary) to the
25 physician’s or practitioner’s own patients as

1 part of the physician’s or practitioner’s profes-
2 sional service.”.

3 (4) INCLUSION OF AUDIOLOGISTS AS CERTAIN
4 PRACTITIONERS TO RECEIVE PAYMENT ON AN AS-
5 SIGNMENT-RELATED BASIS.—Section
6 1842(b)(18)(C) of the Social Security Act (42
7 U.S.C. 1395u(b)(18)(C)), as amended by section
8 30901(d)(4), is further amended by adding at the
9 end the following new clause:

10 “(viii) Beginning October 1, 2023, a
11 qualified audiologist (as defined in section
12 1861(l)(4)(B)).”.

13 (c) EXCLUSION MODIFICATION.—Section 1862(a)(7)
14 of the Social Security Act (42 U.S.C. 1395y(a)(7)) is
15 amended by inserting “(except such hearing aids or exami-
16 nations therefor as described in and otherwise allowed
17 under section 1861(s)(8))” after “hearing aids or exami-
18 nations therefor”.

19 (d) CERTAIN NON-APPLICATION.—

20 (1) IN GENERAL.—The last sentence of section
21 1839(a)(1) of the Social Security Act (42 U.S.C.
22 1395r(a)(1)), as added by section 30901(g)(1), is
23 amended by striking “section 30901 (other than
24 subsection (g))” and inserting “sections 30901

1 (other than subsection (g)), 30902 (other than sub-
2 section (d))”.

3 (2) PAYMENT.—Paragraph (4) of section
4 1844(a) of such Act (42 U.S.C. 1395w(a)), as added
5 by section 30901(g)(2), is amended by striking “sec-
6 tion 30901 (other than subsection (g))” and insert-
7 ing “sections 30901 (other than subsection (g)),
8 30902 (other than subsection (d))”.

9 (e) IMPLEMENTATION.—

10 (1) FUNDING.—

11 (A) IN GENERAL.—In addition to amounts
12 otherwise available, the Secretary of Health and
13 Human Services (in this subsection referred to
14 as the “Secretary”) shall provide for the trans-
15 fer from the Federal Supplementary Medical
16 Insurance Trust Fund under section 1841 of
17 the Social Security Act (42 U.S.C. 1395t) to
18 the Centers for Medicare & Medicaid Services
19 Program Management Account of—

20 (i) \$20,000,000 for each of fiscal
21 years 2022 through 2023 for purposes of
22 implementing the amendments made by
23 this section; and

24 (ii) such sums as determined appro-
25 priate by the Secretary for each subse-

1 quent fiscal year for purposes of admin-
2 istering the provisions of such amend-
3 ments.

4 (B) AVAILABILITY AND ADDITIONAL USE
5 OF FUNDS.—Funds transferred pursuant to
6 subparagraph (A) shall remain available until
7 expended and may be used, in addition to the
8 purpose specified in subparagraph (A)(i), to im-
9 plement the amendments made by sections
10 30901 and 30903.

11 (2) ADMINISTRATION.—The Secretary may im-
12 plement, by program instruction or otherwise, any of
13 the provisions of, or amendments made by, this sec-
14 tion.

15 (3) PAPERWORK REDUCTION ACT.—Chapter 35
16 of title 44, United States Code, shall not apply to
17 the provisions of, or the amendments made by, this
18 section.

19 **SEC. 30903. PROVIDING COVERAGE FOR VISION CARE**
20 **UNDER THE MEDICARE PROGRAM.**

21 (a) COVERAGE.—Section 1861(s)(2) of the Social Se-
22 curity Act (42 U.S.C. 1395x(s)(2)), as amended by section
23 30901(a), is further amended—

24 (1) in subparagraph (HH), by striking “and”
25 after the semicolon at the end;

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

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

5 “(JJ) vision services (as defined in subsection
6 (mmm));”.

7 (b) VISION SERVICES DEFINED.—Section 1861 of
8 the Social Security Act (42 U.S.C. 1395x), as amended
9 by section 30901(b), is further amended by adding at the
10 end the following new subsection:

11 “(mmm) VISION SERVICES.—The term ‘vision serv-
12 ices’ means—

13 “(1) routine eye examinations to determine the
14 refractive state of the eyes, including procedures per-
15 formed during the course of such examination; and

16 “(2) contact lens fitting services;

17 furnished on or after October 1, 2022, by or under the
18 direct supervision of an ophthalmologist or optometrist
19 who is legally authorized to furnish such examinations,
20 procedures, or fitting services (as applicable) under State
21 law (or the State regulatory mechanism provided by State
22 law) of the State in which the examinations, procedures,
23 or fitting services are furnished.”.

24 (c) PAYMENT LIMITATIONS.—Section 1834 of the
25 Social Security Act (42 U.S.C. 1395m), as amended by

1 section 30901(e)(2), is further amended by adding at the
2 end the following new subsection:

3 “(aa) **LIMITATION FOR VISION SERVICES.**—With re-
4 spect to vision services (as defined in section 1861(mmm))
5 and an individual, payment may be made under this part
6 for only 1 routine eye examination described in paragraph
7 (1) of such section and 1 contact lens fitting service de-
8 scribed in paragraph (2) of such section during a 2-year
9 period.”.

10 (d) **PAYMENT UNDER PHYSICIAN FEE SCHEDULE.**—
11 Section 1848(j)(3) of the Social Security Act (42 U.S.C.
12 1395w-4(j)(3)), as amended by section 30901(d)(1), is
13 further amended by inserting “(2)(JJ),” before “(3)”.

14 (e) **COVERAGE OF CONVENTIONAL EYEGLASSES AND**
15 **CONTACT LENSES.**—

16 (1) **IN GENERAL.**—Section 1861(s)(8) of the
17 Social Security Act (42 U.S.C. 1395x(s)(8)), as
18 amended by section 30902(b)(1), is further amended
19 by striking “, and including one pair of conventional
20 eyeglasses or contact lenses furnished subsequent to
21 each cataract surgery with insertion of an intra-
22 ocular lens” and inserting “, including one pair of
23 conventional eyeglasses or contact lenses furnished
24 subsequent to each cataract surgery with insertion
25 of an intraocular lens, if furnished before October 1,

1 2022, and including conventional eyeglasses or con-
2 tact lenses (as described in section 1834(h)(8)),
3 whether or not furnished subsequent to such a sur-
4 gery, if furnished on or after October 1, 2022”.

5 (2) CONFORMING AMENDMENT.—Section
6 1842(b)(11)(A) of the Social Security Act (42
7 U.S.C. 1395u(b)(11)(A)) is amended by inserting
8 “furnished prior to October 1, 2022,” after “relating
9 to them,”.

10 (f) SPECIAL PAYMENT RULES FOR EYEGLASSES AND
11 CONTACT LENSES.—

12 (1) LIMITATIONS.—Section 1834(h) of the So-
13 cial Security Act (42 U.S.C. 1395m(h)), as amended
14 by section 30901(e)(2)(A) and section 30902(b)(2),
15 is further amended by adding at the end the fol-
16 lowing new paragraph:

17 “(8) PAYMENT LIMITATIONS FOR EYEGLASSES
18 AND CONTACT LENSES.—

19 “(A) IN GENERAL.—With respect to eye-
20 glasses and contact lenses furnished to an indi-
21 vidual on or after October 1, 2022, subject to
22 subparagraph (B), payment may be made under
23 this part only—

24 “(i) during a 2-year period, for either
25 1 pair of eyeglasses (including lenses and

1 frames) or not more than a 2-year supply
2 of contact lenses;

3 “(ii) with respect to amounts attrib-
4 utable to the lenses and frames of such a
5 pair of eyeglasses or amounts attributable
6 to such a 2-year supply of contact lenses,
7 in an amount not greater than—

8 “(I) for a pair of eyeglasses fur-
9 nished in, or a 2-year supply of con-
10 tact lenses beginning in, 2022—

11 “(aa) \$85 for the lenses of
12 such pair of eyeglasses and \$85
13 for the frames of such pair of
14 eyeglasses; or

15 “(bb) \$85 for such 2-year
16 supply of contact lenses; and

17 “(II) for the lenses and frames of
18 a pair of eyeglasses furnished in, or a
19 2-year supply of contact lenses begin-
20 ning in, a subsequent year, the dollar
21 amounts specified under this subpara-
22 graph for the previous year, increased
23 by the percentage change in the con-
24 sumer price index for all urban con-
25 sumers (United States city average)

1 for the 12-month period ending with
2 June of the previous year;

3 “(iii) if furnished pursuant to a writ-
4 ten order of an ophthalmologist or optom-
5 etrist described in subsection (mmm); and

6 “(iv) if during the 2-year period de-
7 scribed in clause (i), the individual did not
8 already receive (as described in subpara-
9 graph (B)) one pair of conventional eye-
10 glasses or contact lenses subsequent to a
11 cataract surgery with insertion of an intra-
12 ocular lens furnished during such period.

13 “(B) EXCEPTION.—With respect to a 2-
14 year period described in subparagraph (A)(i), in
15 the case of an individual who receives cataract
16 surgery with insertion of an intraocular lens,
17 notwithstanding subparagraph (A), payment
18 may be made under this part for one pair of
19 conventional eyeglasses or contact lenses fur-
20 nished subsequent to such cataract surgery dur-
21 ing such period.

22 “(C) LIMITATION ON JUDICIAL REVIEW.—
23 There shall be no administrative or judicial re-
24 view under section 1869 or otherwise of—

1 “(i) the determination of the types of
2 eyeglasses and contact lenses covered
3 under this paragraph; or

4 “(ii) the determination of fee schedule
5 rates under this subsection for eyeglasses
6 and contact lenses.”.

7 (2) APPLICATION OF COMPETITIVE ACQUISITION.—
8

9 (A) IN GENERAL.—Section 1834(h)(1)(H)
10 of the Social Security Act (42 U.S.C.
11 1395m(h)(1)(H)), as amended by section
12 30901(e)(2)(B)(i) and section 30902(b)(3)(A),
13 is further amended—

14 (i) in the header by inserting “, EYE-
15 GLASSES, AND CONTACT LENSES” after
16 “HEARING AIDS”;

17 (ii) by inserting “and of eyeglasses
18 and contact lenses described in paragraph
19 (2)(F) of such section,” after “paragraph
20 (2)(E) of such section,”; and

21 (iii) in clause (i), by inserting “, or
22 such eyeglasses and contact lenses” after
23 “such hearing aids”.

24 (B) CONFORMING AMENDMENT.—

1 (i) IN GENERAL.—Section 1847(a)(2)
2 of the Social Security Act (42 U.S.C.
3 1395w–3(a)(2)), as amended by section
4 30901(e)(2)(B)(ii) and section
5 30902(b)(3)(B)(i), is further amended by
6 adding at the end the following new sub-
7 paragraph:

8 “(F) EYEGLASSES AND CONTACT
9 LENSES.—Eyeglasses and contact lenses de-
10 scribed in section 1861(s)(8) for which payment
11 would otherwise be made under section
12 1834(h).”.

13 (ii) EXEMPTION OF CERTAIN ITEMS
14 FROM COMPETITIVE ACQUISITION.—Sec-
15 tion 1847(a)(7) of the Social Security Act
16 (42 U.S.C. 1395w–3(a)(7)), as amended
17 by section 30901(e)(2)(B)(iii) and section
18 30902(b)(3)(B)(ii), is further amended by
19 adding at the end the following new sub-
20 paragraph:

21 “(E) CERTAIN EYEGLASSES AND CONTACT
22 LENSES.—Those items and services described in
23 paragraph (2)(F) if furnished by a physician or
24 other practitioner (as defined by the Secretary)
25 to the physician’s or practitioner’s own patients

1 as part of the physician’s or practitioner’s pro-
2 fessional service.”.

3 (g) EXCLUSION MODIFICATIONS.—Section 1862(a)
4 of the Social Security Act (42 U.S.C. 1395y(a)), as
5 amended by section 30901(f), is further amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (P), by striking
8 “and” at the end;

9 (B) in subparagraph (Q), by striking the
10 semicolon at the end and inserting “, and”; and

11 (C) by adding at the end the following new
12 subparagraph:

13 “(R) in the case of vision services (as defined
14 in section 1861(mmm)) that are routine eye exami-
15 nations and contact lens fitting services (as de-
16 scribed in paragraph (1) or (2), respectively, of such
17 section), which are furnished more frequently than
18 once during a 2-year period;”; and

19 (2) in paragraph (7)—

20 (A) by inserting “(other than such an ex-
21 amination that is a vision service that is cov-
22 ered under section 1861(s)(2)(JJ))” after “eye
23 examinations”; and

24 (B) by inserting “(other than such a proce-
25 dure that is a vision service that is covered

1 under section 1861(s)(2)(JJ)” after “refractive
2 state of the eyes”.

3 (h) CERTAIN NON-APPLICATION.—

4 (1) IN GENERAL.—The last sentence of section
5 1839(a)(1) of the Social Security Act (42 U.S.C.
6 1395r(a)(1)), as added by section 30901(g)(1) and
7 amended by section 30902(d)(1), is further amended
8 by inserting “, and 30903 (other than subsection
9 (h))” after “30902 (other than subsection (d))”.

10 (2) PAYMENT.—Paragraph (4) of section
11 1844(a) of such Act (42 U.S.C. 1395w(a)), as added
12 by section 30901(g)(2) and amended by section
13 30902(d)(2), is further amended by inserting “, and
14 30903 (other than subsection (h))” after “30902
15 (other than subsection (d))”.

16 (i) IMPLEMENTATION.—

17 (1) FUNDING.—

18 (A) IN GENERAL.—In addition to amounts
19 otherwise available, the Secretary of Health and
20 Human Services (in this subsection referred to
21 as the “Secretary”) shall provide for the trans-
22 fer from the Federal Supplementary Medical
23 Insurance Trust Fund under section 1841 of
24 the Social Security Act (42 U.S.C. 1395t) to

1 the Centers for Medicare & Medicaid Services
2 Program Management Account of—

3 (i) \$20,000,000 for each of fiscal
4 years 2022 and 2023 for purposes of im-
5 plementing the amendments made by this
6 section; and

7 (ii) such sums as determined appro-
8 priate by the Secretary for each subse-
9 quent fiscal year for purposes of admin-
10 istering the provisions of such amend-
11 ments.

12 (B) AVAILABILITY AND ADDITIONAL USE
13 OF FUNDS.—Funds transferred pursuant to
14 subparagraph (A) shall remain available until
15 expended and may be used, in addition to the
16 purpose specified in subparagraph (A)(i), to im-
17 plement the amendments made by sections
18 30901 and 30902.

19 (2) ADMINISTRATION.—The Secretary may im-
20 plement, by program instruction or otherwise, any of
21 the provisions of, or amendments made by, this sec-
22 tion.

23 (3) PAPERWORK REDUCTION ACT.—Chapter 35
24 of title 44, United States Code, shall not apply to

1 the provisions of, or the amendments made by, this
2 section.

3 **Subtitle J—Public Health**

4 **PART 1—HEALTH CARE INFRASTRUCTURE AND** 5 **WORKFORCE**

6 **SECTION 31001. FUNDING TO SUPPORT CORE PUBLIC** 7 **HEALTH INFRASTRUCTURE FOR STATE, TER-** 8 **RITORIAL, LOCAL, AND TRIBAL HEALTH DE-** 9 **PARTMENTS AT THE CENTERS FOR DISEASE** 10 **CONTROL AND PREVENTION.**

11 (a) IN GENERAL.—In addition to amounts otherwise
12 available, there is appropriated to the Secretary of Health
13 and Human Services (in this subtitle referred to as the
14 “Secretary”) for fiscal year 2022, out of any money in
15 the Treasury not otherwise appropriated, \$7,000,000,000,
16 to remain available until expended, to carry out, acting
17 through the Director of the Centers for Disease Control
18 and Prevention (in this section referred to as the “Direc-
19 tor”), activities described in subsection (b).

20 (b) USE OF FUNDS.—Amounts made available pursu-
21 ant to subsection (a) shall be used to support core public
22 health infrastructure activities to strengthen the public
23 health system of the United States, including by awarding
24 grants under this section and expanding and improving

1 activities of the Centers for Disease Control and Preven-
2 tion under subsections (c) and (d).

3 (c) GRANTS.—

4 (1) AWARDS.—For the purpose of addressing
5 core public health infrastructure needs, the Sec-
6 retary shall award—

7 (A) a grant to each State or territorial
8 health department, and to local health depart-
9 ments that serve counties with a population of
10 at least 2,000,000 or cities with a population of
11 at least 400,000 people; and

12 (B) grants on a competitive basis to State,
13 territorial, local, or Tribal health departments.

14 (2) ALLOCATION.—Of the total amount of
15 funds awarded as grants under this subsection for a
16 fiscal year—

17 (A) not less than 50 percent shall be for
18 grants to health departments under paragraph
19 (1)(A); and

20 (B) not less than 25 percent shall be for
21 grants to State, local, territorial, or Tribal
22 health departments under paragraph (1)(B).

23 (3) REQUIRED USES.—

24 (A) REALLOCATION TO LOCAL HEALTH
25 DEPARTMENTS.—A State health department re-

1 ceiving funds under subparagraph (A) or (B) of
2 paragraph (1) shall allocate at least 25 percent
3 of the such funds to local health departments,
4 as applicable, within the State to support con-
5 tributions of the local health departments to
6 core public health infrastructure.

7 (B) PROGRESS IN MEETING ACCREDITA-
8 TION STANDARDS.—A health department receiv-
9 ing funds under this section that is not accred-
10 ited shall report to the Secretary on an annual
11 basis how the department is working to meet
12 accreditation standards.

13 (4) FORMULA GRANTS TO HEALTH DEPART-
14 MENTS.—In awarding grants under paragraph (1),
15 the Secretary shall award funds to each health de-
16 partment in accordance with a formula which con-
17 siders population size, the Social Vulnerability Index
18 of the Centers for Disease Control and Prevention,
19 and other factors as determined by the Secretary.

20 (5) COMPETITIVE GRANTS TO STATE, TERRI-
21 TORIAL, LOCAL, AND TRIBAL HEALTH DEPART-
22 MENTS.—In making grants under paragraph (1)(B),
23 the Secretary shall give priority to applicants dem-
24 onstrating core public health infrastructure needs

1 for all public health agencies in the applicant's juris-
2 diction.

3 (6) PERMITTED USES.—

4 (A) IN GENERAL.—The Secretary may
5 make available a subset of the funds available
6 for grants under paragraph (1) for purposes of
7 awarding grants to State, territorial, local, and
8 Tribal health departments for planning or to
9 support public health accreditation.

10 (B) USES.—Recipients of such grants may
11 use the grant funds to assess core public health
12 infrastructure needs and report to the Centers
13 for Disease Control and Prevention on efforts
14 to achieve accreditation, as applicable.

15 (7) REQUIREMENTS.—To be eligible for a grant
16 under this section, an entity shall—

17 (A) submit an application in such form
18 and containing such information as the Sec-
19 retary shall require;

20 (B) demonstrate to the satisfaction of the
21 Secretary that—

22 (i) funds received through the grant
23 will be expended only to supplement, and
24 not supplant, non-Federal and Federal
25 funds otherwise available to the entity for

1 the purpose of addressing core public
2 health infrastructure needs; and

3 (ii) with respect to activities for which
4 the grant is awarded, the entity will main-
5 tain expenditures of non-Federal amounts
6 for such activities at a level not less than
7 the level of such expenditures maintained
8 by the entity for fiscal year 2019; and

9 (C) agree to report annually to the Direc-
10 tor regarding the use of the grant funds.

11 (d) CORE PUBLIC HEALTH INFRASTRUCTURE AND
12 ACTIVITIES FOR THE CDC.—

13 (1) IN GENERAL.—The Secretary, acting
14 through the Director, shall expand and improve the
15 core public health infrastructure and activities of the
16 Centers for Disease Control and Prevention to sup-
17 port activities necessary to address unmet, ongoing,
18 and emerging public health needs, including preven-
19 tion, preparation for, and response to public health
20 emergencies.

21 (2) LIMITATION.—Out of amounts appropriated
22 under subsection (a) to carry out this section for a
23 fiscal year, not more than 25 percent of the funds
24 awarded per fiscal year may be used by the Centers

1 for Disease Control and Prevention to carry out this
2 subsection.

3 (e) DEFINITION.—In this section, the term “core
4 public health infrastructure” includes—

5 (1) workforce capacity and competency;

6 (2) laboratory systems;

7 (3) all hazards public health and preparedness;

8 (3) testing capacity, including test platforms,
9 mobile testing units, and personnel;

10 (4) health information, health information sys-
11 tems, and health information analysis;

12 (5) disease surveillance;

13 (6) contact tracing;

14 (7) communications;

15 (8) financing;

16 (9) other relevant components of organizational
17 capacity; and

18 (10) other related activities.

19 (f) SUPPLEMENT NOT SUPPLANT.—Amounts made
20 available by this section shall be used to supplement, and
21 not supplant, amounts otherwise made available for the
22 purposes described in this Act.

23 **SEC. 31002. FUNDING FOR HOSPITAL INFRASTRUCTURE.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise
2 appropriated, \$10,000,000,000, to remain available until
3 expended, to carry out subsection (b) consistent with en-
4 hancing the goals of parts B and C of title XVI of the
5 Public Health Service Act (42 U.S.C. 300q et seq.).

6 (b) USE OF FUNDS.—From amounts made available
7 under subsection (a), the Secretary shall, with priority
8 given to applicants whose projects will include, by design,
9 public health emergency preparedness, natural disaster
10 emergency preparedness, or cybersecurity against cyber
11 threats, award grants to entities described in section
12 1610(a) of the Public Health Service Act (42 U.S.C.
13 300r(a)) for purposes of increasing capacity and updating
14 hospitals and other medical facilities in order to better
15 serve communities in need.

16 (c) CONDITIONS.—The following requirements of
17 parts B and C of title XVI of the Public Health Service
18 Act (42 U.S.C. 300r et seq.) shall apply to funds made
19 available under this section:

20 (1) The requirements related to reasonable vol-
21 ume of care described under section
22 1621(b)(1)(K)(ii) of such Act (42 U.S.C. 300s-
23 1(b)(1)(K)(ii)).

24 (2) Section 1621(b)(1)(I) of such Act (42
25 U.S.C. 300s-1(b)(1)(I)).

1 (3) Any other provision of such parts that the
2 Secretary determines (as prescribed by regulation)
3 to be appropriate to carry out this section.

4 **SEC. 31003. FUNDING FOR COMMUNITY HEALTH CENTER**
5 **CAPITAL GRANTS.**

6 (a) IN GENERAL.—In addition to amounts otherwise
7 available, there is appropriated to the Secretary for fiscal
8 year 2022, out of any money in the Treasury not otherwise
9 appropriated, \$10,000,000,000, to remain available until
10 expended, for necessary expenses for awarding grants and
11 entering into cooperative agreements for capital projects
12 to health centers funded under section 330 of the Public
13 Health Service Act (42 U.S.C. 254b) to be awarded with-
14 out regard to the time limitation in subsection (e)(3) and
15 subsections (e)(6)(A)(iii), (e)(6)(B)(iii), and (r)(2)(B) of
16 such section 330, and for necessary expenses for awarding
17 grants and cooperative agreements for capital projects to
18 Federally qualified health centers, as described in section
19 1861(aa)(4)(B) of the Social Security Act (42 U.S.C.
20 1395x(aa)(4)(B)). The Secretary shall take such steps as
21 may be necessary to expedite the awarding of such grants
22 to Federally qualified health centers for capital projects.

23 (b) USE OF FUNDS.—Amounts made available to a
24 recipient of a grant or cooperative agreement pursuant to
25 subsection (a) shall be used for health center facility alter-

1 ation, renovation, remodeling, expansion, construction,
2 and other capital improvement costs, including the costs
3 of amortizing the principal of, and paying interest on,
4 loans for such purposes.

5 **SEC. 31004. FUNDING FOR COMMUNITY-BASED CARE INFRA-**
6 **STRUCTURE.**

7 (a) IN GENERAL.—In addition to amounts otherwise
8 available, there is appropriated to the Secretary for fiscal
9 year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$500,000,000, to remain available until ex-
11 pended, for purposes of making awards to qualified teach-
12 ing health centers (as defined in section 340H of the Pub-
13 lic Health Service Act (42 U.S.C. 256h)), behavioral
14 health care centers (as defined by the Secretary to include
15 both substance abuse and mental health care facilities),
16 and pediatric mental health care providers (as used in sec-
17 tion 330M(b)(1)(G) of the Public Health Service Act (42
18 U.S.C. 254e–19(b)(1)(G))).

19 (b) USE OF FUNDS.—Amounts made available pursu-
20 ant to subsection (a) shall be used to support the improve-
21 ment, renovation, or modernization of infrastructure at
22 such centers, including to respond to public health emer-
23 gencies declared under section 319 of the Public Health
24 Service Act (42 U.S.C. 247d).

1 **SEC. 31005. FUNDING FOR SCHOOLS OF MEDICINE IN UN-**
2 **DESERVED AREAS.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the Secretary for fiscal
5 year 2022, out of any money in the Treasury not otherwise
6 appropriated, \$1,000,000,000, to remain available until
7 expended, for purposes of making awards to eligible enti-
8 ties for the establishment, improvement, or expansion of
9 an allopathic or osteopathic school of medicine, or a
10 branch campus of an allopathic or osteopathic school of
11 medicine, consistent with subsection (b).

12 (b) USE OF FUNDS.—The Secretary, acting through
13 the Administrator of the Health Resources and Services
14 Administration, shall, with priority given to minority-serv-
15 ing institutions described in section 371(a) of the Higher
16 Education Act of 1965 (20 U.S.C. 1067q(a)), and taking
17 into consideration equitable distribution of awards among
18 the geographical regions of the United States (which shall
19 include rural regions and populations as defined by the
20 Secretary for the purposes of this section) and the loca-
21 tions of existing schools of medicine and osteopathic medi-
22 cine, use amounts appropriated by subsection (a) to award
23 grants to eligible entities to—

24 (1) recruit, enroll, and retain students, includ-
25 ing individuals who are from disadvantaged back-
26 grounds (including racial and ethnic groups under-

1 represented among medical students and health pro-
2 fessions), individuals from rural and underserved
3 areas, low-income individuals, and first generation
4 college students (as defined in section 402A(h)(3) of
5 the Higher Education Act of 1965 (20 U.S.C.
6 1070a–11(h)(3))), at a school of medicine or osteo-
7 pathic medicine or branch campus of a school of
8 medicine or osteopathic medicine;

9 (2) develop, implement, and expand curriculum
10 that emphasizes care for rural and underserved pop-
11 ulations, including accessible and culturally appro-
12 priate and linguistically appropriate care and serv-
13 ices, at such school or branch campus;

14 (3) plan and construct a school of medicine or
15 osteopathic medicine in an area in which no other
16 such school or branch campus of such a school is
17 based;

18 (4) plan, develop, and meet criteria for accredi-
19 tation for a school of medicine or osteopathic medi-
20 cine or branch campus of such a school;

21 (5) hire faculty, including faculty from racial
22 and ethnic groups who are underrepresented among
23 the medical and other health professions, and other
24 staff to serve at such a school or branch campus;

1 (6) support educational programs at such a
2 school or branch campus, including modernizing cur-
3 riculum;

4 (7) modernize and expand infrastructure at
5 such a school or branch campus; or

6 (8) support other activities that the Secretary
7 determines will further the establishment, improve-
8 ment, or expansion of a school of medicine or osteo-
9 pathic medicine or branch campus of a school of
10 medicine or osteopathic medicine.

11 (c) DEFINITIONS.—In this section:

12 (1) ELIGIBLE ENTITY.—The term “eligible enti-
13 ty” means an institution of higher education as de-
14 fined in section 101 of the Higher Education Act of
15 1965 (20 U.S.C. 1001).

16 (2) BRANCH CAMPUS.—

17 (A) IN GENERAL.—The term “branch cam-
18 pus”, with respect to a school of medicine or os-
19 teopathic medicine, means an additional loca-
20 tion of such school that is geographically apart
21 and independent of the main campus, at which
22 the school offers at least 50 percent of the pro-
23 gram leading to a degree of doctor of medicine
24 or doctor of osteopathy that is offered at the
25 main campus.

1 (B) INDEPENDENCE FROM MAIN CAM-
2 PUS.—For purposes of subparagraph (A), the
3 location of a school described in such subpara-
4 graph shall be considered to be independent of
5 the main campus described in such subpara-
6 graph if the location—

7 (i) is permanent in nature;

8 (ii) offers courses in educational pro-
9 grams leading to a degree, certificate, or
10 other recognized educational credential;

11 (iii) has its own faculty and adminis-
12 trative or supervisory organization; and

13 (iv) has its own budgetary and hiring
14 authority.

15 **SEC. 31006. FUNDING FOR NURSING EDUCATION ENHANCE-**
16 **MENT AND MODERNIZATION GRANTS IN UN-**
17 **DESERVED AREAS.**

18 (a) IN GENERAL.—In addition to amounts otherwise
19 available, there is appropriated to the Secretary for fiscal
20 year 2022, out of any money in the Treasury not otherwise
21 appropriated, \$1,000,000,000, to remain available until
22 expended, for purposes of making awards to schools of
23 nursing (as defined in section 801 of the Public Health
24 Service Act (42 U.S.C. 296)) to enhance and modernize

1 nursing education programs and increase the number of
2 faculty and students at such schools.

3 (b) USE OF FUNDS.—The Secretary, acting through
4 the Administrator of the Health Resources and Services
5 Administration, taking into consideration equitable dis-
6 tribution of awards among the geographical regions of the
7 United States and the capacity of a school of nursing to
8 provide care in underserved areas, shall use amounts ap-
9 propriated by subsection (a) to award grants for purposes
10 of—

11 (1) recruiting, enrolling, and retaining students
12 at such school, with a priority for students from dis-
13 advantaged backgrounds (including racial or ethnic
14 groups underrepresented in the nursing workforce),
15 individuals from rural and underserved areas, low-in-
16 come individuals, and first generation college stu-
17 dents (as defined in section 402A(h)(3) of the High-
18 er Education Act of 1965 (20 U.S.C. 1070a–
19 11(h)(3)));

20 (2) creating, supporting, or modernizing edu-
21 cational programs and curricula at such school;

22 (3) retaining current faculty, and hiring new
23 faculty, with an emphasis on faculty from racial or
24 ethnic groups that are underrepresented in the nurs-
25 ing workforce;

1 (4) modernizing infrastructure at such school,
2 including audiovisual or other equipment, personal
3 protective equipment, simulation and augmented re-
4 ality resources, telehealth technologies, and virtual
5 and physical laboratories;

6 (5) partnering with a health care facility, nurse-
7 managed health clinic, community health center, or
8 other facility that provides health care, in order to
9 provide educational opportunities for the purpose of
10 establishing or expanding clinical education;

11 (6) enhancing and expanding nursing programs
12 that prepare nurse researchers and scientists;

13 (7) establishing nurse-led intradisciplinary and
14 interprofessional educational partnerships; or

15 (8) other activities that the Secretary deter-
16 mines will further the development, improvement,
17 and expansion of schools of nursing.

18 **SEC. 31007. FUNDING FOR TEACHING HEALTH CENTER**

19 **GRADUATE MEDICAL EDUCATION.**

20 (a) IN GENERAL.—In addition to amounts otherwise
21 available, and notwithstanding the limitations referred to
22 in subsections (b)(2) and (d)(2) of section 340H of the
23 Public Health Service Act (42 U.S.C. 256h), there is ap-
24 propriated to the Secretary for fiscal year 2022, out of

1 any money in the Treasury not otherwise appropriated,
2 \$6,000,000,000, to remain available until expended, for—

3 (1) the program of payments to teaching health
4 centers that operate graduate medical education pro-
5 grams under such section; and

6 (2) the award of teaching health center develop-
7 ment grants pursuant to section 749A of the Public
8 Health Service Act (42 U.S.C. 2931–1).

9 (b) USE OF FUNDS.—Amounts made available pursu-
10 ant to subsection (a) shall be used for the following activi-
11 ties:

12 (1) For making payments to establish new ap-
13 proved graduate medical residency training pro-
14 grams pursuant to section 340H(a)(1)(C) of the
15 Public Health Service Act (42 U.S.C.
16 256h(a)(1)(C)).

17 (2) For making payments under section
18 340H(a)(1)(A) of the Public Health Service Act (42
19 U.S.C. 256h(a)(1)(A)) to qualified teaching health
20 centers for maintenance of filled positions at existing
21 approved graduate medical residency training pro-
22 grams.

23 (3) For making payments under section
24 340H(a)(1)(B) of the Public Health Service Act (42
25 U.S.C. 256h(a)(1)(B)) for the expansion of existing

1 approved graduate medical residency training pro-
2 grams.

3 (4) For making awards under section 749A of
4 the Public Health Service Act (42 U.S.C. 2931-1) to
5 teaching health centers for the purpose of estab-
6 lishing new accredited or expanded primary care
7 residency programs.

8 (5) To provide an increase to the per resident
9 amount described in section 340H(a)(2) of the Pub-
10 lic Health Service Act (42 U.S.C. 256h(a)(2)).

11 **SEC. 31008. FUNDING FOR CHILDREN'S HOSPITALS THAT**
12 **OPERATE GRADUATE MEDICAL EDUCATION**
13 **PROGRAMS.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Secretary for fiscal year 2022, out of
16 any money in the Treasury not otherwise appropriated,
17 \$250,000,000, to remain available until expended, for car-
18 rying out section 340E of the Public Health Service Act
19 (42 U.S.C. 256e).

20 **SEC. 31009. FUNDING FOR THE NURSE CORPS.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Secretary for fiscal year 2022, out of
23 any money in the Treasury not otherwise appropriated,
24 \$300,000,000, to remain available until expended, for car-

1 rying out section 846 of the Public Health Service Act
2 (42 U.S.C. 297n).

3 **PART 2—PANDEMIC PREPAREDNESS**

4 **SEC. 31021. FUNDING FOR LABORATORY ACTIVITIES AT**
5 **THE CENTERS FOR DISEASE CONTROL AND**
6 **PREVENTION.**

7 (a) IN GENERAL.—In addition to amounts otherwise
8 available, there is appropriated to the Secretary for fiscal
9 year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$5,000,000,000 for purposes of carrying
11 out, acting through the Director of the Centers for Disease
12 Control and Prevention (in this section referred to as the
13 “Director”), activities described in subsection (b), to re-
14 main available until expended.

15 (b) USE OF FUNDS.—Amounts made available by
16 subsection (a) shall be used for the following activities:

17 (1) Supporting renovation, expansion, and mod-
18 ernization of State and local public health laboratory
19 infrastructure (as the term “laboratory” is defined
20 in section 353 of the Public Health Service Act (42
21 U.S.C. 263a)), including—

22 (A) increasing and enhancing testing and
23 response capacity;

1 (B) upgrades and expansion of the Labora-
2 tory Response Network for rapid outbreak de-
3 tection;

4 (C) improving and expanding genomic se-
5 quencing capabilities to detect emerging dis-
6 eases and variant strains;

7 (D) expanding biosafety and biosecurity
8 capacity; and

9 (E) making other laboratory enhancements
10 and modernization as determined by the Direc-
11 tor to be important for maintaining public
12 health.

13 (2) Renovating, expanding, and modernizing
14 laboratories of the Centers for Disease Control and
15 Prevention as described in subparagraphs (A)
16 through (E) of paragraph (1).

17 (3) Enhancing the ability of the Centers for
18 Disease Control and Prevention to monitor and exer-
19 cise oversight over biosafety and biosecurity of State
20 and local public health laboratories.

21 **SEC. 31022. FUNDING FOR STRENGTHENING VACCINE CON-**
22 **FIDENCE.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 available, there is appropriated to the Secretary for fiscal
25 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$1,250,000,000, to remain available until
2 expended, to carry out, acting through the Director of the
3 Centers for Disease Control and Prevention, directly or
4 by making grants to public or private entities, activities
5 described in subsection (b) in the United States, including
6 its territories and possessions.

7 (b) USE OF FUNDS.—Amounts made available by
8 subsection (a) shall be used to—

9 (1) strengthen vaccine confidence;

10 (2) strengthen routinely recommended vaccine
11 programs; and

12 (3) improve rates of vaccination, including
13 through activities described in section 313 of the
14 Public Health Service Act (42 U.S.C. 245).

15 **SEC. 31023. FUNDING FOR SURVEILLANCE ACTIVITIES AT**
16 **THE CENTERS FOR DISEASE CONTROL AND**
17 **PREVENTION.**

18 (a) IN GENERAL.—In addition to amounts otherwise
19 available, there is appropriated to the Secretary for fiscal
20 year 2022, out of any money in the Treasury not otherwise
21 appropriated, \$1,000,000,000, to remain available until
22 expended, to carry out, acting through the Director of the
23 Centers for Disease Control and Prevention, directly or
24 by making grants to public or private entities, activities
25 described in subsection (b).

1 (b) USE OF FUNDS.—Amounts made available by
2 subsection (a) shall be used to—

3 (1) enhance and strengthen early warning and
4 detection systems, including public health and health
5 care surveillance, wastewater testing, and global and
6 domestic genomic surveillance;

7 (2) enhance and strengthen surveillance based
8 in hospitals and other health care providers or facili-
9 ties, and outpatient facility surveillance for severe
10 acute respiratory infection, influenza-like illness,
11 acute febrile illness, and other diseases as deter-
12 mined by the Director of the Centers for Disease
13 Control and Prevention to be in the interest of pub-
14 lic health; and

15 (3) strengthen the antibiotic resistance initia-
16 tive program to improve research, stewardship,
17 genomic detection capabilities, and surveillance of
18 existing and emerging antimicrobial resistant patho-
19 gens.

20 **SEC. 31024. FUNDING FOR DATA MODERNIZATION AT THE**
21 **CENTERS FOR DISEASE CONTROL AND PRE-**
22 **VENTION.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 available, there is appropriated to the Secretary for fiscal
25 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$500,000,000, to remain available until ex-
2 pended—

3 (1) to carry out, acting through the Director of
4 the Centers for Disease Control and Prevention, di-
5 rectly or by making grants to public or private enti-
6 ties, activities described in subsection (b); and

7 (2) to supplement other available funds to carry
8 out similar data modernization activities authorized
9 by the Public Health Service Act (42 U.S.C. 201 et
10 seq.).

11 (b) USE OF FUNDS.—Amounts made available by
12 subsection (a) shall be used for the following:

13 (1) Supporting public health data surveillance,
14 aggregation, and analytics infrastructure moderniza-
15 tion initiatives.

16 (2) Enhancing reporting and workforce core
17 competencies in informatics and digital health.

18 (3) Expanding and maintaining efforts to mod-
19 ernize the United States disease warning system to
20 forecast and track hotspots and emerging biological
21 threats.

1 **SEC. 31025. FUNDING FOR PUBLIC HEALTH AND PRE-**
2 **PAREDNESS RESEARCH, DEVELOPMENT, AND**
3 **COUNTERMEASURE CAPACITY.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 available, there is appropriated to the Secretary for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, to remain available until expended, to carry
8 out activities, acting through the Assistant Secretary for
9 Preparedness and Response, to prepare for, and respond
10 to, public health emergencies declared under section 319
11 of the Public Health Service Act (42 U.S.C. 247d)—

12 (1) \$3,000,000,000 to support surge capacity,
13 including through construction, expansion, or mod-
14 ernization of facilities, to respond to a public health
15 emergency, for procurement and domestic manufac-
16 ture of drugs, active pharmaceutical ingredients,
17 vaccines and other biological products, diagnostic
18 technologies and products, personal protective equip-
19 ment, medical devices, vials, syringes, needles, and
20 other components or supplies for the Strategic Na-
21 tional Stockpile under section 319F–2 of the Public
22 Health Service Act (42 U.S.C. 247d–6b);

23 (2) \$2,000,000,000 to support expanded global
24 and domestic vaccine production capacity, including
25 by developing or acquiring new technology and ex-

1 panding manufacturing capacity through construc-
2 tion, expansion, or modernization of facilities;

3 (3) \$2,000,000,000 to support activities to miti-
4 gate supply chain risks and enhance supply chain
5 elasticity and resilience for critical drugs, active
6 pharmaceutical ingredients, and supplies (including
7 essential medicines, medical countermeasures, and
8 supplies in shortage or at risk of shortage), drug
9 and vaccine raw materials, and other supplies, as the
10 Secretary determines appropriate, including con-
11 struction, expansion, or modernization of facilities,
12 adoption of advanced manufacturing processes, and
13 other activities to support domestic manufacturing
14 of such supplies;

15 (4) \$500,000,000 to support activities con-
16 ducted by the Biomedical Advanced Research and
17 Development Authority for advanced research,
18 standards development, and domestic manufacturing
19 capacity for drugs, including essential medicines,
20 diagnostics, vaccines, therapeutics, and personal pro-
21 tective equipment; and

22 (5) \$500,000,000 to support increased biosafety
23 and biosecurity in research on infectious diseases, in-
24 cluding by modernization or improvement of facili-
25 ties.

1 **PART 3—INNOVATION**
2 **SEC. 31031. FUNDING FOR ADVANCED RESEARCH**
3 **PROJECTS FOR HEALTH.**

4 (a) **IN GENERAL.**—In addition to amounts otherwise
5 available, there is appropriated to the Secretary for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$3,000,000,000, to remain available until
8 expended, to establish the Advanced Research Projects
9 Agency for Health (in this section referred to as the
10 “ARPA–H”) for purposes of making pivotal investments
11 in breakthrough technologies and broadly applicable plat-
12 forms, capabilities, resources, and solutions that have the
13 potential to transform important areas of medicine and
14 health for the benefit of all individuals and that cannot
15 readily be accomplished through traditional biomedical re-
16 search or commercial activity.

17 (b) **USE OF FUNDS.**—Amounts made available by
18 subsection (a) shall be used to—

19 (1) hire a Director to head the ARPA–H (for
20 a term of no more than 5 years subject to one re-
21 newal period); and

22 (2) acting through the Director of the ARPA–
23 H, in consultation, as applicable, with the Director
24 of the National Institutes of Health, the Commis-
25 sioner of Food and Drugs, the Administrator of the
26 Centers for Medicare & Medicaid Services, the Di-

1 rector of the Biomedical Advanced Research and De-
2 velopment Authority, the Deputy Assistant Secretary
3 for Minority Health, and the heads of other agen-
4 cies, shall—

5 (A) ensure to the maximum extent prac-
6 ticable that the projects and activities of the
7 ARPA–H funded by subsection (a) are coordi-
8 nated with, and do not duplicate the efforts of,
9 programs within, or research conducted or sup-
10 ported by, the Department of Health and
11 Human Services; and

12 (B) in using amounts made available by
13 subsection (a), expedite the development, appli-
14 cation, and implementation of health break-
15 throughs to prevent, detect, and treat serious or
16 life-threatening diseases, including—

17 (i) providing awards in the form of
18 grants, contracts, cooperative agreements,
19 prizes, and other transactions (as defined
20 under section 402(n) of the Public Health
21 Service Act (42 U.S.C. 282(n))) to entities
22 to carry out advanced research projects for
23 health, including through multiyear con-
24 tracts (subject to the availability of funds)
25 and prize competitions;

1 (ii) developing funding criteria and
2 evaluation criteria to assess projects fund-
3 ed under clause (i);

4 (iii) establishing metrics or criteria to
5 prioritize investments and research that
6 should be funded under clause (i), includ-
7 ing the novelty, scientific, and technical
8 merit of proposed projects, the future com-
9 mercial applications of projects, and the
10 unmet need within patient populations;

11 (iv) identifying and promoting poten-
12 tial advances in basic research that will as-
13 sist in carrying out advanced health re-
14 search and development;

15 (v) identifying areas of research and
16 innovation that are high-risk, high-reward
17 or where the incentives of the commercial
18 market are unlikely to result in adequate
19 or timely development;

20 (vi) supporting collaboration and com-
21 munication among other Federal agencies,
22 including both health and scientific agen-
23 cies, institutions of higher education, pri-
24 vate or public research institutions, private
25 entities, including biotechnology and phar-

1 maceutical companies, and nonprofit orga-
2 nizations, including patient advocacy
3 groups, including soliciting data, if applica-
4 ble;

5 (vii) translating scientific discoveries
6 into technological innovations, including
7 through—

8 (I) collaboration with the Food
9 and Drug Administration on the de-
10 velopment of medical products to fa-
11 cilitate transformation of break-
12 throughs in biomedicine into tangible
13 solutions for patients; and

14 (II) ensuring that medical prod-
15 uct development programs gather non-
16 clinical and clinical data necessary for
17 approval as efficiently as practicable;

18 (viii) hiring and appointing personnel
19 necessary to carry out activities described
20 in this section, including—

21 (I) making and rescinding ap-
22 pointments of scientific, medical, and
23 professional personnel;

24 (II) designating personnel to
25 serve as program managers (for terms

1 of no more than 3 years subject to
2 one renewal period) to establish re-
3 search and development goals for the
4 ARPA–H, provide project oversight
5 and management of strategic initia-
6 tives, recommend restructure, expan-
7 sion, or termination of research
8 projects under this section, as nec-
9 essary and appropriate, and carry out
10 other activities described in this sub-
11 section;

12 (III) recruiting and retaining a
13 diverse workforce, including individ-
14 uals underrepresented in science and
15 medicine and, racial and ethnic mi-
16 norities; and

17 (IV) hiring and appointing ad-
18 ministrative, financial, and informa-
19 tion technology staff as necessary to
20 carry out this subsection;

21 (ix) compensating personnel at a rate
22 to be determined by the Director of the
23 ARPA–H;

24 (x) acquiring (by purchase, lease, con-
25 demnation, or otherwise), constructing, im-

1 proving, repairing, operating, and main-
2 taining such real and personal property as
3 are necessary to carry out this section; and
4 (xi) entering into or terminating con-
5 tracts, including multiyear contracts, as
6 appropriate to support advanced research
7 projects for health.

8 (c) FUNDING AWARDS.—Research funded by
9 amounts made available under this section shall not be
10 subject to the requirements of section 406(a)(3)(A)(ii) or
11 492 of the Public Health Service Act (42 U.S.C.
12 284a(a)(3)(A)(ii), 289a).

13 (d) SUPPLEMENT NOT SUPPLANT.—Funds appro-
14 priated by this section shall be used to supplement and
15 not supplant any appropriations for institutes and centers
16 of the National Institutes of Health.

17 **PART 4—MATERNAL MORTALITY**

18 **SEC. 31041. FUNDING FOR LOCAL ENTITIES ADDRESSING** 19 **SOCIAL DETERMINANTS OF MATERNAL** 20 **HEALTH.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated to the Secretary for fiscal
23 year 2022, out of any money in the Treasury not otherwise
24 appropriated, \$175,000,000, to remain available until ex-
25 pended, to award grants to community-based organiza-

1 tions, Urban Indian organizations, Native Hawaiian orga-
2 nizations, or other nonprofit organizations working with
3 a community-based organization, operating in areas with
4 high rates of adverse maternal health outcomes or with
5 significant racial or ethnic disparities in maternal health
6 outcomes.

7 (b) USE OF FUNDING.—Amounts made available by
8 subsection (a) shall be used for the following activities:

9 (1) Addressing social determinants of maternal
10 health for pregnant and postpartum individuals and
11 eliminating racial and ethnic disparities in maternal
12 health outcomes by—

13 (A) hiring, training, or retaining staff;

14 (B) developing or distributing culturally
15 and linguistically appropriate resources for so-
16 cial services programs;

17 (C) offering programs and resources to ad-
18 dress social determinants of health;

19 (D) conducting demonstration projects to
20 address social determinants of health;

21 (E) establishing a culturally and linguis-
22 tically appropriate resource center that provides
23 multiple social services programs in a single lo-
24 cation; and

1 (F) consulting with pregnant and
2 postpartum individuals to conduct an assess-
3 ment of the activities conducted under this sec-
4 tion.

5 (2) Promoting evidence-based health literacy
6 and pregnancy, childbirth, and parenting education
7 for pregnant and postpartum individuals, and indi-
8 viduals seeking to become pregnant.

9 (3) Providing support from perinatal health
10 workers, support persons, and providers to pregnant
11 and postpartum individuals.

12 (4) Providing culturally congruent, linguistically
13 appropriate, and trauma-informed training to
14 perinatal health workers.

15 (5) Conducting outreach to eligible entities to
16 encourage such entities to apply for grants under
17 this section.

18 (6) Providing technical assistance to the eligible
19 entities receiving funding under this section.

20 (c) MINIMUM FOR COMMUNITY-BASED ORGANIZA-
21 TIONS.—Of the amounts made available by subsection (a),
22 the Secretary shall award not less than \$75,000,000 for
23 the Office of Minority Health to award grants to commu-
24 nity-based organizations to carry out the activities de-
25 scribed in subsection (b).

1 **SEC. 31042. FUNDING TO GROW AND DIVERSIFY THE NURS-**
2 **ING WORKFORCE IN MATERNAL AND**
3 **PERINATAL HEALTH.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 available, there is appropriated to the Secretary for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$150,000,000, to remain available until ex-
8 pended, for grants to accredited schools of nursing for the
9 purpose of growing and diversifying the perinatal nursing
10 workforce.

11 (b) USES OF FUNDS.—

12 (1) GRANTEES.—Prioritizing students and reg-
13 istered nurses who practice in a health professional
14 shortage area designated under such section of the
15 Public Health Service Act, amounts made available
16 to grantees by subsection (a) shall be used for the
17 following activities:

18 (A) Providing scholarships to students
19 seeking to become nurse practitioners whose
20 education includes a focus on maternal and
21 perinatal health.

22 (B) Providing scholarships to students
23 seeking to become clinical nurse specialists
24 whose education includes a focus on maternal
25 and perinatal health.

1 (C) Providing scholarships to students
2 seeking to become certified nurse midwives.

3 (D) Providing scholarships to registered
4 nurses seeking certification as an obstetrics and
5 gynecology registered nurse.

6 (2) SECRETARY.—The Secretary shall use
7 amounts made available pursuant to subsection (a)
8 for the following activities:

9 (A) Developing and implementing strate-
10 gies to recruit and retain a diverse pool of stu-
11 dents seeking to enter careers focused on ma-
12 ternal and perinatal health.

13 (B) Developing partnerships with practice
14 settings in a health professional shortage area
15 designated under section 332 of the Public
16 Health Service Act (42 U.S.C. 254e) for the
17 clinical placements of students at the schools
18 receiving such grants.

19 (C) Developing curriculum for students
20 seeking to enter careers focused on maternal
21 and perinatal health that includes training pro-
22 grams on bias, racism, or discrimination.

23 (D) Carrying out other activities under
24 title VIII of the Public Health Service Act (42

1 U.S.C. 296 et seq.) for the purpose under sub-
2 section (a).

3 **SEC. 31043. FUNDING TO GROW AND DIVERSIFY THE DOULA**
4 **WORKFORCE.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated to the Secretary for fiscal
7 year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$50,000,000, to remain available until ex-
9 pended, for grants to health professions schools, academic
10 health centers, State or local governments, territories, In-
11 dian Tribes and Tribal organizations, Urban Indian orga-
12 nizations, Native Hawaiian organizations, or other appro-
13 priate public or private nonprofit entities (or consortia of
14 entities, including entities promoting multidisciplinary ap-
15 proaches), to establish or expand programs to grow and
16 diversify the doula workforce.

17 (b) USE OF FUNDS.—Amounts made available by
18 subsection (a) shall be used for the following activities:

19 (1) Establishing programs that provide edu-
20 cation and training to individuals seeking appro-
21 priate training or certification as doulas.

22 (2) Expanding the capacity of existing pro-
23 grams described in paragraph (1), for the purpose of
24 increasing the number of students enrolled in such

1 programs, including by awarding scholarships for
2 students.

3 (3) Developing and implementing strategies to
4 recruit and retain students from underserved com-
5 munities, particularly from demographic groups ex-
6 periencing high rates of maternal mortality and se-
7 vere maternal morbidity, including racial and ethnic
8 minority groups, into programs described in para-
9 graphs (1) and (2).

10 **SEC. 31044. FUNDING TO GROW AND DIVERSIFY THE MA-**
11 **TERNAL MENTAL HEALTH AND SUBSTANCE**
12 **USE DISORDER TREATMENT WORKFORCE.**

13 (a) IN GENERAL.—In addition to amounts otherwise
14 available, there is appropriated to the Secretary for fiscal
15 year 2022, out of any money in the Treasury not otherwise
16 appropriated, \$75,000,000, to remain available until ex-
17 pended, for grants to health professions schools, academic
18 health centers, State or local governments, territories, In-
19 dian Tribes and Tribal organizations, Urban Indian orga-
20 nizations, Native Hawaiian organizations, or other appro-
21 priate public or private nonprofit entities (or consortia of
22 entities, including entities promoting multidisciplinary ap-
23 proaches), to establish or expand programs to grow and
24 diversify the maternal mental health and substance use
25 disorder treatment workforce.

1 (b) USE OF FUNDS.—Amounts made available by
2 subsection (a) shall be used for the following activities:

3 (1) Establishing programs that provide edu-
4 cation and training to individuals seeking appro-
5 priate licensing or certification as mental health or
6 substance use disorder treatment providers who plan
7 to specialize in maternal mental health conditions or
8 substance use disorders.

9 (2) Expanding the capacity of existing pro-
10 grams described in paragraph (1), for the purposes
11 of increasing the number of students enrolled in
12 such programs, including by awarding scholarships
13 for students.

14 (3) Developing and implementing strategies to
15 recruit and retain students from underserved com-
16 munities into programs described in paragraphs (1)
17 and (2).

18 **SEC. 31045. FUNDING FOR MATERNAL MENTAL HEALTH EQ-**
19 **UITY GRANT PROGRAMS.**

20 (a) IN GENERAL.—In addition to amounts otherwise
21 available, there is appropriated to the Secretary for fiscal
22 year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$100,000,000, to remain available until ex-
24 pended, for grants to community-based organizations,
25 Urban Indian organizations, Native Hawaiian organiza-

1 tions, health care providers, accredited medical schools,
2 accredited schools of nursing, teaching hospitals, accred-
3 ited midwifery programs, physician assistant education
4 programs, residency or fellowship programs, or other non-
5 profit organizations, schools, or programs determined ap-
6 propriate by the Secretary, to address maternal mental
7 health conditions and substance use disorders with respect
8 to pregnant, lactating, and postpartum individuals in
9 areas with high rates of adverse maternal health outcomes
10 or with significant racial or ethnic disparities in maternal
11 health outcomes.

12 (b) USE OF FUNDS.—Amounts made available pursu-
13 ant to subsection (a), prioritizing community-based orga-
14 nizations, shall be for the following activities:

15 (1) Establishing or expanding maternity care
16 programs to improve the integration of mental
17 health and substance use disorder treatment services
18 into primary care settings where pregnant individ-
19 uals regularly receive health care services.

20 (2) Establishing or expanding group prenatal
21 care programs or postpartum care programs.

22 (3) Expanding existing programs that improve
23 maternal mental health and substance use disorder
24 treatment from the preconception through the
25 postpartum periods, with a focus on individuals from

1 racial and ethnic minority groups with high rates of
2 maternal mortality and morbidity.

3 (4) Providing services and support for individ-
4 uals with maternal mental health conditions and
5 substance use disorders, starting in pregnancy and
6 continuing through the postpartum period.

7 (5) Addressing stigma associated with maternal
8 mental health conditions and substance use dis-
9 orders, with a focus on racial and ethnic minority
10 groups.

11 (6) Raising awareness of warning signs of ma-
12 ternal mental health conditions and substance use
13 disorders, with a focus on pregnant, lactating, and
14 postpartum individuals from racial and ethnic mi-
15 nority groups.

16 (7) Establishing or expanding programs to pre-
17 vent suicide or self-harm among pregnant, lactating,
18 and postpartum individuals.

19 (8) Offering evidence-informed programs at
20 freestanding birth centers that provide maternal
21 mental health and substance use disorder education,
22 treatments, and services, and other services for indi-
23 viduals throughout the prenatal and postpartum pe-
24 riod.

1 (9) Establishing or expanding programs to pro-
2 vide education and training to maternity care pro-
3 viders with respect to—

4 (A) identifying potential warning signs for
5 maternal mental health conditions or substance
6 use disorders in pregnant, lactating, and
7 postpartum individuals, with a focus on individ-
8 uals from racial and ethnic minority groups;
9 and

10 (B) in the case where such providers iden-
11 tify such warning signs, offering referrals to
12 mental health substance use disorder treatment
13 professionals.

14 (10) Developing a national website, or other
15 source, that includes information on health care pro-
16 viders who treat maternal mental health conditions
17 and substance use disorders.

18 (11) Establishing or expanding programs in
19 communities to improve coordination between mater-
20 nity care providers and mental health and substance
21 use disorder providers who treat maternal mental
22 health conditions and substance use disorders.

23 (12) Carrying other programs aligned with evi-
24 dence-based or evidence-informed practices for ad-
25 dressing maternal mental health conditions and sub-

1 stance use disorders for pregnant and postpartum
2 individuals from racial and ethnic minority groups.

3 **SEC. 31046. FUNDING FOR EDUCATION AND TRAINING AT**
4 **HEALTH PROFESSIONS SCHOOLS TO IDENTIFY AND ADDRESS HEALTH RISKS ASSOCI-**
5 **ATED WITH CLIMATE CHANGE.**
6

7 (a) IN GENERAL.—In addition to amounts otherwise
8 available, there is appropriated to the Secretary for fiscal
9 year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$85,000,000, to remain available until ex-
11 pended, for grants to accredited medical schools, accred-
12 ited schools of nursing, teaching hospitals, accredited mid-
13 wifery programs, physician assistant education programs,
14 residency or fellowship programs, or other schools or pro-
15 grams determined appropriate by the Secretary, to sup-
16 port the development and integration of education and
17 training programs for identifying and addressing health
18 risks associated with climate change for pregnant, lac-
19 tating, and postpartum individuals.

20 (b) USE OF FUNDS.—Amounts made available by
21 subsection (a) shall be used for developing, integrating,
22 and implementing curriculum and continuing education
23 that focuses on the following:

24 (1) Identifying health risks associated with cli-
25 mate change for pregnant, lactating, and

1 postpartum individuals and individuals with the in-
2 tent to become pregnant.

3 (2) How health risks associated with climate
4 change affect pregnant, lactating, and postpartum
5 individuals and individuals with the intent to become
6 pregnant.

7 (3) Racial and ethnic disparities in exposure to,
8 and the effects of, health risks associated with cli-
9 mate change for pregnant, lactating, and
10 postpartum individuals and individuals with the in-
11 tent to become pregnant.

12 (4) Patient counseling and mitigation strategies
13 relating to health risks associated with climate
14 change for pregnant, lactating, and postpartum indi-
15 viduals.

16 (5) Relevant services and support for pregnant,
17 lactating, and postpartum individuals relating to
18 health risks associated with climate change and
19 strategies for ensuring such individuals have access
20 to such services and support.

21 (6) Implicit and explicit bias, racism, and dis-
22 crimination in providing care to pregnant, lactating,
23 and postpartum individuals and individuals with the
24 intent to become pregnant.

1 **SEC. 31047. FUNDING FOR MINORITY-SERVING INSTITU-**
2 **TIONS TO STUDY MATERNAL MORTALITY, SE-**
3 **VERE MATERNAL MORBIDITY, AND ADVERSE**
4 **MATERNAL HEALTH OUTCOMES.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated to the Secretary for fiscal
7 year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$50,000,000, to remain available until ex-
9 pended for minority-serving institutions described in sec-
10 tion 371 of the Higher Education Act of 1965 (20 U.S.C.
11 1067q).

12 (b) USE OF FUNDS.—Amounts made available by
13 subsection (a) shall be used for the following activities:

14 (1) Developing and implementing systematic
15 processes of listening to the stories of pregnant and
16 postpartum individuals from racial and ethnic mi-
17 nority groups, and perinatal health workers sup-
18 porting such individuals, to fully understand the
19 causes of, and inform potential solutions to, the ma-
20 ternal mortality and severe maternal morbidity crisis
21 within their respective communities.

22 (2) Assessing the potential causes of relatively
23 low rates of maternal mortality among Hispanic in-
24 dividuals and foreign-born Black women.

1 (3) Assessing differences in rates of adverse
2 maternal health outcomes among subgroups identi-
3 fying as Hispanic.

4 (4) Conducting outreach to eligible minority-
5 serving institutions to raise awareness of the avail-
6 ability of the grants.

7 (5) Providing technical assistance on the appli-
8 cation process for such grant.

9 (6) Promoting capacity building to eligible enti-
10 ties.

11 **SEC. 31048. FUNDING FOR IDENTIFICATION OF MATERNITY**

12 **CARE HEALTH PROFESSIONAL TARGET**
13 **AREAS.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Secretary for fiscal year 2022, out of
16 any money in the Treasury not otherwise appropriated,
17 \$25,000,000, to remain available until expended, for car-
18 rying out section 332(k) of the Public Health Service Act
19 (42 U.S.C. 254e(k)).

20 **SEC. 31049. FUNDING FOR MATERNAL MORTALITY REVIEW**

21 **COMMITTEES TO PROMOTE REPRESENTA-**
22 **TIVE COMMUNITY ENGAGEMENT.**

23 In addition to amounts otherwise available, there is
24 appropriated to the Secretary for fiscal year 2022, out of
25 any money in the Treasury not otherwise appropriated,

1 \$50,000,000, to remain available until expended, for car-
2 rying out section 317K(d) of the Public Health Service
3 Act (42 U.S.C. 247b–12(d)) to promote community en-
4 gagement in maternal mortality review committees to in-
5 crease the diversity of a committee’s membership with re-
6 spect to race and ethnicity, location, and professional
7 background.

8 **SEC. 31050. FUNDING FOR THE SURVEILLANCE FOR**
9 **EMERGING THREATS TO MOTHERS AND BA-**
10 **BIES.**

11 (a) **IN GENERAL.**—In addition to amounts otherwise
12 available, there is appropriated to the Secretary for fiscal
13 year 2022, out of any money in the Treasury not otherwise
14 appropriated, \$100,000,000, to remain available until ex-
15 pended, for carrying out section 317K of the Public
16 Health Service Act (42 U.S.C. 247b–12) with respect to
17 conducting surveillance for emerging threats to mothers
18 and babies.

19 (b) **USE OF FUNDS.**—Amounts made available by
20 subsection (a) shall be used for the following activities:

21 (1) Expanding the Surveillance for Emerging
22 Threats to Mothers and Babies activities of the Cen-
23 ters for Disease Control and Prevention.

24 (2) Working with public health, clinical, and
25 community-based organizations to provide timely,

1 continually updated, evidence-based guidance to fam-
2 ilies and health care providers on ways to reduce
3 risk to pregnant and postpartum individuals and
4 their newborns and tailor interventions to improve
5 their long-term health.

6 (3) Partnering with more State, Tribal, terri-
7 torial, and local public health programs in the collec-
8 tion and analysis of clinical data on the impact of
9 COVID–19 on pregnant and postpartum patients
10 and their newborns, particularly among patients
11 from racial and ethnic minority groups.

12 (4) Establishing regionally based centers of ex-
13 cellence to offer medical, public health, and other
14 knowledge (in coordination with State and Tribal
15 public health authorities) to ensure that commu-
16 nities, especially communities with large populations
17 of individuals from racial and ethnic minority
18 groups, can help pregnant and postpartum individ-
19 uals and newborns get the care and support they
20 need.

21 **SEC. 31051. FUNDING FOR ENHANCING REVIEWS AND SUR-**
22 **VEILLANCE TO ELIMINATE MATERNAL MOR-**
23 **TALITY PROGRAM.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the Secretary for fiscal

1 year 2022, out of any money in the Treasury not otherwise
2 appropriated, \$30,000,000, to remain available until ex-
3 pended, for carrying out the Enhancing Reviews and Sur-
4 veillance to Eliminate Maternal Mortality program estab-
5 lished under section 317K of the Public Health Service
6 Act (42 U.S.C. 247b–12).

7 (b) USE OF FUNDS.—Amounts made available by
8 subsection (a) shall be used for the following activities:

9 (1) Expanding the Enhancing Reviews and Sur-
10 veillance to Eliminate Maternal Mortality program
11 (commonly known as the “ERASE MM program”)
12 of the Centers for Disease Control and Prevention.

13 (2) Expanding partnerships with States, terri-
14 tories, Indian Tribes, and Tribal organizations to
15 support Maternal Mortality Review Committees.

16 (3) Providing technical assistance to existing
17 maternal mortality review committees.

18 **SEC. 31052. FUNDING FOR THE PREGNANCY RISK ASSESS-**
19 **MENT MONITORING SYSTEM.**

20 (a) IN GENERAL.—In addition to amounts otherwise
21 available, there is appropriated to the Secretary for fiscal
22 year 2022, out of any money in the Treasury not otherwise
23 appropriated, \$15,000,000, to remain available until ex-
24 pended, for carrying out section 317K of the Public

1 Health Service Act (42 U.S.C. 247b–12) with respect to
2 the Pregnancy Risk Assessment Monitoring System.

3 (b) USE OF FUNDS.—Amounts made available by
4 subsection (a) shall be used for the following activities:

5 (1) Supporting COVID–19 supplements to the
6 Pregnancy Risk Assessment Monitoring System
7 questionnaire.

8 (2) Conducting a rapid assessment of COVID–
9 19 awareness, impact on care and experiences, and
10 use of preventive measures among pregnant, labor-
11 ing and birthing, and postpartum individuals.

12 (3) Supporting the transition of the question-
13 naire described in paragraph (1) to an electronic
14 platform and expanding the distribution of the ques-
15 tionnaire to a larger population, with a special focus
16 on reaching underrepresented communities.

17 **SEC. 31053. FUNDING FOR THE NATIONAL INSTITUTE OF**
18 **CHILD HEALTH AND HUMAN DEVELOPMENT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Secretary for fiscal year 2022, out of
21 any money in the Treasury not otherwise appropriated,
22 \$15,000,000, to remain available until expended, for car-
23 rying out section 301 of the Public Health Service Act
24 (42 U.S.C. 241) and title IV of the Public Health Service
25 Act (42 U.S.C. 281 et seq.) with respect to child health

1 and human development, to conduct or support research
2 for interventions to mitigate the effects of the COVID–
3 19 public health emergency on pregnant, lactating, and
4 postpartum individuals, with a particular focus on individ-
5 uals from racial and ethnic minority groups.

6 **SEC. 31054. FUNDING FOR EXPANDING THE USE OF TECH-**
7 **NOLOGY-ENABLED COLLABORATIVE LEARN-**
8 **ING AND CAPACITY MODELS FOR PREGNANT**
9 **AND POSTPARTUM INDIVIDUALS.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the Secretary for fiscal
12 year 2022, out of any money in the Treasury not otherwise
13 appropriated, \$30,000,000, to remain available until ex-
14 pended, for grants to community-based organizations,
15 health care providers, accredited medical schools, accred-
16 ited schools of nursing, teaching hospitals, accredited mid-
17 wifery programs, physician assistant education programs,
18 residency or fellowship programs, or other schools or pro-
19 grams determined appropriate by the Secretary, that are
20 operating in health professional shortage areas designated
21 under section 332 of the Public Health Service Act (42
22 U.S.C. 254e) with high rates of adverse maternal health
23 outcomes or significant racial and ethnic disparities in ma-
24 ternal health outcomes, to evaluate, develop, and expand
25 the use of technology-enabled collaborative learning.

1 (b) USE OF FUNDS.—

2 (1) GRANTEES.—A recipient of a grant award-
3 ed pursuant to subsection (a) shall use such grant
4 amounts to—

5 (A) train maternal health care providers
6 and students through the use and expansion of
7 technology-enabled collaborative learning and
8 capacity building models, including hardware
9 and software that—

10 (i) enables distance learning and tech-
11 nical support; and

12 (ii) supports the secure exchange of
13 electronic health information; and

14 (B) conduct evaluations on the use of tech-
15 nology-enabled collaborative learning to improve
16 maternal health outcomes.

17 (2) SECRETARY.—The Secretary shall use
18 amounts made available pursuant to subsection (a)
19 to provide technical assistance to recipients of grants
20 awarded pursuant to subsection (a) on the develop-
21 ment, use, and sustainability of technology-enabled
22 collaborative learning and capacity building models
23 to expand access to maternal health services pro-
24 vided by such entities.

1 **SEC. 31055. FUNDING FOR PROMOTING EQUITY IN MATER-**
2 **NAL HEALTH OUTCOMES THROUGH DIGITAL**
3 **TOOLS.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 available, there is appropriated to the Secretary for fiscal
6 year 2022, out of any money in the Treasury not otherwise
7 appropriated, \$30,000,000, to remain available until ex-
8 pended, for grants to community-based organizations,
9 health care providers, accredited medical schools, accred-
10 ited schools of nursing, teaching hospitals, accredited mid-
11 wifery programs, physician assistant education programs,
12 residency or fellowship programs, or other schools or pro-
13 grams determined appropriate by the Secretary, that are
14 operating in health professional shortage areas designated
15 under section 332 of the Public Health Service Act (42
16 U.S.C. 254e) with high rates of adverse maternal health
17 outcomes or significant racial and ethnic disparities in ma-
18 ternal health outcomes to reduce racial and ethnic dispari-
19 ties in maternal health outcomes by increasing access to
20 digital tools related to maternal health care.

21 (b) USE OF FUNDS.—Amounts made available pursu-
22 ant to subsection (a) shall be used for the following activi-
23 ties:

24 (1) Increasing access to digital tools that could
25 improve maternal health outcomes, such as wearable

1 technologies, patient portals, telehealth services, and
2 mobile phone applications.

3 (2) Providing technical assistance to recipients
4 of grants awarded pursuant to subsection (a) on the
5 development, use, evaluation, and postgrant sustain-
6 ability of digital tools for purposes of promoting eq-
7 uity in maternal health outcomes.

8 **SEC. 31056. FUNDING FOR ANTIDISCRIMINATION AND BIAS**
9 **TRAINING.**

10 (a) IN GENERAL.—In addition to amounts otherwise
11 available, there is appropriated to the Secretary for fiscal
12 year 2022, out of any money in the Treasury not otherwise
13 appropriated, \$25,000,000, to remain available until ex-
14 pended, for the purpose described in subsection (b).

15 (b) USE OF FUNDS.—The Secretary shall use
16 amounts appropriated under subsection (a) to award com-
17 petitive grants or contracts to national nonprofit organiza-
18 tions focused on improving health equity, accredited
19 schools of medicine or nursing, and other health profes-
20 sional training programs to develop, disseminate, review,
21 research, and evaluate training for health professionals
22 and all staff who interact with patients to reduce discrimi-
23 nation and bias in the provision of health care, with a
24 focus on maternal health care.

1 **PART 5—OTHER PUBLIC HEALTH INVESTMENTS**

2 **SEC. 31061. FUNDING FOR MENTAL HEALTH AND SUB-**
3 **STANCE USE DISORDER PROFESSIONALS.**

4 In addition to amounts otherwise available, there is
5 appropriated to the Secretary for fiscal year 2022, out of
6 any money in the Treasury not otherwise appropriated,
7 \$50,000,000, to remain available until expended, for pur-
8 poses of carrying out section 597 of the Public Health
9 Service Act (42 U.S.C. 290ll).

10 **SEC. 31062. FUNDING FOR PROJECT AWARE.**

11 In addition to amounts otherwise available, there is
12 appropriated to the Secretary for fiscal year 2022, out of
13 any money in the Treasury not otherwise appropriated,
14 \$30,000,000, to remain available until expended, for car-
15 rying out section 520A of the Public Health Service Act
16 (42 U.S.C. 290bb–32) with respect to advancing wellness
17 and resiliency in education.

18 **SEC. 31063. FUNDING FOR THE NATIONAL SUICIDE PRE-**
19 **VENTION LIFELINE.**

20 In addition to amounts otherwise available, there is
21 appropriated to the Secretary for fiscal year 2022, out of
22 any money in the Treasury not otherwise appropriated,
23 \$75,000,000, to remain available until expended, for ad-
24 vancing infrastructure for the National Suicide Prevention
25 Lifeline program under section 520E–3 of the Public
26 Health Service Act (42 U.S.C. 290bb–36c) in order to ex-

1 pand existing capabilities for response in a manner that
2 avoids duplicating existing capabilities for text-based crisis
3 support.

4 **SEC. 31064. FUNDING FOR COMMUNITY VIOLENCE AND**
5 **TRAUMA INTERVENTIONS.**

6 (a) IN GENERAL.—In addition to amounts otherwise
7 available, there is appropriated to the Secretary, out of
8 any money in the Treasury not otherwise appropriated to
9 remain available until expended, for the purposes de-
10 scribed in subsection (b):

11 (1) \$150,000,000 for fiscal year 2022.

12 (2) \$250,000,000 for fiscal year 2023.

13 (3) \$450,000,000 for fiscal year 2024.

14 (4) \$550,000,000 for each of fiscal years 2025,
15 2026, and 2027.

16 (b) USE OF FUNDING.—The Secretary, acting
17 through the Director of the Centers for Disease Control
18 and Prevention, and in consultation with the Assistant
19 Secretary for Mental Health and Substance Use, the Ad-
20 ministrator of the Health Resources and Services Admin-
21 istration, and the Deputy Assistant Secretary for Minority
22 Health and with public health and medical professionals,
23 victim services community-based organizations, and other
24 violence reduction experts, shall use amounts appropriated
25 by subsection (a) to support public health approaches to

1 reduce community violence and trauma, taking into con-
2 sideration the needs of communities with high rates of,
3 and prevalence of risk factors associated with, violence-
4 related injuries and deaths, by—

5 (1) awarding competitive grants or contracts to
6 local governmental entities, States, territories, In-
7 dian Tribes and Tribal organizations, Urban Indian
8 organizations, hospitals and community health cen-
9 ters, nonprofit community-based organizations, cul-
10 turally specific organizations, victim services pro-
11 viders, or other entities as determined by the Sec-
12 retary (or consortia of such entities) to support evi-
13 dence-based, culturally competent, and develop-
14 mentally appropriate strategies to reduce community
15 violence, including outreach and conflict mediation,
16 hospital-based violence intervention, violence inter-
17 ruption, and services for victims and individuals and
18 communities at risk for experiencing violence, such
19 as trauma-informed mental health care and coun-
20 seling, school-based mental health services, and
21 other services; and

22 (2) supporting training, technical assistance,
23 surveillance systems, and data collection to facilitate
24 support for strategies to reduce community violence
25 and ensure safe and healthy communities.

1 (c) SUPPLEMENT NOT SUPPLANT.—Amounts appro-
2 priated under this section shall be used to supplement and
3 not supplant any Federal, State, or local funding other-
4 wise made available for the purposes described in this sec-
5 tion.

6 **SEC. 31065. FUNDING FOR THE NATIONAL CHILD TRAU-**
7 **MATIC STRESS NETWORK.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Secretary for fiscal year 2022, out of
10 any money in the Treasury not otherwise appropriated,
11 \$10,000,000, to remain available until expended, for car-
12 rying out section 582 of the Public Health Service Act
13 (42 U.S.C. 290hh–1) with respect to addressing the prob-
14 lem of high-risk or medically underserved persons who ex-
15 perience violence-related stress.

16 **SEC. 31066. FUNDING FOR HIV HEALTH CARE SERVICES**
17 **PROGRAMS.**

18 In addition to amounts otherwise available, there is
19 appropriated to the Secretary for fiscal year 2022, out of
20 any money in the Treasury not otherwise appropriated,
21 \$150,000,000, to remain available until expended, for
22 modifications to existing contracts, and supplements to ex-
23 isting grants and cooperative agreements under parts A,
24 B, C, and D of title XXVI of the Public Health Service

1 Act (42 U.S.C. 300ff–11 et seq.) and section 2692(a) of
2 such Act (42 U.S.C. 300ff–111(a)).

3 **SEC. 31067. SUPPLEMENTAL FUNDING FOR THE WORLD**
4 **TRADE CENTER HEALTH PROGRAM.**

5 (a) SUPPLEMENTAL FUND.—

6 (1) IN GENERAL.—Title XXXIII of the Public
7 Health Service Act (42 U.S.C. 300mm et seq.) is
8 amended by adding at the end the following:

9 **“SEC. 3352. SUPPLEMENTAL FUND.**

10 “(a) IN GENERAL.—There is established a fund to
11 be known as the World Trade Center Health Program
12 Supplemental Fund (referred to in this section as the
13 ‘Supplemental Fund’), consisting of amounts deposited
14 into the Supplemental Fund under subsection (b).

15 “(b) AMOUNT.—Out of any money in the Treasury
16 not otherwise appropriated, there is appropriated for fiscal
17 year 2022, \$2,860,000,000, for deposit into the Supple-
18 mental Fund, which amounts shall remain available
19 through fiscal year 2031.

20 “(c) USES OF FUNDS.—Amounts deposited into the
21 Supplemental Fund under subsection (b) shall be avail-
22 able, without further appropriation and without regard to
23 any spending limitation under section 3351(c), to the
24 WTC Program Administrator as needed at the discretion

1 of such Administrator for carrying out any provision in
2 this title, including sections 3303 and 3341(c).

3 “(d) RETURN OF FUNDS.—Any amounts that remain
4 in the Supplemental Fund on September 30, 2031, shall
5 be deposited into the Treasury as miscellaneous receipts.”.

6 (2) CONFORMING AMENDMENTS.—Title
7 XXXIII of the Public Health Service Act (42 U.S.C.
8 300mm et seq.) is amended—

9 (A) in section 3311(a)(4)(B)(i)(II) (42
10 U.S.C. 300mm–21(a)(4)(B)(i)(II)), by striking
11 “section 3351” and inserting “sections 3351
12 and 3352”;

13 (B) in section 3321(a)(3)(B)(i)(II) (42
14 U.S.C. 300mm–31(a)(3)(B)(i)(II)), by striking
15 “section 3351” and inserting “sections 3351
16 and 3352”;

17 (C) in section 3331 (42 U.S.C. 300mm–
18 41)—

19 (i) in subsection (a), by inserting
20 “and the World Trade Center Health Pro-
21 gram Supplemental Fund” before the pe-
22 riod at the end; and

23 (ii) in subsection (d)—

24 (I) in paragraph (1)(B), by in-
25 serting “(excluding any expenditures

1 from amounts in the World Trade
2 Center Health Program Supplemental
3 Fund under section 3352)” before the
4 period at the end; and

5 (II) in paragraph (2), in the
6 flush text following subparagraph (C),
7 by inserting “(excluding any expendi-
8 tures from amounts in the World
9 Trade Center Health Program Sup-
10 plemental Fund under section 3352)”
11 before the period at the end; and

12 (D) in section 3351(b) (42 U.S.C.
13 300mm–61(b))—

14 (i) in paragraph (2), by inserting “or
15 as available from the World Trade Center
16 Health Program Supplemental Fund under
17 section 3352” before the period at the end;
18 and

19 (ii) in paragraph (3), by inserting “or
20 as available from the World Trade Center
21 Health Program Supplemental Fund under
22 section 3352” before the period at the end.

23 (b) RESEARCH COHORT FOR EMERGING HEALTH IM-
24 PACTS ON YOUTH.—

1 (1) IN GENERAL.—Section 3341 of the Public
2 Health Service Act (42 U.S.C. 300mm–51) is
3 amended—

4 (A) by redesignating subsections (c) and
5 (d) as subsections (d) and (e), respectively; and

6 (B) by inserting after subsection (b) the
7 following:

8 “(c) RESEARCH COHORT FOR EMERGING HEALTH
9 IMPACTS ON YOUTH.—The WTC Program Administrator
10 shall establish a research cohort of sufficient size to con-
11 duct research studies on the health and educational im-
12 pacts of exposure to airborne toxins, or any other hazard
13 or adverse condition, resulting from the September 11,
14 2001, terrorist attacks on the population of individuals
15 who were 21 years of age or younger at the time of expo-
16 sure and who are enrolled in the WTC Program or other-
17 wise eligible for enrollment in the Program under section
18 3321.”.

19 (2) SPENDING LIMITATION EXEMPTION.—Sec-
20 tion 3351(c)(5) of such Act (42 U.S.C. 300mm–
21 61(c)(5)) is amended in the matter preceding sub-
22 paragraph (A), by inserting “(other than subsection
23 (c) of such section)” after “section 3341”.

24 (3) CONFORMING AMENDMENT.—Section
25 3301(f)(2)(E) of such Act (42 U.S.C.

1 300mm(f)(2)(E)) is amended by striking “section
2 3341(a)” and inserting “subsection (a) or (c) of sec-
3 tion 3341”.

4 **Subtitle K—Next Generation 9–1–1**

5 **SEC. 31101. DEPLOYMENT OF NEXT GENERATION 9–1–1.**

6 (a) APPROPRIATION.—

7 (1) IN GENERAL.—In addition to amounts oth-
8 erwise available, there is appropriated to the Assist-
9 ant Secretary for fiscal year 2022, out of any money
10 in the Treasury not otherwise appropriated,
11 \$10,000,000,000, to remain available until Sep-
12 tember 30, 2030, to make grants to eligible entities
13 for implementing Next Generation 9–1–1, operating
14 and maintaining Next Generation 9–1–1, training
15 directly related to implementing, maintaining, and
16 operating Next Generation 9–1–1, if the cost related
17 to such training does not exceed 3 percent of the
18 total grant award, and planning and implementation
19 activities, if the cost related to such planning and
20 implementation does not exceed 1 percent of the
21 total grant award.

22 (2) ADMINISTRATIVE EXPENSES.—Of the
23 amount appropriated in this subsection, the Assist-
24 ant Secretary may use not more than 2 percent to
25 implement and administer this section.

1 (3) RULEMAKING REQUIRED.—Not later than
2 180 days after the date of the enactment of this Act,
3 the Assistant Secretary shall, after public notice and
4 opportunity for comment, issue rules to implement
5 this section.

6 (b) ELIGIBILITY.—

7 (1) IN GENERAL.—The Assistant Secretary
8 shall not make a grant under this section to any eli-
9 gible entity unless such entity certifies to the Assist-
10 ant Secretary that—

11 (A) no portion of any 9–1–1 fee or charge
12 imposed by the eligible entity, or (in the case
13 that the eligible entity is not a covered State or
14 Tribal organization) any State or taxing juris-
15 diction within which the eligible entity will carry
16 out activities using grant funds, will be obli-
17 gated or expended for any purpose or function
18 other than a purpose or function for which the
19 obligation or expenditure of such a fee or
20 charge is acceptable (as determined by the Fed-
21 eral Communications Commission pursuant to
22 the rules issued under section 6(f)(3) of the
23 Wireless Communications and Public Safety
24 Act of 1999 (47 U.S.C. 615a–1(f)(3)), as such
25 rules are in effect on the date on which the eli-

1 gible entity makes the certification) during any
2 period during which the funds from the grant
3 are available to the eligible entity;

4 (B) any funds received by the eligible enti-
5 ty will be used to support the deployment of
6 Next Generation 9–1–1 in a manner that en-
7 sures reliability, interoperability, and requires
8 the use of commonly accepted standards;

9 (C) the eligible entity has established, or
10 commits to establish not later than 3 years
11 after the date on which the funds are distrib-
12 uted to the eligible entity, a sustainable funding
13 mechanism for Next Generation 9–1–1 and ef-
14 fective cybersecurity for Next Generation 9–1–
15 1; and

16 (D) no funds received by the eligible entity
17 will be used to purchase, rent, lease, or other-
18 wise obtain covered communications equipment
19 or services (as defined in section 9 of the Se-
20 cure and Trusted Communications Networks
21 Act of 2019 (47 U.S.C. 1608)).

22 (2) OTHER REQUIREMENTS.—The Assistant
23 Secretary shall not make a grant under this section
24 to an eligible entity unless such entity certifies to
25 the Assistant Secretary that—

1 (A) the eligible entity, and (in the case
2 that the eligible entity is not a covered State or
3 Tribal organization) any covered State within
4 which the eligible entity will carry out activities
5 using grant funds, has designated a single offi-
6 cer or governmental body to serve as the point
7 of contact to coordinate the implementation of
8 Next Generation 9–1–1 for such covered State
9 or Tribal organization; and

10 (B) the eligible entity has developed and
11 submitted a plan for the coordination and im-
12 plementation of Next Generation 9–1–1 con-
13 sistent with the requirements of the Assistant
14 Secretary that, at a minimum—

15 (i) ensures interoperability, reliability,
16 resiliency, and the use of commonly accept-
17 ed standards;

18 (ii) enables emergency communica-
19 tions centers to process, analyze, and store
20 multimedia, data, and other information;

21 (iii) incorporates cybersecurity tools,
22 including intrusion detection and preven-
23 tion measures;

24 (iv) includes strategies for coordi-
25 nating cybersecurity information sharing

1 between Federal, covered State, Tribal,
2 and local government partners;

3 (v) includes a governance body or bod-
4 ies, either by creation of a new body or
5 bodies or use of an existing body or bodies,
6 for the development and deployment of
7 Next Generation 9-1-1;

8 (vi) creates efficiencies related to Next
9 Generation 9-1-1 functions, including the
10 virtualization and sharing of infrastruc-
11 ture, equipment, and services; and

12 (vii) utilizes an effective, competitive
13 approach to establishing authentication,
14 credentialing, secure connections, and ac-
15 cess in deploying Next Generation 9-1-1,
16 including by—

17 (I) requiring certificate authori-
18 ties to be capable of cross-certification
19 with other authorities;

20 (II) avoiding risk of a single
21 point of failure or vulnerability; and

22 (III) adhering to Federal agency
23 best practices such as those promul-
24 gated by the National Institute of
25 Standards and Technology.

1 (3) RETURN OF FUNDING.—If, after making a
2 grant award to an eligible entity under subsection
3 (a), the Assistant Secretary determines that such eli-
4 gible entity has acted in a manner not in accordance
5 with the certifications required under this sub-
6 section, the Assistant Secretary shall, after affording
7 due process, rescind such grant award and recoup
8 funds from such eligible entity.

9 (c) OVERSIGHT.—In addition to amounts otherwise
10 available, there is appropriated to the Inspector General
11 of the Department of Commerce for fiscal year 2022, out
12 of any money in the Treasury not otherwise appropriated,
13 \$10,000,000, to remain available until September 30,
14 2030, to conduct oversight to combat waste, fraud, and
15 abuse of grant awards made under this section.

16 **SEC. 31102. ESTABLISHMENT OF NEXT GENERATION 9-1-1**
17 **CYBERSECURITY CENTER.**

18 In addition to amounts otherwise available, there is
19 appropriated to the Assistant Secretary for fiscal year
20 2022, out of any money in the Treasury not otherwise ap-
21 propriated, \$80,000,000, to remain available until Sep-
22 tember 30, 2030, to establish a Next Generation 9-1-1
23 Cybersecurity Center to coordinate with covered State,
24 local, and regional governments on the sharing of cyberse-
25 curity information about, the analysis of cybersecurity

1 threats to, and guidelines for strategies to detect and pre-
2 vent cybersecurity intrusions relating to Next Generation
3 9–1–1.

4 **SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9–1–1 ADVI-**
5 **SORY BOARD.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Assistant Secretary for fiscal year
8 2022, out of any money in the Treasury not otherwise ap-
9 propriated, \$10,000,000, to remain available until Sep-
10 tember 30, 2030, to establish a 16-member Public Safety
11 Next Generation 9–1–1 Advisory Board (in this section
12 referred to as the “Board”), to be comprised of represent-
13 atives of public safety organizations, to provide rec-
14 ommendations to the Assistant Secretary with respect to
15 carrying out the duties and responsibilities of the Assist-
16 ant Secretary related to Next Generation 9–1–1, including
17 with respect to the grant program established pursuant
18 to section 31101.

19 **SEC. 31104. DEFINITIONS.**

20 In this subtitle:

21 (1) 9–1–1 FEE OR CHARGE.—The term “9–1–
22 1 fee or charge” has the meaning given such term
23 in section 6(f)(3)(D) of the Wireless Communica-
24 tions and Public Safety Act of 1999 (47 U.S.C.
25 615a–1(f)(3)(D)).

1 (2) ASSISTANT SECRETARY.—The term “Assist-
2 ant Secretary” means the Assistant Secretary of
3 Commerce for Communications and Information.

4 (3) COMMONLY ACCEPTED STANDARDS.—The
5 term “commonly accepted standards” means the
6 technical standards followed by the communications
7 industry for network, device, and Internet Protocol
8 connectivity that—

9 (A) enable interoperability; and

10 (B) are—

11 (i) developed and approved by a
12 standards development organization that is
13 accredited by a United States or inter-
14 national standards body in a process
15 that—

16 (I) is open to the public, includ-
17 ing open for participation by any or-
18 ganization; and

19 (II) provides for a conflict resolu-
20 tion process;

21 (ii) subject to an open comment and
22 input process before being finalized by the
23 standards development organization;

24 (iii) consensus-based; and

1 (iv) made publicly available once ap-
2 proved.

3 (4) COST RELATED TO PLANNING AND IMPLE-
4 MENTATION.—The term “cost related to planning
5 and implementation” means any cost incurred by an
6 eligible entity related to planning for and preparing
7 an application and related materials as required
8 under this title.

9 (5) COVERED STATE.—The term “covered
10 State” means any State of the United States, the
11 District of Columbia, Puerto Rico, American Samoa,
12 Guam, the United States Virgin Islands, the North-
13 ern Mariana Islands, and any other territory or pos-
14 session of the United States.

15 (6) ELIGIBLE ENTITY.—The term “eligible enti-
16 ty”—

17 (A) means a covered State or a Tribal or-
18 ganization; and

19 (B) may be an entity, including a public
20 authority, board, or commission, established by
21 one or more entities described in subparagraph
22 (A).

23 (7) EMERGENCY COMMUNICATIONS CENTER.—

24 (A) IN GENERAL.—The term “emergency
25 communications center”—

- 1 (i) means a facility that—
- 2 (I) is designated to receive a 9–
- 3 1–1 request for emergency assistance;
- 4 and
- 5 (II) performs one or more of the
- 6 functions described in subparagraph
- 7 (B); and
- 8 (ii) may be a public safety answering
- 9 point, as defined in section 222 of the
- 10 Communications Act of 1934 (47 U.S.C.
- 11 222).

12 (B) FUNCTIONS DESCRIBED.—The func-

13 tions described in this subparagraph are the fol-

14 lowing:

- 15 (i) Process and analyze 9–1–1 re-
- 16 quests for emergency assistance and infor-
- 17 mation and data related to such requests.
- 18 (ii) Dispatch appropriate emergency
- 19 response providers.
- 20 (iii) Transfer or exchange 9–1–1 re-
- 21 quests for emergency assistance and infor-
- 22 mation and data related to such requests
- 23 with one or more facilities described under
- 24 this paragraph and emergency response
- 25 providers.

1 (iv) Analyze any communications re-
2 ceived from emergency response providers.

3 (v) Support incident command func-
4 tions.

5 (8) INTEROPERABLE; INTEROPERABILITY.—The
6 term “interoperable” or “interoperability” means the
7 capability of emergency communications centers to
8 receive 9–1–1 requests for emergency assistance and
9 information and data related to such requests, such
10 as location information and callback numbers from
11 a person initiating the request, and then process and
12 share the 9–1–1 requests for emergency assistance
13 and information and data related to such requests
14 with other emergency communications centers and
15 emergency response providers without the need for
16 proprietary interfaces and regardless of jurisdiction,
17 equipment, device, software, service provider, or
18 other factors.

19 (9) NEXT GENERATION 9–1–1.—The term
20 “Next Generation 9–1–1” means an interoperable,
21 secure, Internet Protocol-based system that—

22 (A) employs commonly accepted standards;

23 (B) enables emergency communications
24 centers to receive, process, and analyze all types
25 of 9–1–1 requests for emergency assistance;

1 (C) acquires and integrates additional in-
2 formation useful to handling 9-1-1 requests for
3 emergency assistance; and

4 (D) supports sharing information related
5 to 9-1-1 requests for emergency assistance
6 among emergency communications centers and
7 emergency response providers.

8 (10) PUBLIC SAFETY ORGANIZATION.—The
9 term “public safety organization” means an organi-
10 zation that represents the interests of personnel in—

11 (A) local law enforcement;

12 (B) fire and rescue;

13 (C) emergency medical service; or

14 (D) 9-1-1 services.

15 (11) RELIABILITY.—The term “reliability”
16 means the employment of sufficient measures to en-
17 sure the ongoing operation of Next Generation 9-1-
18 1, including through the use of geo-diverse, device-
19 and network-agnostic elements that provide more
20 than one physical route between end points with no
21 common points where a single failure at that point
22 would cause the operation of Next Generation 9-1-
23 1 to fail.

24 (12) STATE OR TAXING JURISDICTION.—The
25 term “State or taxing jurisdiction” has the meaning

1 given such term in section 6(f)(3)(D) of the Wireless
2 Communications and Public Safety Act of 1999 (47
3 U.S.C. 615a–1(f)(3)(D)).

4 (13) SUSTAINABLE FUNDING MECHANISM.—
5 The term “sustainable funding mechanism” means a
6 funding mechanism that provides adequate revenues
7 to cover ongoing expenses, including operations,
8 maintenance, and upgrades.

9 **Subtitle L—Spectrum Auctions**

10 **SEC. 31201. SPECTRUM AUCTIONS AND INNOVATION.**

11 (a) DEFINITIONS.—In this section:

12 (1) ASSISTANT SECRETARY.—The term “Assist-
13 ant Secretary” means the Assistant Secretary of
14 Commerce for Communications and Information.

15 (2) COMMISSION.—The term “Commission”
16 means the Federal Communications Commission.

17 (3) COVERED BAND.—The term “covered
18 band” means the band of frequencies between 3100
19 megahertz and 3450 megahertz, inclusive.

20 (4) RELEVANT CONGRESSIONAL COMMIT-
21 TEES.—The term “relevant congressional commit-
22 tees” means—

23 (A) the Committee on Energy and Com-
24 merce of the House of Representatives; and

1 (B) the Committee on Commerce, Science,
2 and Transportation of the Senate.

3 (5) SECRETARY.—The term “Secretary” means
4 the Secretary of Commerce.

5 (b) 3.1–3.45 GHz BAND.—

6 (1) PRE-AUCTION FUNDING.—

7 (A) IN GENERAL.—On the date of enact-
8 ment of this Act, the Director of the Office of
9 Management and Budget shall transfer
10 \$50,000,000 from the Spectrum Relocation
11 Fund established under section 118 of the Na-
12 tional Telecommunications and Information Ad-
13 ministration Organization Act (47 U.S.C. 928)
14 to the Secretary for the purpose of engineering
15 studies, economic analyses, activities with re-
16 spect to systems, or other planning activities to
17 improve efficiency and effectiveness of Federal
18 spectrum use in order to make available—

19 (i) frequencies in the covered band for
20 identification by the Secretary under para-
21 graph (2)(A); and

22 (ii) frequencies in the covered band
23 for identification by the Secretary under
24 paragraph (2)(B).

1 (B) EXEMPTION.—Section 118(g) of the
2 National Telecommunications and Information
3 Administration Organization Act (47 U.S.C.
4 928(g)) shall not apply with respect to the pay-
5 ment required under subparagraph (A).

6 (C) PLAN.—Not later than 180 days after
7 the date of enactment of this Act, the Assistant
8 Secretary, in coordination with the Secretary of
9 Defense and the Executive Office of the Presi-
10 dent, shall develop a plan for conducting the en-
11 gineering studies, economic analyses, activities
12 with respect to systems, or other planning ac-
13 tivities described in subparagraph (A).

14 (D) CONSIDERATION OF COMMON PLAT-
15 FORM.—In developing the plan required by sub-
16 paragraph (C), the Assistant Secretary shall
17 consider facilitating the sharing of spectrum be-
18 tween Federal and non-Federal users imple-
19 mented through a Federal user informing com-
20 mon platform developed by the Assistant Sec-
21 retary, in coordination with the Commission.

22 (E) OVERSIGHT.—The Assistant Secretary
23 and the Executive Office of the President shall
24 continuously review and provide oversight of the

1 execution of the plan required by subparagraph
2 (C).

3 (F) REPORT TO SECRETARY OF COMMERCE
4 AND CONGRESS.—Not later than 18 months
5 after the date of enactment of this Act, for the
6 purposes of aiding the Secretary in making the
7 identification under paragraph (2) and in-
8 formed by the findings of the engineering stud-
9 ies, economic analyses, activities with respect to
10 systems, or other planning activities described
11 in subparagraph (A), the Assistant Secretary,
12 in consultation with the Secretary of Defense,
13 shall submit to the Secretary and the relevant
14 congressional committees a report that—

15 (i) contains such findings; and

16 (ii) recommends—

17 (I) frequencies in the covered
18 band for identification by the Sec-
19 retary under paragraph (2)(A); and

20 (II) frequencies in the covered
21 band for identification by the Sec-
22 retary under paragraph (2)(B).

23 (2) IDENTIFICATION.—Not later than 24
24 months after the date of enactment of this Act, in-
25 formed by the findings of the engineering studies,

1 economic analyses, activities with respect to systems,
2 or other planning activities described in paragraph
3 (1)(A) and the report required under paragraph
4 (1)(F), the Secretary, in consultation with the Sec-
5 retary of Defense, the Director of the Office of
6 Science and Technology Policy, and the Commission,
7 shall submit to the President, the Commission, and
8 the relevant congressional committees a report
9 that—

10 (A) identifies for inclusion in a system of
11 competitive bidding under paragraph (3) at
12 least 200 megahertz of frequencies in the cov-
13 ered band for non-Federal use, shared Federal
14 and non-Federal use, or a combination thereof;
15 and

16 (B) identifies additional frequencies of
17 electromagnetic spectrum in the covered band
18 that could be made available for non-Federal
19 use, shared Federal and non-Federal use, or a
20 combination thereof.

21 (3) AUCTION.—

22 (A) IN GENERAL.—Not later than 7 years
23 after the date of enactment of this Act, the
24 Commission, in coordination with the Assistant
25 Secretary, shall commence a system of competi-

1 tive bidding under section 309(j) of the Com-
2 munications Act of 1934 (47 U.S.C. 309(j)), in
3 accordance with paragraph (2) of this sub-
4 section, of the frequencies identified under sub-
5 paragraph (A) of that paragraph.

6 (B) PROHIBITION.—No entity that is on
7 the list required by section 2 of the Secure and
8 Trusted Communications Networks Act of 2019
9 (47 U.S.C. 1601) may participate in the system
10 of competitive bidding required by subpara-
11 graph (A).

12 (4) PREPARING SPECTRUM FOR AUCTION.—

13 (A) IN GENERAL.—The President shall
14 modify or withdraw any assignment to a Fed-
15 eral Government station of the frequencies iden-
16 tified under paragraph (2)(A) to accommodate
17 non-Federal use or shared Federal and non-
18 Federal use in accordance with that paragraph.

19 (B) TIMING.—The President may not
20 modify or withdraw any assignment to a Fed-
21 eral Government station as described in sub-
22 paragraph (A) before November 30, 2024.

23 (5) AUCTION PROCEEDS TO COVER 110 PER-
24 CENT OF FEDERAL RELOCATION OR SHARING
25 COSTS.—Nothing in this subsection shall be con-

1 strued to relieve the Commission from the require-
2 ments under section 309(j)(16)(B) of the Commu-
3 nications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

4 (6) RULES AUTHORIZING ADDITIONAL USE OF
5 SPECTRUM IN COVERED BAND.—Not later than 4
6 years after the date of enactment of this Act, the
7 Commission, in consultation with the Assistant Sec-
8 retary, shall adopt rules that authorize the use of
9 spectrum in the covered band identified under para-
10 graph (2)(B) for non-Federal use, shared Federal
11 and non-Federal use, or a combination thereof.

12 (7) OPPORTUNISTIC USE OF IDENTIFIED FRE-
13 QUENCIES.—Not later than 4 years after the date of
14 enactment of this Act, if the President modifies or
15 withdraws assignments under paragraph (4), or if
16 President accommodates the use described in para-
17 graph (2)(A) without such modification or with-
18 drawal, the Commission, in coordination with the
19 Assistant Secretary, shall allow for the opportunistic
20 use of the frequencies identified under such para-
21 graph before the auction required by paragraph (3)
22 is conducted. Opportunistic use, if such use is incon-
23 sistent with the rights of licensees that obtained li-
24 censes through such auction, shall cease upon the
25 issuance by the Commission of such licenses.

1 (c) FCC AUCTION AUTHORITY.—

2 (1) TERMINATION.—Section 309(j)(11) of the
3 Communications Act of 1934 (47 U.S.C. 309(j)(11))
4 is amended by inserting after “2025” the following:
5 “, and with respect to the electromagnetic spectrum
6 identified under section 31201(b)(2)(A) of the Act
7 to provide for reconciliation pursuant to title II of
8 S. Con. Res. 14, such authority shall expire on the
9 date that is 7 years after the date of enactment of
10 that Act”.

11 (2) SPECTRUM PIPELINE ACT OF 2015.—The
12 Spectrum Pipeline Act of 2015 (Public Law 114–74;
13 129 Stat. 621) is amended—

14 (A) in section 1004—

15 (i) in subsection (a), by striking
16 “2022” and inserting “2024”; and

17 (ii) in subsection (b)(1), by striking
18 “2022” and inserting “2024”; and

19 (B) in section 1006(c)(1), by striking
20 “2022” and inserting “2024”.

21 **Subtitle M—Distance Learning**

22 **SEC. 31301. ADDITIONAL SUPPORT FOR DISTANCE LEARN-** 23 **ING.**

24 (a) APPROPRIATION.—In addition to amounts other-
25 wise available, there is appropriated for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated—

3 (1) \$4,000,000,000 to the Emergency
4 Connectivity Fund established under subsection
5 (c)(1) of section 7402 of the American Rescue Plan
6 Act of 2021 (Public Law 117–2) to provide support
7 under the covered regulations promulgated under
8 subsection (a) of such section, except that such
9 amount shall be used to provide support under the
10 covered regulations for costs incurred after the date
11 of enactment of this Act but before June 30, 2030,
12 regardless of whether those costs are incurred dur-
13 ing a COVID–19 emergency period (as defined in
14 subsection (d) of such section); and

15 (2) \$500,000 to the Inspector General of the
16 Federal Communications Commission to conduct
17 oversight of support provided under the covered reg-
18 ulations.

19 Amounts appropriated by this subsection shall remain
20 available until September 30, 2030.

21 (b) LIMITATION.—None of the funds appropriated by
22 subsection (a)(1) may be used to purchase, rent, lease, or
23 otherwise obtain any covered communications equipment
24 or service (as defined in section 9 of the Secure and Trust-

1 ed Communications Networks Act of 2019 (47 U.S.C.
2 1608)).

3 **Subtitle N—Manufacturing Supply**
4 **Chain**

5 **SEC. 31401. CRITICAL MANUFACTURING SUPPLY CHAIN RE-**
6 **SILIENCE.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise made available, there is appropriated to the Depart-
9 ment of Commerce for fiscal year 2022, out of any money
10 in the Treasury not otherwise appropriated,
11 \$10,000,000,000, to remain available until expended, ex-
12 cept that no amounts may be expended after September
13 30, 2031, to support the resilience, diversity, security, and
14 strength of critical manufacturing supply chains affecting
15 interstate commerce and related administrative costs.

16 (b) PURPOSES.—The amount under subsection (a)
17 shall be available to the Secretary of Commerce for—

18 (1) critical manufacturing supply chain map-
19 ping and monitoring, which may include providing
20 grants and other financial assistance as appropriate
21 to eligible entities for private and public sector-led
22 mapping, monitoring, and forecasting;

23 (2) facilitating and supporting the establish-
24 ment of voluntary standards, guidelines, and best
25 practices to reduce risks to the resilience, diversity,

1 security, and strength of critical manufacturing sup-
2 ply chains;

3 (3) identifying, accelerating, promoting, and
4 demonstrating technological advances for critical
5 manufacturing supply chains; and

6 (4) providing grants and other financial assist-
7 ance as appropriate that support the resilience, di-
8 versity, security, or strength of a critical manufac-
9 turing supply chain to eligible entities for activities
10 that may include enhancements to a domestic manu-
11 facturing facility, process, or practice, the preserva-
12 tion of surge capacity, the provision of goods, or
13 other activities at the determination of the Sec-
14 retary.

15 (c) LIMITATION.—Of the amounts made available
16 under subsection (a), not more than 3 percent may be
17 used for related administrative expenses.

18 (d) ELIGIBLE ENTITY DEFINED.—The term “eligible
19 entity” means—

20 (1) a domestic enterprise;

21 (2) a domestic manufacturer;

22 (3) a State, local, or Tribal government entity;

23 (4) a domestic regional technology and manu-
24 facturing hub;

25 (5) a domestic institution of higher education;

1 (6) a domestic public or private nonprofit orga-
2 nization or association; or

3 (7) a consortium of any of the entities described
4 in paragraphs (1) through (6).

5 **Subtitle O—FTC Privacy**
6 **Enforcement**

7 **SEC. 31501. FEDERAL TRADE COMMISSION FUNDING FOR A**
8 **PRIVACY BUREAU AND RELATED EXPENSES.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to the Federal Trade
11 Commission for fiscal year 2022, out of any money in the
12 Treasury not otherwise appropriated, \$1,000,000,000, to
13 remain available until September 30, 2031, for carrying
14 out this section.

15 (b) PURPOSES.—The Federal Trade Commission
16 shall use the funds appropriated under subsection (a) to
17 create and operate a bureau, including by hiring and re-
18 taining technologists, user experience designers, and other
19 experts as the Commission considers appropriate, to ac-
20 complish the work of the Commission related to unfair or
21 deceptive acts or practices relating to privacy, data secu-
22 rity, identity theft, data abuses, and related matters.

1 **Subtitle P—Department of**
2 **Commerce Inspector General**

3 **SEC. 31601. FUNDING FOR THE OFFICE OF THE INSPECTOR**
4 **GENERAL OF THE DEPARTMENT OF COM-**
5 **MERCE.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Office of the Inspector General of the
8 Department of Commerce for fiscal year 2022, out of any
9 money in the Treasury not otherwise appropriated,
10 \$10,000,000, to remain available until September 30,
11 2031, for oversight of activities supported with funds ap-
12 propriated to the Department of Commerce in this Act.

13 **TITLE IV—COMMITTEE ON**
14 **FINANCIAL SERVICES**
15 **Subtitle A—Creating and Pre-**
16 **serving Affordable, Equitable**
17 **and Accessible Housing for the**
18 **21st Century**

19 **SEC. 40001. PUBLIC HOUSING INVESTMENTS.**

20 (a) APPROPRIATION.—In addition to amounts other-
21 wise made available, there is appropriated to the Secretary
22 of Housing and Urban Development (in this section re-
23 ferred to as the “Secretary”) for fiscal year 2022, out of
24 any money in the Treasury not otherwise appropriated—

1 (1) \$10,000,000,000 for the Capital Fund
2 under section 9(d) of the United States Housing Act
3 of 1937 (42 U.S.C. 1437g(d)) pursuant to the same
4 formula as in fiscal year 2021, to be made available
5 within 60 days of the date of the enactment of this
6 Act;

7 (2) \$66,500,000,000 for eligible activities under
8 section 9(d)(1) of the United States Housing Act of
9 1937 (42 U.S.C. 1437g(d)(1)) for priority invest-
10 ments as determined by the Secretary to repair, re-
11 place, or construct properties assisted under such
12 section 9;

13 (3) \$2,750,000,000 for competitive grants
14 under section 24 of the United States Housing Act
15 of 1937 (42 U.S.C. 1437v) (in this section referred
16 to as “section 24”), under the terms and conditions
17 in subsection (b), for transformation, rehabilitation,
18 and replacement housing needs of public housing, to
19 transform neighborhoods of poverty into functioning,
20 sustainable mixed-income neighborhoods ; and

21 (4) \$750,000,000 for the costs to the Secretary
22 of administering and overseeing the implementation
23 of this section and the Public Housing Capital Fund
24 and the section 24 grant program generally, includ-
25 ing information technology, financial reporting, re-

1 search and evaluation, other cross-program costs in
2 support of programs administered by the Secretary
3 in this title, and other costs; the Secretary may
4 transfer and merge amounts set aside under this
5 subparagraph to section 40301.

6 Amounts appropriated by this section shall remain avail-
7 able until September 30, 2031.

8 (b) TERMS AND CONDITIONS FOR SECTION 24
9 GRANTS.—Grants awarded under subsection (a)(3) shall
10 be subject to terms and conditions determined by the Sec-
11 retary, which shall include the following:

12 (1) USE.—Grant funds may be used for resi-
13 dent and community services, community develop-
14 ment and revitalization, and affordable housing
15 needs in the community.

16 (2) APPLICANTS.—Eligible recipients of grants
17 shall include lead applicants and joint applicants, as
18 follows:

19 (A) LEAD APPLICANTS.—A lead applicant
20 shall be a local government or a public housing
21 agency.

22 (B) JOINT APPLICANTS.—A nonprofit or-
23 ganization or a for-profit developer may apply
24 jointly as a joint applicant with such public en-
25 tities specified in subparagraph (A).

1 (3) PERIOD OF AFFORDABILITY.—Grantees
2 shall commit to a period of affordability determined
3 by the Secretary of not fewer than 20 years, but the
4 Secretary may specify a period of affordability that
5 is fewer than 20 years with respect to homeowner-
6 ship units developed with section 24 grants.

7 (4) ENVIRONMENTAL REVIEW.—For purposes
8 of environmental review, a grantee shall be treated
9 as a public housing agency under section 26 of the
10 United States Housing Act of 1937 (42 U.S.C.
11 1437x) and grants from amounts made available
12 under this heading shall be subject to the regula-
13 tions issued by the Secretary to implement such sec-
14 tion.

15 (5) PARTNERSHIPS.—Grantees shall create
16 partnerships with other local organizations, included
17 assisted housing owners, service agencies, and resi-
18 dent organizations.

19 (6) UNOBLIGATED BALANCES.—The Secretary
20 may, until September 30, 2031, obligate any avail-
21 able unobligated balances made available under sub-
22 section (a)(3).

23 (7) LOW-INCOME HOUSING.—Amounts made
24 available under this section shall be used for low-in-
25 come housing (as such term is defined under section

1 3(b) of the United States Housing Act of 1937 (42
2 U.S.C. 1437a(b)) and affordable housing, which
3 shall be housing for which the owner or purchaser
4 of the project has recorded an affordability use re-
5 striction approved by the Secretary for households
6 earning up to 120 percent of the area median in-
7 come for no fewer than 20 years.

8 (c) OTHER TERMS AND CONDITIONS.—Grants
9 awarded under this section shall be subject to the fol-
10 lowing terms and conditions:

11 (1) LIMITATION.—Amounts provided pursuant
12 to this section may not be used for operating costs
13 or rental assistance.

14 (2) DEVELOPMENT OF NEW UNITS.—Paragraph
15 (3) of section 9(g) of the United States Housing Act
16 of 1937 (42 U.S.C. 1437g(g)(3)) shall not apply to
17 new funds made available under this section.

18 (3) HEALTH AND SAFETY.—Amounts made
19 available under this section shall be used to address
20 health, safety, and environmental hazards, including
21 lead, fire, carbon monoxide, mold, asbestos, radon,
22 pest infestation, and other hazards as defined by the
23 Secretary.

24 (4) ENERGY EFFICIENCY AND RESILIENCE.—
25 Amounts made available under this section shall ad-

1 vance improvements to energy and water efficiency
2 or climate and disaster resilience in housing assisted
3 under this section.

4 (5) ALTERNATIVE DEADLINES.—The Secretary
5 shall establish, by notice, alternative deadlines to
6 those established in section 9(j) of the United States
7 Housing Act of 1937 (42 U.S.C. 1437g(j)) to pro-
8 vide public housing agencies reasonable periods of
9 time to obligate and expend funds provided under
10 paragraphs (1) and (2) of subsection (a).

11 (6) RECAPTURE.—If the Secretary recaptures
12 funding allocated by formula from a public housing
13 agency under paragraph (a)(1), such recaptured
14 amounts shall be added to the amounts available
15 under paragraph (a)(2), and shall be obligated by
16 the Secretary prior to the expiration of such funds.

17 (7) SUPPLEMENTATION OF FUNDS.—The Sec-
18 retary shall ensure that amounts provided pursuant
19 to this section shall serve to supplement and not
20 supplant other amounts generated by a recipient of
21 such amounts or amounts provided by other Federal,
22 State, or local sources.

23 (8) WAIVERS AND ALTERNATIVE REQUIRE-
24 MENTS.—The Secretary may waive or specify alter-
25 native requirements for subsections (d)(1), (d)(2),

1 (e), and (j) of section 9 of the United States Hous-
2 ing Act of 1937 (42 U.S.C. 1437g) and associated
3 regulations in connection with the use of amounts
4 made available under this section other than require-
5 ments related to tenant rights and protections, fair
6 housing, nondiscrimination, labor standards, and the
7 environment, upon a finding that the waiver or alter-
8 native requirement is necessary to facilitate the use
9 of amounts made available under this section.

10 (d) IMPLEMENTATION.—The Secretary shall have au-
11 thority to issue such regulations or other notices, guid-
12 ance, forms, instructions, and publications as may be nec-
13 essary or appropriate to carry out the programs, projects,
14 or activities authorized under this section, including to en-
15 sure that such programs, projects, or activities are com-
16 pleted in a timely and effective manner.

17 **SEC. 40002. INVESTMENTS IN AFFORDABLE AND ACCES-**
18 **SIBLE HOUSING PRODUCTION.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise made available, there is appropriated to the Secretary
21 of Housing and Urban Development (in this section re-
22 ferred to as the “Secretary”) for fiscal year 2022, out of
23 any money in the Treasury not otherwise appropriated—
24 (1) \$34,770,000,000, for activities and assist-
25 ance for the HOME Investment Partnerships Pro-

1 gram (in this section referred to as the “HOME
2 program”), as authorized under title II of the Cran-
3 ston-Gonzalez National Affordable Housing Act (42
4 U.S.C. 12721 et seq.) (in this section referred to as
5 “NAHA”);

6 (2) \$36,770,000,000 for activities and assist-
7 ance for the HOME Investment Partnerships Pro-
8 gram, as authorized under title II of NAHA, subject
9 to the terms and conditions in paragraphs (1) and
10 (2) of subsection (b);

11 (3) \$100,000,000 to make new awards or in-
12 crease prior awards to existing technical assistance
13 providers, except that increases to prior awards do
14 not exceed 10 percent of the amount made available
15 under this subparagraph, to provide an increase in
16 capacity building and technical assistance available
17 to any grantees implementing activities or projects
18 consistent with this section, except that the Sec-
19 retary may use not more than 10 percent of the
20 amount made available under this paragraph to in-
21 crease prior awards to existing technical assistance
22 providers to provide an immediate increase in capac-
23 ity building and technical assistance; and

24 (4) \$360,000,000 for the costs to the Secretary
25 of administering and overseeing the implementation

1 of this section and the HOME and Housing Trust
2 Fund programs generally, including information
3 technology, financial reporting, research and evalua-
4 tions, other cross-program costs in support of pro-
5 grams administered by the Secretary in this title,
6 and other costs. The Secretary may transfer and
7 merge amounts appropriated under this paragraph
8 to section 40301.

9 Amounts appropriated by this section shall remain avail-
10 able until September 30, 2031.

11 (b) TERMS AND CONDITION.—

12 (1) FORMULA.—The Secretary shall allocate
13 amounts made available under subsection (a)(2) pur-
14 suant to the formula specified in section 1338(e)(3)
15 of the Federal Housing Enterprises Financial Safety
16 and Soundness Act of 1992 (12 U.S.C. 4568(e)(3))
17 to grantees that received Housing Trust Fund allo-
18 cations pursuant to that same formula in fiscal year
19 2021 and shall make such allocations within 60 days
20 of the date of the enactment of this Act.

21 (2) ELIGIBLE ACTIVITIES.—Other than as pro-
22 vided in paragraph (5) of this subsection, funds
23 made available under subsection (a)(2) may only be
24 used for eligible activities described in subpara-
25 graphs (A) through (B)(i) of section 1338(e)(7) of

1 the Federal Housing Enterprises Financial Safety
2 and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)),
3 except that not more than 10 percent of funds made
4 available may be used for activities under such sub-
5 paragraph (B)(i).

6 (3) FUNDING RESTRICTIONS.—The commit-
7 ment requirements in section 218(g) (42 U.S.C.
8 12748(g)) of NAHA, the matching requirements in
9 section 220 (42 U.S.C. 12750) of NAHA, and the
10 set-aside for housing developed, sponsored, or owned
11 by community housing development organizations re-
12 quired in section 231 of NAHA (42 U.S.C. 12771)
13 shall not apply for amounts made available under
14 this section.

15 (4) REALLOCATION.—For funds provided under
16 paragraphs (1) and (2) of subsection (a), the Sec-
17 retary may recapture certain amounts remaining
18 available to a grantee under this section or amounts
19 declined by a grantee, and reallocate such amounts
20 to other grantees under that paragraph to ensure
21 fund expenditure, geographic diversity, and avail-
22 ability of funding to communities within the State
23 from which the funds have been recaptured.

24 (5) ADMINISTRATION.— Notwithstanding sub-
25 sections (c) and (d)(1) of section 212 of NAHA (42

1 U.S.C. 12742), eligible grantees may use not more
2 than 15 percent of their allocations under this sec-
3 tion for administrative and planning costs.

4 (c) WAIVERS.—The Secretary may waive or specify
5 alternative requirements for any provision of NAHA (42
6 U.S.C. 12701 et seq.) or regulation for the administration
7 of the amounts made available under this section other
8 than requirements related to fair housing, nondiscrimina-
9 tion, labor standards, and the environment, upon a finding
10 that the waiver or alternative requirement is necessary to
11 expedite or facilitate the use of amounts made available
12 under this section.

13 (d) IMPLEMENTATION.—The Secretary shall have au-
14 thority to issue such regulations or other notices, guid-
15 ance, forms, instructions, and publications as may be nec-
16 essary or appropriate to carry out the programs, projects,
17 or activities authorized under this section, including to en-
18 sure that such programs, projects, or activities are com-
19 pleted in a timely and effective manner.

20 **SEC. 40003. HOUSING INVESTMENT FUND.**

21 (a) ESTABLISHMENT.—There is established in the
22 Treasury of the United States a fund to be known as the
23 Housing Investment Fund, which shall be within the Com-
24 munity Development Financial Institutions Fund (in this
25 section referred to as the “CDFI Fund”), to—

1 (1) increase and preserve the affordability and
2 quality of housing;

3 (2) increase the availability of affordable, acces-
4 sible housing;

5 (3) improve the energy and water efficiency and
6 resiliency of affordable housing;

7 (4) enhance economic opportunities for resi-
8 dents, by financing or supporting affordable housing
9 located within proximity to public transportation, as
10 defined in section 5302 of title 49, United States
11 Code, or centers of employment, and education, and
12 critical community services;

13 (5) match the creation of housing supply to ex-
14 isting demand and projected demand growth in the
15 area, to the benefit of existing residents and with at-
16 tention to preventing displacement of residents; and

17 (6) further fair housing purposes addressing
18 historic disinvestment, the concentration of poverty,
19 and housing segregation on the basis of race, color,
20 religion, natural origin, sex, disability, or familial
21 status.

22 (b) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated for fiscal year 2022,
24 out of any money in the Treasury not otherwise appro-
25 priated—

1 (1) \$9,640,000,000 to the Housing Investment
2 Fund established by this section; and

3 (2) \$360,000,000 for the costs to the CDFI
4 Fund of administering and overseeing the implemen-
5 tation of this section, including information tech-
6 nology, financial reporting, research and evaluations,
7 fair housing compliance, and other costs.

8 Amounts appropriated by this section shall remain avail-
9 able until September 30, 2031.

10 (c) EXPENDITURES FROM FUND.—Amounts in the
11 Housing Investment Fund shall be available to the CDFI
12 Fund to make grants to increase investment in the devel-
13 opment, preservation, rehabilitation, financing, or pur-
14 chase of affordable housing primarily for low-, very low-
15 , and extremely low- income families , and for homeowners
16 with incomes up to 120 percent of the area median in-
17 come. The CDFI Fund may impose such conditions as it
18 deems necessary to achieve the program goals, including
19 coordinating with the Secretary of Housing and Urban
20 Development to housing achieve the purposes of sub-
21 section (a)(6).

22 (d) ELIGIBLE GRANTEES.—A grant under this sec-
23 tion may be made, pursuant to such requirements as the
24 CDFI Fund shall establish for experience and success in

1 carrying out the types of activities proposed under the ap-
2 plication of the grantee, only to—

3 (1) a CDFI Fund certified community develop-
4 ment financial institution, as such term is defined in
5 section 103 of the Riegle Community Development
6 and Regulatory Improvement Act of 1994 (12
7 U.S.C. 4702) that is not found to be out of compli-
8 ance with the obligation to affirmatively further fair
9 housing, as applicable;

10 (2) a nonprofit organization having as one of its
11 principal purposes the creation, development, or
12 preservation of affordable housing and that is not
13 found to be out of compliance with the obligation to
14 affirmatively further fair housing, as applicable, in-
15 cluding a subsidiary of a public housing authority;
16 or

17 (3) a consortium comprised of certified commu-
18 nity development financial institutions, eligible non-
19 profit housing organizations, or a combination of
20 both.

21 (e) ELIGIBLE USES.—Grant amounts awarded from
22 the Housing Investment Fund pursuant to this section
23 may be used for the purposes described in subsection (c),
24 including for the following uses:

25 (1) To provide loan loss reserves.

1 (2) To capitalize an acquisition fund to acquire
2 residential, industrial, or commercial property and
3 land for the purpose of the preservation, develop-
4 ment, or rehabilitation of affordable, accessible hous-
5 ing, including to support the creation, preservation,
6 or rehabilitation of resident-owned manufactured
7 housing communities.

8 (3) To capitalize an affordable housing fund ,
9 for development, preservation, rehabilitation, or fi-
10 nancing of affordable housing and economic develop-
11 ment activities, including community facilities, if
12 part of a mixed-use project, or activities described in
13 this paragraph related to transit-oriented develop-
14 ment, which may also be designated as a focus of
15 such a fund.

16 (4) To capitalize an affordable housing mort-
17 gage fund, to facilitate the origination of mortgages
18 to buyers that may experience significant barriers to
19 accessing affordable mortgage credit, including
20 mortgages having low original principal obligations.

21 (5) For risk-sharing loans.

22 (6) To provide loan guarantees.

23 (7) To fund rental housing operations.

24 (f) APPLICATIONS.—The CDFI Fund shall provide,
25 an application process, for eligible grantees under sub-

1 section (d) to submit applications for Housing Investment
2 Fund grants to the CDFI Fund at such time and in such
3 manner as the CDFI Fund shall determine.

4 (g) GRANT LIMITATION.—

5 (1) IN GENERAL.—The CDFI Fund shall estab-
6 lish limitations on aggregate funds available for an
7 eligible grantee and its subsidiaries and affiliates,
8 and eligible uses and activities as appropriate.

9 (2) LEVERAGE OF FUNDS.—Each grant from
10 the Housing Investment Fund awarded under this
11 section shall be reasonably expected to result in eli-
12 gible affordable housing activities that support or
13 sustain affordable housing funded by a grant under
14 this section and capital from other public and pri-
15 vate sources.

16 (h) DIRECT HIRING AUTHORITY.—The CDFI Fund
17 may use direct hiring authority to hire employees to ad-
18 minister the Housing Investment Fund.

19 (i) IMPLEMENTATION.—The CDFI Fund shall have
20 the authority to issue such regulations or other guidance,
21 forms, instructions, and publications as may be necessary
22 or appropriate to carry out the programs, projects, or ac-
23 tivities authorized under this section, including to ensure
24 that such programs, projects, or activities are completed
25 in a timely and effective manner.

1 **SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR PEO-**
2 **PLE WITH DISABILITIES.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Secretary of
5 Housing and Urban Development (in this section referred
6 to as the “Secretary”) for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated—

8 (1) \$898,000,000 for capital advances, includ-
9 ing amendments to capital advance contracts, for
10 supportive housing for persons with disabilities, as
11 authorized by section 811 of the Cranston-Gonzalez
12 National Affordable Housing Act (42 U.S.C. 8013)
13 (in this section referred to as the “Act”), and for
14 project rental assistance for supportive housing for
15 persons with disabilities under section 811(d)(2) of
16 the Act and for project assistance contracts pursu-
17 ant to section 202(h) of the Housing Act of 1959
18 (Public Law 86–372; 73 Stat. 667), for project rent-
19 al assistance to State housing finance agencies and
20 other appropriate entities as authorized under sec-
21 tion 811(b)(3) of the Act, for State housing finance
22 agencies;

23 (2) \$15,000,000 for providing technical assist-
24 ance to support State-level efforts to integrate hous-
25 ing assistance and voluntary supportive services for
26 residents of housing receiving such assistance, which

1 funding may also be used to provide technical assist-
2 ance to applicants and potential applicants to under-
3 stand program requirements and develop effective
4 applications; and the Secretary may use up to 10
5 percent of such amounts made available under this
6 paragraph to increase prior awards to existing tech-
7 nical assistance providers to provide an immediate
8 increase in capacity building and technical assist-
9 ance; and

10 (3) \$87,000,000 for the costs to the Secretary
11 of administering and overseeing the implementation
12 of this section and the Supportive Housing for Per-
13 sons with Disabilities program generally, including
14 information technology, financial reporting, research
15 and evaluations, other cross-program costs in sup-
16 port of programs administered by the Secretary in
17 this title, and other costs; the Secretary may trans-
18 fer and merge amounts appropriated under this
19 paragraph to section 40301.

20 Amounts appropriated by this section shall remain avail-
21 able until September 30, 2031.

22 (b) WAIVERS.—The Secretary may waive or specify
23 alternative requirements for any provision of section
24 811(b)(3) of the Act (42 U.S.C. 8013(b)(3)), or regulation
25 that the Secretary administers that is applicable to such

1 statute other than requirements related to fair housing,
2 nondiscrimination, labor standards, and the environment,
3 upon a finding that the waiver or alternative requirement
4 is necessary to facilitate the use of amounts made avail-
5 able under this section.

6 (c) IMPLEMENTATION.—The Secretary shall have au-
7 thority to issue such regulations or other notices, guid-
8 ance, forms, instructions, and publications as may be nec-
9 essary or appropriate to carry out the programs, projects,
10 or activities authorized under this section, including to en-
11 sure that such programs, projects, or activities are com-
12 pleted in a timely and effective manner.

13 **SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR THE**
14 **ELDERLY PROGRAM.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Secretary of
17 Housing and Urban Development (in this section referred
18 to as the “Secretary”) for fiscal year 2022, out of any
19 money in the Treasury not otherwise appropriated—

20 (1) \$2,360,000,000 for the Supportive Housing
21 for the Elderly Program authorized under section
22 202 of the Housing Act of 1959 (12 U.S.C. 1701q)
23 (in this section referred to as the “Act”), which shall
24 be used—

1 (A) for capital advance awards in accord-
2 ance with section 202(c)(1) of the Act to recipi-
3 ents that are eligible under the Act;

4 (B) for section 8 project-based rental as-
5 sistance contracts in accordance with subsection
6 (b) of this section and section 8 of the United
7 States Housing Act of 1937 (42 U.S.C. 1437f),
8 (in this section referred to as the “1937 Act”)
9 for capital advance projects, including new
10 project-based rental assistance contracts under
11 section 8 of the 1937 Act for capital advance
12 projects notwithstanding subsections (b) and (c)
13 of section 202 of the Act (12 U.S.C. 1701q)
14 and section 8 of the 1937 Act (42 U.S.C.
15 1437f), with the Secretary setting the terms of
16 such project-based rental assistance contracts,
17 including the duration and provisions regarding
18 rent setting and rent adjustment; and

19 (C) for service coordinators;

20 (2) \$15,000,000, to provide technical assistance
21 to support State-level efforts to improve the design
22 and delivery of voluntary supportive services for resi-
23 dents of any housing assisted under the Act and
24 other housing supporting low-income older adults, in
25 order to support residents to age-in-place and avoid

1 institutional care, as well as to assist applicants and
2 potential applicants with project-specific design; and
3 the Secretary may use up to 10 percent of such
4 amounts made available under this paragraph to in-
5 crease prior awards to existing technical assistance
6 providers to provide an immediate increase in capac-
7 ity building and technical assistance; and

8 (3) \$125,000,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and the Supportive Housing for the
11 Elderly program generally, including information
12 technology, financial reporting, research and evalua-
13 tion, other cross-program costs in support of pro-
14 grams administered by the Secretary in this title,
15 and other costs; the Secretary may transfer and
16 merge amounts appropriated under this paragraph
17 to section 40301.

18 Amounts appropriated by this section shall remain avail-
19 able until September 30, 2031.

20 (b) WAIVERS.—The Secretary may waive or specify
21 alternative requirements for any provision of section 202
22 of the Act (12 U.S.C. 1701q), section 8 of the 1937 Act
23 (42 U.S.C. 1437f), or regulation that the Secretary ad-
24 ministers that is applicable to such statutes other than
25 requirements related to fair housing, nondiscrimination,

1 labor standards, and the environment, upon a finding that
2 the waiver or alternative requirement is necessary to facili-
3 tate the use of amounts made available under this section.

4 (c) IMPLEMENTATION.—The Secretary shall have au-
5 thority to issue such regulations or other notices, guid-
6 ance, forms, instructions, and publications as may be nec-
7 essary or appropriate to carry out the programs, projects,
8 or activities authorized under this section, including to en-
9 sure that such programs, projects, or activities are com-
10 pleted in a timely and effective manner.

11 **SEC. 40006. IMPROVING ENERGY EFFICIENCY OR WATER**
12 **EFFICIENCY OR CLIMATE RESILIENCE OF AF-**
13 **FORDABLE HOUSING.**

14 (a) APPROPRIATION.—In addition to amounts other-
15 wise available, there is appropriated to the Secretary of
16 Housing and Urban Development (in this section referred
17 to as the “Secretary”) for fiscal year 2022, out of any
18 money in the Treasury not otherwise appropriated—

19 (1) \$5,314,000,000 for providing direct loans,
20 which may be forgivable, and grants, subject to
21 terms and conditions, including affordability require-
22 ments, determined by the Secretary, to fund projects
23 that improve the energy or water efficiency, imple-
24 ment low-emission technologies, materials, or proc-
25 esses, including zero-emission electricity generation,

1 energy storage, or building electrification, electric
2 car charging station installations, or address climate
3 resilience of multifamily properties;

4 (2) \$76,000,000 for the costs to the Secretary
5 of administering and overseeing the implementation
6 of this section, including information technology, fi-
7 nancial reporting, research and evaluation, other
8 cross-program costs in support of programs adminis-
9 tered by the Secretary in this title, and other costs;
10 and the Secretary may transfer and merge amounts
11 appropriated under this paragraph to section 40301;

12 (3) \$360,000,000 for expenses of contracts ad-
13 ministered by the Secretary, including to carry out
14 property climate risk, energy, or water assessments,
15 due diligence, and underwriting functions for such
16 grant and direct loan program; and

17 (4) \$250,000,000 for energy and water
18 benchmarking of properties eligible to receive grants
19 or loans under this section, regardless of whether
20 they actually received such grants, along with associ-
21 ated data analysis and evaluation at the property
22 and portfolio level, including the development of in-
23 formation technology systems necessary for the col-
24 lection, evaluation, and analysis of such data.

1 Amounts appropriated by this section shall remain avail-
2 able until September 30, 2031.

3 (b) **ELIGIBLE RECIPIENTS.**—Amounts made avail-
4 able under this section shall be for direct loans, grants,
5 and direct loans that can be converted to grants to prop-
6 erties receiving project-based assistance pursuant to sec-
7 tion 202 of the Housing Act of 1959 (12 U.S.C. 1701q),
8 section 811 of the Cranston-Gonzalez National Affordable
9 Housing Act (42 U.S.C. 8013), or section 8(b) of the
10 United States Housing Act of 1937 (42 U.S.C. 1437f(b)).

11 (c) **COSTS.**—The costs of direct loans provided under
12 this section, including the cost of modifying such direct
13 loans or converting direct loans into grants, shall be as
14 defined in section 502 of the Congressional Budget Act
15 of 1974 (2 U.S.C. 661a).

16 (d) **WAIVER.**—The Secretary may waive or specify al-
17 ternative requirements for any provision of section 202 of
18 the Housing Act of 1959 (12 U.S.C. 1701q), section 811
19 of the Cranston-Gonzalez National Affordable Housing
20 Act (42 U.S.C. 8013), section 8 of the United States
21 Housing Act of 1937 (42 U.S.C. 1437f), or any regulation
22 applicable to such statutes other than requirements re-
23 lated to tenant rights and protections, rent setting, fair
24 housing, nondiscrimination, labor standards, and the envi-
25 ronment, upon a finding that the waiver or alternative re-

1 quirement is necessary to facilitate the use of such
2 amounts.

3 **SEC. 40007. REVITALIZATION OF DISTRESSED MULTI-**
4 **FAMILY PROPERTIES.**

5 (a) APPROPRIATION.—In addition to amounts other-
6 wise available, there is appropriated to the Secretary of
7 Housing and Urban Development for fiscal year 2022, out
8 of any money in the Treasury not otherwise appro-
9 priated—

10 (1) \$3,870,000,000 for providing direct loans,
11 which may be forgivable, to owners of distressed
12 properties for the purpose of making necessary phys-
13 ical improvements, including to subsidize gross obli-
14 gations for the principal amount of direct loans not
15 to exceed \$6,000,000,000, subject to the terms and
16 conditions in subsection (b); and

17 (2) \$130,000,000 for the costs to the Secretary
18 of administering and overseeing the implementation
19 of this section and the Office of Housing programs
20 generally, including information technology, financial
21 reporting, research and evaluations, other cross-pro-
22 gram costs in support of programs administered by
23 the Secretary in this title, and other costs; the Sec-
24 retary may transfer and merge amounts appro-
25 priated under this paragraph to section 40301.

1 Amounts appropriated by this section shall remain avail-
2 able until September 30, 2031

3 (b) LOAN TERMS AND CONDITIONS.—

4 (1) ELIGIBILITY.—Owners of distressed multi-
5 family housing projects who meet each of the fol-
6 lowing requirements shall be eligible for loan assist-
7 ance under this section:

8 (A) The actual rents received by the owner
9 of the distressed property would not adequately
10 sustain the debt needed to make necessary
11 physical improvements.

12 (B) Any such additional eligibility criteria
13 as the Secretary determines to be appropriate,
14 including factors that contributed to the prop-
15 erty's distressed state.

16 (2) USE OF LOAN FUNDS.—Each recipient of
17 loan assistance under this section may only use such
18 loan assistance to make necessary physical improve-
19 ments to a distressed property.

20 (3) LOAN AVAILABILITY.—The Secretary shall
21 only provide loan assistance to an owner of a dis-
22 tressed property when such assistance, considered
23 with other financial resources available to the owner,
24 is necessary to remove the property from a dis-
25 tressed state. The Secretary may provide assistance

1 in any amount that the Secretary determines is
2 needed to make the necessary physical improvements
3 that will correct the deficiencies of the distressed
4 property.

5 (4) INTEREST RATES AND LENGTH.—Loans
6 provided under this section shall bear interest at 1
7 percent, and at origination shall have a repayment
8 period coterminous with the affordability period es-
9 tablished under paragraph (5), with the frequency
10 and amount of repayments to be determined by re-
11 quirements established by the Secretary.

12 (5) LOAN MODIFICATIONS OR FORGIVENESS.—
13 With respect to loans provided under this section,
14 the Secretary may take any of the following actions
15 if the Secretary determines that doing so will pre-
16 serve affordability of the property:

17 (A) Waive any due on sale or due on refi-
18 nancing restriction.

19 (B) Consent to the terms of new owner
20 debt to which the loans may be subordinate,
21 even if such new debt would impact the rate of
22 repayment of the loans.

23 (C) Extend the term of the loan.

24 (D) Forgive the loan in whole or in part.

1 (6) EXTENDED AFFORDABILITY PERIOD.—Each
2 recipient of loan assistance under this section shall
3 agree to an extended affordability period for the
4 property that is subject to the loan by extending any
5 existing affordable housing use agreements for an
6 additional 30 years or, if the property is not cur-
7 rently subject to a use agreement establishing af-
8 fordability requirements, by establishing a use agree-
9 ment for 30 years.

10 (7) MATCHING CONTRIBUTION.—Each recipient
11 of loan assistance under this section shall secure at
12 least 20 percent of the total cost needed to make the
13 necessary physical improvements from non-Federal
14 sources other than under this section, except in
15 cases where the Secretary determines that a lack of
16 financial resources qualifies a loan recipient for—

17 (A) a reduced contribution below 20 per-
18 cent; or

19 (B) an exemption to the matching con-
20 tribution requirement.

21 (8) ADDITIONAL LOAN CONDITIONS.—The Sec-
22 retary may establish additional conditions for loan
23 eligibility provided under this section as the Sec-
24 retary determines to be appropriate.

1 (9) PROPERTIES INSURED UNDER NATIONAL
2 HOUSING ACT.—In the case of a loan issued under
3 this section that is secured by a property with insur-
4 ance under title II of the National Housing Act (12
5 U.S.C. 1707 et seq.), the Secretary may use funds
6 available under this section as necessary to pay for
7 the costs of modifying such loan in accordance with
8 section 502 of the Congressional Budget Act of
9 1974 (2 U.S.C. 661a).

10 (10) COSTS.—The costs of direct loans provided
11 under this section, including the cost of modifying
12 such direct loans, shall be as defined in section 502
13 of the Congressional Budget Act of 1974 (2 U.S.C.
14 661a).

15 (c) DEFINITIONS.—As used in this section—

16 (1) the term “multifamily housing project”
17 means a project consisting of more than four dwell-
18 ing units assisted, insured, or with a loan held by
19 the Secretary or a State or State agency in part or
20 in whole pursuant to—

21 (A) section 8 of the United States Housing
22 Act of 1937 (42 U.S.C. 1437f), not including
23 under subsection (o)(13) of such section;

24 (B) section 202 of the Housing Act of
25 1959 (12 U.S.C. 1701q), as amended by section

1 801 of the Cranston-Gonzalez National Afford-
2 able Housing Act;

3 (C) section 202 of the Housing Act of
4 1959 (former 12 U.S.C. 1701q), as such section
5 existed before the enactment of the Cranston-
6 Gonzalez National Affordable Housing Act;

7 (D) section 811 of the Cranston-Gonzalez
8 National Affordable Housing Act (42 U.S.C.
9 8013); or

10 (E) section 236 of the National Housing
11 Act (12 U.S.C. 1715z-1);

12 (2) the term “distressed property” means a
13 multifamily housing project that has deficiencies
14 that cause the property to be at risk of physical ob-
15 solescence or economic non-viability;

16 (3) the term “Secretary” means the Secretary
17 of Housing and Urban Development; and

18 (4) the term “necessary physical improve-
19 ments” means capital improvements that the Sec-
20 retary determines are necessary to address the con-
21 ditions making a property a distressed property or
22 that rise to such a level that delaying physical im-
23 provements to the property would be detrimental to
24 the longevity of the property as suitable housing for
25 occupancy.

1 (d) IMPLEMENTATION.—The Secretary shall have the
2 authority to issue such regulations or other notices, guid-
3 ance, forms, instructions, and publications as may be nec-
4 essary or appropriate to carry out the programs, projects,
5 or activities authorized under this section, including to en-
6 sure that such programs, projects, or activities are com-
7 pleted in a timely and effective manner.

8 **SEC. 40008. INVESTMENTS IN RURAL RENTAL HOUSING.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise available, there is appropriated to the Secretary of
11 Agriculture (in this section referred to as the “Secretary”)
12 for fiscal year 2022, out of any money in the Treasury
13 not otherwise appropriated—

14 (1) \$4,360,000,000, to remain available until
15 expended, for carrying out new construction, im-
16 provements to energy and water efficiency or climate
17 resilience, the removal of health and safety hazards,
18 and the preservation and revitalization of housing
19 authorized under sections 514, 515, and 516 of the
20 Housing Act of 1949 (42 U.S.C. 1484, 1485, and
21 1486)), subject to the terms and conditions in sub-
22 section (b);

23 (2) \$200,000,000, to remain available until
24 September 30, 2024, to provide grants under section
25 521(a)(2) of the Housing Act of 1949 (42 U.S.C.

1 1490a(a)(2)) or agreements entered into in lieu of
2 debt forgiveness or payments for eligible households
3 as authorized by section 502(c)(5)(D) of the Hous-
4 ing Act of 1949 (42 U.S.C. 1472(c)(5)(D)), to pro-
5 vide continued assistance to households assisted pur-
6 suant to Section 3203 of the American Rescue Plan
7 Act of 2021; and

8 (3) \$240,000,000, to remain available until ex-
9 pended, for the costs to the Secretary of admin-
10 istering and overseeing the implementation of this
11 section, including information technology, financial
12 reporting, research and evaluations, other cross-pro-
13 gram costs in support of programs administered by
14 the Secretary in this title, and other costs.

15 (b) PRESERVATION AND REVITALIZATION TERMS
16 AND CONDITIONS.—

17 (1) LOANS AND GRANTS AND OTHER ASSIST-
18 ANCE.—The Secretary shall provide direct loans and
19 grants, including the cost of modifying loans, as de-
20 fined in section 502 of the Congressional Budget Act
21 of 1974 (2 U.S.C. 661a), to restructure existing De-
22 partment of Agriculture multi-family housing loans
23 expressly for the purposes of ensuring the project
24 has sufficient resources to preserve the project for
25 the purpose of providing safe and affordable housing

1 for low-income residents and farm laborers, includ-
2 ing—

3 (A) reducing or eliminating interest;

4 (B) deferring loan payments;

5 (C) subordinating, reducing, or re-amor-
6 tizing loan debt; and

7 (D) providing other financial assistance,
8 including advances, payments, and incentives
9 (including the ability of owners to obtain rea-
10 sonable returns on investment) required by the
11 Secretary, including such assistance to non-
12 profit entities and public housing authorities.

13 (2) RESTRICTIVE USE AGREEMENT.—The Sec-
14 retary shall as part of the preservation and revital-
15 ization agreement obtain a restrictive use agreement
16 consistent with the terms of the restructuring.

17 (c) IMPLEMENTATION.—The Secretary shall have au-
18 thority to issue such regulations or other notices, guid-
19 ance, forms, instructions, and publications as may be nec-
20 essary or appropriate to carry out the programs, projects,
21 or activities authorized under this section, including to en-
22 sure that such programs, projects, or activities are com-
23 pleted in a timely and effective manner.

1 **SEC. 40009. HOUSING VOUCHERS.**

2 (a) APPROPRIATION.—In addition to amounts other-
3 wise available, there is appropriated to the Secretary of
4 Housing and Urban Development (in this section referred
5 to as the “Secretary”) for fiscal year 2022, out of any
6 money in the Treasury not otherwise appropriated—

7 (1) \$48,460,000,000 for—

8 (A) incremental tenant-based rental assist-
9 ance for extremely low-income families under
10 section 8(o) of the United States Housing Act
11 of 1937 (42 U.S.C. 1437f(o));

12 (B) renewals of such tenant-based rental
13 assistance; and

14 (C) fees for the costs of administering ten-
15 ant-based rental assistance and other eligible
16 expenses, as determined by the Secretary, such
17 as security deposit assistance and other costs
18 related to the retention and support of partici-
19 pating owners;

20 (2) \$24,000,000,000 for—

21 (A) incremental tenant-based rental assist-
22 ance under section 8(o) of the United States
23 Housing Act of 1937 (42 U.S.C. 1437f(o)) for
24 households experiencing or at risk of homeless-
25 ness, survivors of domestic violence, dating vio-

1 lence, sexual assault, and stalking, and sur-
2 vivors of trafficking families;

3 (B) renewals of such tenant-based rental
4 assistance; and

5 (C) fees for the costs of administering ten-
6 ant-based rental assistance and other eligible
7 expenses, as determined by the Secretary, such
8 as security deposit assistance and other costs
9 related to the retention and support of partici-
10 pating owners;

11 (3) \$500,000,000 for—

12 (A) tenant protection vouchers for reloca-
13 tion and replacement of public housing units
14 demolished or disposed of pursuant to section
15 18 of the United States Housing Act of 1937
16 (42 U.S.C. 1437p) as part of a public housing
17 preservation or project-based replacement
18 transaction using funds made available under
19 this Act;

20 (B) renewals of such tenant-based rental
21 assistance; and

22 (C) fees for the costs of administering ten-
23 ant-based rental assistance and other eligible
24 expenses, as determined by the Secretary, such
25 as security deposit assistance and other costs

1 related to the retention and support of partici-
2 pating owners;

3 (4) \$750,000,000 for competitive grants, sub-
4 ject to terms and conditions determined by the Sec-
5 retary, to public housing agencies for mobility-re-
6 lated services for voucher families, including families
7 with children, and service coordination;

8 (5) \$500,000,000 for eligible expenses to fa-
9 cilitate the use of voucher assistance under this sec-
10 tion and for other voucher assistance under section
11 8(o) of the United States Housing Act of 1937, as
12 determined by the Secretary, including property
13 owner outreach and retention activities such as in-
14 centive payments, security deposit payments and loss
15 reserves, landlord liaisons, and other uses of funds
16 designed primarily—

17 (A) to recruit owners of dwelling units,
18 particularly dwelling units in census tracts with
19 a poverty rate of less than 20 percent, to enter
20 into housing assistance payment contracts; and

21 (B) to encourage owners that enter into
22 housing assistance payment contracts as de-
23 scribed in subparagraph (A) to continue to
24 lease their dwelling units to tenants assisted

1 under section 8(o) of the United States Hous-
2 ing Act of 1937;

3 (6) \$750,000,000 for the costs to the Secretary
4 of administering and overseeing the implementation
5 of this section and the Housing Choice Voucher pro-
6 gram generally, including information technology, fi-
7 nancial reporting, research and evaluations, other
8 cross-program costs in support of programs adminis-
9 tered by the Secretary in this title, and other costs;
10 and

11 (7) \$40,000,000 for making new awards or in-
12 creasing prior awards to existing technical assistance
13 providers to provide an increase in capacity building
14 and technical assistance available to public housing
15 agencies, except that the Secretary may use not
16 more than 10 percent of the amount made available
17 under this paragraph to increase prior awards to ex-
18 isting technical assistance providers to provide an
19 immediate increase in capacity building and tech-
20 nical assistance.

21 (b) TERMS AND CONDITIONS.—

22 (1) ALLOCATION.—The Secretary shall allocate
23 initial incremental assistance provided for rental as-
24 sistance under subsection (a)(1) and (2) in each fis-
25 cal year commencing in 2022 and ending in 2026 in

1 accordance with a formula that includes measures of
2 severe housing need among extremely low-income
3 renters and public housing agency capacity, and en-
4 sures geographic diversity among public housing
5 agencies administering the Housing Choice Voucher
6 program.

7 (2) ELECTION TO ADMINISTER.—The Secretary
8 shall establish a procedure for public housing agen-
9 cies to accept or decline the incremental vouchers
10 made available under this section.

11 (3) FAILURE TO USE VOUCHERS PROMPTLY.—
12 If a public housing agency fails to lease the author-
13 ized vouchers it has received under this subsection
14 on behalf of eligible families within a reasonable pe-
15 riod of time, the Secretary may offset the agency's
16 voucher renewal allocations or revoke and redis-
17 tribute any unleased vouchers and associated funds,
18 including administrative fees and other expenses re-
19 ferred to in subsections (a)(3) and (a)(4), to other
20 public housing agencies.

21 (4) PROHIBITION OF USE UNDER MOVING TO
22 WORK PROGRAM.— Public housing agencies des-
23 ignated as Moving to Work agencies shall be eligible
24 for an allocation under this section, but may only
25 use such amounts for the activities listed in sub-

1 sections (a) for which the funds were provided to
2 such agency.

3 (5) CAP ON PROJECT-BASED VOUCHERS FOR
4 VULNERABLE POPULATIONS.—Upon request by a
5 public housing agency, the Secretary may designate
6 a number of the public housing agency’s vouchers al-
7 located under this section as excepted units that do
8 not count against the percentage limitation on the
9 number of authorized units a public housing agency
10 may project-base under section 8(o)(13)(B) of the
11 United States Housing Act of 1937, in accordance
12 with the conditions established by the Secretary.
13 This paragraph may not be construed to waive,
14 limit, or specify alternative requirements, or permit
15 such waivers, limitations, or alternative require-
16 ments, related to fair housing and nondiscrimina-
17 tion, including the requirement to provide housing
18 and services to individuals with disabilities in inte-
19 grated settings.

20 (c) IMPLEMENTATION.—The Secretary shall have au-
21 thority to issue such regulations or other notices, guid-
22 ance, forms, instructions, and publications as may be nec-
23 essary or appropriate to carry out the programs, projects,
24 or activities authorized under this section, including to en-

1 sure that such programs, projects, or activities are com-
2 pleted in a timely and effective manner.

3 **SEC. 40010. PROJECT-BASED RENTAL ASSISTANCE.**

4 (a) APPROPRIATION.—In addition to amounts other-
5 wise available, there is appropriated to the Secretary of
6 Housing and Urban Development (in this section referred
7 to as the “Secretary”) for fiscal year 2022, out of any
8 money in the Treasury not otherwise appropriated—

9 (1) \$14,760,000,000 for the project-based rent-
10 al assistance program, as authorized under section
11 8(b) of the United States Housing Act of 1937 (42
12 U.S.C. 1437f(b)), (in this section referred to as the
13 “Act”), subject to the terms and conditions of sub-
14 section (b) of this section;

15 (2) \$40,000,000 for providing technical assist-
16 ance to recipients of or applicants for project-based
17 rental assistance or to States allocating the project-
18 based rental assistance; and

19 (3) \$200,000,000 for the costs to the Secretary
20 of administering and overseeing the implementation
21 of this section and the section 8 project-based rental
22 assistance program generally, including information
23 technology, financial reporting, research and evalua-
24 tions, and other cross-program costs in support of
25 programs administered by the Secretary in this title,

1 and other costs; and the Secretary may transfer and
2 merge amounts appropriated under this subpara-
3 graph to section 40301.

4 Amounts appropriated by this section shall remain avail-
5 able until September 30, 2031.

6 (b) TERMS AND CONDITIONS.—

7 (1) AUTHORITY.—Notwithstanding section 8(a)
8 the Act (42 U.S.C. 1437f(a)), the Secretary may use
9 amounts made available under this section to pro-
10 vide assistance payments with respect to newly con-
11 structed housing, existing housing, or substantially
12 rehabilitated non-housing structures for use as new
13 multifamily housing in accordance with this section
14 and the provisions of section 8 of the Act. In addi-
15 tion, the Secretary may use amounts made available
16 under this section for performance-based contract
17 administrators for section 8 project-based assistance,
18 for carrying out this section and section 8 of the
19 Act.

20 (2) PROJECT-BASED RENTAL ASSISTANCE.—

21 The Secretary may make assistance payments using
22 amounts made available under this section pursuant
23 to contracts with owners or prospective owners who
24 agree to construct housing, to substantially rehabili-
25 tate existing housing, to substantially rehabilitate

1 non-housing structures for use as new multifamily
2 housing, or to attach the assistance to newly con-
3 structed housing in which some or all of the units
4 shall be available for occupancy by very low-income
5 families in accordance with the provisions of section
6 8 of the Act. In awarding contracts pursuant to this
7 section, the Secretary shall give priority to owners or
8 prospective owners of multifamily housing projects
9 located or to be located in areas of high opportunity,
10 as defined by the Secretary, in areas experiencing
11 economic growth or rising housing prices to prevent
12 displacement or secure affordable housing for low-in-
13 come households, or that serve people at risk of
14 homelessness or that integrate additional units that
15 are accessible for persons with mobility impairments
16 and persons with hearing or visual impairments be-
17 yond those required by applicable Federal accessi-
18 bility standards.

19 (3) ALLOCATION.—The Secretary may use var-
20 ious mechanisms, alone or in combination, to award
21 grants with amounts made available under this sec-
22 tion, including—

23 (A) using a competitive process, which the
24 Secretary may carry out in multiple rounds of
25 competition, each of which may have its own se-

1 lection, performance, and reporting criteria as
2 established by the Secretary;

3 (B) selecting proposals submitted through
4 FHA loan applications that meet specified cri-
5 teria;

6 (C) delegating to States and territories the
7 awarding of contracts, including related deter-
8 minations such as the maximum monthly rent,
9 subject to the requirements of section 8 of the
10 Act, as determined by the Secretary; and

11 (D) using any other means that the Sec-
12 retary determines to be reasonable to accom-
13 plish the purposes of this section.

14 (4) CONTRACT TERM, RENT SETTING, AND
15 RENT ADJUSTMENTS.—The Secretary may set the
16 terms of the contract, including the duration and
17 provisions regarding rent setting and rent adjust-
18 ments.

19 (c) WAIVERS.—The Secretary may waive or specify
20 alternative requirements for any provision of section 8 of
21 the Act (42 U.S.C. 1437f) or regulation that the Secretary
22 administers that is applicable to such statute other than
23 requirements related to tenant rights and protections, rent
24 setting, fair housing, nondiscrimination, labor standards,
25 and the environment, upon a finding that the waiver or

1 alternative requirement is necessary to expedite or facili-
2 tate the use of amounts made available under this section.

3 (d) IMPLEMENTATION.—The Secretary shall have the
4 authority to issue such regulations or other notices, guid-
5 ance, forms, instructions, and publications as may be nec-
6 essary or appropriate to carry out the programs, projects,
7 or activities authorized under this section, including to en-
8 sure that such programs, projects, or activities are com-
9 pleted in a timely and effective manner.

10 **SEC. 40011. INVESTMENTS IN NATIVE AMERICAN COMMU-**
11 **NITIES.**

12 (a) APPROPRIATION.—In addition to amounts other-
13 wise available, there is appropriated to the Secretary of
14 Housing and Urban Development (in this section referred
15 to as the “Secretary”) for fiscal year 2022, out of any
16 money in the Treasury not otherwise appropriated—

17 (1) \$784,375,000 for grants under title I of the
18 Native American Housing Assistance and Self-De-
19 termination Act of 1996 (in this section referred to
20 as “NAHASDA”) (25 U.S.C. 4101 et seq.) , and
21 the Secretary shall distribute such amount according
22 to the same funding formula used in fiscal year
23 2021;

24 (2) \$7,000,000 for grants under title VIII of
25 NAHASDA (25 U.S.C. 4221 et seq.);

1 (3) \$784,375,000 for competitive grants to eli-
2 gible recipients authorized under title I of
3 NAHASDA (25 U.S.C. 4111 et seq.), which may be
4 used for—

5 (A) new construction and rehabilitation of
6 affordable housing;

7 (B) improving water or energy efficiency or
8 increasing resilience to natural hazards for
9 housing assisted by amounts made available
10 under this subsection; or

11 (C)) other eligible affordable housing ac-
12 tivities under NAHASDA;

13 (4) \$334,250,000 for—

14 (A) competitive single-purpose Indian com-
15 munity development block grants for Indian
16 tribes under title I of the Housing and Commu-
17 nity Development Act of 1974 (42 U.S.C. 5301
18 et seq.); and

19 (B) imminent threat grants under title I of
20 the Housing and Community Development Act
21 of 1974 (42 U.S.C. 5301 et seq.) for Indian
22 tribes, or a tribal organization, governmental
23 entity, or nonprofit organization designated by
24 the Indian tribe to apply for a grant on its be-
25 half, which may be used to—

1 (i) address environmental threats, in-
2 cluding long-term environmental threats;

3 (ii) assist Indian tribes with relocating
4 a portion of or entire communities due to
5 changes to the local environment; or

6 (iii) assist Indian tribes with address-
7 ing other threats to health and safety;

8 (5) \$50,000,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and Native American programs gen-
11 erally, including information technology, financial re-
12 porting, research and evaluations, other cross-pro-
13 gram costs in support of programs administered by
14 the Secretary in this Act, and other costs; and

15 (6) \$40,000,000 to make new awards or in-
16 crease prior awards to existing technical assistance
17 providers to provide an immediate increase in capac-
18 ity building and technical assistance to grantees; and
19 the Secretary may use not more than 10 percent of
20 the amount under this paragraph to increase prior
21 awards to existing technical assistance providers to
22 provide an immediate increase in capacity building
23 and technical assistance.

24 Amounts appropriated by this section shall remain avail-
25 able until September 30, 2031.

1 (b) GRANTEE ELIGIBILITY.—Notwithstanding any
2 other provision of this section, of NAHASDA (25 U.S.C.
3 4101 et seq.), or of the provisions of title I of the Housing
4 and Community Development Act of 1974 (42 U.S.C.
5 5301 et seq) applicable to the Indian community develop-
6 ment block grant program, an Indian tribe shall be ineli-
7 gible to receive grants with amounts made available under
8 this section if the Secretary determines that the Indian
9 tribe is not in compliance with obligations under its 1866
10 treaty with the United States as it relates to the inclusion
11 of persons who are lineal descendants of Freedmen as hav-
12 ing the rights of the citizens of such tribes, unless a Fed-
13 eral court has issued a final order that determines the
14 treaty obligations with respect to including Freedmen as
15 citizens. For purposes of this subsection, a court order is
16 not considered final if time remains for an appeal or appli-
17 cation for discretionary review with respect to the order.

18 (c) PRELIMINARY FUNDING.—

19 (1) USE OF IMMINENT THREAT GRANT
20 AMOUNTS.—Of any amounts made available in sub-
21 section (a)(4)(B), and in consultation with the De-
22 partment of the Interior, the Secretary may award
23 preliminary grants of up to \$2,000,000 each to ap-
24 plicants that have applied for a grant under sub-
25 section (a)(4)(B) before making a final determina-

1 tion as to whether to award a grant under sub-
2 section (a)(4)(B) to such applicant.

3 (2) NEED AND CAPACITY.—Prior to awarding a
4 preliminary grant under this subsection, the Sec-
5 retary must determine, based on a preliminary as-
6 sessment of need and administrative capacity, that
7 the applicant is likely able to carry out the grant
8 successfully but would need additional administrative
9 and planning resources to develop a comprehensive
10 implementation plan and additional administrative
11 capacity in order to successfully administer a grant
12 under subsection (a)(4)(B).

13 (3) ELIGIBLE ACTIVITIES.—Such preliminary
14 grants shall be used for eligible program activities,
15 as defined by the Secretary, that the Secretary de-
16 termines will allow the applicant to successfully im-
17 plement the grant.

18 (4) INAPPLICABILITY.—Such preliminary
19 grants are not subject to administrative and plan-
20 ning caps.

21 (5) FUNDING DETERMINATIONS.—The deter-
22 mination of whether to award a final grant under
23 subsection (a)(4)(B) to an applicant after prelimi-
24 nary funding was granted to an applicant shall not
25 be subject to review.

1 (d) REALLOCATION.—Amounts made available under
2 subsection (a)(1) that are not accepted within a time spec-
3 ified by the Secretary, are voluntarily returned, or are oth-
4 erwise recaptured for any reason may be used to fund
5 grants under paragraph (3) or (4) of subsection (a).

6 (e) WAIVERS.—The Secretary may waive or specify
7 alternative requirements for any provision of NAHASDA
8 (25 U.S.C. 4101 et seq.), title I of the Housing and Com-
9 munity Development Act of 1974 (42 U.S.C. 5301 et seq),
10 or regulation that the Secretary administers that is appli-
11 cable to such statutes other than requirements related to
12 fair housing, nondiscrimination, labor standards, and the
13 environment, upon a finding that the waiver or alternative
14 requirement is necessary to expedite or facilitate the use
15 of amounts made available under this section.

16 (f) IMPLEMENTATION.—The Secretary shall have au-
17 thority to issue such regulations or other notices, guid-
18 ance, forms, instructions, and publications as may be nec-
19 essary or appropriate to carry out the programs, projects,
20 or activities authorized under this section, including to en-
21 sure that such programs, projects, or activities are com-
22 pleted in a timely and effective manner.

1 **Subtitle B—21st Century Sustain-**
2 **able and Equitable Commu-**
3 **nities**

4 **SEC. 40101. COMMUNITY DEVELOPMENT BLOCK GRANT**
5 **FUNDING FOR AFFORDABLE HOUSING AND**
6 **INFRASTRUCTURE.**

7 (a) APPROPRIATION.—In addition to amounts other-
8 wise available, there is appropriated to the Secretary of
9 Housing and Urban Development (in this section referred
10 to as the “Secretary”) for fiscal year 2022, out of any
11 money in the Treasury not otherwise appropriated—

12 (1) \$6,600,000,000 for grants to grantees
13 under section 106 of the Housing and Community
14 Development Act of 1974 (42 U.S.C.5306) under
15 the community development block grant program
16 under title I of such Act, subject to subsection (b)
17 of this section, except that for purposes of amounts
18 made available by this paragraph, paragraph (2) of
19 such section 106(a) shall be applied by substituting
20 “\$70,000,000” for “\$7,000,000”;

21 (2) \$1,000,000,000 for assistance to community
22 development block grant grantees, as determined by
23 the Secretary, under section 106 of the Housing and
24 Community Development Act of 1974 (42 U.S.C.
25 5306), only for colonias, to address the community

1 and housing infrastructure needs of existing colonia
2 residents based on a formula that takes into account
3 persons in poverty in the colonia areas, except that
4 grantees may use funds in colonias outside of the
5 150-mile border area upon approval of the Sec-
6 retary;

7 (3) \$500,000,000 for grants under the commu-
8 nity development block grant program under title I
9 of the Housing and Community Development Act of
10 1974 (42 U.S.C. 5301 et seq.) to eligible recipients
11 under subsection (d) of this section for manufac-
12 tured housing infrastructure improvements in eligi-
13 ble manufactured home communities;

14 (4) \$300,000,000 for the costs to the Secretary
15 of administering and overseeing the implementation
16 of this section, the Community Development Block
17 Grant program, and the manufactured home con-
18 struction and safety standards program generally,
19 including information technology, financial report-
20 ing, research and evaluations, fair housing compli-
21 ance, other cross-program costs in support of pro-
22 grams administered by the Secretary in this title,
23 and other costs; and the Secretary may transfer and
24 merge amounts set aside under this paragraph to
25 section 40301; and

1 (5) \$100,000,000 for providing technical assist-
2 ance to recipients of or applicants for grants under
3 this section.

4 Amounts appropriated by this section shall remain avail-
5 able until September 30, 2031.

6 (b) HOUSING CONSTRUCTION.—Expenditures on new
7 construction of housing shall be an eligible expense for a
8 recipient of funds made available under this section that
9 is not a recipient of funds under title II of the Cranston-
10 Gonzalez National Affordable Housing Act (42 U.S.C. 42
11 U.S.C. 12721 et seq.).

12 (c) MANUFACTURED HOUSING COMMUNITY IM-
13 PROVEMENT GRANT PROGRAM.—

14 (1) ESTABLISHMENT.—The Secretary of Hous-
15 ing and Urban Development shall carry out a com-
16 petitive grant program to award funds appropriated
17 under subsection (a)(4) to eligible recipients to carry
18 out eligible projects for improvements in eligible
19 manufactured home communities.

20 (2) ELIGIBLE PROJECTS.—Amounts from
21 grants under this subsection shall be used only to
22 assist in carrying out a project for construction, re-
23 construction, repair, or clearance of housing, facili-
24 ties and improvements in or serving a manufactured
25 housing community that—

1 (A) is critically needed to protect the
2 health and safety of the residents of the manu-
3 factured housing community and the long-term
4 sustainability of the community;

5 (B) can be commenced expeditiously as-
6 sisted by a grant under this subsection; and

7 (C) includes activities—

8 (i) eligible under the community devel-
9 opment block grant program under title I
10 of the Housing and Community Develop-
11 ment Act of 1974 (42 U.S.C. 5301 et
12 seq.);

13 (ii) to facilitate installation, including
14 foundation construction for new manufac-
15 tured homes, as defined in section 603 of
16 the National Manufactured Construction
17 and Safety Standards Act of 1974 (42
18 U.S.C. 5402) and regulated under associ-
19 ated regulations, and previously sold cer-
20 tified manufactured homes; or

21 (iii) to mitigate flood risk.

22 (3) CRITERIA.—The Secretary shall prioritize
23 awards under this section by the extent to which the
24 project will assist low-income families and preserve

1 long-term housing affordability for residents of an
2 eligible manufactured home community.

3 (d) WAIVERS.—The Secretary may waive or specify
4 alternative requirements for any provision of title I of the
5 Housing and Community Development Act of 1974 (42
6 U.S.C. 5301 et seq.) or regulation that the Secretary ad-
7 ministers in connection with use of amounts made avail-
8 able under this section other than requirements related to
9 fair housing, nondiscrimination, labor standards, and the
10 environment, upon a finding that the waiver or alternative
11 requirement is necessary to expedite or facilitate the use
12 of amounts made available under this section.

13 (e) DEFINITIONS.—For purposes of this section, the
14 following definitions shall apply:

15 (1) COLONIA AREA.—The term “colonia area”
16 means any census tract that—

17 (A) is an area of the United States within
18 150 miles of the contiguous border between the
19 United States and Mexico, except as otherwise
20 determined by the Secretary; and

21 (B) lacks potable water supply, adequate
22 sewage systems, and lack of decent, safe, sani-
23 tary housing, and other objective criteria as ap-
24 proved by the Secretary.

1 (2) ELIGIBLE MANUFACTURED HOME COMMU-
2 NITY.—The term “eligible manufactured home com-
3 munity” means a community that—

4 (A) meets the affordable housing safe har-
5 bor requirements of the Internal Revenue Serv-
6 ice under section 601.201 of title 26, Code of
7 Federal Regulations; and

8 (B)(i) is owned by the residents of the
9 manufactured housing community through a
10 resident-controlled entity, as defined by the Sec-
11 retary, in which at least two-thirds of residents
12 are member-owners of the land-owning entity;
13 or

14 (ii) the Secretary otherwise determines is
15 subject to such binding agreements as are nec-
16 essary to ensure that the manufactured housing
17 community will be maintained as such a com-
18 munity, and affordable for low-income families
19 (as such term is defined in section 104 of the
20 Cranston-Gonzalez National Affordable Hous-
21 ing Act (42 U.S.C. 12704)), on a long-term
22 basis.

23 (3) ELIGIBLE RECIPIENT.—The term “eligible
24 recipient” means a partnership of—

1 (A) a grantee under section 106 of the
2 Housing and Community Development Act of
3 1974 (42 U.S.C.5306); and

4 (B) an eligible manufactured home com-
5 munity, a nonprofit entity, or a consortia of
6 nonprofit entities working with an eligible man-
7 ufactured home community.

8 (4) MANUFACTURED HOME COMMUNITY.—The
9 term “manufactured home community” means any
10 community, court, or park equipped to accommodate
11 manufactured homes for which pad sites, with or
12 without existing manufactured homes or other al-
13 lowed homes, or other suitable sites, are used pri-
14 marily for residential purposes, with any additional
15 requirements as determined by the Secretary, includ-
16 ing any manufactured housing community as such
17 term is used for purposes of the program of the
18 Federal National Mortgage Association for multi-
19 family loans for manufactured housing communities
20 and the program of the Federal Home Loan Mort-
21 gage Corporation for loans for manufactured hous-
22 ing communities.

23 (f) IMPLEMENTATION.—The Secretary shall have au-
24 thority to issue such regulations or other notices, guid-
25 ance, forms, instructions, and publications as may be nec-

1 essary or appropriate to carry out the programs, projects,
2 or activities authorized under this section, including to en-
3 sure that such programs, projects, or activities are com-
4 pleted in a timely and effective manner.

5 **SEC. 40102. LEAD-BASED PAINT HAZARD CONTROL AND**
6 **HOUSING-RELATED HEALTH AND SAFETY**
7 **HAZARD MITIGATION IN HOUSING OF FAMI-**
8 **LIES WITH LOWER INCOMES.**

9 (a) APPROPRIATION.—In addition to amounts other-
10 wise made available, there is appropriated to the Secretary
11 of Housing and Urban Development (in this section re-
12 ferred to as the “Secretary”) for fiscal year 2022, out of
13 any money in the Treasury not otherwise appropriated—

14 (1) \$6,430,000,000 for grants to States, units
15 of general local government, Indian tribes or their
16 tribally designated housing entities, and nonprofit
17 organizations for the activities under subsection (c)
18 in target housing units, and common areas servicing
19 such units, where low-income families reside or are
20 expected to reside that is not public housing, hous-
21 ing assisted by project-based rental assistance under
22 section 8 of the United States Housing Act of 1937
23 (42 U.S.C. 1437f), including under subsection
24 (o)(13) of such section, nor housing assisted under
25 section 202 of the Housing Act of 1959 (12 U.S.C.

1 1701q) or section 811 of the Cranston-Gonzalez Na-
2 tional Affordable Housing Act (42 U.S.C. 8013);

3 (2) \$500,000,000 for grants to State or local
4 governments or nonprofit entities for the activities in
5 subsection (c) in target housing units, and common
6 areas servicing such units, that are being assisted
7 under the Weatherization Assistance Program au-
8 thorized under title IV of the Energy Conservation
9 and Production Act (42 U.S.C. 6851 et seq.) but are
10 not public housing, housing assisted by project-based
11 rental assistance under section 8 of the United
12 States Housing Act of 1937 (42 U.S.C. 1437f), in-
13 cluding under subsection (o)(13) of such section, nor
14 housing assisted under section 202 of the Housing
15 Act of 1959 (12 U.S.C. 1701q) or section 811 of the
16 Cranston-Gonzalez National Affordable Housing Act
17 (42 U.S.C. 8013);

18 (3) \$2,000,000,000 for grants to owners of a
19 property receiving project-based rental assistance
20 under section 8 of the United States Housing Act of
21 1937 (42 U.S.C. 1437f), including under subsection
22 (o)(13) of such section, that meets the definition of
23 target housing and that has not received a grant for
24 similar purposes under this Act for the activities in
25 subsection (c), except subsection (c)(2), in target

1 housing units receiving such assistance and common
2 areas servicing such units;

3 (4) \$810,000,000 for costs related to training
4 and technical assistance to support identification
5 and mitigation of lead and housing-related health
6 and safety hazards, research, and evaluation related
7 to activities under this section; and

8 (5) \$260,000,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section, and the Secretary's lead hazard re-
11 duction and related programs generally including in-
12 formation technology, financial reporting, research
13 and evaluations, other cross-program costs in sup-
14 port of programs administered by the Secretary in
15 this Act, and other costs; the Secretary may transfer
16 and merge amounts appropriated under this para-
17 graph to section 40301.

18 Amounts appropriated by this section shall remain avail-
19 able until September 30, 2031.

20 (b) TERMS AND CONDITIONS.—

21 (1) INCOME ELIGIBILITY DETERMINATIONS.—

22 Notwithstanding any inconsistent requirements, the
23 Secretary may make income determinations of eligi-
24 bility for enrollment of housing units for grants
25 awarded under—

1 (A) subsection (a)(1) using criteria under
2 title I of the Housing and Community Develop-
3 ment Act of 1974 (42 U.S.C. 5301 et seq.),
4 title II of the Cranston-Gonzalez National Af-
5 fordable Housing Act (42 U.S.C. 12701 et
6 seq.), section 8 of the United States Housing
7 Act of 1937 (42 U.S.C. 1437f), title IV of the
8 Energy Conservation and Production Act (42
9 U.S.C. 6851 et seq.), section 2605 of the Low-
10 Income Home Energy Assistance Act of 1981
11 (42 U.S.C. 8624), or section 2044 of title 38,
12 United States Code, as determined appropriate
13 by the Secretary;

14 (B) subsection (a)(2) using criteria under
15 section 8 of the United States Housing Act of
16 1937 (42 U.S.C. 1437f) or title IV of the En-
17 ergy Conservation and Production Act (42
18 U.S.C. 6851 et seq.).

19 (2) HOUSING FAMILIES WITH YOUNG CHIL-
20 DREN.—An owner of rental property that receives
21 assistance under subsection (a)(3) shall give priority
22 in renting units for which the lead-based paint has
23 been abated pursuant to subsection (a)(3), for not
24 less than 3 years following the completion of lead

1 abatement activities, to families with a child under
2 the age of 6 years.

3 (3) ADMINISTRATIVE EXPENSES.—A recipient
4 of a grant under this section may use up to 10 per-
5 cent of the grant for administrative expenses associ-
6 ated with the activities funded by this section.

7 (c) ELIGIBLE ACTIVITIES.—Grants awarded under
8 this section shall be used for—

9 (1) abatement of lead-based paint in target
10 housing;

11 (2) interim controls of lead-based paint hazards
12 in target housing;

13 (3) lead-based paint inspections;

14 (4) lead risk assessments;

15 (5) lead hazard control clearance examinations;

16 (6) testing for housing-related health and safety
17 hazards;

18 (7) mitigation of housing-related health and
19 safety hazards, including lead faucets, fixtures, and
20 interior lines;

21 (8) technical assistance;

22 (9) providing work practices training to local
23 residents;

1 (10) outreach and engagement with community
2 stakeholders, including stakeholders in disadvan-
3 taged communities;

4 (11) capacity building;

5 (12) program evaluation and research;

6 (13) environmental reviews; or

7 (14) activities that directly or indirectly support
8 the work under this section, as applicable, that with-
9 out which such activities could not be conducted.

10 (d) ENVIRONMENTAL REVIEW.—For purposes of en-
11 vironmental review pursuant to the National Environ-
12 mental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and
13 other provisions of law that further the purposes of such
14 Act, a grant under subsection (a) of this section shall be
15 considered funds for a special project for purposes of sec-
16 tion 305(c) of the Multifamily Housing Property Disposi-
17 tion Reform Act of 1994 (42 U.S.C. 3547), provided that
18 references in such section 305(c) to “State or unit of gen-
19 eral local government” shall be deemed to include Indian
20 tribes.

21 (e) DEFINITIONS.—For purposes of this section, the
22 following definitions, and definitions in section 1004 of the
23 Residential Lead-Based Paint Hazard Reduction Act of
24 1992 (42 U.S.C. 4851b), shall apply:

1 (1) NONPROFIT; NONPROFIT ORGANIZATION.—
2 The terms “nonprofit” and “nonprofit organization”
3 mean a corporation, community chest, fund, or foun-
4 dation not organized for profit, but organized and
5 operated exclusively for religious, charitable, sci-
6 entific, testing for public safety, literary, or edu-
7 cational purposes; or an organization not organized
8 for profit but operated exclusively for the promotion
9 of social welfare.

10 (2) PUBLIC HOUSING; PUBLIC HOUSING AGEN-
11 CY; LOW-INCOME FAMILY.—The terms “public hous-
12 ing”, “public housing agency”, and “low-income
13 family’ ” have the same meaning given such terms
14 in section 3(b) of the United States Housing Act of
15 1937 (42 U.S.C. 1437a(b)).

16 (3) TRIBALLY DESIGNATED HOUSING ENTITY;
17 INDIAN TRIBE.—The terms “tribally designated
18 housing entity” and “Indian tribe” have the same
19 meaning given such terms in section 4 of the Native
20 American Housing Assistance and Self-Determina-
21 tion Act of 1996 (25 U.S.C. 4103).

22 (4) UNIT OF GENERAL LOCAL GOVERNMENT.—
23 The term “unit of general local government” has the
24 same meaning given such term in section 102 of the

1 Housing and Community Development Act of 1974
2 (42 U.S.C. 5302).

3 (f) IMPLEMENTATION.—The Secretary shall have the
4 authority to issue such regulations or other notices, guid-
5 ance, forms, instructions, and publications as may be nec-
6 essary or appropriate to carry out the programs, projects,
7 or activities authorized under this section, including to en-
8 sure that such programs, projects, or activities are com-
9 pleted in a timely and effective manner.

10 **SEC. 40103. UNLOCKING POSSIBILITIES PROGRAM.**

11 (a) APPROPRIATION.—In addition to amounts other-
12 wise available, there is appropriated to the Secretary of
13 Housing and Urban Development for fiscal year 2022, out
14 of any money in the Treasury not otherwise appro-
15 priated—

16 (1) \$4,260,000,000 for awarding planning
17 grants under this section to develop and evaluate
18 housing policy plans and substantially improve hous-
19 ing strategies;

20 (2) \$20,000,000 for research and evaluation re-
21 lated to housing policy planning and other associated
22 costs;

23 (3) \$70,000,000 to provide technical assistance
24 to grantees or applicants for grants made available
25 by this section; and

1 (4) \$150,000,000 for the costs to the Secretary
2 of administering and overseeing the implementation
3 of this section, including information technology, fi-
4 nancial reporting, research and evaluations, fair
5 housing compliance, and other cross-program costs
6 in support of programs administered by the Sec-
7 retary in this title; the Secretary may transfer and
8 merge amounts appropriated under this paragraph
9 to section 40301.

10 Amounts appropriated by this section shall remain avail-
11 able until September 30, 2031.

12 (b) PROGRAM ESTABLISHMENT.—The Secretary of
13 Housing and Urban Development shall establish a com-
14 petitive grant program for—

15 (1) planning grants to develop and evaluate
16 housing policy plans and substantially improve hous-
17 ing strategies;

18 (2) streamlining regulatory requirements and
19 shorten processes, reform zoning codes, or other ini-
20 tiatives that reduce barriers to housing supply elas-
21 ticity and affordability;

22 (3) developing and evaluating local or regional
23 plans for urban development to substantially im-
24 prove urban development strategies related to sus-
25 tainability, fair housing, and location efficiency;

1 (4) implementation and livable community in-
2 vestment grants; and

3 (5) research and evaluation.

4 (c) GRANTS.—

5 (1) PLANNING GRANTS.—The Secretary shall,
6 under selection criteria determined by the Secretary,
7 award grants under this paragraph on a competitive
8 basis to eligible entities to finance planning activi-
9 ties, including engagement with community stake-
10 holders and housing practitioners, to—

11 (A) develop housing policy plans;

12 (B) substantially improve State or local
13 housing strategies;

14 (C) develop new regulatory requirements
15 and processes, reform zoning codes, or under-
16 take other initiatives to reduce barriers to hous-
17 ing supply elasticity and affordability;

18 (D) develop local or regional plans for
19 urban development; and

20 (E) substantially improve urban develop-
21 ment strategies, including strategies to increase
22 availability and access to affordable housing, to
23 further access to public transportation or to ad-
24 vance other sustainable or location-efficient
25 urban development goals.

1 (2) IMPLEMENTATION AND LIVABLE COMMU-
2 NITY INVESTMENT GRANTS.—The Secretary shall
3 award implementation grants under this paragraph
4 on a competitive basis to eligible entities for the pur-
5 pose of implementing—

6 (A) completed housing strategies and hous-
7 ing policy plans and any planning to affirma-
8 tively further fair housing within the meaning
9 of subsections (d) and (e) of section 808 of the
10 Fair Housing Act (42 U.S.C. 608) and applica-
11 ble regulations and for community investments
12 that support the goals identified in such hous-
13 ing strategies or housing policy plans;

14 (B) new regulatory requirements and proc-
15 esses, reformed zoning codes, or other initia-
16 tives to reduce barriers to housing supply elas-
17 ticity and affordability that are consistent with
18 a plan under subparagraph (A);

19 (C) completed local or regional plans for
20 urban development and any planning to in-
21 crease availability and access to affordable
22 housing, access to public transportation and
23 other sustainable or location-efficient urban de-
24 velopment goals.

1 (d) COORDINATION WITH FTA ADMINISTRATOR.—
2 To the extent practicable, the Secretary shall coordinate
3 with the Federal Transit Administrator in carrying out
4 this section.

5 (e) DEFINITIONS.—For purposes of this section, the
6 following definitions apply:

7 (1) ELIGIBLE ENTITY.—The term “eligible enti-
8 ty” means—

9 (A) a State, insular area, metropolitan
10 city, or urban county, as such terms are defined
11 in section 102 of the Housing and Community
12 Development Act of 1974 (42 U.S.C. 5302); or

13 (B) for purposes of grants under sub-
14 section (b)(1), a regional planning agency or
15 consortia.

16 (2) HOUSING POLICY PLAN; HOUSING STRAT-
17 EGY.—

18 (A) HOUSING POLICY PLAN.—The term
19 “housing policy plan” means a plan of an eligi-
20 ble entity to, with respect to the area within the
21 jurisdiction of the eligible entity—

22 (i) match the creation of housing sup-
23 ply to existing demand and projected de-
24 mand growth in the area, with attention to
25 preventing displacement of residents, re-

1 ducing the concentration of poverty, and
2 meaningfully reducing and not perpet-
3 uating housing segregation on the basis of
4 race, color, religion, natural origin, sex,
5 disability, or familial status;

6 (ii) increase the affordability of hous-
7 ing in the area, increase the accessibility of
8 housing in the area for people with disabil-
9 ities, including location-efficient housing,
10 and preserve or improve the quality of
11 housing in the area;

12 (iii) reduce barriers to housing devel-
13 opment in the area, with consideration for
14 location efficiency, affordability, and acces-
15 sibility; and

16 (iv) coordinate with the metropolitan
17 transportation plan of the area under the
18 jurisdiction of the eligible entity, or other
19 regional plan.

20 (B) HOUSING STRATEGY.—The term
21 “housing strategy” means the housing strategy
22 required under section 105 of the Cranston-
23 Gonzalez National Affordable Housing Act (42
24 U.S.C. 12705).

1 (f) COSTS TO GRANTEES.—Up to 15 percent of a re-
2 cipient's grant may be used for administrative costs.

3 (g) RULES OF CONSTRUCTION.—

4 (1) IN GENERAL.— Except as otherwise pro-
5 vided by this section, amounts appropriated or oth-
6 erwise made available under this section shall be
7 subject to the community development block grant
8 program requirements under title I of the Housing
9 and Community Development Act of 1974 (42
10 U.S.C. 5301 et seq.).

11 (2) EXCEPTIONS.—

12 (A) HOUSING CONSTRUCTION.—Expendi-
13 tures on new construction of housing shall be
14 an eligible expense under this section.

15 (B) BUILDINGS FOR GENERAL CONDUCT
16 OF GOVERNMENT .—Expenditures on building
17 for the general conduct of government, other
18 than the Federal Government, shall be eligible
19 under this section when necessary and appro-
20 priate as a part of a natural hazard mitigation
21 project.

22 (h) WAIVERS.—The Secretary may waive or specify
23 alternative requirements for any provision of title I of the
24 Housing and Community Development Act of 1974 (42
25 U.S.C. 5301 et seq.) or regulation for the administration

1 of the amounts made available under this section other
2 than requirements related to fair housing, nondiscrimina-
3 tion, labor standards, and the environment, upon a finding
4 that the waiver or alternative requirement is necessary to
5 expedite or facilitate the use of amounts made available
6 under this section.

7 (i) IMPLEMENTATION.—The Secretary shall have the
8 authority to issue such regulations or other notices, guid-
9 ance, forms, instructions, and publications as may be nec-
10 essary or appropriate to carry out the programs, projects,
11 or activities authorized under this section, including to en-
12 sure that such programs, projects, or activities are com-
13 pleted in a timely and effective manner.

14 **SEC. 40104. STRENGTHENING RESILIENCE UNDER NA-**
15 **TIONAL FLOOD INSURANCE PROGRAM.**

16 (a) PROGRAM DEBT.—

17 (1) CANCELLATION.—Subject only to para-
18 graphs (2) and (3) and notwithstanding any other
19 provision of law, all indebtedness of the Adminis-
20 trator of the Federal Emergency Management Agen-
21 cy under any notes or other obligations issued pur-
22 suant to section 1309(a) of the National Flood In-
23 surance Act of 1968 (42 U.S.C. 7 4016(a)) and sec-
24 tion 15(e) of the Federal Insurance Act of 1956 (42
25 U.S.C. 2414(e)), and outstanding as of the date of

1 the enactment of this Act, is hereby canceled, the
2 Administrator and the National Flood Insurance
3 Fund are relieved of all liability to the Secretary of
4 the Treasury under any such notes or other obliga-
5 tions, including for any capitalized interest due
6 under such notes or other obligations and any other
7 fees and charges payable in connection with such
8 notes and obligations, and the total amount of notes
9 and obligations issued by the Administrator pursu-
10 ant to such section shall be considered to be reduced
11 by such amount for purposes of the limitation on
12 such total amount under such section.

13 (2) USE OF SAVINGS.—Effective on and after
14 October 1, 2031, the Administrator of the Federal
15 Emergency Management Agency shall use any sav-
16 ings accruing from the cancellation of debt under
17 paragraph (1), including any amounts of interest
18 payments avoided from such cancellation, only for
19 deposit in and use under the National Flood Insur-
20 ance Reserve Fund under section 1310A of the Na-
21 tional Flood Insurance Act of 1968 (42 U.S.C.
22 4017A).

23 (3) TREATMENT OF CANCELED DEBT.—The
24 amount of the indebtedness canceled under para-

1 graph (1) may be treated as a public debt of the
2 United States.

3 (b) FLOOD HAZARD MAPPING AND RISK ANAL-
4 YSIS.—In addition to amounts otherwise available, there
5 is appropriated to the Administrator of the Federal Emer-
6 gency Management Agency for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated,
8 \$3,000,000,000, to remain available until expended, for
9 necessary expenses for flood hazard mapping and risk
10 analysis, which shall be in addition to, and shall supple-
11 ment—

12 (1) amounts otherwise available for those pur-
13 poses, including amounts appropriated to the Na-
14 tional Flood Insurance Fund established under sec-
15 tion 1310 of such Act (42 U.S.C. 4017); and

16 (2) any funds provided to the Administrator by
17 States and local governments under section
18 1360(f)(2) of such Act (42 U.S.C. 4101(f)(2)).

19 (c) MEANS-TESTED ASSISTANCE FOR NATIONAL
20 FLOOD INSURANCE PROGRAM POLICYHOLDERS.—

21 (1) APPROPRIATION.—In addition to amounts
22 otherwise available, there is appropriated to the Ad-
23 ministrator of the Federal Emergency Management
24 Agency for fiscal year 2022, out of any money in the
25 Treasury not otherwise appropriated,

1 \$1,000,000,000, to remain available until September
2 30, 2026, to carry out a means-tested program
3 under which the Administrator provides assistance
4 to eligible policyholders in the form of graduated dis-
5 counts for insurance costs with respect to covered
6 properties.

7 (2) TERMS AND CONDITIONS.—

8 (A) DISCOUNTS.—The Administrator shall
9 use funds provided under this subsection to es-
10 tablish graduated discounts available to eligible
11 policyholders under this subsection, with respect
12 to covered properties, which may be based on
13 the following factors:

14 (i) The percentage by which the
15 household income of the eligible policy-
16 holder is equal to, or less than, 120 per-
17 cent of the area median income for the
18 area in which the property to which the
19 policy applies is located.

20 (ii) The number of eligible policy-
21 holders participating in the program au-
22 thorized under this subsection.

23 (iii) The availability of funding.

1 (iv) Any other factor that the Admin-
2 istrator finds reasonable and necessary to
3 carry out the purposes of this subsection

4 (B) DISTRIBUTION OF PREMIUM.—With
5 respect to the amount of the discounts provided
6 under this subsection in a fiscal year, and any
7 administrative expenses incurred in carrying
8 out this subsection for that fiscal year, the Ad-
9 ministrator shall, from amounts made available
10 to carry out this subsection for that fiscal year,
11 deposit in the National Flood Insurance Fund
12 established under section 1310 of the National
13 Flood Insurance Act of 1968 (42 U.S.C. 4017)
14 an amount equal to those discounts and admin-
15 istrative expenses, except to the extent that sec-
16 tion 1310A of the National Flood Insurance
17 Act of 1968 (42 U.S.C. 4017a) applies to any
18 portion of those discounts or administrative ex-
19 penses, in which case the Administrator shall
20 deposit an amount equal to those amounts to
21 which such section 1310A applies in the Na-
22 tional Flood Insurance Reserve Fund estab-
23 lished under such section 1310A.

24 (C) REQUIREMENT ON TIMING.—Not later
25 than 21 months after the date of the enactment

1 of this section, the Administrator shall issue in-
2 terim guidance to implement this subsection
3 which shall expire on the later of—

4 (i) the date that is 60 months after
5 the date of the enactment of this section;
6 or

7 (ii) the date on which a final rule
8 issued to implement this subsection takes
9 effect.

10 (3) DEFINITIONS.—In this subsection:

11 (A) ADMINISTRATOR.—The term “Admin-
12 istrator” means the Administrator of the Fed-
13 eral Emergency Management Agency.

14 (B) COVERED PROPERTY.—The term “cov-
15 ered property” means—

16 (i) a primary residential dwelling de-
17 signed for the occupancy of from 1 to 4
18 families; or

19 (ii) personal property relating to a
20 dwelling described in clause (i).

21 (C) ELIGIBLE POLICYHOLDER.—The term
22 “eligible policyholder” means a policyholder
23 with a household income that is not more than
24 120 percent of the area median income for the

1 area in which the property to which the policy
2 applies is located.

3 (D) INSURANCE COSTS.—The term “insur-
4 ance costs” means, with respect to a covered
5 property for a year—

6 (i) risk premiums and fees estimated
7 under section 1307 of the National Flood
8 Insurance Act of 1968 (42 U.S.C. 4014)
9 and charged under section 1308 of such
10 Act (42 U.S.C. 4015);

11 (ii) surcharges assessed under sections
12 1304 and 1308A of such Act (42 U.S.C.
13 4011, 4015a); and

14 (iii) any amount established under
15 section 1310A(c) of such Act (42 U.S.C.
16 4017a).

17 **SEC. 40105. COMMUNITY RESTORATION AND REVITALIZA-**
18 **TION FUND.**

19 (a) APPROPRIATION.—In addition to amounts other-
20 wise available, there is appropriated to the Community
21 Restoration and Revitalization Fund established under
22 subsection (b) for fiscal year 2022, out of any money in
23 the Treasury not otherwise appropriated—

24 (1) \$5,700,000,000 for awards of planning and
25 implementation grants to eligible recipients to carry

1 out community-led projects to stabilize neighbor-
2 hoods and increase access to economic opportunity
3 for residents by creating equitable civic infrastruc-
4 ture and creating or preserving affordable, accessible
5 housing;

6 (2) \$500,000,000 for awards of grants to eligi-
7 ble recipients to create, expand, and maintain com-
8 munity land trusts and shared equity homeownership,
9 including through the acquisition, rehabilita-
10 tion, and new construction of affordable, accessible
11 housing;

12 (3) \$1,000,000,000 for the Secretary to provide
13 technical assistance, capacity building, program sup-
14 port to applicants, potential applicants, and recipi-
15 ents of amounts appropriated for grants under this
16 section; and

17 (4) \$300,000,000 for the costs to the Secretary
18 of administering and overseeing the implementation
19 of this section, including information technology, fi-
20 nancial reporting, research and evaluations, fair
21 housing compliance, and other cross-program costs
22 in support of programs administered by the Sec-
23 retary in this title; the Secretary may transfer and
24 merge amounts appropriated under this paragraph
25 to section 40301.

1 Amounts appropriated by this section shall remain avail-
2 able until September 30, 2031.

3 (b) ESTABLISHMENT OF FUND.—The Secretary of
4 Housing and Urban Development (in this section referred
5 to as the “Secretary”) shall establish a Community Res-
6 toration and Revitalization Fund (in this section referred
7 to as the “Fund”) to award planning and implementation
8 grants on a competitive basis to eligible recipients as de-
9 fined in this section for activities authorized under title
10 I of the Housing and Community Development Act of
11 1974 (42 U.S.C. 5301 et seq.) for community-led projects
12 that create civic infrastructure to support a community’s
13 social, economic, and civic fabric, create fair, affordable
14 and accessible housing opportunities, prevent residential
15 displacement, acquire and remediate blighted properties,
16 and promote quality job creation and retention.

17 (c) GRANTS.—

18 (1) GEOGRAPHICAL AREAS.—The Secretary
19 shall award grants from the Fund to eligible recipi-
20 ents within geographical areas at the neighborhood,
21 county, census tract, or census tract level, including
22 census tracts adjacent to the project area that are
23 areas in need of investment, and that have at least
24 two of the following indicators:

1 (A) Dwelling unit sales prices that are
2 lower than the cost to acquire and rehabilitate,
3 or build, a new dwelling unit.

4 (B) High proportions of residential and
5 commercial properties that are vacant due to
6 foreclosure, eviction, abandonment, or other
7 causes.

8 (C) Low rates of homeownership.

9 (D) Disparities in racial and ethnic home-
10 ownership rates.

11 (E) High and persistent rates of poverty.

12 (F) High rates of unemployment and
13 underemployment.

14 (G) Population at risk of displacement due
15 to rising housing costs.

16 (H) Historic population loss.

17 (I) Lack of private sector lending on fair
18 and competitive terms for individuals to pur-
19 chase homes or start small businesses.

20 (J) Other indicators of economic distress.

21 (d) ELIGIBLE RECIPIENTS AND APPLICANTS.—

22 (1) ELIGIBLE RECIPIENT.—An eligible recipient
23 of a grant under subsection (b)(1) shall be a local
24 partnership of a lead applicant and one or more
25 joint applicants with the ability to administer the

1 grant. An eligible recipient of a grant under sub-
2 section (b)(2) shall be a lead applicant with the abil-
3 ity to administer the grant, including a regional or
4 national nonprofit, that may include a joint appli-
5 cant.

6 (2) LEAD APPLICANT.—An eligible lead appli-
7 cant for a grant awarded under this section shall
8 be—

9 (A)(i) a nonprofit organization that—

10 (I) demonstrates a commitment to
11 anti-displacement efforts and has expertise
12 in community planning, engagement, orga-
13 nizing, housing and community develop-
14 ment, or neighborhood revitalization; and

15 (II) is located within or serves the
16 geographical area of the project or that de-
17 rives its mission and operational priorities
18 from the needs of the geographical area of
19 the project; or

20 (ii) if the geographical area of the project
21 is located in any area where no such local non-
22 profit organization exists, a national nonprofit
23 organization with such expertise;

24 (B) a community development corporation,
25 that is located within or serves the geographical

1 area of the project and can demonstrate a track
2 record of making investments in the geo-
3 graphical area of the project, and demonstrates
4 a commitment to anti-displacement efforts;

5 (C) a community housing development or-
6 ganization, defined in section 104 of the Cran-
7 ston-Gonzalez National Affordable Housing Act
8 (42 U.S.C. 12704) or a community-based devel-
9 opment organization, that is located within or
10 serves the geographical area of the project and
11 experienced in neighborhood revitalization, com-
12 munity-based economic development, housing
13 development activities, and demonstrates a com-
14 mitment to anti-displacement efforts; or

15 (D) a community development financial in-
16 stitution, as defined by section 103 of the Rie-
17 gle Community Development and Regulatory
18 Improvement Act of 1994 (12 U.S.C. 4702),
19 that is located within or serves the geographical
20 area of the project, demonstrates a commitment
21 to anti-displacement efforts, and has a track
22 record of making investments in the geographic
23 project area.

24 (3) JOINT APPLICANTS.—A joint applicant shall
25 be a local, regional or national entity that is—

1 (A) an organization that qualifies as a lead
2 applicant;

3 (B) a unit of general local government, as
4 defined in section 102 of the Housing and Com-
5 munity Development Act of 1974 (42 U.S.C.
6 5302);

7 (C) an Indian tribe, as defined in section
8 102 of the Housing and Community Develop-
9 ment Act of 1974 (42 U.S.C. 5302);

10 (D) a nonprofit organization;

11 (E) a community development corporation;

12 (F) an anchor institution;

13 (G) a State housing finance agency (as
14 such term is defined in section 106(h) of the
15 Housing and Urban Development Act of 1968
16 (12 U.S.C. 1701x(h))) or a related State agen-
17 cy;

18 (H) a land bank;

19 (I) a fair housing enforcement organization
20 (as such term is defined in section 561 of the
21 Housing and Community Development Act of
22 1987 (42 U.S.C. 3616a));

23 (J) a public housing agency (as such term
24 is defined in section 3(b) of the United States
25 Housing Act of 1937 (42 U.S.C. 1437a(b)));

- 1 (K) a community development financial in-
2 stitution, as defined by section 103 of the Rie-
3 gle Community Development and Regulatory
4 Improvement Act of 1994 (12 U.S.C. 4702); or
5 (L) a philanthropic organization.

6 (e) ELIGIBLE USES.—

7 (1) IN GENERAL.—Grants awarded under this
8 section may be used to support civic infrastructure
9 and housing-related activities. Projects must include
10 at least one civic infrastructure and at least one
11 housing-related activity.

12 (2) PLANNING GRANTS.—Planning grants
13 awarded under this section may be used for civic in-
14 frastructure and housing-related activities, includ-
15 ing—

16 (A) fair housing planning, to affirmatively
17 further fair housing;

18 (B) planning to prevent displacement espe-
19 cially of extremely-low, very-low, low- and mod-
20 erate-income homeowners, renters, and people
21 experiencing homelessness;

22 (C) community planning and outreach;

23 (D) neighborhood engagement with resi-
24 dent leaders and community groups;

25 (E) pre-development activities;

- 1 (F) community engagement processes;
- 2 (G) market analysis;
- 3 (H) financial planning and feasibility; and
- 4 (I) site surveys.

5 (3) IMPLEMENTATION GRANTS.—Implementa-
6 tion grants awarded under this section may be used
7 for activities eligible under section 105 of the Hous-
8 ing and Community Development Act of 1974 (42
9 U.S.C. 5305) and other activities to support civic in-
10 frastructure and housing-related activities, includ-
11 ing—

12 (A) new construction of housing;

13 (B) demolition of abandoned or distressed
14 structures, but only if such activity is part of a
15 strategy that incorporates rehabilitation or new
16 construction, anti-displacement efforts such as
17 tenants' right to return and right of first re-
18 fusal to purchase, and efforts to increase af-
19 fordable, accessible housing and homeownership,
20 except that not more than 10 percent of
21 any grant made under this section may be used
22 for activities under this subparagraph unless
23 the Secretary determines that such use is to the
24 benefit of existing residents;

1 (C) facilitating the creation, maintenance,
2 or availability of rental units, including units in
3 mixed-use properties, affordable and accessible
4 to a household whose income does not exceed
5 80 percent of the median income for the area,
6 as determined by the Secretary, for a period of
7 not less than 30 years;

8 (D) facilitating the creation, maintenance,
9 or availability of homeownership units afford-
10 able and accessible to households whose incomes
11 do not exceed 120 percent of the median in-
12 come for the area, as determined by the Sec-
13 retary;

14 (E) establishing or operating land banks;
15 and

16 (F) providing assistance to existing resi-
17 dents experiencing economic distress or at risk
18 of displacement, including purchasing nonper-
19 forming mortgages and clearing and obtaining
20 formal title.

21 (4) COMMUNITY LAND TRUST GRANTS.—An eli-
22 gible recipient of a community land trust grant
23 awarded under this section may use such grant for
24 activities to support civic infrastructure, including
25 the production, acquisition, and rehabilitation of

1 housing for use in a community land trust or shared
2 equity homeownership program, and expanding the
3 capacity of the recipient to carry out the grant.

4 (5) COSTS OF GRANTEES.—Up to 20 percent of
5 a recipient's grant may be used for administrative
6 costs.

7 (f) RULES OF CONSTRUCTION.—Except as otherwise
8 provided by this section, amounts appropriated or other-
9 wise made available under this section shall be subject to
10 the community development block grant program require-
11 ments under title I of the Housing and Community Devel-
12 opment Act of 1974 (42 U.S.C. 5301 et seq.).

13 (g) WAIVERS.—The Secretary may waive or specify
14 alternative requirements for any provision of title I of the
15 Housing and Community Development Act of 1974 (42
16 U.S.C. 5301 et seq.) or regulation for the administration
17 of the amounts made available under this section other
18 than requirements related to fair housing, nondiscrimina-
19 tion, labor standards, and the environment, upon a finding
20 that the waiver or alternative requirement is necessary to
21 expedite or facilitate the use of amounts made available
22 under this section.

23 (h) DEFINITIONS.—For purposes of this section, the
24 following definitions shall apply:

1 (1) ANCHOR INSTITUTION.—The term “anchor
2 institution” means a school, a library, a healthcare
3 provider, a community college or other institution of
4 higher education, museum or cultural institution, or
5 another community support organization or entity.

6 (2) COMMUNITY LAND TRUST.—The term
7 “community land trust” means a nonprofit organi-
8 zation or State or local governments or instrumen-
9 talities that—

10 (A) use a ground lease or deed covenant
11 with an affordability period of at least 30 years
12 or more to—

13 (i) make rental and homeownership
14 units affordable to households; and

15 (ii) stipulate a preemptive option to
16 purchase the affordable rentals or home-
17 ownership units so that the affordability of
18 the units is preserved for successive in-
19 come-eligible households; and

20 (B) monitor properties to ensure afford-
21 ability is preserved.

22 (3) LAND BANK.—The term “land bank”
23 means a government entity, agency, or program, or
24 a special purpose nonprofit entity formed by one or
25 more units of government in accordance with State

1 or local land bank enabling law, that has been des-
2 ignated by one or more State or local governments
3 to acquire, steward, and dispose of vacant, aban-
4 doned, or other problem properties in accordance
5 with locally-determined priorities and goals.

6 (4) SHARED EQUITY HOMEOWNERSHIP PRO-
7 GRAM.—The term “shared equity homeownership
8 program” means a program to facilitate affordable
9 homeownership preservation through a resale restric-
10 tion program administered by a community land
11 trust, other nonprofit organization, or State or local
12 government or instrumentalities and that utilizes a
13 ground lease, deed restriction, subordinate loan, or
14 similar legal mechanism that includes provisions en-
15 suring that the program shall—

16 (A) maintain the home as affordable for
17 subsequent very low-, low-, or moderate-income
18 families for an affordability term of at least 30
19 years after recordation;

20 (B) apply a resale formula that limits the
21 homeowner’s proceeds upon resale; and

22 (C) provide the program administrator or
23 such administrator’s assignee a preemptive op-
24 tion to purchase the homeownership unit from
25 the homeowner at resale.

1 **SECTION 40106. FAIR HOUSING ACTIVITIES AND INVES-**
2 **TIGATIONS.**

3 (a) APPROPRIATION.—In addition to amounts other-
4 wise available, there is appropriated to the Secretary of
5 Housing and Urban Development (in this section referred
6 to as the “Secretary”) for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated—

8 (1) \$770,000,000 for the Fair Housing Initia-
9 tives Program under section 561 of the Housing and
10 Community Development Act of 1987 (42 U.S.C.
11 3616a) to ensure existing and new fair housing or-
12 ganizations have expanded and strengthened capaci-
13 ty to address fair housing inquiries and complaints,
14 conduct local, regional, and national testing and in-
15 vestigations, conduct education and outreach activi-
16 ties, and address costs of delivering or adapting
17 services to meet increased housing market activity
18 and evolving business practices in the housing, hous-
19 ing-related, and lending markets. Amounts made
20 available under this section shall support greater or-
21 ganizational continuity and capacity, including
22 through up to 10-year grants; and

23 (2) \$230,000,000 for the costs to the Secretary
24 of administering and overseeing the implementation
25 of this section and the Fair Housing Initiatives and
26 Fair Housing Assistance Programs generally, includ-

1 Housing Act (42 U.S.C. 3616) to assist the Sec-
2 retary to affirmatively further fair housing, and for
3 Fair Housing Assistance Program cooperative agree-
4 ments with interim certified and certified State and
5 local agencies, under the requirements of subpart C
6 of part 115 of title 24, Code of Federal Regulations,
7 to ensure expanded and strengthened capacity of
8 substantially equivalent agencies to assume a greater
9 share of the responsibility for the administration and
10 enforcement of fair housing laws; the Secretary may
11 transfer and merge amounts appropriated by this
12 paragraph to section 40301; and

13 (2) \$66,000,000 for the costs to the Secretary
14 of administering and overseeing the implementation
15 of this section and the Fair Housing Assistance and
16 Fair Housing Initiatives Programs generally, includ-
17 ing information technology, financial reporting, re-
18 search and evaluations, other cross-program costs in
19 support of programs administered by the Secretary
20 in this title, and other costs; the Secretary may
21 transfer and merge amounts appropriated by this
22 paragraph to section 40301.

23 Amounts appropriated by this section shall remain avail-
24 able until September 30, 2031.

1 (b) IMPLEMENTATION.—The Secretary shall have au-
2 thority to issue such regulations or other notices, guid-
3 ance, forms, instructions, and publications as may be nec-
4 essary or appropriate to carry out the programs, projects,
5 or activities authorized under this section, including to en-
6 sure that such programs, projects, or activities are com-
7 pleted in a timely and effective manner.

8 **Subtitle C—Homeownership**
9 **Investments**

10 **SEC. 40201. FIRST-GENERATION DOWNPAYMENT ASSIST-**
11 **ANCE.**

12 (a) APPROPRIATION.—In addition to amounts other-
13 wise available, there is appropriated to the First Genera-
14 tion Downpayment Fund established under subsection (b)
15 for fiscal year 2022, out of any money in the Treasury
16 not otherwise appropriated—

17 (1) \$6,825,000,000 for the First-Generation
18 Downpayment Assistance Fund under this section
19 for allocation among States that the Secretary of
20 Housing and Urban Development has not found to
21 be out of compliance with the obligation to affirma-
22 tively further fair housing, in accordance with a for-
23 mula established by the Secretary, which shall take
24 into consideration adult population size excluding
25 homeowners, median area home prices, and racial

1 disparities in homeownership rates, to carry out the
2 eligible uses of the Fund as described in subsection
3 (c);

4 (2) \$2,275,000,000 for the First-Generation
5 Downpayment Assistance Program under this sec-
6 tion for competitive grants to eligible entities that
7 the Secretary has not found to be out of compliance
8 with the obligation to affirmatively further fair hous-
9 ing, to carry out the eligible uses of the Fund as de-
10 scribed in subsection (d);

11 (3) \$500,000,000 for the costs of providing
12 housing counseling required under the First-Genera-
13 tion Downpayment Assistance Program under sub-
14 section (c)(1); and

15 (4) \$400,000,000 for the costs to the Secretary
16 of administering and overseeing the implementation
17 of the First-Generation Downpayment Assistance
18 Program, including information technology, financial
19 reporting, programmatic reporting, ensuring fair
20 housing and fair lending compliance, research and
21 evaluations, technical assistance to recipients of
22 amounts under this section, and other cross-program
23 costs in support to programs administered by the
24 Secretary in this Act, and other costs; the Secretary

1 may transfer and merge accounts set aside under
2 this clause to section 40301.

3 Amounts appropriated by this section shall remain avail-
4 able until September 30, 2031.

5 (b) ESTABLISHMENT.—The Secretary of Housing
6 and Urban Development shall establish and manage a
7 fund to be known as the First Generation Downpayment
8 Fund (in this section referred to as the “Fund”) for the
9 uses set forth in subsection (d).

10 (c) ALLOCATION OF FUNDS.—

11 (1) INITIAL ALLOCATION.—The Secretary shall
12 allocate and award funding provided by subsection
13 (a) as provided under such subsection not later than
14 12 months after the date of the enactment of this
15 section.

16 (2) REALLOCATION OF FUNDS.—If a State or
17 eligible entity does not demonstrate the capacity to
18 expend grant funds provided under this section, the
19 Secretary shall reallocate the grant funds of such
20 grantee among States and eligible entities that dem-
21 onstrate to the Secretary the capacity to expend
22 such amounts and that are satisfactorily meeting the
23 goals of this section.

24 (d) TERMS AND CONDITIONS OF GRANTS ALLO-
25 CATED OR AWARDED FROM FUND.—

1 (1) USES OF FUNDS.—States and eligible enti-
2 ties receiving grants from the Fund shall—

3 (A) use such grants to provide assistance
4 on behalf of a qualified homebuyer who has
5 completed a program of housing counseling be-
6 fore entering into a sales purchase agreement,
7 as the Secretary shall require, provided through
8 a housing counseling agency approved by the
9 Secretary for—

10 (i) costs in connection with the acqui-
11 sition, involving an eligible mortgage loan,
12 of an eligible home, including downpay-
13 ment costs, closing costs, and costs to re-
14 duce the rates of interest on eligible mort-
15 gage loans;

16 (ii) subsidies to make shared equity
17 homes affordable to eligible homebuyers by
18 discounting the price for which the home
19 will be sold and to preserve the home's af-
20 fordability for subsequent homebuyers; and

21 (iii) pre-occupancy home modifications
22 that may be necessary to meet required
23 property standards or accommodate quali-
24 fied homebuyers or members of their
25 household with disabilities;

1 (B) use not more than 10 percent of their
2 grant allocation or award for administrative
3 costs and training for carrying out the program
4 of the State or eligible entity to provide assist-
5 ance with such grant amounts, as well as to de-
6 velop the capacity to track and monitor pro-
7 gram outcomes in consultation with community-
8 based and nonprofit organizations that have as
9 their mission to advance fair housing and fair
10 lending; and

11 (C) comply with the obligation to affirma-
12 tively further fair housing, as defined by the
13 Secretary to implement section 808(e)(5) of the
14 Fair Housing Act (42 U.S.C. 3608(e)(5)), in
15 any program or activity related to the use of
16 such funds.

17 (2) AMOUNT AND LAYERING OF ASSISTANCE.—
18 Assistance under this section—

19 (A) may be provided to or on behalf of any
20 qualified homebuyer only once;

21 (B) may not exceed the greater of \$20,000
22 or 10 percent of the purchase price in the case
23 of a qualified homebuyer, not to include assist-
24 ance received under subsection (d)(1)(A)(iii) for
25 disability related home modifications, except

1 that the Secretary may increase such maximum
2 limitation amounts in the case of a qualified
3 homebuyer who is economically disadvantaged;
4 and

5 (C) may be provided to or on behalf of a
6 qualified homebuyer who is receiving assistance
7 from other sources, including other State, Fed-
8 eral, local, private, public, and nonprofit
9 sources, for acquisition of an eligible home.

10 (3) PROHIBITION OF PRIORITY.—In selecting
11 qualified homebuyers for assistance with grant
12 amounts under this section, a State or eligible entity
13 may not provide any priority or preference for home-
14 buyers who are acquiring eligible homes with a mort-
15 gage loan made, insured, guaranteed, or otherwise
16 assisted by the State housing finance agency for the
17 State, any other housing agency of the State, or an
18 eligible entity when applicable.

19 (4) REPAYMENT OF ASSISTANCE.—

20 (A) REQUIREMENT.—The Secretary shall
21 require that, if a homebuyer to or on behalf of
22 whom assistance is provided from grant
23 amounts under this section fails or ceases to oc-
24 cupy the property acquired using such assist-
25 ance as the primary residence of the home-

1 buyer, except in the case of assistance is pro-
2 vided in connection with the purchase of a prin-
3 cipal residence through a shared equity home-
4 ownership program, the homebuyer shall repay
5 to the State or eligible entity, as applicable, in
6 a proportional amount of the assistance the
7 homebuyer receives based on the number of
8 years they have occupied the eligible home up
9 to 5 years, except that no assistance shall be re-
10 paid if the qualified homebuyer occupies the eli-
11 gible home as a primary residence for 5 years
12 or more.

13 (B) LIMITATION.—Notwithstanding sub-
14 paragraph (A), a homebuyer to or on behalf of
15 whom assistance is provided from grant
16 amounts under this section shall not be liable to
17 the State or eligible entity for the repayment of
18 the amount of such shortage if the homebuyer
19 fails or ceases to occupy the property acquired
20 using such assistance as the principal residence
21 of the homebuyer at least in part because of a
22 hardship, such as death or military deployment;
23 a financial hardship, such as a significant re-
24 duction in income, or increase in medical ex-
25 penses; relocation for a reason related to do-

1 mestic violence, dating violence, sexual assault,
2 or stalking, as defined in the Secretary's regula-
3 tions implementing the Violence Against
4 Women Act; or relocation for a reason related
5 to the homebuyer or a member of the house-
6 hold's disabilities; or another hardships based
7 on criteria established by the Secretary, or sells
8 the property acquired with such assistance be-
9 fore the expiration of the 60-month period be-
10 ginning on such date of acquisition and the cap-
11 ital gains from such sale to a bona fide pur-
12 chaser in an arm's length transaction are less
13 than the amount the homebuyer is required to
14 repay the State or eligible entity under sub-
15 paragraph (A).

16 (5) COMMUNITY LAND TRUSTS AND SHARED
17 EQUITY HOMEOWNERSHIP PROGRAMS.—If assistance
18 from grant amounts under this section is provided in
19 connection with an eligible home made available
20 through a community land trust or shared equity
21 homeownership program, such assistance shall re-
22 main in the community land trust or shared equity
23 property upon transfer of the property to keep the
24 home affordable to the next eligible community land
25 trust or shared equity homebuyer.

1 (6) RELIANCE ON BORROWER ATTESTATIONS.—

2 No additional documentation beyond the borrower's
3 attestation shall be required to demonstrate eligi-
4 bility under subparagraphs (B) and (C) of sub-
5 section (e)(6) and no State, eligible entity, or cred-
6 itor shall be subject to liability, including monetary
7 penalties or requirements to indemnify a Federal
8 agency or repurchase a loan that has been sold or
9 securitized, based on the provision of assistance
10 under this section to or on behalf of a borrower who
11 does not meet the eligibility requirements under such
12 subparagraphs if the creditor does so in good faith
13 reliance on borrower attestations of eligibility re-
14 quired under such subparagraphs.

15 (7) REPORTING.—The Secretary may require
16 the reporting of such information on the use of
17 grants provided from the Fund as the Secretary may
18 require to carry out this subsection.

19 (e) DEFINITIONS.—For purposes of this section, the
20 following definitions shall apply:

21 (1) COMMUNITY LAND TRUST.—The term
22 “community land trust” means a nonprofit organi-
23 zation or State or local government, agencies or in-
24 strumentalities thereof, that—

1 (A) use a ground lease or deed covenant
2 with an affordability period of at least 30 years
3 to—

4 (i) make homeownership units afford-
5 able to households; and

6 (ii) stipulate a preemptive option to
7 purchase the affordable homeownership
8 units so that the affordability of the units
9 is preserved for successive income-eligible
10 households; and

11 (B) monitor properties to ensure afford-
12 ability is preserved.

13 (2) ELIGIBLE ENTITY.—The term “eligible enti-
14 ty” means—

15 (A) a minority depository institution, as
16 such term is defined in section 308 of the Fi-
17 nancial Institutions Reform, Recovery, and En-
18 forcement Act of 1989 (12 U.S.C. 1463 note);

19 (B) a community development financial in-
20 stitution, as such term is defined in section 103
21 of the Riegle Community Development and
22 Regulatory Improvement Act of 1994 (12
23 U.S.C. 4702), that is certified by the Secretary
24 of the Treasury and targets services to low-in-
25 come and socially disadvantaged populations

1 and provides services in neighborhoods having
2 high concentrations of minority, low-income and
3 socially disadvantaged populations; and

4 (C) any other nonprofit, mission-driven en-
5 tity that the Secretary finds has a track record
6 of providing assistance to homeowners, targets
7 services to low-income and socially disadvan-
8 taged populations, and provides services in
9 neighborhoods having high concentrations of
10 minority, low-income, or socially disadvantaged
11 populations.

12 (3) ELIGIBLE HOME.—The term “eligible
13 home” means a residential dwelling, including a unit
14 in a condominium or cooperative project or a manu-
15 factured housing unit, that—

16 (A) consists of 1 to 4 dwelling units; and

17 (B) will be occupied by the qualified home-
18 buyer, in accordance with such assurances and
19 commitments as the Secretary shall require, as
20 the primary residence of the homebuyer.

21 (4) ELIGIBLE MORTGAGE LOAN.—The term “el-
22 igible mortgage loan” means a single-family residen-
23 tial mortgage loan that—

24 (A) meets the underwriting requirements
25 and dollar amount limitations for acquisition by

1 the Federal National Mortgage Association or
2 the Federal Home Loan Mortgage Corporation;

3 (B) is made, insured, or guaranteed under
4 any program administered by the Secretary;

5 (C) is made, insured, or guaranteed under
6 title V of the Housing Act of 1949 (42 U.S.C.
7 1471 et seq.);

8 (D) is a qualified mortgage, as such term
9 is defined in section 129C(b)(2) of the Truth in
10 Lending Act (15 U.S.C. 1639c(b)(2)); or

11 (E) is made, insured, or guaranteed for the
12 benefit of a veteran.

13 (5) FIRST GENERATION HOMEBUYER.—The
14 term “first-generation homebuyer” means a home-
15 buyer that is, as attested by the homebuyer—

16 (A) an individual—

17 (i) whose living parents or legal
18 guardians do not, to the best of the indi-
19 vidual’s knowledge, have any present fee
20 simple ownership interest in a principal
21 residence in any State, excluding owner-
22 ship of heir property;

23 (ii) who, if no parents or legal guard-
24 ians are living upon acquisition of the eligi-
25 ble home to be acquired using such assist-

1 ance, to the best of the individual's knowl-
2 edge, their parents or legal guardians did
3 not have any ownership interest in a prin-
4 cipal residence in any State at the time of
5 their death, excluding ownership of heir
6 property; and

7 (iii) whose spouse or domestic partner
8 has not, during the 3-year period ending
9 upon acquisition of the eligible home to be
10 acquired using such assistance, had any
11 present ownership interest in a principal
12 residence in any State, excluding owner-
13 ship of heir property, whether the indi-
14 vidual is a co-borrower on the loan or not;
15 or

16 (B) an individual who has at any time
17 been placed in foster care or institutional care
18 whose spouse or domestic partner has not, dur-
19 ing the 3-year period ending upon acquisition of
20 the eligible home to be acquired using such as-
21 sistance, had any ownership interest in a prin-
22 cipal residence in any State, excluding owner-
23 ship of heir property, whether such individuals
24 are co-borrowers on the loan or not.

1 (6) QUALIFIED HOMEBUYER.—The term
2 “qualified homebuyer” means a homebuyer—

3 (A) having an annual household income
4 that is less than or equal to—

5 (i) 120 percent of median income, as
6 determined by the Secretary, for—

7 (I) the area in which the home to
8 be acquired using such assistance is
9 located; or

10 (II) the area in which the place
11 of residence of the homebuyer is lo-
12 cated; or

13 (ii) 140 percent of the median income,
14 as determined by the Secretary, for the
15 area within which the eligible home to be
16 acquired using such assistance is located if
17 the homebuyer is acquiring an eligible
18 home located in a high-cost area;

19 (B) who is a first-time homebuyer, as such
20 term is defined at 42 U.S.C. 12704, except that
21 ownership of heir property shall not be treated
22 as owning a home for purposes of determining
23 whether a borrower qualifies as a first-time
24 homebuyer; and

25 (C) who is a first-generation homebuyer.

1 (7) SECRETARY.—The term “Secretary” means
2 the Secretary of Housing and Urban Development.

3 (8) SHARED EQUITY HOMEOWNERSHIP PRO-
4 GRAM.—

5 (A) IN GENERAL.—The term “shared eq-
6 uity homeownership program” means affordable
7 homeownership preservation through a resale
8 restriction program administered by a commu-
9 nity land trust, other nonprofit organization, or
10 State or local government or instrumentalities.

11 (B) AFFORDABILITY REQUIREMENTS.—
12 Any such program under subparagraph (A)
13 shall—

14 (i) provide affordable homeownership
15 opportunities to households; and

16 (ii) utilize a ground lease, deed re-
17 striction, subordinate loan, or similar legal
18 mechanism that includes provisions ensur-
19 ing that the program shall—

20 (I) maintain the homeownership
21 unit as affordable for subsequent very
22 low-, low-, or moderate-income fami-
23 lies for an affordability term of at
24 least 30 years after recordation;

1 (II) apply a resale formula that
2 limits the homeowner's proceeds upon
3 resale; and

4 (III) provide the program admin-
5 istrator or such administrator's as-
6 signee a preemptive option to pur-
7 chase the homeownership unit from
8 the homeowner at resale.

9 (9) STATE.—The term “State” means any
10 State of the United States, the District of Columbia,
11 the Commonwealth of Puerto Rico, the United
12 States Virgin Islands, Guam, the Commonwealth of
13 the Northern Mariana Islands, and American
14 Samoa.

15 (10) HEIR PROPERTY.—The term “heir prop-
16 erty” means residential property for which title
17 passed by operation of law through intestacy and is
18 held by two or more heirs as tenants in common.

19 (f) IMPLEMENTATION.—The Secretary shall have au-
20 thority to issue such regulations or other notices, guid-
21 ance, forms, instructions, and publications as may be nec-
22 essary or appropriate to carry out the programs, projects,
23 or activities authorized under this section, including to en-
24 sure that such programs, projects, or activities are com-
25 pleted in a timely and effective manner.

1 **SEC. 40202. WEALTH-BUILDING HOME LOAN PROGRAM.**

2 (a) APPROPRIATION.—In addition to amounts other-
3 wise available, there is appropriated for fiscal year 2022,
4 out of any amounts in the Treasury not otherwise appro-
5 priated—

6 (1) \$480,000,000 to the Secretary of Housing
7 and Urban Development for carrying out the pro-
8 gram established under subsection (b) and programs
9 of the Federal Housing Administration and the Gov-
10 ernment National Mortgage Association generally,
11 including information technology, financial report-
12 ing, other cross-program costs in support of pro-
13 grams administered by the Secretary in this Act,
14 other costs, and for the cost of guaranteed loans and
15 other obligations; and

16 (2) \$20,000,000 to the Secretary of Agriculture
17 for carrying out the program established under sub-
18 section (b) and programs of the Rural Housing
19 Service generally, including information technology
20 and financial reporting in support of the Program
21 administered by the Secretary of Agriculture in this
22 Act, other costs, and for the cost of guaranteed
23 loans and other obligations.

24 Amounts appropriated by this section shall remain avail-
25 able until September 30, 2031.

26 (b) ESTABLISHMENT OF LIFT HOME FUNDS.—

1 (1) IN GENERAL.—There is established in each
2 Loan Guarantee Agency a fund to be known as the
3 LIFT HOME Fund, into which amounts appro-
4 priated under this section shall be deposited and
5 which shall be used by each Department for carrying
6 out the purposes of this section.

7 (2) MANAGEMENT OF FUND.—The LIFT
8 HOME Fund of each Loan Guarantee Agency shall
9 be administered and managed by the respective Sec-
10 retary, who shall establish reasonable and prudent
11 criteria for the management and operation of any
12 amounts in the Fund.

13 (c) USE OF FUNDS.—

14 (1) TRANSFER OF AMOUNTS TO TREASURY.—
15 Such portions of the appropriation to the Secretary
16 of Housing and Urban Development shall be trans-
17 ferred by the Secretary of Housing and Urban De-
18 velopment to the Department of the Treasury in an
19 amount equal to, as determined by the Secretary of
20 the Treasury, in consultation with the Secretary of
21 Housing and Urban Development—

22 (A) the amount the Secretary of the Treas-
23 ury estimates to be necessary for the purchase
24 of securities under the Program during the pe-

1 riod for which the funds are intended to be
2 available;

3 (B) the difference between—

4 (i) the Secretary of the Treasury's re-
5 ceipts from the sale or other disposition of
6 securities acquired under the Program;
7 and

8 (ii) the Secretary of the Treasury's
9 costs in purchasing such securities; and

10 (C) the Department of the Treasury's ad-
11 ministrative expenses related to the Program.

12 (2) CREDIT SUBSIDY.—Such portion of the ap-
13 propriation to each Secretary as may be necessary
14 may be used for the cost to the respective Loan
15 Guarantee Agency of guaranteed loans under this
16 section. Such costs, including the costs of modifying
17 such loans, shall be as defined in section 502 of the
18 Congressional Budget Act of 1974 (2 U.S.C. 661a).

19 (d) ESTABLISHMENT OF THE LIFT HOME PRO-
20 GRAM.—Each Secretary shall establish, and carry out,
21 with respect to any mortgage with a case number issued
22 on or before December 31, 2025, that is subsequently in-
23 sured or guaranteed by such Secretary, a program to
24 make covered mortgage loans available to eligible home-
25 buyers to purchase a single-family residence for use as

1 their principal residence (referred to in this section as the
2 “Program”), under which—

3 (1) the Secretary of the Treasury—

4 (A) shall act as a purchaser, on behalf of
5 the Secretary of Housing and Urban Develop-
6 ment, of securities that are secured by covered
7 mortgage loans;

8 (B) may designate financial institutions,
9 including banks, savings associations, trust
10 companies, security brokers or dealers, asset
11 managers, investment advisers, and other insti-
12 tutions and such institutions shall—

13 (i) perform all reasonable duties re-
14 lated to this section as a financial agent of
15 the United States as may be required; and

16 (ii) be paid for such duties using ap-
17 propriations available to the Secretary of
18 the Treasury to reimburse financial insti-
19 tutions in their capacity as financial agents
20 of the United States;

21 (C) may use the services of any agency or
22 instrumentality of the United States or compo-
23 nent thereof on a reimbursable basis, and any
24 such agency or instrumentality or component
25 thereof is authorized to provide services as re-

1 requested by the Secretary using all authorities
2 vested in or delegated to that agency, instru-
3 mentality, or component;

4 (D) may manage, and exercise any rights
5 received in connection with, any financial in-
6 struments or assets purchased or acquired pur-
7 suant to the authorities granted under this sec-
8 tion;

9 (E) may establish and use vehicles to pur-
10 chase, hold, and sell financial instruments and
11 other assets; and

12 (F) may issue such regulations and other
13 guidance as may be necessary or appropriate to
14 carry out the authorities or purposes of this
15 section;

16 (2) each Secretary of a Loan Guarantee Agency
17 shall—

18 (A) establish pricing terms for covered
19 mortgage loans such that the covered mortgage
20 loans carry a monthly mortgage payment of
21 principal and interest that is not more than 110
22 percent and not less than 100 percent of the
23 monthly payment of principal, interest, and
24 periodic mortgage insurance premium or loan
25 guarantee fee associated with a newly origi-

1 nated 30-year mortgage loan with the same
2 loan balance insured or guaranteed by the Loan
3 Guarantee Agency as determined by each Sec-
4 retary, or such pricing terms as are determined
5 by each Secretary to be necessary to develop li-
6 quidity for securities backed by covered mort-
7 gage loans and expand Program participation
8 by eligible homebuyers; and

9 (B) establish an outreach and counseling
10 program to increase stakeholder awareness of
11 the Program; and

12 (3) the Secretary of Housing and Urban Devel-
13 opment shall—

14 (A) in consultation with the Secretary of
15 Treasury, establish the pricing terms for the
16 purchase of securities guaranteed by the Asso-
17 ciation secured by covered mortgage loans such
18 that the covered mortgage loans carry a month-
19 ly mortgage payment of principal and interest
20 that is not more than 110 percent and not less
21 than 100 percent of the monthly payment of
22 principal, interest, and periodic mortgage insur-
23 ance premium or loan guarantee fee associated
24 with a newly originated 30-year mortgage loan
25 with the same loan balance insured or guaran-

1 teed by the Loan Guarantee Agency, or such
2 pricing terms as are determined by the Secre-
3 taries to be necessary to develop liquidity for
4 securities backed by covered mortgage loans
5 and expand Program participation by eligible
6 homebuyers;

7 (B) have the authority to designate mort-
8 gage bankers, financial institutions, including
9 banks, savings associations, trust companies,
10 security brokers or dealers, asset managers, in-
11 vestment advisers, and other institutions and
12 such institutions shall—

13 (i) perform all reasonable duties re-
14 lated to this section as an agent of the
15 United States as may be required; and

16 (ii) be paid for such duties using ap-
17 propriations available under this section to
18 the Secretary of Housing and Urban De-
19 velopment to reimburse these entities in
20 their capacity as agents of the United
21 States;

22 (C) have the authority to use the services
23 of any agency or instrumentality of the United
24 States or component thereof on a reimbursable
25 basis, and any such agency or instrumentality

1 or component thereof is authorized to provide
2 services as requested by the Secretary of Hous-
3 ing and Urban Development using all authori-
4 ties vested in or delegated to that agency, in-
5 strumentality, or component;

6 (D) operate the Program in coordination
7 with the Association, the Federal Housing Ad-
8 ministration, the Rural Housing Service, and
9 the Secretary of the Treasury so as to dem-
10 onstrate feasibility and workability to market
11 participants, including—

12 (i) originators and servicers of mort-
13 gages;

14 (ii) issuers of mortgage-backed securi-
15 ties; and

16 (iii) investors; and

17 (E) gain price discovery experience by in-
18 structing the Secretary of the Treasury, fol-
19 lowing consultation with the Secretary of Treas-
20 ury to sell acquired securities described in sub-
21 paragraph (A) as soon as practicable, thereby
22 hastening the development of liquidity for secu-
23 rities backed by covered mortgage loans.

24 (3) LIMITATION ON AGGREGATE LOAN GUAR-
25 ANTEE AUTHORITY.—The aggregate original prin-

1 ciproal obligation of all covered mortgage loans under
2 this section for each Loan Guarantee Agency may
3 not exceed \$5,000,000,000.

4 (4) GNMA GUARANTEE AUTHORITY.—To carry
5 out the purposes of this section, the Association may
6 enter into new commitments to issue guarantees of
7 securities based on or backed by mortgages insured
8 under this section, not exceeding \$10,000,000,000.

9 (5) GNMA GUARANTY FEE.—To carry out the
10 purposes of this section, the Association may collect
11 guaranty fees consistent with section 306(g)(1) of
12 the National Housing Act (12 U.S.C. 1721(g)(1))
13 that are paid at securitization.

14 (e) DEFINITIONS.—In this section:

15 (1) ASSOCIATION.—The term “Association”
16 means the Government National Mortgage Associa-
17 tion.

18 (2) COVERED MORTGAGE LOAN.—

19 (A) IN GENERAL.—The term “covered
20 mortgage loan” means, for purposes of the Pro-
21 gram established by the Secretary of Housing
22 and Urban Development, a mortgage loan
23 that—

24 (i) is insured or guaranteed by the
25 Federal Housing Administration pursuant

1 to section 203(b) of the National Housing
2 Act, subject to the eligibility criteria set
3 forth in this subsection, and has a case
4 number issued on or before December 31,
5 2025;

6 (ii) is made for an original term of 20
7 years or for an original term determined
8 by the Secretary to be necessary to develop
9 liquidity for securities backed by covered
10 mortgage loans and expand Program par-
11 ticipation by eligible homebuyers;

12 (iii) subject to subparagraph (C) of
13 this paragraph and notwithstanding sec-
14 tion 203(b)(2)(C) of the National Housing
15 Act (12 U.S.C. 1709(b)(2)(C)), has a
16 mortgage insurance premium of not more
17 than 4 percent of the loan balance that is
18 paid at closing, financed into the principal
19 balance of the loan, paid through an an-
20 nual premium, or a combination thereof;

21 (iv) involves a rate of interest that is
22 fixed over the term of the mortgage loan;
23 and

1 (v) is secured by a single-family resi-
2 dence that is the principal residence of an
3 eligible homebuyer.

4 (B) The term “covered mortgage loan”
5 means, for purposes of the Program established
6 by the Secretary of Agriculture, a loan guaran-
7 teed under section 502(h) of the Housing Act
8 of 1949 (42 U.S.C. 1472(h)) that—

9 (i) notwithstanding section
10 502(h)(7)(A) of the Housing Act of 1949
11 (42 U.S.C. 1472(h)(7)(A)), is made for an
12 original term of 20 years or for an original
13 term determined by the Secretary to be
14 necessary to develop liquidity for securities
15 backed by covered mortgage loans and ex-
16 pand Program participation by eligible
17 homebuyers; and

18 (ii) subject to subparagraph (C) of
19 this paragraph and notwithstanding sec-
20 tion 502(h)(8)(A) of the Housing Act of
21 1949 (42 U.S.C. 1472(h)(8)(A)), has a
22 loan guarantee fee of not more than 4 per-
23 cent of the principal obligation of the loan.

24 (C) WAIVER OF MORTGAGE INSURANCE
25 PREMIUM REQUIREMENT.—Each Secretary, in

1 consultation with the Secretary of the Treasury,
2 and notwithstanding section 502(h)(8)(A) of
3 the Housing Act of 1949 (42 U.S.C.
4 1472(h)(8)(A)) for purposes of the Program es-
5 tablished by the Secretary of Agriculture, may
6 waive the mortgage insurance premium cap or
7 loan guarantee fee cap under subparagraphs
8 (A)(iii) and (B)(ii) with respect to covered
9 mortgage loans insured or guaranteed by the
10 Loan Guarantee Agency of which that Sec-
11 retary is the head if necessary to protect the
12 solvency of the associated insurance fund.

13 (3) DEPARTMENT.—Unless otherwise specified,
14 the term “Department” means the Department of
15 Housing and Urban Development or the Department
16 of Agriculture, as appropriate.

17 (4) ELIGIBLE HOMEBUYER.—The term “eligible
18 homebuyer” means an individual who—

19 (A) for purposes of the Program estab-
20 lished by the Secretary of Housing and Urban
21 Development—

22 (i) has an annual household income
23 that is less than or equal to—

24 (I) 120 percent of median income
25 for the area, as determined by the

1 Secretary of Housing and Urban De-
2 velopment for—

3 (aa) the area in which the
4 home to be acquired using such
5 assistance is located; or

6 (bb) the area in which the
7 place of residence of the home-
8 buyer is located; or

9 (II) if the homebuyer is acquiring
10 an eligible home that is located in a
11 high-cost area, 140 percent of the me-
12 dian income, as determined by the
13 Secretary, for the area within which
14 the eligible home to be acquired using
15 assistance provided under this section
16 is located;

17 (ii) is a first-time homebuyer, as de-
18 fined in paragraph (6) of this subsection;
19 and

20 (iii) (iii) is a first-generation home-
21 buyer as defined in paragraph (5) of this
22 subsection;

23 (B) for purposes of the Program estab-
24 lished by the Secretary of Agriculture—

1 (i) meets the applicable requirements
2 in section 502(h) of the Housing Act of
3 1949 (42 U.S.C. 1472(h)); and

4 (ii) is a first-time homebuyer as de-
5 fined in paragraph (6) of this subsection
6 and a first-generation homebuyer as de-
7 fined in paragraph (5) of this subsection.

8 (5) FIRST-GENERATION HOMEBUYER.—The
9 term “first-generation homebuyer” means a home-
10 buyer that, as attested by the homebuyer, is—

11 (A) an individual—

12 (i) whose living parents or legal
13 guardians do not, to the best of the indi-
14 vidual’s knowledge, have any present fee
15 simple ownership interest in a principal
16 residence in any State, excluding owner-
17 ship of heir property;

18 (ii) if no parents or legal guardians
19 are living upon acquisition of the eligible
20 home to be acquired using such assistance,
21 to the best of the individual’s knowledge,
22 whose parents or legal guardians did not
23 have any ownership interest in a principal
24 residence in any State at the time of their

1 death, excluding ownership of heir prop-
2 erty; and

3 (iii) whose spouse, or domestic part-
4 ner has not, during the 3-year period end-
5 ing upon acquisition of the eligible home to
6 be acquired using such assistance, had any
7 present ownership interest in a principal
8 residence in any State, excluding owner-
9 ship of heir property, whether the indi-
10 vidual is a co-borrower on the loan or not;
11 or

12 (B) an individual who has at any time
13 been placed in foster care or institutional care
14 whose spouse or domestic partner has not, dur-
15 ing the 3-year period ending upon acquisition of
16 the eligible home to be acquired using such as-
17 sistance, had any ownership interest in a prin-
18 cipal residence in any State, excluding owner-
19 ship of heir property, whether such individuals
20 are co-borrowers on the loan or not.

21 (6) **FIRST-TIME HOMEBUYER.**—The term “first-
22 time homebuyer” means a homebuyer as defined in
23 section 104 of the Cranston-Gonzalez National Af-
24 fordable Housing Act (42 U.S.C. 12704), except
25 that ownership of heir property shall not be treated

1 as owning a home for purposes of determining
2 whether a borrower qualifies as a first-time home-
3 buyer.

4 (7) HEIR PROPERTY.—The term “heir prop-
5 erty” means residential property for which title
6 passed by operation of law through intestacy and is
7 held by two or more heirs as tenants in common.

8 (8) LOAN GUARANTEE AGENCY.—Unless other-
9 wise specified, the term “Loan Guarantee Agency”
10 means the Federal Housing Administration of the
11 Department of Housing and Urban Development or
12 the Rural Housing Service of the Department of Ag-
13 riculture, as appropriate.

14 (9) SECRETARY.—Unless otherwise specified,
15 the term “Secretary” means the Secretary of Hous-
16 ing and Urban Development or the Secretary of Ag-
17 riculture, as appropriate.

18 (f) RELIANCE ON BORROWER ATTESTATIONS.—No
19 additional documentation beyond the borrower’s attesta-
20 tion shall be required to demonstrate eligibility under
21 paragraph (4) of subsection (e) and no State, eligible enti-
22 ty, or creditor shall be subject to liability, including mone-
23 tary penalties or requirements to indemnify a Federal
24 agency or repurchase a loan that has been sold or
25 securitized, based on the provision of assistance under this

1 section to a borrower who does not meet the eligibility re-
2 quirements under paragraph (4) of subsection (e) if the
3 creditor does so in good faith reliance on borrower attesta-
4 tions of eligibility required under such paragraph.

5 (g) IMPLEMENTATION.—The Secretary of Housing
6 and Urban Development, the Secretary of Agriculture,
7 and the Secretary of Treasury shall have authority to issue
8 such regulations or other notices, guidance, forms, in-
9 structions, and publications as may be necessary or appro-
10 priate to carry out the programs, projects, or activities au-
11 thorized under this section, including to ensure that such
12 programs, projects, or activities are completed in a timely
13 and effective manner.

14 **SEC. 40203. HUD-INSURED SMALL DOLLAR MORTGAGE**
15 **DEMONSTRATION PROGRAM.**

16 (a) APPROPRIATION.—In addition to amounts other-
17 wise available, there is appropriated to the Secretary of
18 Housing and Urban Development (in this section referred
19 to as the “Secretary”) for fiscal year 2022, out of any
20 money in the Treasury not otherwise appropriated—

21 (1) \$76,000,000 for a program to increase ac-
22 cess to small-dollar mortgages, as defined in sub-
23 section (b), which may include payment of incentives
24 to lenders, adjustments to terms and costs, indi-
25 vidual financial assistance, technical assistance to

1 lenders and certain financial institutions to help
2 originate loans, lender and borrower outreach, and
3 other activities;

4 (2) \$10,000,000 for the cost of insured or guar-
5 anteed loans, including the cost of modifying loans,
6 as defined in section 502 of the Congressional Budg-
7 et Act of 1974 (2 U.S.C. 661a); and

8 (3) \$14,000,000 for the costs to the Secretary
9 of administering and overseeing the implementation
10 of this section and programs in the Office of Hous-
11 ing generally, including information technology, fi-
12 nancial reporting, research and evaluations, fair
13 lending compliance, and other cross-program costs in
14 support of programs administered by the Secretary
15 in this title, and other costs; the Secretary may
16 transfer and merge amounts appropriated by this
17 paragraph to section 40301.

18 Amounts appropriated by this section shall remain avail-
19 able until September 30, 2031.

20 (b) SMALL-DOLLAR MORTGAGE.—For purposes of
21 this section, the term “small-dollar mortgage” means a
22 forward mortgage that—

23 (1) has an original principal balance of
24 \$100,000 or less;

1 (2) is secured by a one- to four-unit property
2 that is the mortgagor’s principal residence; and

3 (3) is insured by the Secretary pursuant to title
4 II of the National Housing Act (12 U.S.C. 1707 et
5 seq.), or guaranteed by the Secretary pursuant to
6 section 184 or 184A of the Housing and Community
7 Development Act of 1992 (12 U.S.C. 1715z-13a,
8 1715z-13b).

9 (c) IMPLEMENTATION.—The Secretary shall have au-
10 thority to issue such regulations or other notices, guid-
11 ance, forms, instructions, and publications as may be nec-
12 essary or appropriate to carry out the programs, projects,
13 or activities authorized under this section, including to en-
14 sure that such programs, projects, or activities are com-
15 pleted in a timely and effective manner.

16 **SEC. 40204. INVESTMENTS IN RURAL HOMEOWNERSHIP.**

17 (a) APPROPRIATION.—In addition to amounts other-
18 wise available, there is appropriated to the Secretary of
19 Agriculture (in this section referred to as the “Sec-
20 retary”), out of any money in the Treasury not otherwise
21 appropriated—

22 (1) \$70,000,000 for direct loans made under
23 section 502 of the Housing Act of 1949 (42 U.S.C.
24 1472);

1 (2) \$95,000,000 for providing single family
2 housing repair grants under section 504 of the
3 Housing Act of 1949 (42 U.S.C. 1474), subject to
4 the terms and conditions in subsection (b) of this
5 section;

6 (3) \$25,000,000 for grants under section 523
7 of the Housing Act of 1949 (42 U.S.C. 1490c); and

8 (4) \$10,000,000 for administrative expenses of
9 the Secretary that in whole or in part support activi-
10 ties funded by this section and related activities.

11 Amounts appropriated by this section shall remain avail-
12 able until expended.

13 (b) TERMS AND CONDITIONS.—

14 (1) ELIGIBILITY.—Eligibility for grants from
15 amounts made available by subsection (a)(2) shall
16 not be subject to the limitations in section
17 3550.103(b) of title 7, Code of Federal Regulations.

18 (2) USES.—Notwithstanding the limitations in
19 section 3550.102(a) of title 7, Code of Federal Reg-
20 ulations, grants from amounts made available by
21 subsection (a)(2) shall be available for the eligible
22 purposes in section 3550.102(b) of title 7, Code of
23 Federal Regulations.

1 **SEC. 40205. SELF-HELP HOMEOWNERSHIP OPPORTUNITY**
2 **PROGRAM.**

3 In addition to amounts otherwise available, there is
4 appropriated for fiscal year 2022, out of any amounts in
5 the Treasury not otherwise appropriated, to the Secretary
6 of Housing and Urban Development—

7 (1) \$49,500,000 for grants under section 11 of
8 the Housing Opportunity Program Extension Act of
9 1996 (42 U.S.C. 12805 note); and

10 (2) \$500,000 for costs to the Secretary of ad-
11 ministering and overseeing the implementation of
12 this section, including information technology, finan-
13 cial reporting, research and evaluations, fair lending
14 compliance, and other cross-program costs in sup-
15 port of programs administered by the Secretary in
16 this title, and other costs.

17 Amounts appropriated by this section shall remain avail-
18 able until September 30, 2031.

19 **Subtitle D—HUD and Community**
20 **Capacity Building**

21 **SEC. 40301. PROGRAM ADMINISTRATION, TRAINING, TECH-**
22 **NICAL ASSISTANCE, CAPACITY BUILDING,**
23 **AND USICH.**

24 (a) APPROPRIATION.—In addition to amounts other-
25 wise available, there is appropriated for fiscal year 2022,

1 out of any money in the Treasury not otherwise appro-
2 priated,—

3 (1) \$1,985,000,000 to the Secretary of Housing
4 and Urban Development for—

5 (A) the costs to the Secretary of admin-
6 istering and overseeing the implementation of
7 this title and the Department's programs gen-
8 erally, including information technology, inspec-
9 tions of housing units, research and evaluation,
10 financial reporting, and other costs; and

11 (B) new awards or increasing prior awards
12 to provide training, technical assistance, and ca-
13 pacity building related to the Department's pro-
14 grams, including direct program support to pro-
15 gram recipients throughout the country, includ-
16 ing insular areas, that require such assistance
17 with daily operations;

18 (2) \$5,000,000 to the United States Inter-
19 agency Council on Homelessness for necessary ex-
20 penses in carrying out the functions of the Council
21 pursuant to title II of the McKinney-Vento Home-
22 less Assistance Act (42 U.S.C. 11311 et seq.); and

23 (3) \$10,000,000 to the Secretary of Housing
24 and Urban Development for necessary salaries and
25 expenses of the Office of the Inspector General of

1 the Department of Housing and Urban Development
2 in carrying out the Inspector General Act of 1978.
3 Amounts appropriated by this section shall remain avail-
4 able until September 30, 2031.

5 (b) IMPLEMENTATION.—The Secretary shall have au-
6 thority to issue such regulations or other notices, guid-
7 ance, forms, instructions, and publications as may be nec-
8 essary or appropriate to carry out the programs, projects,
9 or activities authorized under this section, including to en-
10 sure that such programs, projects, or activities are com-
11 pleted in a timely and effective manner.

12 **SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.**

13 (a) APPROPRIATION.—In addition to amounts other-
14 wise made available, there is appropriated to the Secretary
15 of Housing and Urban Development (in this section re-
16 ferred to as the “Secretary”) for fiscal year 2022, out of
17 any money in the Treasury not otherwise appropriated—

18 (1) \$90,000,000 for competitively awarded
19 funds for technical assistance and capacity building
20 to non-Federal entities, including nonprofit organi-
21 zations that can provide technical assistance activi-
22 ties to community development corporations, com-
23 munity housing development organizations, commu-
24 nity land trusts, nonprofit organizations in insular
25 areas, and other mission-driven and nonprofit orga-

1 nizations that target services to low-income and so-
2 cially disadvantaged populations, and provide serv-
3 ices in neighborhoods having high concentrations of
4 minority, low-income, or socially disadvantaged pop-
5 ulations to—

6 (A) provide training, education, support,
7 and advice to enhance the technical and admin-
8 istrative capabilities of community development
9 corporations, community housing development
10 organizations, community land trusts, and other
11 mission-driven and nonprofit organizations
12 seeking to undertake affordable housing devel-
13 opment, acquisition, preservation, or rehabilita-
14 tion activities;

15 (B) provide grants or predevelopment as-
16 sistance to community development corpora-
17 tions, community housing development organi-
18 zations, and other mission-driven and nonprofit
19 organizations seeking to undertake affordable
20 housing development, acquisition, preservation,
21 or rehabilitation activities; and

22 (C) carry out such other activities as may
23 be determined by the grantees in consultation
24 with the Secretary; and

1 (2) \$10,000,000 for the costs to the Secretary
2 of administering and overseeing the implementation
3 of this section and the Department's technical as-
4 sistance programs generally, including information
5 technology, research and evaluations, financial re-
6 porting, fair housing compliance, and other cross-
7 program costs in support of programs administered
8 by the Secretary in this title and other costs; the
9 Secretary may transfer and merge amounts set aside
10 under this subsection to section 40301.

11 Amounts appropriated by this section shall remain avail-
12 able until September 30, 2031.

13 (b) IMPLEMENTATION.—The Secretary shall have au-
14 thority to issue such regulations or other notices, guid-
15 ance, forms, instructions, and publications as may be nec-
16 essary or appropriate to carry out the programs, projects,
17 or activities authorized under this section, including to en-
18 sure that such programs, projects, or activities are com-
19 pleted in a timely and effective manner.

20 **Subtitle E—Economic Development**

21 **SEC. 40401. MINORITY BUSINESS DEVELOPMENT AGENCY.**

22 (a) APPROPRIATION.—In addition to amounts other-
23 wise available, there is appropriated to the Minority Busi-
24 ness Development Agency for fiscal year 2022, out of
25 amounts in the Treasury not otherwise appropriated—

1 (1) \$200,000,000, to remain available until
2 September 30, 2026, for carrying out subsection
3 (b)(1);

4 (2) \$1,200,000,000, to remain available until
5 September 30, 2029, for carrying out subparagraphs
6 (A), (B), (C), (D), (E), (F), and (H) of subsection
7 (b)(2);

8 (3) \$50,000,000, to remain available until Sep-
9 tember 30, 2026, for carrying out subparagraph (G)
10 of subsection (b)(2);

11 (4) \$1,500,000,000, to remain available until
12 September 30, 2026, for carrying out subsection
13 (b)(3); and

14 (5) \$150,000,000, to remain available until
15 September 30, 2029, for administrative costs associ-
16 ated with carrying out subsection (b)(3).

17 (b) MINORITY BUSINESS DEVELOPMENT AGENCY.—

18 (1) RURAL BUSINESS CENTERS.—The Director
19 of the Minority Business Development Agency may
20 enter into agreements with one or more rural Busi-
21 ness Centers of the Agency that are operated by a
22 minority-serving institution of higher education or
23 by a consortium of institutions of higher education
24 that is led by a minority-serving institution of higher
25 education. Under such an agreement, a rural Busi-

1 ness Center shall provide assistance primarily to eli-
2 gible business enterprises located within a rural
3 area, as defined by the Director.

4 (2) OTHER ACTIVITIES.—The Director of the
5 Minority Business Development Agency shall—

6 (A) pay salaries and related costs for em-
7 ployees;

8 (B) pay for administrative and other costs
9 to support initiatives that assist the formation,
10 growth, and expansion of eligible business en-
11 terprises;

12 (C) establish and provide assistance to
13 Business Centers and specialty Business Cen-
14 ters, prioritizing for such establishment in
15 States or regions that lack a Business Center
16 and have a significant population of members of
17 an underrepresented community;

18 (D) establish not fewer than 5 regional of-
19 fices, in locations determined by the Director;

20 (E) conduct an annual forum between the
21 Federal Government and businesses to review
22 existing programs and current challenges relat-
23 ing to capital formation by eligible business en-
24 terprises;

1 (F) establish a program to assist small,
2 underserved manufacturers in accessing private
3 capital by accelerating technology adoption and
4 providing training and support in supply chain
5 integration;

6 (G) provide grants to minority-serving in-
7 stitutions of higher education to develop and
8 implement entrepreneurship curricula; and

9 (H) collect data and develop research and
10 policies regarding the needs and development of
11 eligible business enterprises.

12 (3) GRANTS.—

13 (A) IN GENERAL.—The Director of the Mi-
14 nority Business Development Agency may pro-
15 vide grants to—

16 (i) a eligible business enterprise; and

17 (ii) an eligible nonprofit organization
18 that will make subgrants to eligible busi-
19 ness enterprises located in areas with sig-
20 nificant populations of members of under-
21 represented communities.

22 (B) APPLICATION.—In making grants and
23 subgrants to eligible business enterprises and
24 eligible nonprofit organizations under this sec-
25 tion, the Director shall establish an application

1 process and selection criteria, which shall in-
2 clude—

3 (i) assurances that the eligible busi-
4 ness enterprise and eligible nonprofit orga-
5 nization will use such grants and sub-
6 grants to address gaps in access to capital,
7 assist with startup costs, or support busi-
8 ness expansion;

9 (ii) criteria for determining the size of
10 grant or subgrant award for the eligible
11 business enterprise and eligible nonprofit
12 organization; and

13 (iii) other criteria as determined by
14 the Director.

15 (C) ELIGIBLE NONPROFIT ORGANIZA-
16 TIONS.—An eligible nonprofit organization that
17 receives a grant under this section shall, when
18 making a subgrant to an eligible business enter-
19 prise described under subparagraph (A)(ii), also
20 use such grant to provide support to the eligible
21 business enterprise in one or more of the fol-
22 lowing ways:

23 (i) Providing resources, which may in-
24 clude physical workspace and facilities, to

1 startups and established eligible business
2 enterprises.

3 (ii) Providing supports to accelerate
4 the growth and success of eligible business
5 enterprises through a variety of services,
6 including—

7 (I) access to capital, business
8 education, and counseling;

9 (II) networking opportunities;

10 (III) mentorship opportunities;

11 (IV) advising on market analysis,
12 company strategy, revenue, growth,
13 commercialization, and securing fund-
14 ing; and

15 (V) other services intended to aid
16 in developing eligible business enter-
17 prises.

18 (D) BUSINESS IDENTIFIERS.—In accepting
19 applications for grants to eligible business en-
20 terprises or subgrants to eligible business enter-
21 prises under this subsection, the Director shall
22 allow each grantee or subgrantee to use existing
23 business identifiers of the subgrantee instead of
24 other forms of registration or identification.

1 (E) ELIGIBLE NONPROFIT ORGANIZA-
2 TION.—In this paragraph, the term “eligible
3 nonprofit organization” means an organization
4 that is described in paragraph (3) or (6) of sec-
5 tion 501(c) of the Internal Revenue Code of
6 1986 and that is exempt from taxation under
7 section 501(a) of such Code for which a pri-
8 mary activity of the organization is to provide
9 services or financial support to eligible business
10 enterprises located in areas with significant
11 populations of members of underrepresented
12 communities.

13 (4) RETURNING FUNDS.—If an entity that re-
14 ceives a grant or assistance under this subsection
15 fails to use all the funds or permanently ceases oper-
16 ations on or before September 30, 2031, the entity
17 shall return the funds to the Minority Business De-
18 velopment Agency. The Minority Business Develop-
19 ment Agency shall return all such funds to the
20 Treasury if not expended by September 30, 2031.

21 (5) PENALTIES FOR FAILURE TO ABIDE BY
22 TERMS OR CONDITIONS OF AWARD.—At the discre-
23 tion of the Director and in addition to any other
24 civil or criminal consequences, the Director shall
25 withhold payments to an eligible applicant or order

1 the eligible applicant to return any assistance pro-
2 vided under this section for failure to abide by the
3 terms and conditions of such assistance.

4 (c) DEFINITIONS.—In this section:

5 (1) BUSINESS CENTER.—The term “Business
6 Center” means any business center that—

7 (A) is established by the Minority Business
8 Development Agency; and

9 (B) provides technical business assistance
10 to minority business enterprises.

11 (2) ELIGIBLE BUSINESS ENTERPRISE.—The
12 term “eligible business enterprise” means a business
13 owned or controlled by one or more members of an
14 underrepresented community.

15 (3) MEMBER OF AN UNDERREPRESENTED COM-
16 MUNITY.—The term “member of an underrep-
17 resented community” means an individual who is—

18 (A) a resident of—

19 (i) a low-income community, as de-
20 fined in section 45D(e) of the Internal
21 Revenue Code of 1986;

22 (ii) a low-income rural community; or

23 (iii) a HUBZone, as defined in section
24 31(b) of the Small Business Act (15
25 U.S.C. 657a);

1 (B) a member of an Indian or Alaska Na-
2 tive tribe, band, nation, pueblo, village, commu-
3 nity, component band, or component reserva-
4 tion, individually identified (including par-
5 enthetically) in the most recent list published
6 pursuant to section 104 of the Federally Recog-
7 nized Indian Tribe List Act of 1994 (25 U.S.C.
8 5131);

9 (C) an individual with a disability, as de-
10 fined in section 3 of the Americans with Dis-
11 abilities Act of 1990 (42 U.S.C. 12102);

12 (D) a veteran, as defined in section 101 of
13 title 38, United States Code;

14 (E) an individual who completed a term of
15 imprisonment;

16 (F) an Afghan refugee, including an indi-
17 vidual who has received a Special Immigrant
18 Visa, a P-2 classification, or special parole sta-
19 tus; or

20 (G) an individual otherwise identified by
21 the Director.

22 (4) MINORITY-SERVING INSTITUTION OF HIGH-
23 ER EDUCATION.—The term “minority-serving insti-
24 tution of higher education” means—

1 (A) an institution described in section
2 371(a) of the Higher Education Act of 1965
3 (20 U.S.C. 1067q(a)); or

4 (B) a junior or community college, as de-
5 fined in section 312 of the Higher Education
6 Act of 1965 (20 U.S.C. 1058).

7 (5) SPECIALTY BUSINESS CENTER.—The term
8 “specialty Business Center” means a Business Cen-
9 ter that provides specialty services focusing on spe-
10 cific business needs, including assistance relating
11 to—

12 (A) capital access;

13 (B) Federal procurement;

14 (C) entrepreneurship;

15 (D) technology transfer; or

16 (E) any other area determined necessary
17 or appropriate based on the priorities of the Di-
18 rector of the Minority Business Development
19 Agency.

20 **SECTION 40402. MANUFACTURING FACILITY.**

21 (a) IN GENERAL.—The State Small Business Credit
22 Initiative Act of 2010 (12 U.S.C. 5701 et seq.) is amend-
23 ed—

24 (1) in section 3003—

1 (A) in subsection (b), by adding at the end
2 the following:

3 “(3) 2022 ALLOCATION.—

4 “(A) IN GENERAL.—Not later than 30
5 days after the date of enactment of this para-
6 graph, the Secretary shall allocate Federal
7 funds to participating States so that each State
8 is eligible to receive an amount equal to what
9 the State would receive under the 2022 alloca-
10 tion, as determined under subparagraph (B).

11 “(B) 2022 ALLOCATION FORMULA.—

12 “(i) IN GENERAL.—With respect to
13 States, the Secretary shall determine the
14 2022 allocation by allocating Federal funds
15 among the States based on the manufac-
16 turing job losses per State over the 30-year
17 period ending on the date of enactment of
18 this paragraph.

19 “(ii) MANUFACTURING JOB LOSS
20 DATA.—If the Secretary determines that
21 manufacturing job loss data with respect
22 to a State is unavailable from the Bureau
23 of Labor Statistics of the Department of
24 Labor, the Secretary shall consider such
25 other economic and employment data that

1 is otherwise available for purposes of deter-
2 mining the employment data of such
3 State.”; and

4 (B) by adding at the end the following:

5 “(g) RULES FOR THE 2022 ALLOCATION.—With re-
6 spect to the 2022 allocation:

7 “(1) TRANSFER OF ALLOCATION.—The Sec-
8 retary shall transfer the full amount of each alloca-
9 tion to a State in a single transfer and shall com-
10 plete such transfer before September 30, 2022.

11 “(2) USE OF TRANSFERRED FUNDS.—States
12 may use allocations of amounts appropriated for fis-
13 cal year 2022 to carry out the Program only—

14 “(A) for making Federal contributions to,
15 or for the account of, an approved State pro-
16 gram, for the purposes of, as determined by the
17 Secretary of the Treasury—

18 “(i) maintaining the economic com-
19 petitiveness of the United States;

20 “(ii) maintaining a strong manufac-
21 turing base in the United States, including
22 promoting advanced manufacturing tech-
23 nology and innovative technology;

24 “(iii) increasing the supply and inno-
25 vation of factory-built housing for afford-

1 ability, accessibility, efficiency, and resili-
2 ience; or

3 “(iv) helping the United States transi-
4 tion to clean energy or clean manufac-
5 turing processes to combat climate change
6 or to invest in innovation for climate
7 change adapted production processes;

8 “(B) as collateral for a qualifying loan or
9 swap funding facility, for the purposes de-
10 scribed under subparagraph (A); and

11 “(C) for paying administrative costs in-
12 curred by the State in implementing an ap-
13 proved State program in an amount not to ex-
14 ceed 5 percent of such State’s allocation.

15 “(3) SPECIAL PERMISSION FOR CERTAIN MU-
16 NICIPALITIES.—Section 3004(d) shall apply to the
17 2022 allocation to the same extent as such provision
18 applies to an allocation made under subsection (d),
19 except that—

20 “(A) paragraph (1) of section 3004(d)
21 shall be applied by substituting ‘6 months’ for
22 ‘9 months’; and

23 “(B) paragraph (2) of section 3004(d)
24 shall be applied by substituting ‘9 months’ for
25 ‘12 months.’; and

1 (2) in section 3009(c), by striking “7-year pe-
2 riod” and inserting “10-year period”.

3 (b) APPROPRIATION.—In addition to amounts other-
4 wise available, there is hereby appropriated to the Sec-
5 retary of the Treasury for fiscal year 2022, out of any
6 money in the Treasury not otherwise appropriated,
7 \$1,000,000,000, to remain available until September 30,
8 2031, to carry out the amendments made by subsection
9 (a).

10 (c) RULE OF APPLICATION.—The amendments made
11 by this section shall apply with respect to funds appro-
12 priated on the date of enactment of this section.

13 **TITLE V—COMMITTEE ON**
14 **HOMELAND SECURITY**

15 **SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE SECU-**
16 **RITY AGENCY.**

17 In addition to amounts otherwise made available,
18 there is appropriated for fiscal year 2022, out of any
19 money in the Treasury not otherwise appropriated, to re-
20 main available until September 30, 2031—

21 (1) \$50,000,000 to the Cybersecurity and In-
22 frastructure Security Agency for support of the
23 Multi-State Information Sharing and Analysis Cen-
24 ter;

1 (2) \$25,000,000 to the Cybersecurity and In-
2 frastructure Security Agency for operating a cyber
3 range;

4 (3) \$25,000,000 to the Cybersecurity and In-
5 frastructure Security Agency for the execution of a
6 national multi-factor authentication campaign;

7 (4) \$400,000,000 to the Cybersecurity and In-
8 frastructure Security Agency for the implementation
9 of Executive Order 14028 (86 Fed. Reg. 26633; re-
10 lating to improving the cybersecurity of the United
11 States), including the implementation of multi-factor
12 authentication, endpoint detection and response, im-
13 proved logging, and securing cloud systems;

14 (5) \$50,000,000 to the Cybersecurity and In-
15 frastructure Security Agency for expansion and op-
16 eration of the Crossfeed program;

17 (6) \$75,000,000 to the Cybersecurity and In-
18 frastructure Security Agency for expansion and op-
19 eration of the CyberSentry program;

20 (7) \$10,000,000 to the Cybersecurity and In-
21 frastructure Security Agency for performing activi-
22 ties in support of the development of the continuity
23 of the economy plan required under section 9603(a)
24 of title XCVI of the William M. (Mac) Thornberry

1 National Defense Authorization Act for Fiscal Year
2 2021 (Public Law 116–283; 6 U.S.C. 322);

3 (8) \$20,000,000 to the Cybersecurity and In-
4 frastructure Security Agency for expanding pro-
5 grams working with international partners on the
6 protection of critical infrastructure;

7 (9) \$50,000,000 to the Cybersecurity and In-
8 frastructure Agency for researching and developing
9 means to secure operational technology, including in-
10 dustrial control systems, against cybersecurity
11 vulnerabilities;

12 (10) \$100,000,000 to the Cybersecurity and In-
13 frastructure Security Agency for cybersecurity work-
14 force development and education, including providing
15 education, training, and capacity development, in-
16 cluding in collaboration with historically Black col-
17 leges and universities, other minority-serving institu-
18 tions, and community colleges, and to the Cybersecu-
19 rity Education and Training Program, to be used
20 for purposes that include—

21 (A) cybersecurity training and upskilling
22 veterans;

23 (B) implementing cybersecurity apprentice-
24 ships at the Agency; and

1 (C) cybersecurity programs for under-
2 served communities, as a focus for activities au-
3 thorized under section 2217 of the Homeland
4 Security Act of 2002 (6 U.S.C. 665f); and
5 (11) \$60,000,000 to the Cybersecurity and In-
6 frastructure Security Agency for enhancing the
7 cloud architecture, migration advisory services, and
8 cloud threat hunting capabilities of the Agency.

9 **TITLE VI—COMMITTEE ON THE**
10 **JUDICIARY**
11 **Subtitle A—Immigration**
12 **Provisions**

13 **SEC. 60001. LAWFUL PERMANENT RESIDENCE FOR CER-**
14 **TAIN ENTRANTS.**

15 (a) IN GENERAL.—Chapter 5 of title II of the Immi-
16 gration and Nationality Act (8 U.S.C. 1255 et seq.) is
17 amended by inserting after section 245A the following:

18 **“SEC. 245B. ADJUSTMENT OF STATUS OF CERTAIN EN-**
19 **TRANTS.**

20 “(a) IN GENERAL.—Notwithstanding sections 201,
21 202, 203, and 245(c), and subject to subsection (c), the
22 Secretary of Homeland Security shall adjust to the status
23 of an alien lawfully admitted for permanent residence, an
24 alien described in subsection (b), if such alien—

1 “(1) submits an application for adjustment of
2 status in accordance with procedures established by
3 the Secretary;

4 “(2) in addition to any administrative proc-
5 essing fee, pays a supplemental fee of \$1,500; and

6 “(3) completes, to the satisfaction of the Sec-
7 retary—

8 “(A) security and law enforcement back-
9 ground checks; and

10 “(B) a medical examination consistent with
11 section 221(d).

12 “(b) ALIENS DESCRIBED.—An alien described in this
13 subsection is an alien who—

14 “(1)(A) has been continuously physically
15 present in the United States since January 1, 2021;

16 “(B) was 18 years of age or younger on the
17 date on which the alien entered the United States
18 and has continuously resided in the United States
19 since such entry; and

20 “(C) demonstrates—

21 “(i) a record of honorable service in the
22 Uniformed Services of the United States;

23 “(ii) attainment of, or completion of not
24 less than 2 years, in good standing, of a pro-
25 gram leading to—

1 “(I) a degree from a United States in-
2 stitution of higher education; or

3 “(II) a postsecondary credential from
4 an area career and technical education
5 school in the United States;

6 “(iii) during the 3-year period immediately
7 preceding the date on which the alien submits
8 an application for adjustment of status under
9 this section, a consistent record of earned in-
10 come in the United States; or

11 “(iv)(I) enrollment in a program described
12 in clause (ii); and

13 “(II) current employment or participation
14 in an internship, apprenticeship, or similar
15 training program;

16 “(2)(A) has been continuously physically
17 present in the United States since January 1, 2021;
18 and

19 “(B) has demonstrated a consistent record of
20 earned income in the United States in an occupation
21 described in the guidance of the Department of
22 Homeland Security entitled ‘Advisory Memorandum
23 on Ensuring Essential Critical Infrastructure Work-
24 ers’ Ability to Work During the COVID–19 Re-
25 sponse’, issued on August 10, 2021, during the pe-

1 riod beginning on January 31, 2020, and ending on
2 August 24, 2021;

3 “(3)(A) has been continuously physically
4 present in the United States for not less than 3
5 years; and

6 “(B)(i) is a national of a foreign state (or a
7 part of a foreign state) (or in the case of an alien
8 having no nationality, is a person who last habitually
9 resided in such state) with a designation under sub-
10 section (b) of section 244 on January 1, 2017;

11 “(ii) notwithstanding paragraphs (1)(A)(iv) and
12 (3)(C) of subsection (c) of section 244, had or was
13 otherwise eligible for temporary protected status
14 under section 244 on that date; and

15 “(iii) has not engaged in conduct since that
16 date that would render the alien ineligible for tem-
17 porary protected status under section 244(c)(2); or

18 “(4)(A) has been continuously physically
19 present in the United States for not less than 3
20 years; and

21 “(B)(i) was eligible for deferred enforced depart-
22 ure as of January 20, 2021; and

23 “(ii) has not engaged in conduct since that date
24 that would render the alien ineligible for deferred
25 enforced departure.

1 “(c) GROUNDS OF INELIGIBILITY.—

2 “(1) IN GENERAL.—Subject to paragraphs (2)
3 and (3), an alien seeking adjustment of status under
4 this section shall demonstrate that the alien—

5 “(A) is not inadmissible under paragraph
6 (2), (3), (6)(E), (6)(G), (8), (10)(A), (10)(C),
7 or (10)(D) of section 212(a);

8 “(B) has not ordered, incited, assisted, or
9 otherwise participated in the persecution of any
10 person on account of race, religion, nationality,
11 membership in a particular social group, or po-
12 litical opinion;

13 “(C) has not been convicted of—

14 “(i) any offense under Federal or
15 State law, other than a State offense for
16 which an essential element is the alien’s
17 immigration status, that is punishable by a
18 maximum term of imprisonment of more
19 than 1 year; or

20 “(ii) 3 or more offenses under Federal
21 or State law, other than State offenses for
22 which an essential element is the alien’s
23 immigration status, for which the alien was
24 convicted on different dates for each of the

1 3 offenses and imprisoned for an aggregate
2 of 90 days or more; and

3 “(D) has registered under the Military Se-
4 lective Service Act (50 U.S.C. 3801 et seq.), if
5 the alien is subject to registration under that
6 Act.

7 “(2) WAIVER.—With respect to any benefit
8 under this section, the Secretary of Homeland Secu-
9 rity may waive the grounds of inadmissibility under
10 paragraph (2), (6)(E), (6)(G), or (10)(D) of section
11 212(a)—

12 “(A) for humanitarian purposes or family
13 unity; or

14 “(B) if a waiver is otherwise in the public
15 interest.

16 “(3) TREATMENT OF EXPUNGED CONVIC-
17 TIONS.—For purposes of paragraph (1), the Sec-
18 retary—

19 “(A) may not automatically treat an ex-
20 punged conviction as a conviction; and

21 “(B) shall evaluate expunged convictions
22 on a case-by-case basis according to the nature
23 and severity of the underlying offense to deter-
24 mine whether, under the circumstances, the
25 alien should be eligible for adjustment of status.

1 “(d) LIMITATION ON REMOVAL.—

2 “(1) IN GENERAL.—With respect to an alien
3 who is in removal proceedings or subject to a final
4 order of removal or an order of voluntary departure,
5 the Secretary of Homeland Security shall provide
6 the alien with a reasonable opportunity to apply for
7 relief under this section if the alien—

8 “(A) requests an opportunity to so apply;

9 or

10 “(B) appears to be prima facie eligible for
11 such relief.

12 “(2) STAY OF REMOVAL FOR CERTAIN CHIL-
13 DREN.—The Secretary of Homeland Security shall
14 stay the removal of an alien who—

15 “(A) meets the requirements of subpara-
16 graphs (A) and (B) of subsection (b)(1);

17 “(B) subject to paragraphs (2) and (3) of
18 subsection (c), is not subject to a ground of in-
19 eligibility under paragraph (1) of such sub-
20 section; and

21 “(C) is enrolled in—

22 “(i) an early childhood education pro-
23 gram;

24 “(ii) an elementary school;

25 “(iii) a secondary school; or

1 “(iv) an education program assisting
2 students in obtaining a high school di-
3 ploma or its equivalent.

4 “(e) EFFECTIVE DATE.—The section shall take effect
5 on the earlier of—

6 “(1) the date that is 180 days after the date of
7 the enactment of this section; or

8 “(2) May 1, 2022.”.

9 (b) CONFORMING AMENDMENT.—The table of con-
10 tents for the Immigration and Nationality Act (8 U.S.C.
11 1101 et seq.) is amended by inserting after the item relat-
12 ing to 245A the following:

“Sec. 245B. Adjustment of status of certain entrants.”.

13 **SEC. 60002. RECAPTURE OF UNUSED IMMIGRANT VISA**
14 **NUMBERS.**

15 (a) RECAPTURE OF UNUSED IMMIGRANT VISA NUM-
16 BERS.—

17 (1) ENSURING FUTURE USE OF ALL IMMIGRANT
18 VISAS.—Section 201(e)(1)(B)(ii) of the Immigration
19 and Nationality Act (8 U.S.C. 1151(e)(1)(B)(ii)) is
20 amended to read as follows:

21 “(ii) In no case shall the number com-
22 puted under subparagraph (A) be less than
23 the sum of—

24 “(I) 226,000; and

1 “(II) the number computed
2 under paragraph (3).”.

3 (2) RECAPTURING UNUSED VISAS.—Section 201
4 of the Immigration and Nationality Act (8 U.S.C.
5 1151) is amended by adding at the end the fol-
6 lowing:

7 “(g) RECAPTURING UNUSED VISAS.—

8 “(1) FAMILY-SPONSORED VISAS.—

9 “(A) IN GENERAL.—Notwithstanding the
10 numerical limitations set forth in this section or
11 in sections 202 or 203, beginning in fiscal year
12 2022, the number of family-sponsored immi-
13 grant visas that may be issued under section
14 203(a) shall be increased by the number com-
15 puted under subparagraph (B).

16 “(B) UNUSED VISAS.—The number com-
17 puted under this subparagraph is the dif-
18 ference, if any, between—

19 “(i) the difference, if any, between—

20 “(I) the number of visas that
21 were originally made available to fam-
22 ily-sponsored immigrants under sec-
23 tion 201(c)(1) for fiscal years 1992
24 through 2021, setting aside any un-
25 used visas made available to such im-

1 migrants in such fiscal years under
2 section 201(c)(3); and

3 “(II) the number of visas de-
4 scribed in subclause (I) that were
5 issued under section 203(a), or, in ac-
6 cordance with section 201(d)(2)(C),
7 under section 203(b); and

8 “(ii) the number of visas resulting
9 from the calculation under clause (i) issued
10 under section 203(a) after fiscal year
11 2021.

12 “(2) EMPLOYMENT-BASED VISAS.—

13 “(A) IN GENERAL.—Notwithstanding the
14 numerical limitations set forth in this section or
15 in sections 202 or 203, beginning in fiscal year
16 2022, the number of employment-based immi-
17 grant visas that may be issued under section
18 203(b) shall be increased by the number com-
19 puted under subparagraph (B).

20 “(B) UNUSED VISAS.—The number com-
21 puted under this paragraph is the difference, if
22 any, between—

23 “(i) the difference, if any, between—

24 “(I) the number of visas that
25 were originally made available to em-

1 employment-based immigrants under sec-
2 tion 201(d)(1) for fiscal years 1992
3 through 2021, setting aside any un-
4 used visas made available to such im-
5 migrants in such fiscal years under
6 section 201(d)(2); and

7 “**(II)** the number of visas de-
8 scribed in subclause **(I)** that were
9 issued under section 203(b), or, in ac-
10 cordance with section 201(c)(3)(C),
11 under section 203(a); and

12 “(ii) the number of visas resulting
13 from the calculation under clause (i) issued
14 under section 203(b) after fiscal year
15 2021.

16 “(3) **DIVERSITY VISAS.**—Notwithstanding sec-
17 tion 204(a)(1)(I)(ii)(II), an immigrant visa for an
18 alien selected in accordance with section 203(e)(2) in
19 fiscal year 2017, 2018, 2019, 2020, or 2021 shall
20 remain available to such alien (and the spouse and
21 children of such alien) if—

22 “(A) the alien was refused a visa, pre-
23 vented from seeking admission, or denied ad-
24 mission to the United States solely because of
25 Executive Order 13769, Executive Order

1 13780, Presidential Proclamation 9645, or
2 Presidential Proclamation 9983; or

3 “(B) because of restrictions or limitations
4 on visa processing, visa issuance, travel, or
5 other effects associated with the COVID–19
6 public health emergency—

7 “(i) the alien was unable to receive a
8 visa interview despite submitting an Online
9 Immigrant Visa and Alien Registration
10 Application (Form DS–260) to the Sec-
11 retary of State; or

12 “(ii) the alien was unable to seek ad-
13 mission or was denied admission to the
14 United States despite being approved for a
15 visa under section 203(c).”.

16 **SEC. 60003. ADJUSTMENT OF STATUS.**

17 Section 245 of the Immigration and Nationality Act
18 (8 U.S.C. 1255) is amended by adding at the end the fol-
19 lowing:

20 “(n) VISA AVAILABILITY.—

21 “(1) IN GENERAL.—Notwithstanding section
22 (a)(3), the Secretary of Homeland Security may ac-
23 cept for filing, an application for adjustment of sta-
24 tus from an alien (and the spouse and children of
25 such alien) if such alien—

1 “(A) is the beneficiary of an approved peti-
2 tion under section 204(a)(1);

3 “(B) pays a supplemental fee of \$1,500,
4 plus \$250 for each derivative beneficiary; and

5 “(C) is otherwise eligible for such adjust-
6 ment.

7 “(2) EXEMPTION.—The Secretary of State shall
8 exempt an alien (and the spouse and children of
9 such alien) from the numerical limitations described
10 in sections 201, 202, and 203 and the Secretary of
11 Homeland Security may adjust the status of such
12 alien (and the spouse and children of such alien) to
13 lawful permanent resident if such alien submits or
14 has submitted an application for adjustment of sta-
15 tus and—

16 “(A) such alien—

17 “(i) is the beneficiary of an approved
18 petition under subparagraph (A)(i) or
19 (B)(i)(I) of section 204(a)(1) that bears a
20 priority date that is more than 2 years be-
21 fore the date the alien requests a waiver of
22 the numerical limitations; and

23 “(ii) pays a supplemental fee of
24 \$2,500;

25 “(B) such alien—

1 “(i) is the beneficiary of an approved
2 petition under subparagraph (E) or (F) of
3 section 204(a)(1) that bears a priority date
4 that is more than 2 years before the date
5 the alien requests a waiver of the numer-
6 ical limitations; and

7 “(ii) pays a supplemental fee of
8 \$5,000; or

9 “(C) such alien—

10 “(i) is the beneficiary of an approved
11 petition under subparagraph (H) of section
12 204(a)(1) that bears a priority date that is
13 more than 2 years before the date the alien
14 requests a waiver of the numerical limita-
15 tions; and

16 “(ii) pays a supplemental fee of
17 \$50,000.

18 “(3) EFFECTIVE DATE.—

19 “(A) IN GENERAL.—The provisions of this
20 subsection—

21 “(i) shall take effect on the earlier of
22 the date that is—

23 “(I) 180 days after the date of
24 the enactment of this subsection; or

25 “(II) May 1, 2022; and

1 “(ii) except as provided in subpara-
2 graph (B), shall cease to have effect on
3 September 30, 2031.

4 “(B) CONTINUATION.—Paragraph (2)
5 shall continue in effect with respect to an alien
6 who requested a waiver of the numerical limita-
7 tions and paid the requisite fee prior to the
8 date described in subparagraph (A)(ii), until
9 the Secretary of Homeland Security renders a
10 final administrative decision on such applica-
11 tion.”.

12 **SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.**

13 (a) TREASURY.—The supplemental fees described in
14 subsection (b) of this section, and in sections 245B(a)(2)
15 and 245(n) of the Immigration and Nationality Act, as
16 added by this subtitle, shall be deposited in the general
17 fund of the Treasury of the United States.

18 (b) SUPPLEMENTAL PETITION FEE.—Section
19 204(a)(1) of the Immigration and Nationality Act (8
20 U.S.C. 1154(a)(1)) is amended—

21 (1) in subparagraph (A)(i), by adding at the
22 end the following: “A petition for classification by
23 reason of a relationship described in paragraph (1),
24 (3), or (4) of section 203(a) shall be accompanied by
25 a supplemental fee in the amount of \$100.”;

1 (2) in subparagraph (B)(i)(I), by adding at the
2 end the following: “Such petition shall be accom-
3 panied by a supplemental fee in the amount of
4 \$100.”;

5 (3) in subparagraph (E), by adding at the end
6 the following: “Such petition shall be accompanied
7 by a supplemental fee in the amount of \$800.”;

8 (4) in subparagraph (F), by adding at the end
9 the following: “Such petition shall be accompanied
10 by a supplemental fee in the amount of \$800.”; and

11 (5) in subparagraph (H), by adding at the end
12 the following: “Such petition shall be accompanied
13 by a supplemental fee in the amount of \$15,000.”.

14 **SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION SERVICES.**

15 In addition to amounts otherwise available, there is
16 appropriated to U.S. Citizenship and Immigration Serv-
17 ices for fiscal year 2022, out of any money in the Treasury
18 not otherwise appropriated, \$2,800,000,000, to remain
19 available until expended, for the purpose of increasing the
20 capacity of U.S. Citizenship and Immigration Services to
21 efficiently adjudicate applications described in sections
22 245B and 245(n) of the Immigration and Nationality Act,
23 as added by sections 60001 and 60003 of this Act, respec-
24 tively, and to reduce case processing backlogs.

1 **Subtitle B—Community Violence**
2 **Prevention**

3 **SEC. 61001. FUNDING FOR COMMUNITY-BASED VIOLENCE**
4 **INTERVENTION INITIATIVES.**

5 (a) **IN GENERAL.**—In addition to amounts otherwise
6 available, there is appropriated to the Attorney General
7 for fiscal year 2022, out of any money in the Treasury
8 not otherwise appropriated, \$2,500,000,000, to remain
9 available until September 30, 2031, for the purposes de-
10 scribed in subsection (b).

11 (b) **USE OF FUNDING.**—The Attorney General, act-
12 ing through the Assistant Attorney General of the Office
13 of Justice Programs, the Director of the Office of Commu-
14 nity Oriented Policing Services, and the Director of the
15 Office on Violence Against Women, shall use amounts ap-
16 propriated by subsection (a)—

17 (1) to award competitive grants or contracts to
18 units of local government, States, Indian Tribes,
19 nonprofit community-based organizations, victim
20 services providers, or other entities as determined by
21 the Attorney General, to support evidence-informed
22 intervention strategies to reduce community violence;

23 (2) to support training, technical assistance, re-
24 search, evaluation, and data collection on strategies

1 to effectively reduce community violence and ensure
2 public safety; and

3 (3) to support research, evaluation, and data
4 collection on the differing impact of community vio-
5 lence on demographic categories.

6 (c) EXPENDITURE REQUIREMENT.—All expenditures
7 made pursuant to subsection (a) shall be made on or be-
8 fore September 30, 2031.

9 **TITLE VII—COMMITTEE ON**
10 **NATURAL RESOURCES**
11 **Subtitle A—Bureau of Indian**
12 **Affairs and Indian Health Service**

13 **SEC. 70101. TRIBAL CONSULTATION.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Department of the Interior for fiscal
16 year 2022, out of any money in the Treasury not otherwise
17 appropriated, \$30,000,000, to remain available until Sep-
18 tember 30, 2031, except that no amounts may be ex-
19 pended after September 30, 2031, for the purposes of con-
20 ducting consultation with Tribal Governments.

21 **SEC. 70102. BUREAU OF INDIAN AFFAIRS.**

22 (a) BIA ROAD MAINTENANCE.—In addition to
23 amounts otherwise available, there is appropriated to the
24 Bureau of Indian Affairs for fiscal year 2022, out of any
25 money in the Treasury not otherwise appropriated,

1 \$300,000,000, to remain available until September 30,
2 2031, except that no amounts may be expended after Sep-
3 tember 30, 2031, for carrying out the Act of November
4 2, 1921 (25 U.S.C. 13; commonly known as the “Snyder
5 Act”) for Bureau of Indian Affairs road maintenance and
6 to address the deferred maintenance backlog, of which no
7 more than 2 percent shall be used for administrative costs
8 to carry out this subsection.

9 (b) BIA PUBLIC SAFETY.—In addition to amounts
10 otherwise available, there is appropriated to the Bureau
11 of Indian Affairs for fiscal year 2022, out of any money
12 in the Treasury not otherwise appropriated,
13 \$200,000,000, to remain available until September 30,
14 2031, except that no amounts may be expended after Sep-
15 tember 30, 2031, for carrying out the Act of November
16 2, 1921 (25 U.S.C. 13; commonly known as the “Snyder
17 Act”) for Bureau of Indian Affairs Public Safety and Jus-
18 tice, of which no more than 2 percent shall be used for
19 administrative costs to carry out this subsection.

20 (c) BIA CLIMATE RESILIENCE.—In addition to
21 amounts otherwise available, there is appropriated to the
22 Bureau of Indian Affairs for fiscal year 2022, out of any
23 money in the Treasury not otherwise appropriated,
24 \$1,000,000,000, to remain available until September 30,
25 2031, except that no amounts may be expended after Sep-

1 tember 30, 2031, for carrying out the Act of November
2 2, 1921 (25 U.S.C. 13; commonly known as the “Snyder
3 Act”) for Tribal climate resilience and adaptation pro-
4 grams, of which no more than 2 percent shall be used for
5 administrative costs to carry out this subsection.

6 (d) TRIBAL HOUSING.—In addition to amounts oth-
7 erwise available, there is appropriated to the Bureau of
8 Indian Affairs for fiscal year 2022, out of any money in
9 the Treasury not otherwise appropriated, \$500,000,000,
10 to remain available until September 30, 2031, except that
11 no amounts may be expended after September 30, 2031,
12 for carrying out the Act of November 2, 1921 (25 U.S.C.
13 13; commonly known as the “Snyder Act”) to improve
14 Tribal housing, of which no more than 2 percent shall be
15 used for administrative costs to carry out this subsection.

16 (e) TRIBAL ENERGY.—In addition to amounts other-
17 wise available, there is appropriated to the Bureau of In-
18 dian Affairs for fiscal year 2022, out of any money in the
19 Treasury not otherwise appropriated, \$35,000,000, to re-
20 main available until September 30, 2031, except that no
21 amounts may be expended after September 30, 2031, for
22 carrying out the Act of November 2, 1921 (25 U.S.C. 13;
23 commonly known as the “Snyder Act”) for Tribal energy
24 programs, of which no more than 2 percent shall be used
25 for administrative costs to carry out this subsection.

1 (f) SMALL AND NEEDY PROGRAM.—Funds made
2 available under this section shall be excluded from the cal-
3 culation of funds received by those Tribal Governments
4 that participate in the “Small and Needy” program.

5 (g) ONE-TIME BASIS FUNDS.—Funds made available
6 under this section to Tribes and Tribal organizations
7 under the Indian Self-Determination and Education As-
8 sistance Act (25 U.S.C. 5301) shall be available on a one-
9 time basis. Such nonrecurring funds shall not be part of
10 the amount required by section 106 of the Indian Self-
11 Determination and Education Assistance Act (25 U.S.C.
12 5325), and such funds shall only be used for the purposes
13 identified in this section.

14 **SEC. 70103. INDIAN HEALTH SERVICE.**

15 (a) IHS INFORMATION TECHNOLOGY.—In addition
16 to amounts otherwise available, there is appropriated to
17 the Indian Health Service for fiscal year 2022, out of any
18 money in the Treasury not otherwise appropriated,
19 \$140,000,000, to remain available until September 30,
20 2031, except that no amounts may be expended after Sep-
21 tember 30, 2031, for carrying out the Act of August 5,
22 1954 (68 Stat. 674), the Indian Self-Determination and
23 Education Assistance Act, the Indian Health Care Im-
24 provement Act, and titles II and III of the Public Health
25 Service Act, with respect to the Indian Health Service, for

1 Indian Health Service electronic records (25 U.S.C.
2 1660h), telehealth, system modernization, and information
3 technology infrastructure.

4 (b) URBAN INDIAN HEALTH.—In addition to
5 amounts otherwise available, there is appropriated to the
6 Indian Health Service for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated,
8 \$42,000,000, to remain available until September 30,
9 2031, except that no amounts may be expended after Sep-
10 tember 30, 2031, for carrying out the Act of August 5,
11 1954 (68 Stat. 674), the Indian Self-Determination and
12 Education Assistance Act, the Indian Health Care Im-
13 provement Act, and titles II and III of the Public Health
14 Service Act, with respect to the Indian Health Service, for
15 the Urban Indian Health program for renovations, con-
16 struction, expansion of facilities, including leased facilities,
17 which shall be in addition to other amounts made available
18 for Urban Indian organizations (as defined in section 4
19 of the Indian Health Care Improvement Act 25 U.S.C.
20 1603)) under this subsection.

21 (c) IHS FACILITIES MAINTENANCE.—In addition to
22 amounts otherwise available, there is appropriated to the
23 Indian Health Service for fiscal year 2022, out of any
24 money in the Treasury not otherwise appropriated,
25 \$610,000,000, to remain available until September 30,

1 2031, except that no amounts may be expended after Sep-
2 tember 30, 2031, for carrying out the Act of August 5,
3 1954 (68 Stat. 674), the Indian Self-Determination and
4 Education Assistance Act, the Indian Health Care Im-
5 provement Act, and titles II and III of the Public Health
6 Service Act, with respect to the Indian Health Service, for
7 maintenance and improvement of Indian Health Service
8 and Tribal facilities.

9 (d) GREEN INFRASTRUCTURE.—In addition to
10 amounts otherwise available, there is appropriated to the
11 Indian Health Service for fiscal year 2022, out of any
12 money in the Treasury not otherwise appropriated,
13 \$10,000,000, to remain available until September 30,
14 2031, except that no amounts may be expended after Sep-
15 tember 30, 2031, for carrying out the Act of August 5,
16 1954 (68 Stat. 674), the Indian Self-Determination and
17 Education Assistance Act, the Indian Health Care Im-
18 provement Act, and titles II and III of the Public Health
19 Service Act, with respect to the Indian Health Service, for
20 sustainability features for existing facilities.

21 (e) INPATIENT AND COMMUNITY HEALTH FACILI-
22 TIES.—In addition to amounts otherwise available, there
23 is appropriated to the Indian Health Service for fiscal year
24 2022, out of any money in the Treasury not otherwise ap-
25 propriated, \$40,000,000, to remain available until Sep-

1 tember 30, 2031, except that no amounts may be ex-
2 pended after September 30, 2031, for carrying out the Act
3 of August 5, 1954 (68 Stat. 674), the Indian Self-Deter-
4 mination and Education Assistance Act, the Indian Health
5 Care Improvement Act, and titles II and III of the Public
6 Health Service Act, with respect to the Indian Health
7 Service, for Inpatient and Community Health Facilities
8 Design, Construction, in accordance with 25 U.S.C.
9 1665h.

10 (f) MEDICAL EQUIPMENT.—In addition to amounts
11 otherwise available, there is appropriated to the Indian
12 Health Service for fiscal year 2022, out of any money in
13 the Treasury not otherwise appropriated, \$150,000,000,
14 to remain available until September 30, 2031, except that
15 no amounts may be expended after September 30, 2031,
16 for carrying out the Act of August 5, 1954 (68 Stat. 674),
17 the Indian Self-Determination and Education Assistance
18 Act, the Indian Health Care Improvement Act, and titles
19 II and III of the Public Health Service Act, with respect
20 to the Indian Health Service, for maintaining, upgrading,
21 and replacing medical equipment for IHS and Tribal fa-
22 cilities.

23 (g) SMALL AMBULATORY CONSTRUCTION.—In addi-
24 tion to amounts otherwise available, there is appropriated
25 to the Indian Health Service for fiscal year 2022, out of

1 any money in the Treasury not otherwise appropriated,
2 \$60,000,000, to remain available until September 30,
3 2031, except that no amounts may be expended after Sep-
4 tember 30, 2031, for carrying out the Act of August 5,
5 1954 (68 Stat. 674), the Indian Self-Determination and
6 Education Assistance Act, the Indian Health Care Im-
7 provement Act, and titles II and III of the Public Health
8 Service Act, with respect to the Indian Health Service, for
9 the small ambulatory construction program.

10 (h) PERSONNEL QUARTERS CONSTRUCTION.—In ad-
11 dition to amounts otherwise available, there is appro-
12 priated to the Indian Health Service for fiscal year 2022,
13 out of any money in the Treasury not otherwise appro-
14 priated, \$278,000,000, to remain available until Sep-
15 tember 30, 2031, except that no amounts may be ex-
16 pended after September 30, 2031, for carrying out the Act
17 of August 5, 1954 (68 Stat. 674), the Indian Self-Deter-
18 mination and Education Assistance Act, the Indian Health
19 Care Improvement Act, and titles II and III of the Public
20 Health Service Act, with respect to the Indian Health
21 Service, for personnel quarters construction.

22 (i) IHS PRIORITY HEALTH CARE FACILITIES.—In
23 addition to amounts otherwise available, there is appro-
24 priated to the Indian Health Service for fiscal year 2022,
25 out of any money in the Treasury not otherwise appro-

1 priated, \$2,000,000,000, to remain available until Sep-
2 tember 30, 2031, except that no amounts may be ex-
3 pended after September 30, 2031, for projects identified
4 through the health care facility priority system established
5 and maintained pursuant to section 301(e) of the Indian
6 Health Care Improvement Act (25 U.S.C. 1631(e)).

7 (j) FACILITIES SUPPORT.—In addition to amounts
8 otherwise available, there is appropriated to the Indian
9 Health Service for fiscal year 2022, out of any money in
10 the Treasury not otherwise appropriated, \$170,000,000,
11 to remain available until September 30, 2031, except that
12 no amounts may be expended after September 30, 2031,
13 for environmental health and facilities support activities
14 of the Indian Health Service.

15 (k) NONRECURRING FUNDS.—Funds made available
16 under this section to Tribes and Tribal organizations
17 under the Indian Self-Determination and Education As-
18 sistance Act (25 U.S.C. 5301 et seq.) shall be available
19 on a one-time basis. Such nonrecurring funds shall not
20 be part of the amount required by section 106 of the In-
21 dian Self-Determination and Education Assistance Act
22 (25 U.S.C. 5325), and such funds shall only be used for
23 the purposes identified in this section.

1 **Subtitle B—Subcommittee on Na-**
2 **tional Parks, Forests, and Pub-**
3 **lic Lands**

4 **SEC. 70201. OAK FLAT WITHDRAWAL.**

5 (a) DEFINITIONS.—In this section:

6 (1) DISPOSAL.—The term “disposal” means
7 that the lands identified are not available under the
8 proceedings outlined under section 203 of the Fed-
9 eral Land Policy and Management Act of 1976 (43
10 U.S.C. 1713).

11 (2) ENTRY.—The term “entry” has the mean-
12 ing as it is used under section 103(j) of the Federal
13 Land Policy and Management Act of 1976 (43
14 U.S.C. 1702(j)), in its application to lands under the
15 jurisdiction of the Secretary.

16 (3) LOCATION.—The term “location” has the
17 meaning as it is used under section 2320 of the Re-
18 vised Statutes (30 U.S.C. 23), in its application to
19 lands under the jurisdiction of the Secretary;

20 (4) OAK FLAT WITHDRAWAL AREA.—the term
21 “Oak Flat” means the approximately 2,422 acres of
22 Forest System land in the Tonto National Forest in
23 southeastern Arizona commonly known as “Oak
24 Flat” and generally depicted as “Oak Flat With-

1 drawal Area” on the map titled “Oak Flat With-
2 drawal” and dated June 15, 2021.

3 (5) PATENT.—The term “patent” has the
4 meaning as it is used under section 2325 of the Re-
5 vised Statutes (30 U.S.C. 29), in its application to
6 lands under the jurisdiction of the Secretary.

7 (6) SECRETARY.—The term “Secretary” means
8 the Secretary of Agriculture.

9 (b) REPEAL.—Section 3003 of the Carl Levin and
10 Howard P. “Buck” McKeon National Defense Authoriza-
11 tion Act for Fiscal Year 2015 (16 U.S.C. 539p) is re-
12 pealed.

13 (c) WITHDRAWAL.—Subject to valid rights in exist-
14 ence on the date of the enactment of this section, Oak
15 Flat is withdrawn from all forms of disposal, location,
16 entry, and patent.

17 **SEC. 70202. CIVILIAN CLIMATE CORPS.**

18 (a) NATIONAL PARK SERVICE CIVILIAN CLIMATE
19 CORPS.—

20 (1) DEFINITIONS.—With regard to this sub-
21 section:

22 (A) CONSERVATION PROJECT.—The term
23 “conservation project” means a project for the
24 conservation, restoration, construction, or reha-

1 bilitation of natural, cultural, historic, archae-
2 ological, recreational, or scenic resources.

3 (B) CORPS PROGRAM.—The term “corps
4 program” means a program established by a
5 Federal, State, Tribal, or local government, or
6 nonprofit organization that performs conserva-
7 tion projects on Public Lands.

8 (C) PUBLIC LANDS.—The term “Public
9 Lands” means lands administered by the Na-
10 tional Park Service.

11 (2) IN GENERAL.—In addition to amounts oth-
12 erwise available, there is appropriated to the Na-
13 tional Park Service for fiscal year 2022, out of any
14 money in the Treasury not otherwise appropriated,
15 \$1,700,000,000, to remain available until September
16 30, 2031, except that no amounts may be expended
17 after September 30, 2031, for carrying out edu-
18 cation and job training projects and conservation
19 projects on Public Lands, including through the use
20 of direct expenditure, contracts, grants, and coopera-
21 tive agreements with corps programs.

22 (3) ADMINISTRATIVE EXPENSES.—Of the funds
23 provided by this subsection, no more than 2 percent
24 shall be used for administrative costs to carry out
25 this section.

1 (b) BUREAU OF LAND MANAGEMENT CIVILIAN CLI-
2 MATE CORPS.—

3 (1) DEFINITIONS.—With regard to this sub-
4 section:

5 (A) CONSERVATION PROJECT.—The term
6 “conservation project” means a project for the
7 conservation, restoration, construction, or reha-
8 bilitation of natural, cultural, historic, archae-
9 ological, recreational, or scenic resources.

10 (B) CORPS PROGRAM.—The term “corps
11 program” means a program established by a
12 Federal, State, Tribal, or local government, or
13 nonprofit organization that performs conserva-
14 tion projects on Public Lands.

15 (C) PUBLIC LANDS.—The term “Public
16 Lands” means lands administered by the Bu-
17 reau of Land Management.

18 (2) IN GENERAL.—In addition to amounts oth-
19 erwise available, there is appropriated to the Bureau
20 of Land Management for fiscal year 2022, out of
21 any money in the Treasury not otherwise appro-
22 priated, \$900,000,000, to remain available until
23 September 30, 2031, except that no amounts may be
24 expended after September 30, 2031, for carrying out
25 education and job training projects and conservation

1 projects on Public Lands, including through the use
2 of direct expenditure, contracts, grants, and coopera-
3 tive agreements with corps programs.

4 (3) ADMINISTRATIVE EXPENSES.—Of the funds
5 provided by this subsection, no more than 2 percent
6 shall be used for administrative costs to carry out
7 this section.

8 (c) UNITED STATES FISH AND WILDLIFE SERVICE
9 CIVILIAN CLIMATE CORPS.—

10 (1) DEFINITIONS.—With regard to this sub-
11 section:

12 (A) CONSERVATION PROJECT.—The term
13 “conservation project” means a project for the
14 conservation, restoration, construction, or reha-
15 bilitation of natural, cultural, historic, archae-
16 ological, recreational, or scenic resources.

17 (B) CORPS PROGRAM.—The term “corps
18 program” means a program established by a
19 Federal, State, Tribal, or local government, or
20 nonprofit organization that performs conserva-
21 tion projects on Public Lands.

22 (C) PUBLIC LANDS.—The term “Public
23 Lands” means lands administered by the
24 United States Fish and Wildlife Service.

1 (2) IN GENERAL.—In addition to amounts oth-
2 erwise available, there is appropriated to the United
3 States Fish and Wildlife Service for fiscal year
4 2022, out of any money in the Treasury not other-
5 wise appropriated, \$400,000,000, to remain avail-
6 able until September 30, 2031, except that no
7 amounts may be expended after September 30,
8 2031, for carrying out education and job training
9 projects and conservation projects on Public Lands,
10 including through the use of direct expenditure, con-
11 tracts, grants, and cooperative agreements with
12 corps programs.

13 (3) ADMINISTRATIVE EXPENSES.—Of the funds
14 provided by this subsection, no more than 2 percent
15 shall be used for administrative costs to carry out
16 this section.

17 (d) TRIBAL CIVILIAN CLIMATE CORPS.—

18 (1) DEFINITIONS.—With regard to this sub-
19 section:

20 (A) CONSERVATION PROJECT.—The term
21 “conservation project” means any project for
22 the conservation, restoration, construction, or
23 rehabilitation of natural, cultural, historic, ar-
24 chaeological, recreational, or scenic resources.

1 (B) CORPS PROGRAM.—The term “corps
2 program” means a program established by a
3 Federal, State, Tribal, or local government, or
4 nonprofit organization that performs appro-
5 priate conservation projects on Public Lands.

6 (C) INDIAN LAND.—The term “Indian
7 land” means land of an Indian Tribe or an In-
8 dian individual that is—

9 (i) held in trust by the United States;

10 or

11 (ii) subject to a restriction against
12 alienation imposed by the United States.

13 (D) INDIAN TRIBE.—The term “Indian
14 Tribe” has the meaning given the term in sec-
15 tion 101 of the Federally Recognized Indian
16 Tribe List Act (25 U.S.C. 5130).

17 (E) NATIVE HAWAIIAN.—The term “Na-
18 tive Hawaiian” means any individual who is—

19 (i) a citizen of the United States; and

20 (ii) a descendant of the aboriginal
21 people who, before 1778, occupied and ex-
22 exercised sovereignty in the area that now
23 comprises the State of Hawaii, as evi-
24 denced by—

25 (i) genealogical records;

1 (II) Kupuna (elders) or
2 Kamaaina (long-term community resi-
3 dents) verification; or

4 (III) certified birth records.

5 (F) NATIVE HAWAIIAN ORGANIZATION.—

6 The term “Native Hawaiian organization”
7 means a private nonprofit organization that—

8 (I) serves the interests of Native Ha-
9 waiians;

10 (ii) has Native Hawaiians in sub-
11 stantive and policymaking positions within
12 the organization; and

13 (iii) is recognized by the Governor of
14 Hawaii for the purposes of planning, con-
15 ducting, or administering programs (or
16 portions of programs) for the benefit of
17 Native Hawaiians.

18 (2) IN GENERAL.—In addition to amounts oth-
19 erwise available, there is appropriated to the Bureau
20 of Indian Affairs for fiscal year 2022, out of any
21 money in the Treasury not otherwise appropriated,
22 \$500,000,000, to remain available until September
23 30, 2031, except that no amounts may be expended
24 after September 30, 2031, for carrying out edu-
25 cation and job training projects and conservation

1 projects, including through the use of direct expendi-
2 ture, contracts, grants, and cooperative agreements
3 with corps programs, and including projects on In-
4 dian lands, pursuant to an agreement between an
5 Indian Tribe or Native Hawaiian organization and a
6 corps program for the benefit of an Indian Tribe or
7 Native Hawaiians. None of the funds provided by
8 this subsection shall be subject to cost-share require-
9 ments.

10 (3) ADMINISTRATIVE EXPENSES.—Of the funds
11 provided by this subsection, no more than 2 percent
12 shall be used for administrative costs to carry out
13 this section.

14 **SEC. 70203. PRESIDIO TRUST.**

15 (a) PRESIDIO TRUST DEFINED.—With regard to this
16 section, the term “Presidio Trust” means the entity estab-
17 lished under section 103(a) of title I of division I of Public
18 Law 104–333 and under the requirements placed upon
19 that entity by section 104(a) of title I of division I of Pub-
20 lic Law 104–333.

21 (b) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated to the Presidio Trust for
23 fiscal year 2022, out of any money in the Treasury not
24 otherwise appropriated, \$200,000,000, to remain available
25 until September 30, 2026, for carrying out projects identi-

1 fied by the Presidio Trust in accordance with the purposes
2 identified under the first section of Public Law 92–589
3 (16 U.S.C. 460bb).

4 **SEC. 70204. GRAND CANYON.**

5 (a) DEFINITION.—In this section:

6 (1) DISPOSAL.—The term “disposal” means
7 that the lands identified are not available under the
8 proceedings outlined under section 203 of the Fed-
9 eral Land Policy and Management Act of 1976 (43
10 U.S.C. 1713).

11 (2) ENTRY.—The term “entry” has the mean-
12 ing as it is used under section 103 of the Federal
13 Land Policy and Management Act of 1976 (43
14 U.S.C. 1702(j)), in its application to lands under the
15 jurisdiction of the Secretary.

16 (3) GRAND CANYON PROTECTION AREA.—The
17 term “Grand Canyon Protection Area” means the
18 approximately 1,054,923 acres of land depicted as
19 “Federal Mineral Estate to be Withdrawn” on the
20 map entitled “Grand Canyon Protection Area” and
21 dated August 23, 2021.

22 (4) LOCATION.—The term “location” has the
23 meaning as it is used under section 2320 of the Re-
24 vised Statutes (30 U.S.C. 23), in its application to
25 lands under the jurisdiction of the Secretary.

1 (5) PATENT.—The term “patent” has the
2 meaning as it is used under section 2325 of the Re-
3 vised Statutes (30 U.S.C. 29), in its application to
4 lands under the jurisdiction of the Secretary.

5 (6) SECRETARY.—The term “Secretary” means
6 the Secretary of the Interior.

7 (b) WITHDRAWAL.—In addition to amounts other-
8 wise available, there is appropriated to the Bureau of
9 Land Management for fiscal year 2022, out of any money
10 in the Treasury not otherwise appropriated, \$1,500,000,
11 to remain available until September 30, 2026, to carry
12 out, subject to valid rights in existence on the date of en-
13 actment of this section, the withdrawal of the Grand Can-
14 yon Protection Area from all forms of disposal, location,
15 entry, and patent.

16 **SEC. 70205. WILDFIRE.**

17 (a) PROTECTING COMMUNITIES AND ECOSYSTEMS
18 FROM WILDFIRE.—In addition to amounts otherwise
19 available, there is appropriated to the Bureau of Land
20 Management for fiscal year 2022, out of any money in
21 the Treasury not otherwise appropriated, \$900,000,000,
22 to remain available until September 30, 2031, except that
23 no amounts may be expended after September 30, 2031,
24 to reduce wildfire risk on landscapes and communities
25 through fire preparedness, fire science and research (in-

1 cluding improved fireshed mapping and management),
2 emergency rehabilitation, rural fire assistance, non-
3 commercial fuels management activities in the wildland-
4 urban interface, the renovation or construction of fire fa-
5 cilities, and for expenses necessary to support firefighter
6 workforce reforms. None of the funds provided by this
7 subsection shall be used for salvage logging.

8 (b) TRIBAL WILDFIRE PREVENTION.—In addition to
9 amounts otherwise available, there is appropriated to the
10 Bureau of Indian Affairs for fiscal year 2022, out of any
11 money in the Treasury not otherwise appropriated,
12 \$100,000,000, to remain available until September 30,
13 2031, except that no amounts may be expended after Sep-
14 tember 30, 2031, For carrying out the National Indian
15 Forest Resources Management Act (25 U.S.C. 3101 et
16 seq.) for renewable and manageable resources, commu-
17 nications, economic and cultural benefits, improved
18 fireshed mapping and management, and to protect Tribal
19 forest lands from wildfire.

20 (c) FOREST TECHNOLOGY IMPROVEMENTS.—In ad-
21 dition to amounts otherwise available, there is appro-
22 priated to the Office of Wildland Fire Management for
23 fiscal year 2022, out of any money in the Treasury not
24 otherwise appropriated, \$1,000,000, to remain available
25 until September 30, 2031, except that no amounts may

1 be expended after September 30, 2031, for carrying out
2 a research, development, and testing pilot program to—

3 (1) assess new technologies, including un-
4 manned aircraft system, geospatial, or remote sens-
5 ing technologies, across all reforestation activities;

6 (2) accelerate the deployment and integration of
7 such technologies into the operations of the Sec-
8 retary of the Interior; and

9 (3) collaborate and cooperate with State, Trib-
10 al, and private geospatial information system organi-
11 zations with respect to such technologies.

12 **SEC. 70206. URBAN PARKS.**

13 In addition to amounts otherwise available, there is
14 appropriated to the National Park Service for fiscal year
15 2022, out of any amounts in the Treasury not otherwise
16 appropriated, \$100,000,000, to remain available until
17 September 30, 2026, to carry out direct, competitive
18 grants to localities to create or significantly enhance ac-
19 cess to parks or outdoor recreation facilities in urban
20 areas, in accordance with the authorities outlined under
21 section 200305(e)(2)(A) or 200305(e)(3) of title 54,
22 United States Code, and subject to limitations outlined
23 under section 200305(f)(3) of such title, of which no more
24 than 2 percent shall be used for administrative costs to
25 carry out this section.

1 **SEC. 70207. EVERY KID OUTDOORS.**

2 (a) DEFINITIONS.—With respect to this section:

3 (1) FEDERAL LAND AND WATERS.—The term
4 “Federal land and waters” means any Federal land
5 or body of water under the jurisdiction of the Direc-
6 tor to which the public has access.

7 (2) DIRECTOR.—The term “Director” means
8 the Director of the National Park Service.

9 (3) STUDENT OR STUDENTS.—The term “stu-
10 dent” or “students” means any fourth, fifth, or
11 sixth grader or home-schooled learner 10 years of
12 age residing in the United States.

13 (b) IN GENERAL.—In addition to amounts otherwise
14 available, there is appropriated to the National Park Serv-
15 ice for fiscal year 2022, out of any money in the Treasury
16 not otherwise appropriated, \$100,000,000, to remain
17 available until September 30, 2031, except that no
18 amounts may be expended after September 30, 2031, for
19 the carrying out of the issuance and administration of
20 passes, effective during the period beginning on September
21 1 and ending on August 31 of the following year, at the
22 request of a student, which allows access, when the stu-
23 dent to which the pass was issued is present, to Federal
24 lands and waters for which access is subject to an en-
25 trance, standard amenity, or day use fee, free of charge
26 for the student and three accompanying adults, and for

1 carrying out the purposes outlined under section
2 9001(b)(3)(D) of Public Law 116–9.

3 **SEC. 70208. NATIONAL PARK SERVICE CLIMATE RESIL-**
4 **IENCE.**

5 In addition to amounts otherwise available, there is
6 appropriated to the National Park Service for fiscal year
7 2022, out of any money in the Treasury not otherwise ap-
8 propriated, \$115,000,000, to remain available until Sep-
9 tember 30, 2031, except that no amounts may be ex-
10 pended after September 30, 2031, for the protection, res-
11 toration, and resiliency of public lands and resources in
12 accordance with the purposes outlined in section
13 100101(a) of title 54, United States Code. None of the
14 funds provided by this section shall be subject to cost-
15 sharing requirements.

16 **SEC. 70209. BUREAU OF LAND MANAGEMENT CLIMATE RE-**
17 **SILIENCE.**

18 In addition to amounts otherwise available, there is
19 appropriated to the Bureau of Land Management for fis-
20 cal year 2022, out of any money in the Treasury not other-
21 wise appropriated, \$110,000,000, to remain available until
22 September 30, 2031, except that no amounts may be ex-
23 pended after September 30, 2031, for the protection, res-
24 toration, and resiliency of public lands and resources in
25 accordance with the purposes outlined in section 102(a)(8)

1 of the Federal Land Policy and Management Act of 1976
2 (43 U.S.C. 1701(a)(8). None of the funds provided by this
3 section shall be subject to cost-sharing requirements.

4 **SEC. 70210. HISTORIC PRESERVATION.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated to the Director of the Na-
7 tional Park Service for fiscal year 2022, out of any money
8 in the Treasury not otherwise appropriated, \$75,000,000,
9 to remain available until September 30, 2031, except that
10 no amounts may be expended after September 30, 2031,
11 to carry out preservation or historic preservation as de-
12 fined by section 300315 of title 54, United States Code.

13 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
14 vided by this section, no more than 2 percent shall be used
15 for administrative costs to carry out this section.

16 **SEC. 70211. THOMPSON DIVIDE.**

17 (a) THOMPSON DIVIDE WITHDRAWAL.—

18 (1) THOMPSON DIVIDE WITHDRAWAL AND PRO-
19 TECTION AREA DEFINED.—For the purposes of this
20 subsection, the term “Thompson Divide Withdrawal
21 and Protection area” means the Federal land and
22 minerals generally depicted as the “Thompson Di-
23 vide Withdrawal and Protection Area” on the map
24 entitled “Greater Thompson Divide Area Map” and
25 dated June 13, 2019.

1 (2) WITHDRAWAL.—Subject to valid rights in
2 existence on the date of the enactment of this sec-
3 tion, the Thompson Divide Withdrawal and Protec-
4 tion Area is withdrawn from—

5 (A) entry, appropriation, and disposal
6 under the public land laws;

7 (B) location, entry, and patent under the
8 mining laws; and

9 (C) operation of the mineral leasing, min-
10 eral materials, and geothermal leasing laws.

11 (b) THOMPSON DIVIDE LEASE PAYMENTS.—

12 (1) THOMPSON DIVIDE WITHDRAWAL AND PRO-
13 TECTION AREA DEFINED.—With regard to this sub-
14 section, the term “Thompson Divide Withdrawal and
15 Protection Area” means the Federal land and min-
16 erals generally depicted as the “Thompson Divide
17 Withdrawal and Protection Area” on the map enti-
18 tled “Greater Thompson Divide Area Map” and
19 dated June 13, 2019.

20 (2) IN GENERAL.—In addition to amounts oth-
21 erwise available, there is appropriated to the Bureau
22 of Land Management for fiscal year 2022, out of
23 any money in the Treasury not otherwise appro-
24 priated, \$500,000 to remain available until Sep-
25 tember 30, 2026, to acquire, from willing sellers, the

1 rights to oil or gas leases within the Thompson Di-
2 vide Withdrawal and Protection Area, provided such
3 leases are in effect on the date of enactment of this
4 subsection. All rights acquired under this subsection
5 shall be permanently cancelled and unavailable for
6 reissue.

7 (3) ADMINISTRATIVE EXPENSES.—Of the funds
8 provided by this subsection, no more than 2 percent
9 shall be used for administrative costs to carry out
10 this subsection.

11 (c) FUGITIVE COAL MINE METHANE USE PILOT
12 PROGRAM.—

13 (1) PILOT PROGRAM AREA DEFINED.—For the
14 purposes of this subsection, the term “pilot program
15 area” means the areas identified as “Coal Mine
16 Methane Capture Areas” on the map entitled
17 “Greater Thompson Divide Fugitive Coal Mine
18 Methane Use Pilot Program Area” and dated June
19 17, 2019.

20 (2) IN GENERAL.—In addition to amounts oth-
21 erwise available, there is appropriated to the Bureau
22 of Land Management for fiscal year 2022, out of
23 any money in the Treasury not otherwise appro-
24 priated, \$1,000,000 to remain available until Sep-
25 tember 30, 2026, for carrying out a pilot program

1 in the pilot program area to inventory and, subject
2 to valid existing rights, to lease, capture, mitigate or
3 sequester methane emissions that would leak or be
4 vented into the atmosphere from an active, inactive,
5 or abandoned underground coal mine.

6 **SEC. 70212. CHACO CANYON.**

7 (a) DEFINITIONS.—For the purposes of this section:

8 (1) CHACO CULTURAL HERITAGE WITHDRAWAL
9 AREA.—The term “Chaco Cultural Heritage With-
10 drawal Area” means the Federal land generally de-
11 picted as the “Chaco Cultural Heritage Withdrawal
12 Area” on the map entitled “Chaco Cultural Heritage
13 Withdrawal Area” and dated April 2, 2019.

14 (2) NON-PRODUCING LEASES.—The term “non-
15 producing leases” means any oil and gas lease on
16 Federal land within the Chaco Cultural Heritage
17 Withdrawal Area—

18 (A) on which drilling operations have not
19 been commenced before the end of the primary
20 term of the applicable lease;

21 (B) that is not producing oil and gas in
22 paying quantities; and,

23 (C) that is not subject to a valid coopera-
24 tive or unit plan of development.

1 (b) WITHDRAWAL.—Subject to valid rights in exist-
2 ence on the date of enactment of this section, the Chaco
3 Cultural Heritage Withdrawal Area is withdrawn from—

4 (1) entry and disposal under the public land
5 laws;

6 (2) location, entry, and patent under the mining
7 laws; and

8 (3) operation of the mineral leasing, mineral
9 materials, and geothermal leasing laws.

10 (c) NON-PRODUCING LEASES.—A non-producing
11 lease shall terminate pursuant to section 17(e) of the Min-
12 eral Leasing Act (30 U.S.C. 226(e)) and subpart 3108
13 of title 43, Code of Federal Regulations, and may not be
14 extended.

15 **Subtitle C—Drought Response and** 16 **Preparedness**

17 **SEC. 70301. BUREAU OF RECLAMATION WATER SETTLE-** 18 **MENT FUNDING.**

19 Section 10501 of the Omnibus Public Land Manage-
20 ment Act of 2009 (43 U.S.C. 407) is amended as follows:

21 (1) In subsection (b), by adding at the end the
22 following:

23 “(3) ADDITIONAL DEPOSITS.—In addition to
24 amounts otherwise available, there is appropriated—

1 “(A) for fiscal year 2032 and each fiscal
2 year thereafter out of any money in the Treas-
3 ury not otherwise appropriated, \$370,000,000,
4 for deposit in the Fund, to remain available
5 until expended; and

6 “(B) for fiscal year 2022, out of any
7 money in the Treasury not otherwise appro-
8 priated, \$2,000,000,000, for deposit in the
9 Fund, to remain available until September 30,
10 2031, except that no amounts may be expended
11 after September 30, 2031.”.

12 (2) In subsection (c)(1)—

13 (A) in subparagraph (A), by striking “for
14 each of fiscal years 2020 through 2034, the
15 Secretary may expend from the Fund an
16 amount not to exceed \$120,000,000,” and in-
17 serting “for fiscal year 2022 and each fiscal
18 year thereafter, the Secretary may expend from
19 the Fund an amount not to exceed
20 \$370,000,000”;

21 (B) in subparagraph (B), by striking
22 “more than \$120,000,000, for any fiscal year if
23 such amounts are available in the Fund due to
24 expenditures not reaching \$120,000,000” and
25 inserting “more than \$370,000,000 for any fis-

1 cal year if such amounts are available in the
2 Fund, for the fiscal year in which expenditures
3 are made pursuant to subparagraph (D) and
4 paragraphs (2) and (3)”; and

5 (C) by adding at the end the following:

6 “(C) The Secretary shall expend all
7 amounts in the Fund available from deposits
8 made under subsection (b)(1) and subsection
9 (b)(3)(B) not later than the end of fiscal year
10 2031.

11 “(D) If, in the judgment of the Secretary
12 on an annual basis, the Secretary is unlikely to
13 expend the amounts as required under subpara-
14 graph (C) because expenditures cannot be made
15 for activities authorized under paragraph (2),
16 the Secretary shall expend from the Fund on an
17 annual basis any projected unspent amounts by
18 not later than the end of fiscal year 2031 on
19 grants to disadvantaged communities (identified
20 according to criteria adopted by the Secretary)
21 or on grants to Indian Tribes (as defined in
22 section 4 of the Indian Self-Determination and
23 Education Assistance Act (25 U.S.C. 5304)), in
24 a manner as determined by the Secretary, for
25 up to 100 percent of the cost of the planning,

1 design, or construction of water projects the
2 primary purpose of which is to provide potable
3 water supplies to communities or households
4 that do not have reliable access to potable water
5 in a State or territory described in the first sec-
6 tion of the Act of June 17, 1902 (43 U.S.C.
7 391; 32 Stat. 388, chapter 1093).”.

8 (3) In subsection (c), by amending paragraph
9 (2) to read as follows:

10 “(2) AUTHORITY.—

11 “(A) NON-TRIBAL SETTLEMENT EXPENDI-
12 TURES.—The Secretary may expend money
13 from the Fund to implement a settlement
14 agreement approved by Congress that resolves,
15 in whole or in part, litigation involving the
16 United States and a party that is not an Indian
17 Tribe (as defined in section 4 of the Indian
18 Self-Determination and Education Assistance
19 Act (25 U.S.C. 5304)), if the settlement agree-
20 ment or implementing legislation requires the
21 Bureau of Reclamation to provide financial as-
22 sistance for, or plan, design, and construct—

23 “(i) water supply infrastructure; or

24 “(ii) a project—

1 “(I) to rehabilitate a water deliv-
2 ery system to conserve water; or

3 “(II) to restore habitat or other-
4 wise improve environmental conditions
5 associated with or affected by, or lo-
6 cated within the same river basin as,
7 a Federal reclamation project that is
8 in existence on March 30, 2009.

9 “(B) TRIBAL EXPENDITURES.—The Sec-
10 retary may expend money from the Fund to im-
11 plement a settlement agreement approved by
12 Congress that resolves, in whole or in part,
13 claims concerning Indian water resources, if the
14 settlement agreement or implementing legisla-
15 tion authorizes the Secretary to provide finan-
16 cial assistance for, or plan, design, and con-
17 struct—

18 “(i) water supply infrastructure; or

19 “(ii) a project—

20 “(I) to rehabilitate a water deliv-
21 ery system to conserve water; or

22 “(II) to restore habitat or other-
23 wise improve environmental conditions
24 associated with or affected by, or lo-

1 cated within the same river basin as,
2 a Federal reclamation project.”.

3 (5) In subsection (c)(3)(C), by striking “for any
4 authorized use” and inserting “for any use author-
5 ized under paragraph (2) or paragraph (1)(D)”.

6 (6) By striking subsection (f).

7 **SEC. 70302. EMERGENCY DROUGHT RELIEF.**

8 (a) **IN GENERAL.**—In addition to amounts otherwise
9 available, there is appropriated to the Bureau of Reclama-
10 tion for fiscal year 2022, out of any money in the Treasury
11 not otherwise appropriated, \$1,000,000,000, to remain
12 available until September 30, 2026, except that no
13 amounts shall be expended after September 30, 2026, for
14 near-term drought relief actions carried out under—

15 (1) the Reclamation States Emergency Drought
16 Relief Act of 1991 (Public Law 102–250);

17 (2) the Klamath Basin Water Supply Enhance-
18 ment Act of 2000 (Public Law 106–498);

19 (3) section 201 of division D of Public Law
20 108–7; or

21 (4) section 1109 of division FF of Public Law
22 116–260.

23 (b) **ADMINISTRATIVE EXPENSES.**—Of the funds pro-
24 vided by this section, no more than 2 percent may be used
25 for administrative costs to carry out this section.

1 **SEC. 70303. EMERGENCY DROUGHT RELIEF FOR TRIBES.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Bureau of Reclamation for fiscal year
4 2022, out of any money in the Treasury not otherwise ap-
5 propriated, \$150,000,000, to remain available until Sep-
6 tember 30, 2026, except that no amounts may be ex-
7 pended after September 30, 2026, for near-term drought
8 relief actions to mitigate drought impacts for Indian
9 Tribes (as defined in section 4 of the Indian Self-Deter-
10 mination and Education Assistance Act (25 U.S.C. 5304))
11 that are impacted by the operation of a Bureau of Rec-
12 lamation water project, including through direct financial
13 assistance to address drinking water shortages and to
14 mitigate for the loss of Tribal trust resources.

15 **SEC. 70304. SALTON SEA PROJECTS.**

16 (a) APPROPRIATION.—

17 (1) IN GENERAL.—In addition to amounts oth-
18 erwise available, there is appropriated to the Bureau
19 of Reclamation for fiscal year 2022, out of any
20 money in the Treasury not otherwise appropriated,
21 \$250,000,000, to remain available until September
22 30, 2031, except that no amounts may be expended
23 after September 30, 2031, to provide grants and
24 enter into contracts and cooperative agreements to
25 carry out projects located in the area of the Salton

1 Sea in Southern California to improve air quality,
2 habitat, and water quality, in partnership with—

3 (A) State, Tribal, and local governments;

4 (B) water districts;

5 (C) joint powers authorities;

6 (D) nonprofit organizations; and

7 (E) institutions of higher education.

8 (2) COST SHARE.—The non-Federal share of
9 the cost of a project under this subsection shall be
10 50 percent of the cost of the project.

11 (b) INCLUDED ACTIVITIES.—The projects described
12 in subsection (a) may include—

13 (1) construction, operation, maintenance, per-
14 mitting, and design activities required for such
15 projects; and

16 (2) dust suppression projects.

17 (c) FUNDING ELIGIBILITY.—To be eligible to receive
18 funding, non-Tribal grantees must demonstrate compli-
19 ance with prevailing wage requirements.

20 (d) ADMINISTRATIVE EXPENSES.—Of the funds pro-
21 vided by this section, no more than 2 percent shall be used
22 for administrative costs to carry out this section.

1 **SEC. 70305. WATER RESOURCES RESEARCH AND TECH-**
2 **NOLOGY INSTITUTES.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the United States Geo-
5 logical Survey for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$75,000,000, to
7 remain available until September 30, 2031, except that no
8 amounts may be expended after September 30, 2031, for
9 carrying out section 104 of the Water Resources Research
10 Act of 1984 (42 U.S.C. 10303).

11 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
12 vided by this section, no more than 2 percent shall be used
13 for administrative costs to carry out this section.

14 **SEC. 70306. FEDERAL PRIORITY STREAMGAGES.**

15 (a) IN GENERAL.—In addition to amounts otherwise
16 available, there is appropriated to the United States Geo-
17 logical Survey for fiscal year 2022, out of any money in
18 the Treasury not otherwise appropriated, \$150,000,000,
19 to remain available until September 30, 2031, except that
20 no amounts may be expended after September 30, 2031,
21 for making operational streamgages that are identified by
22 the Secretary of the Interior as Federal priority
23 streamgages.

24 (b) COLLABORATION WITH NON-FEDERAL PART-
25 NERS.—The United States Geological Survey shall
26 prioritize the expenditure of funds available under sub-

1 section (a) in a manner that seeks to leverage the use of
2 non-Federal funds made available through streamgange
3 funding agreements with States and local agencies to im-
4 prove environmental quality and water supply reliability.

5 (c) ADMINISTRATIVE EXPENSES.—Of the funds pro-
6 vided by this section, no more than 2 percent shall be used
7 for administrative costs to carry out this section.

8 **SEC. 70307. SNOW WATER SUPPLY FORECASTING.**

9 (a) IN GENERAL.—In addition to amounts otherwise
10 available, there is appropriated to the Bureau of Reclama-
11 tion for fiscal year 2022, out of any money in the Treasury
12 not otherwise appropriated, \$50,000,000, to remain avail-
13 able until September 30, 2031, except that no amounts
14 may be expended after September 30, 2031, for carrying
15 out section 1111 of division FF of the Consolidated Ap-
16 propriations Act, 2021 (Public Law 116–260).

17 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
18 vided by this section, no more than 2 percent shall be used
19 for administrative costs to carry out this section.

20 **SEC. 70308. WATER TECHNOLOGY INVESTMENT.**

21 (a) IN GENERAL.—In addition to amounts otherwise
22 available, there is appropriated to the Bureau of Reclama-
23 tion for fiscal year 2022, out of any money in the Treasury
24 not otherwise appropriated, \$50,000,000, to remain avail-
25 able until September 30, 2031, except that no amounts

1 may be expended after September 30, 2031, for carrying
2 out section 1112 of division FF of the Consolidated Ap-
3 propriations Act, 2021 (Public Law 116–260).

4 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
5 vided by this section, no more than 2 percent shall be used
6 for administrative costs to carry out this section.

7 **SEC. 70309. AQUATIC ECOSYSTEM RESTORATION.**

8 (a) IN GENERAL.—In addition to amounts otherwise
9 available, there is appropriated to the Bureau of Reclama-
10 tion for fiscal year 2022, out of any money in the Treasury
11 not otherwise appropriated, \$250,000,000, to remain
12 available until September 30, 2031, except that no
13 amounts may be expended before fiscal year 2027 or after
14 September 30, 2031, for carrying out section 1109 of divi-
15 sion FF of the Consolidated Appropriations Act, 2021
16 (Public Law 116–260).

17 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
18 vided by this section, no more than 2 percent shall be used
19 for administrative costs to carry out this section.

20 **SEC. 70310. LARGE SCALE WATER REUSE.**

21 (a) DEFINITIONS.—In this section:

22 (1) ELIGIBLE ENTITY.—The term “eligible enti-
23 ty” means—

24 (A) a State, Indian Tribe, municipality, ir-
25 rigation district, water district, wastewater dis-

1 trict, or other organization with water or power
2 delivery authority;

3 (B) a State, regional, or local authority,
4 the members of which include 1 or more organi-
5 zations with water or power delivery authority;
6 or

7 (C) an agency established under State law
8 for the joint exercise of powers or a combina-
9 tion of entities described in subparagraphs (A)
10 through (B).

11 (2) INDIAN TRIBE.—The term “Indian Tribe”
12 has the meaning given the term in section 4 of the
13 Indian Self-Determination and Education Assistance
14 Act (25 U.S.C. 5304).

15 (3) RECLAMATION STATE.—The term “Rec-
16 lamation State” means a State or territory described
17 in the first section of the Act of June 17, 1902 (32
18 Stat. 388, chapter 1093; 43 U.S.C. 391).

19 (b) IN GENERAL.—In addition to amounts otherwise
20 available, there is appropriated to the Bureau of Reclama-
21 tion for fiscal year 2022, out of any money in the Treasury
22 not otherwise appropriated, \$100,000,000, to remain
23 available until September 30, 2031, except that no
24 amounts may be expended before fiscal year 2027 or after
25 September 30, 2031, to provide nonreimbursable grants

1 on a competitive basis to eligible entities that shall not
2 exceed 25 percent of the total cost of an eligible project
3 unless the project advances at least a proportionate share
4 of nonreimbursable benefits authorized under the reclama-
5 tion laws (including fish and wildlife benefits provided
6 through measurable reductions in water diversions from
7 imperiled ecosystems) up to a maximum 75 percent of the
8 total costs of an eligible project, to carry out the planning,
9 design, and construction of projects to reclaim and reuse
10 municipal, industrial, domestic, or agricultural wastewater
11 or impaired ground or surface waters that have a total
12 estimated cost of more than \$500,000,000 and that pro-
13 vide substantial water supply and other benefits to
14 drought stricken regions within the Reclamation States for
15 the purposes of—

16 (1) helping to advance water management plans
17 across a multi-state area, such as drought contin-
18 gency plans in the Colorado River Basin;

19 (2) providing multiple benefits, including water
20 supply reliability benefits for drought-stricken
21 States, Tribes, and communities, fish and wildlife
22 benefits, and water quality improvements; and

23 (3) reducing impacts on environmental re-
24 sources from water projects owned or operated by
25 Federal and State agencies, including through meas-

1 urable reductions in water diversions from imperiled
2 ecosystems.

3 (c) TOTAL DOLLAR CAP.—The Bureau of Reclama-
4 tion shall not impose a total dollar cap on Federal con-
5 tributions that applies to all individual projects funded
6 under this section.

7 (d) FUNDING ELIGIBILITY.—An eligible project shall
8 not be considered ineligible for assistance under this sec-
9 tion because the project has received assistance authorized
10 under title XVI of Public Law 102–575 or section 4009
11 of Public Law 114–322.

12 (e) TREATMENT OF CONVEYANCE.—The Bureau of
13 Reclamation shall consider the planning, design, and con-
14 struction of an eligible project’s conveyance system to be
15 eligible for grant funding under this section.

16 **SEC. 70311. CONVEYANCE REPAIRS AND BUILD BACK BET-**
17 **TER FUNDS FOR SOLAR CANAL INTEGRA-**
18 **TION.**

19 (a) CONVEYANCE REPAIRS.—In addition to amounts
20 otherwise available, there is appropriated to the Bureau
21 of Reclamation for fiscal year 2022, out of any money in
22 the Treasury not otherwise appropriated, \$100,000,000,
23 to remain available until September 30, 2031, except that
24 no amounts may be expended after September 30, 2031,
25 to provide nonreimbursable grants in a manner as deter-

1 mined by the Secretary of the Interior (in this section re-
2 ferred to as the “Secretary”) on a competitive basis to
3 eligible entities that in aggregate shall not exceed 33 per-
4 cent of the total cost of an eligible project to carry out
5 the planning, design, and construction of projects to make
6 major, non-recurring maintenance repairs to water con-
7 veyance facilities that do not enlarge the carrying capacity
8 of a conveyance facility beyond the capacity as previously
9 constructed for conveyance facilities in need of emergency
10 capacity restoration due to subsidence and experiencing
11 exceptional drought for the purposes of increasing drought
12 resiliency, primarily through groundwater recharge.

13 (b) BUILD BACK BETTER FUNDS FOR SOLAR CANAL
14 INTEGRATION.—In addition to amounts otherwise avail-
15 able, there is appropriated to the Bureau of Reclamation
16 for fiscal year 2022, out of any money in the Treasury
17 not otherwise appropriated, \$100,000,000, to remain
18 available until September 30, 2031, except that no
19 amounts may be expended after September 30, 2031, for
20 the design, study, and implementation of projects (includ-
21 ing pilot and demonstration projects) to cover conveyance
22 facilities receiving grants under subparagraph (a) with
23 solar panels to generate renewable energy in a manner as
24 determined by the Secretary or for other solar projects as-
25 sociated with Bureau of Reclamation projects that in-

1 crease water efficiency and assist in implementation of
2 clean energy goals.

3 **SEC. 70312. RIO GRANDE PUEBLOS IRRIGATION INFRA-**
4 **STRUCTURE GRANTS.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Bureau of Reclamation for fiscal year
7 2022, out of any money in the Treasury not otherwise ap-
8 propriated, \$200,000,000, to remain available until Sep-
9 tember 30, 2031, except that no amounts may be ex-
10 pended after September 30, 2031, for carrying out section
11 9106(d) of the Omnibus Public Land Management Act of
12 2009 (Public Law 111–11).

13 **Subtitle D—Efficient and Effective**
14 **NEPA Implementation**

15 **SEC. 70401. EFFICIENT AND EFFECTIVE NEPA IMPLEMEN-**
16 **TATION.**

17 In addition to amounts otherwise available, there is
18 appropriated to the Department of the Interior for fiscal
19 year 2022, out of any money in the Treasury not otherwise
20 appropriated, \$150,000,000, to remain available until
21 September 30, 2031, except that no amounts may be ex-
22 pended after September 30, 2031, to provide for more effi-
23 cient and more effective environmental reviews under the
24 National Environmental Policy Act of 1969 through the
25 hiring and training of additional personnel, the develop-

1 ment of programmatic assessments or templates, the pro-
2 curement of technical or scientific services, the develop-
3 ment of data or technology systems, stakeholder and com-
4 munity engagement, and the purchase of new equipment.

5 **Subtitle E—National Oceanic and**
6 **Atmospheric Administration**

7 **SEC. 70501. COASTAL AND GREAT LAKES RESTORATION**
8 **AND TECHNICAL ASSISTANCE.**

9 (a) IN GENERAL.—In addition to amounts otherwise
10 available, there is appropriated to the National Oceanic
11 and Atmospheric Administration for fiscal year 2022, out
12 of any money in the Treasury not otherwise appropriated,
13 \$9,500,000,000, to remain available until September 30,
14 2031, except that no amounts may be expended after Sep-
15 tember 30, 2031, through direct expenditure, contracts,
16 grants, and cooperative agreements to provide funding and
17 technical assistance for the purposes of restoring a ma-
18 rine, estuarine, coastal, or Great Lake habitat; or pro-
19 viding adaptation to climate change, including by pro-
20 tecting, restoring, or establishing ecological features that
21 protects coastal communities from sea-level rise, coastal
22 storms, or flooding; or designing or implementing blue car-
23 bon projects. None of the funds provided by this section
24 shall be subject to cost share or matching requirements.

1 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
2 vided by this section, no more than 2 percent shall be used
3 for administrative costs to carry out this section.

4 **SEC. 70502. PACIFIC COASTAL SALMON RECOVERY FUND.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated to the National Oceanic
7 and Atmospheric Administration for fiscal year 2022, out
8 of funds in the Treasury not otherwise appropriated
9 \$400,000,000, to remain available until 2026, for the pur-
10 poses of climate resilience, habitat protection, and other
11 habitat restoration projects to recover Pacific salmon.
12 None of the funds provided by this section shall be subject
13 to cost-sharing or matching requirements.

14 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
15 vided by this section, no more than 2 percent shall be used
16 for administrative costs to carry out this section.

17 **SEC. 70503. NOAA STOCK ASSESSMENTS.**

18 (a) STOCK ASSESSMENTS.—In addition to amounts
19 otherwise available, there is appropriated to the National
20 Oceanic and Atmospheric Administration for fiscal year
21 2022, out of any money in the Treasury not otherwise ap-
22 propriated, \$200,000,000, to remain available until Sep-
23 tember 30, 2031, except that no amount may be expended
24 after September 30, 2031, for carrying out section 401
25 of the Magnuson-Stevens Fishery Conservation and Man-

1 agement Reauthorization Act of 2006 (16 U.S.C. 1881)
2 and, section 117 of the Marine Mammal Protection Act
3 of 1972 (16 U.S.C. 1386) for fisheries data collections,
4 surveys, and science, management, and ecosystem-based
5 assessments in support of federally managed marine fish-
6 eries.

7 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
8 vided by this section, no more than 2 percent shall be used
9 for administrative costs to carry out this section.

10 **SEC. 70504. COASTAL HAZARDS AND SEA LEVEL RISE.**

11 In addition to amounts otherwise available, there is
12 appropriated to the National Oceanic and Atmospheric
13 Administration for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated, \$500,000,000,
15 to remain available until September 30, 2031, except that
16 no amounts may be expended after September 30, 2031,
17 for carrying out the provisions of section 12304 of the In-
18 tegrated Coastal and Ocean Observation System Act of
19 2009 (33 U.S.C. 3603), section 4 of the Digital Coast Act
20 (16 U.S.C. 1467), section 310 of the Coastal Zone Man-
21 agement Act of 1972 (16 U.S.C. 1456e), section 303 of
22 the Hydrographic Services Improvement Act of 1988 (33
23 U.S.C. 892a), and the first section and section 2 of the
24 Act of August 6, 1947 (chapter 504; 33 U.S.C. 883a and
25 33 U.S.C. 883b), popularly known as the Coast and Geo-

1 detic Survey Act of 1947; for the purposes of making up-
2 grades to the Integrated Ocean Observing System; making
3 upgrades to the Shoreline Mapping Program; developing
4 products, services, and coordinated decision-support
5 frameworks with respect to coastal floods, sea level rise,
6 Great Lakes water level, and vertical land motion data and
7 conducting the research and development necessary to
8 support such products and services; producing and main-
9 taining authoritative and timely data, maps, charts, tidal
10 and water level observations and information services for
11 communities to plan for present and future coastal flood
12 risks and to sustain the economic viability of ports and
13 marine transportation system; and providing technical as-
14 sistance to States, Insular areas, local governments, and
15 end user at-risk communities.

16 **SEC. 70505. BLUE CARBON.**

17 In addition to amounts otherwise available, there is
18 appropriated to the National Oceanic and Atmospheric
19 Administration for fiscal year 2022, out of any money in
20 the Treasury not otherwise appropriated, \$95,000,000, to
21 remain available until September 30, 2031, except that no
22 amounts may be expended after September 30, 2031, for
23 carrying out the provisions of section 117 of the Magnu-
24 son-Stevens Fishery Conservation and Management Reau-
25 thorization Act of 2006 (16 U.S.C. 1891a); and section

1 309 of the National Marine Sanctuaries Act (16 U.S.C.
2 1440); for research and extension activities to charac-
3 terize, quantify, map, and study blue carbon ecosystems
4 or protection and restoration efforts in blue carbon eco-
5 systems, which include marine and coastal freshwater,
6 brackish, and saltwater-fed ecosystems, such as coastal
7 wetland forest and other tidal or historically tidal wetlands
8 that have the capacity to sequester carbon from the atmos-
9 phere for a period of not less than 100 years in the Gulf
10 of Mexico region.

11 **SEC. 70506. COASTAL HAZARDS IN UNITED STATES INSU-**
12 **LAR AREAS.**

13 In addition to amounts otherwise available, there is
14 appropriated to the National Oceanic and Atmospheric
15 Administration for fiscal year 2022, out of any money in
16 the Treasury not otherwise appropriated, \$50,000,000, to
17 remain available until September 30, 2031, except that no
18 amounts may be expended after September 30, 2031, for
19 carrying out the provisions of the Integrated Coastal and
20 Ocean Observation System Act of 2009 (33 U.S.C. 3601),
21 section 4 of the Digital Coast Act (16 U.S.C. 1467, and
22 section 303 of the Hydrographic Services Improvement
23 Act (33 U.S.C. 892a) to improve weather data collection
24 and provide science, data, information, and impact-based
25 decision support services to reduce tsunami, hurricane, ty-

1 phoon, drought, tide, and sea-level rise impacts in Insular
2 Areas.

3 **SEC. 70507. NMFS SHORESIDE FACILITIES.**

4 In addition to amounts otherwise available, there is
5 appropriated to the National Oceanic and Atmospheric
6 Administration for fiscal year 2022, out of any money in
7 the Treasury not otherwise appropriated, \$150,000,000,
8 to remain available until September 30, 2031, except that
9 no amounts may be expended after September 30, 2031,
10 for carrying out the provisions of sections 404 through
11 408 of the Magnuson-Stevens Fishery Conservation and
12 Management Act (16 U.S.C. 1881e–1884), to replace,
13 renovate, or maintain aging facilities in need of repair or
14 replacement including piers, fisheries laboratories, and
15 laboratory facilities.

16 **SEC. 70508. NOAA VESSEL RECAPITALIZATION.**

17 In addition to amounts otherwise available, there is
18 appropriated to the National Oceanic and Atmospheric
19 Administration for fiscal year 2022, out of any money in
20 the treasury not otherwise appropriated, \$300,000,000, to
21 remain available until September 30, 2031, except that no
22 amounts may be expended after September 30, 2031, for
23 vessel recapitalization needs.

1 **SEC. 70509. CIVILIAN CLIMATE CORPS AT NOAA.**

2 (a) NOAA CIVILIAN CLIMATE CORPS.—In addition
3 to amounts otherwise available, there is appropriated to
4 the National Oceanic and Atmospheric Administration for
5 fiscal year 2022, out of any money in the Treasury not
6 otherwise appropriated, \$120,000,000, to remain available
7 until September 30, 2026, to carry out education and job
8 training projects that conserve, restore, construct, or reha-
9 bilitate natural, cultural, historic, archaeological, rec-
10 reational, or scenic resources through direct expenditure,
11 contracts, grants, and cooperative agreements. None of
12 the funds provided by this section shall be subject to cost-
13 sharing or matching requirements.

14 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
15 vided by this section, no more than 2 percent shall be used
16 for administrative costs to carry out this section.

17 **SEC. 70510. NOAA HATCHERIES.**

18 (a) NOAA HATCHERIES.—In addition to amounts
19 otherwise available, there is appropriated to the National
20 Oceanic and Atmospheric Administration, for fiscal year
21 2022, out of any money in the Treasury not otherwise ap-
22 propriated, \$250,000,000, to remain available until Sep-
23 tember 30, 2026, for grants to States and Indian Tribes
24 (as defined in section 4 of the Indian Self-Determination
25 and Education Assistance Act (25 U.S.C. 5304), to repair,
26 replace, and upgrade hatchery infrastructure for produc-

1 tion of a marine fishery. None of the funds provided by
2 this section shall be subject to cost-sharing or matching
3 requirements.

4 (b) **FUNDING ELIGIBILITY.**—To be eligible to receive
5 funding under this section, non-Tribal grantees must dem-
6 onstrate compliance with prevailing wage requirements.

7 **SEC. 70511. ELECTRONIC MONITORING.**

8 (a) **ELECTRONIC MONITORING.**—In addition to
9 amounts otherwise available, there is appropriated to the
10 National Oceanic and Atmospheric Administration for fis-
11 cal year 2022, out of any money in the Treasury not other-
12 wise appropriated, \$75,000,000, to remain available until
13 September 30, 2031, except that no amounts may be ex-
14 pended after September 30, 2031, for the purposes of sup-
15 porting the continued and timely implementation of elec-
16 tronic monitoring and fishing effort reporting.

17 (b) **ADMINISTRATIVE EXPENSES.**—Of the funds pro-
18 vided by this section, no more than 2 percent shall be used
19 for administrative costs to carry out this section.

20 **SEC. 70512. WORKING WATERFRONTS.**

21 (a) **WORKING WATERFRONTS.**—In addition to
22 amounts otherwise available, there is appropriated to the
23 National Oceanic and Atmospheric Administration for fis-
24 cal year 2022, out of any money in the Treasury not other-
25 wise appropriated, \$160,000,000, to remain available until

1 September 30, 2031, except that no amounts may be ex-
2 pended after September 30, 2031, for carrying out the
3 provisions of section 309 of the Coastal Zone Management
4 Act (16 U.S.C. 1456b) through direct expenditure, con-
5 tracts, grants, and cooperative agreements for projects
6 that preserve and protect coastal access for water-depend-
7 ent commercial activities.

8 (b) FUNDING ELIGIBILITY.—To be eligible to receive
9 funding under this section, the grantee must demonstrate
10 compliance with prevailing wage requirements.

11 **SEC. 70513. MARINE SANCTUARY AND NATIONAL ESTUA-**
12 **RINE RESEARCH RESERVE MAINTENANCE**
13 **BACKLOG.**

14 In addition to amounts otherwise available, there is
15 appropriated to the National Oceanic and Atmospheric
16 Administration for fiscal year 2022, out of any money in
17 the Treasury not otherwise appropriated, \$98,000,000, to
18 remain available until September 30, 2031, except that no
19 amounts may be expended after September 30, 2031, for
20 carrying out the provisions of the National Marine Sanc-
21 tuary Act (16 U.S.C. 1431) and the Coastal Zone Man-
22 agement Act (16 U.S.C. 1461) for construction, mainte-
23 nance, and renovation of facilities of National Marine
24 Sanctuaries and National Estuarine Research Reserves.

1 **SEC. 70514. SEAFOOD IMPORT MONITORING PROGRAM EX-**
2 **PANSION.**

3 In addition to amounts otherwise available, there is
4 appropriated to the National Oceanic and Atmospheric
5 Administration for fiscal year 2022, out of any money in
6 the Treasury not otherwise appropriated, \$2,000,000, to
7 remain available until September 30, 2031, except that no
8 amounts may be expended after September 30, 2031, for
9 carrying out the provisions of section 307 of the Magnu-
10 son-Stevens Fishery Conservation and Management Reau-
11 thorization Act (16 U.S.C. 1857(1)(Q)), to expand the
12 Seafood Import Monitoring Program to apply to all sea-
13 food and seafood products.

14 **Subtitle F—United States Fish and**
15 **Wildlife Service**

16 **SEC. 70601. ENDANGERED SPECIES ACT RECOVERY PLANS.**

17 (a) IN GENERAL.—In addition to amounts otherwise
18 available, there is appropriated to the United States Fish
19 and Wildlife Service for fiscal year 2022, out of any money
20 in the Treasury not otherwise appropriated, \$75,000,000,
21 to remain available until September 30, 2031, except that
22 no amounts may be expended after September 30, 2031,
23 for the development and implementation of recovery plans
24 under section 4(f) of the Endangered Species Act of 1973
25 (16 U.S.C. 1533(f)).

1 (b) CANDIDATE CONSERVATION.—In addition to the
2 amounts otherwise available, there is appropriated to the
3 United States Fish and Wildlife Service for fiscal year
4 2022, out of any money in the Treasury not otherwise ap-
5 propriated, \$75,000,000, to remain available until Sep-
6 tember 30, 2031, except that no amounts may be ex-
7 pended after September 30, 2031, for developing Can-
8 didate Conservation Agreements and Candidate Conserva-
9 tion Agreements with Assurances for candidate and other
10 at-risk species pursuant section 10 of the Endangered
11 Species Act (16 U.S.C. 1539).

12 **SEC. 70602. ENDANGERED SPECIES ACT HABITAT CON-**
13 **SERVATION.**

14 In addition to amounts otherwise available, there is
15 appropriated to the United States Fish and Wildlife Serv-
16 ice for fiscal year 2022, out of any money in the Treasury
17 not otherwise appropriated, \$50,000,000, to remain avail-
18 able until September 30, 2031, except that no amounts
19 may be expended after September 30, 2031, for United
20 States Fish and Wildlife Service responsibilities in the de-
21 velopment, review, and permitting of Habitat Conservation
22 Plans under section 10(a)(2) of the Endangered Species
23 Act of 1973 (16 U.S.C. 1539(a)(2)) and for State pro-
24 grams under section 6(d) of the Endangered Species Act
25 of 1973 (16 U.S.C. 1535(d)).

1 **SEC. 70603. ENDANGERED SPECIES ACT INTERAGENCY**
2 **CONSULTATIONS.**

3 In addition to amounts otherwise available, there is
4 appropriated to the United States Fish and Wildlife Serv-
5 ice for fiscal year 2022, out of any money in the Treasury
6 not otherwise appropriated, \$40,000,000, to remain avail-
7 able until September 30, 2031, except that no amounts
8 may be expended after September 30, 2031, for carrying
9 out consultations with Federal agencies that undertake
10 agency actions affecting endangered species and threat-
11 ened species under section 7 of the Endangered Species
12 Act of 1973 (16 U.S.C. 1536).

13 **SEC. 70604. FUNDING FOR ISLAND PLANT CONSERVATION.**

14 (a) IN GENERAL.—In addition to amounts otherwise
15 available, there is appropriated to the United States Fish
16 and Wildlife Service for fiscal year 2022, out of any money
17 in the Treasury not otherwise appropriated, \$25,000,000,
18 to remain available until September 30, 2031, except that
19 no amounts may be expended after September 30, 2031,
20 for the conservation of endangered species and threatened
21 species of plants in the Hawaiian Islands and the Pacific
22 Island Territories of the United States as authorized by
23 section 4 of the Endangered Species Act of 1973 (16
24 U.S.C. 1533).

1 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
2 vided by this section, no more than 2 percent shall be used
3 for administrative costs to carry out this section.

4 **SEC. 70605. FUNDING FOR POLLINATOR CONSERVATION.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated to the United States Fish
7 and Wildlife Service for fiscal year 2022, out of any money
8 in the Treasury not otherwise appropriated, \$25,000,000,
9 to remain available until September 30, 2031, except that
10 no amounts may be expended after September 30, 2031,
11 for the conservation of endangered species and threatened
12 species of pollinators in the United States as authorized
13 by section 4 of the Endangered Species Act of 1973 (16
14 U.S.C. 1533).

15 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
16 vided by this section, no more than 2 percent shall be used
17 for administrative costs to carry out this section.

18 **SEC. 70606. FUNDING FOR MUSSEL CONSERVATION.**

19 (a) IN GENERAL.—In addition to amounts otherwise
20 available, there is appropriated to the United States Fish
21 and Wildlife Service for fiscal year 2022, out of any money
22 in the Treasury not otherwise appropriated, \$25,000,000,
23 to remain available until September 30, 2031, except that
24 no amounts may be expended after September 30, 2031,
25 for the conservation of endangered species and threatened

1 species of freshwater mussels in the United States as au-
2 thorized by section 4 of the Endangered Species Act of
3 1973 (16 U.S.C. 1533).

4 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
5 vided by this section, no more than 2 percent shall be used
6 for administrative costs to carry out this section.

7 **SEC. 70607. FUNDING FOR DESERT FISH CONSERVATION.**

8 (a) IN GENERAL.—In addition to amounts otherwise
9 available, there is appropriated to the United States Fish
10 and Wildlife Service for fiscal year 2022, out of any money
11 in the Treasury not otherwise appropriated, \$25,000,000,
12 to remain available until September 30, 2031, except that
13 no amounts may be expended after September 30, 2031,
14 for the conservation of endangered species and threatened
15 species of desert fish in the Southwestern United States
16 as authorized by section 4 of the Endangered Species Act
17 of 1973 (16 U.S.C. 1533).

18 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
19 vided by this section, no more than 2 percent shall be used
20 for administrative costs to carry out this section.

21 **SEC. 70608. FUNDING FOR THE UNITED STATES FISH AND**
22 **WILDLIFE SERVICE TO ADDRESS CLIMATE-IN-**
23 **DUCTED WEATHER EVENTS.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the United States Fish

1 and Wildlife Service for fiscal year 2022, out of any money
2 in the Treasury not otherwise appropriated,
3 \$100,000,000, to remain available until September 30,
4 2031, except that no amounts may be expended after Sep-
5 tember 30, 2031, for the purposes of carrying out the Fish
6 and Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish
7 and Wildlife Coordination Act (16 U.S.C. 661), through
8 direct expenditure, contracts, grants, and cooperative
9 agreements, for the purposes of rebuilding and restoring
10 units of the National Wildlife Refuge System, other Fed-
11 eral public assets, and State wildlife management areas
12 including by addressing the threat of invasive species, in-
13 creasing the resiliency and capacity of habitats and infra-
14 structure to withstand weather events, or reducing the
15 amount of damage caused by those events. None of the
16 funds provided by this section shall be subject to cost-
17 share requirements.

18 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
19 vided by this section, no more than 2 percent shall be used
20 for administrative costs to carry out this section.

21 **SEC. 70609. FUNDING FOR THE UNITED STATES FISH AND**
22 **WILDLIFE SERVICE FOR WILDLIFE COR-**
23 **RIDOR CONSERVATION.**

24 In addition to amounts otherwise available, there is
25 appropriated to the United States Fish and Wildlife Serv-

1 ice for fiscal year 2022, out of any money in the Treasury
2 not otherwise appropriated, \$10,000,000, to remain avail-
3 able until September 30, 2026, except that no amounts
4 may be expended after September 30, 2026, to carry out
5 the provisions of the Fish and Wildlife Act of 1956 (16
6 U.S.C. 742a) and the Fish and Wildlife Coordination Act
7 (16 U.S.C. 661) through direct expenditure,, contracts,
8 grants, and cooperative agreements, for mapping wildlife
9 corridors and providing assistance to States and Indian
10 Tribes as defined in section 4 of the Indian Self-Deter-
11 mination and Education Assistance Act (25 U.S.C. 5304)
12 for the conservation and restoration of wildlife corridors.

13 **SEC. 70610. FUNDING FOR THE UNITED STATES FISH AND**
14 **WILDLIFE SERVICE FOR GRASSLAND RES-**
15 **TORATION.**

16 In addition to amounts otherwise available, there is
17 appropriated to the United States Fish and Wildlife Serv-
18 ice for fiscal year 2022, out of any money in the Treasury
19 not otherwise appropriated, \$100,000,000, to remain
20 available until September 30, 2026, except that no
21 amounts may be expended after September 30, 2026, to
22 carry out the provisions of the Fish and Wildlife Act of
23 1956 (16 U.S.C. 742a) and the Fish and Wildlife Coordi-
24 nation Act (16 U.S.C. 661) through direct expenditure,

1 contracts, grants, and cooperative agreements, for the pro-
2 tection and restoration of grassland habitats.

3 **Subtitle G—Insular Affairs**

4 **SEC. 70701. INSULAR AFFAIRS HOSPITAL AND OTHER CRIT-** 5 **ICAL HEALTH INFRASTRUCTURE FUNDING.**

6 In addition to amounts otherwise available, there is
7 appropriated to the Department of the Interior Office of
8 Insular Affairs for fiscal year 2022, out of any money in
9 the Treasury not otherwise appropriated, \$993,000,000,
10 to remain available until September 30, 2031, except that
11 no amounts may be expended after September 30, 2031,
12 for hospitals and other critical health infrastructure in the
13 territories. Amounts made available under this section
14 shall be divided among the territories in accordance with
15 needs identified by assessments completed by the Depart-
16 ment of the Interior, Office of Insular Affairs, of health
17 care facilities in each territory, but not less than 35 per-
18 cent shall be provided to Guam, not less than 35 percent
19 shall be provided to the United States Virgin Islands, not
20 less than 20 percent shall be provided to the Common-
21 wealth of the Northern Mariana Islands, and not less than
22 10 percent shall be provided to American Samoa.

1 **SEC. 70702. OFFICE OF INSULAR AFFAIRS CLIMATE**
2 **CHANGE TECHNICAL ASSISTANCE.**

3 (a) IN GENERAL.—In addition to amounts otherwise
4 available, there is appropriated to the Department of the
5 Interior Office of Insular Affairs for fiscal year 2022, out
6 of any money in the Treasury not otherwise appropriated,
7 \$25,000,000, to remain available until September 30,
8 2026, to provide technical assistance for climate-change
9 planning, mitigation, adaptation, and resilience to United
10 States-affiliated Insular Areas under the Office of Insular
11 Affairs.

12 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
13 vided by this section, not more than 2 percent shall be
14 used for administrative costs to carry out this section.

15 **SEC. 70703. SETTLEMENT OF CLAIMS AGAINST THE UNITED**
16 **STATES FOR CERTAIN RESIDENTS OF THE IS-**
17 **LAND OF VIEQUES, PUERTO RICO.**

18 (a) IN GENERAL.—In addition to amounts otherwise
19 available, there is appropriated to the Department of the
20 Interior Office of Insular Affairs, for fiscal year 2022, out
21 of any money in the Treasury not otherwise appropriated,
22 \$300,000,000, to remain available until September 30,
23 2031, except that no amounts may be made available after
24 September 30, 2031, to compensate through the appoint-
25 ment of a Special Master, the municipality of Vieques, and
26 an individual claimant who is or was a resident, the child

1 of a resident, or an immediate heir (as determined by the
2 laws of Puerto Rico) of a deceased claimant who was a
3 resident on the island of Vieques, Puerto Rico, in the pe-
4 riod or after the United States Government used the is-
5 land of Vieques, Puerto Rico, for military readiness.

6 (b) ADMINISTRATIVE EXPENSES.—Of the funds pro-
7 vided by this section, not more than 2 percent shall be
8 used for administrative costs to carry out this section.

9 **SEC. 70704. DEFINITIONS.**

10 For the purposes of this subtitle:

11 (1) FREELY ASSOCIATED STATES.—The term
12 “Freely Associated States” means the Republic of
13 the Marshall Islands, the Federated States of Micro-
14 nesia, and the Republic of Palau.

15 (2) UNITED STATES-AFFILIATED INSULAR
16 AREAS.—The term “United States-affiliated Insular
17 Areas” means the territories and Freely Associated
18 States.

19 (3) TERRITORIES.—The term “territories”
20 means American Samoa, the Commonwealth of the
21 Northern Mariana Islands, Guam, Puerto Rico, and
22 the Virgin Islands of the United States.

23 (4) TERRITORY.—The term “territory” means
24 American Samoa, the Commonwealth of the North-

1 ern Mariana Islands, Guam, Puerto Rico, or the Vir-
2 gin Islands of the United States.

3 **Subtitle H—Energy and Mineral**
4 **Resources**

5 **SEC. 70801. OFFSHORE WIND FOR THE TERRITORIES.**

6 (a) APPLICATION OF OUTER CONTINENTAL SHELF
7 LANDS ACT WITH RESPECT TO TERRITORIES OF THE
8 UNITED STATES.—

9 (1) IN GENERAL.—Section 2 of the Outer Con-
10 tinental Shelf Lands Act (43 U.S.C. 1331) is
11 amended—

12 (A) in subsection (a)—

13 (i) by striking “The term” and insert-
14 ing the following:

15 “(1) The term”

16 (ii) by inserting after “control” the
17 following: “or lying within the exclusive
18 economic zone of the United States and
19 the outer Continental Shelf adjacent to any
20 territory of the United States”; and

21 (iii) by adding at the end the fol-
22 lowing:

23 “(2) The term ‘outer Continental Shelf’ does
24 not include any area conveyed by Congress to a ter-
25 ritorial government for administration.”;

1 (B) in subsection (p), by striking “and”
2 after the semicolon at the end;

3 (C) in subsection (q), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (D) by adding at the end the following:

6 “(r) The term ‘State’ means any of the several States
7 and also includes Puerto Rico, Guam, American Samoa,
8 the Virgin Islands of the United States, and the Common-
9 wealth of the Northern Mariana Islands.”.

10 (2) EXCLUSIONS.—Section 18 of the Outer
11 Continental Shelf Lands Act (43 U.S.C. 1344) is
12 amended by adding at the end the following:

13 “(i) This section shall not apply to the scheduling of
14 any lease sale in an area of the outer Continental Shelf
15 that is adjacent to Puerto Rico, Guam, American Samoa,
16 the Virgin Islands of the United States, or the Common-
17 wealth of the Northern Mariana Islands.”.

18 (b) WIND LEASE SALES FOR AREAS OF THE OUTER
19 CONTINENTAL SHELF.—The Outer Continental Shelf
20 Lands Act (43 U.S.C. 1331 et seq.) is amended by adding
21 at the end the following:

1 **“SEC. 33. WIND LEASE SALES FOR AREAS OF THE OUTER**
2 **CONTINENTAL SHELF OFFSHORE OF TERRI-**
3 **TORIES OF THE UNITED STATES.**

4 “(a) WIND LEASE SALES OFF COASTS OF TERRI-
5 TORIES OF THE UNITED STATES.—

6 “(1) CALL FOR INFORMATION AND NOMINA-
7 TIONS.—The Secretary shall issue a call for informa-
8 tion and nominations for proposed wind lease sales
9 for areas determined to be feasible.

10 “(2) CONDITIONAL WIND LEASE SALES.—For
11 areas lying within the exclusive economic zone of the
12 United States adjacent to Puerto Rico, Guam,
13 American Samoa, the Virgin Islands of the United
14 States, and the Commonwealth of the Northern
15 Mariana Islands, the Secretary shall conduct not less
16 than one wind lease sale in each such area, so long
17 as:

18 “(A) The Secretary has concluded that a
19 wind lease sale on the area is feasible.

20 “(B) The Secretary has determined that
21 there is sufficient interest in leasing the area.

22 “(C) The Secretary has consulted with
23 other relevant Federal agencies regarding such
24 sale.

25 “(D) The Secretary has consulted with the
26 Governor of the territory regarding the suit-

1 ability of the area for wind energy develop-
2 ment.”.

3 **SEC. 70802. LEASING ON THE OUTER CONTINENTAL SHELF.**

4 (a) LEASING AUTHORIZED.—The Secretary of the
5 Interior is authorized to grant leases, easements, and
6 rights-of-way pursuant to section 8(p)(1)(C) of the Outer
7 Continental Shelf Lands Act (43 U.S.C. 1337(p)(1)(C))
8 in the areas withdrawn by the Presidential Memorandum
9 entitled “Memorandum on the Withdrawal of Certain
10 Areas of the United States Outer Continental Shelf from
11 Leasing Disposition” (issued September 8, 2020) and the
12 Presidential Memorandum entitled “Presidential Deter-
13 mination on the Withdrawal of Certain Areas of the
14 United States Outer Continental Shelf from Leasing Dis-
15 position” (issued September 25, 2020).

16 (b) WITHDRAWALS.—Any Presidential withdrawal of
17 an area of the Outer Continental Shelf from leasing under
18 section 12(a) of the Outer Continental Shelf Lands Act
19 (43 U.S.C. 1341(a)) issued after the date of enactment
20 of this Act shall apply only to leasing authorized under
21 subsections (a) and (i) of section 8 of the Outer Conti-
22 nental Shelf Lands Act (43 U.S.C. 1337(a) and 1337(i)),
23 unless otherwise specified.

1 **SEC. 70803. UNITED STATES GEOLOGICAL SURVEY.**

2 (a) 3D ELEVATION PROGRAM.—In addition to
3 amounts otherwise available, there is appropriated to the
4 United States Geological Survey for fiscal year 2022, out
5 of any money in the Treasury not otherwise appropriated,
6 \$50,000,000, to remain available until September 30,
7 2031, except that no amounts may be expended after Sep-
8 tember 30, 2031, to carry out the 3D elevation program
9 (43 U.S.C. 3104).

10 (b) CLIMATE ADAPTATION SCIENCE CENTERS.—In
11 addition to amounts otherwise available, there is appro-
12 priated to the United States Geological Survey for fiscal
13 year 2022, out of any money in the Treasury not otherwise
14 appropriated, \$100,000,000, to remain available until
15 September 30, 2031, except that no amounts may be ex-
16 pended after September 30, 2031, for the Regional and
17 National Climate Adaptation Science Centers to provide
18 localized information to help communities respond to cli-
19 mate change.

20 **SEC. 70804. FOSSIL FUEL RESOURCES.**

21 (a) REPEAL OF THE ARCTIC NATIONAL WILDLIFE
22 REFUGE OIL AND GAS PROGRAM.—Section 20001 of Pub-
23 lic Law 115–97 is repealed and any leases issued pursuant
24 to section 20001 of Public Law 115–97 are hereby can-
25 celled and all payments related to the leases shall be re-

1 turned to the lessee(s) within 30 days of enactment of this
2 Act.

3 (b) PROTECTION OF THE EASTERN GULF, ATLANTIC,
4 AND PACIFIC COASTS.—Section 8 of the Outer Conti-
5 nental Shelf Lands Act (43 U.S.C. 1337) is amended by
6 adding at the end the following:

7 “(q) PROHIBITION OF OIL AND GAS LEASING IN
8 CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—
9 The Secretary of the Interior may not issue a lease or
10 any other authorization for the exploration, development,
11 or production of oil or natural gas in the areas of the
12 Outer Continental Shelf designated by section 104(a) of
13 the Gulf of Mexico Energy Security Act of 2006 or in any
14 area within the Atlantic Region planning areas or the Pa-
15 cific Region planning areas (as such planning areas are
16 described in the document entitled ‘2017 – 2022 Outer
17 Continental Shelf Oil and Gas Leasing Proposed Final
18 Program’ dated November 2016, or a subsequent oil and
19 gas leasing program developed under section 18 of the
20 Outer Continental Shelf Lands Act (43 U.S.C. 1344).”.

21 (c) ONSHORE FOSSIL FUEL ROYALTY RATES.—The
22 Mineral Leasing Act (30 U.S.C. 207) is amended—

23 (1) in section 7(a), by striking “12½” and in-
24 serting “20”;

25 (2) in section 17, by—

1 (A) striking “12.5” each place such term
2 appears and inserting “20”; and

3 (B) striking “12 ½” each place such term
4 appears and inserting “20”; and

5 (3) in section 31(e), by striking “16 ⅔” both
6 places such term appears and inserting “25”.

7 (d) OFFSHORE OIL AND GAS ROYALTY RATE.—Sec-
8 tion 8 of the Outer Continental Shelf Lands Act (43
9 U.S.C. 1337) is amended by striking—

10 (1) “12 ½” each place such term appears and
11 inserting “20”; and

12 (2) “12 and ½” each place such term appears
13 and inserting “20”.

14 (e) OIL AND GAS MINIMUM BID.—Section 17 of the
15 Mineral Leasing Act (30 U.S.C. 226) is amended—

16 (1) in subsection (b)(1)(B)—

17 (A) by striking “\$2 per acre” and insert-
18 ing “\$10 per acre, except as otherwise provided
19 by this paragraph”; and

20 (B) by striking “Federal Onshore Oil and
21 Gas Leasing Reform Act of 1987” and insert-
22 ing “subtitle H of the Act to provide for rec-
23 onciliation pursuant to title II of S. Con. Res.
24 14 of the 117th Congress”;

1 (2) in subsection (b)(2)(C), by striking “\$2 per
2 acre” and inserting “\$10 per acre”; and

3 (3) by adding at the end the following:

4 “(q) INFLATION ADJUSTMENT.—The Secretary
5 shall—

6 “(1) by regulation, at least once every 4 years,
7 adjust each of the dollar amounts that apply under
8 subsections (b)(1)(B), (b)(2)(C), and (d) to reflect
9 the change in inflation; and

10 “(2) publish each such regulation in the Fed-
11 eral Register.”.

12 (f) DEFERRED COAL BONUS PAYMENTS.—Section
13 2(a) of the Mineral Leasing Act (30 U.S.C. 201(a)) is
14 amended—

15 (1) in paragraph (1), by striking the second
16 and third sentences; and

17 (2) by striking paragraphs (4) and (5).

18 (g) FOSSIL FUEL RENTAL RATES.—

19 (1) Section 7(a) of the Mineral Leasing Act (30
20 U.S.C. 207) is amended in the third sentence by in-
21 serting “at a rental rate of not less than \$100 per
22 acre (as reviewed and, if appropriate, adjusted by
23 the Secretary every 4 years)” before the period.

24 (2) Section 17(d) of the Mineral Leasing Act
25 (30 U.S.C. 226(d)) is amended in the first sentence

1 by striking “\$1.50 per acre per year for the first
2 through fifth years of the lease and not less than \$2
3 per acre per year for each year thereafter” and in-
4 serting “\$3 per acre per year during the 2-year pe-
5 riod beginning on the date the lease begins for new
6 leases, and after the end of such two-year period not
7 less than \$5 per acre per year”.

8 (3) Section 31(e) of the Mineral Leasing Act
9 (30 U.S.C. 188(e)) is amended by striking “\$10”
10 and inserting “\$20”.

11 (h) FOSSIL FUEL LEASE TERM LENGTH.—

12 (1) Section 7 of the Mineral Leasing Act (30
13 U.S.C. 207) is amended—

14 (A) in subsection (a)—

15 (i) in the first sentence, by striking
16 “twenty” and inserting “10”;

17 (ii) in the second sentence, by striking
18 “ten” and inserting “5”; and

19 (iii) in the sixth sentence—

20 (I) by striking “twenty” and in-
21 serting “10”; and

22 (II) by striking “ten” and insert-
23 ing “5”; and

24 (B) in subsection (b)(5), by striking “20”
25 and inserting “10”.

1 (2) Section 17(e) of the Mineral Leasing Act
2 (30 U.S.C. 226(e)) is amended by striking “10
3 years:” and inserting “5 years.”.

4 (i) **EXPRESSION OF INTEREST FEE.**—Section 17 of
5 the Mineral Leasing Act (30 U.S.C. 226), as amended by
6 this subtitle is amended by adding at the end the fol-
7 lowing:

8 “(r) **FEE FOR EXPRESSION OF INTEREST.**—

9 “(1) **IN GENERAL.**—The Secretary shall charge
10 any person who submits, in accordance with proce-
11 dures established by the Secretary to carry out this
12 subsection, an expression of interest in leasing land
13 available for disposition under this section for explo-
14 ration for, and development of, oil or gas a fee in
15 an amount determined by the Secretary under para-
16 graph (2).

17 “(2) **AMOUNT.**—The fee authorized under para-
18 graph (1) shall be established by the Secretary in an
19 amount that is determined by the Secretary to be
20 appropriate to cover the aggregate cost of processing
21 an expression of interest under this subsection, but
22 not less than \$15 per acre of the area covered by the
23 applicable expression of interest.

1 “(3) ADJUSTMENT OF FEE.—The Secretary
2 shall, by regulation at least every 4 years, establish
3 a higher expression of interest fee—

4 “(A) to reflect the change in inflation; and

5 “(B) as the Secretary determines to be
6 necessary to enhance financial returns to the
7 United States.”.

8 (j) ELIMINATION OF NONCOMPETITIVE LEASING.—
9 The Mineral Leasing Act is amended—

10 (1) in section 17(b) (30 U.S.C. 226(b)), by
11 striking paragraph (3);

12 (2) by amending section 17(c) (30 U.S.C.
13 226(c)) to read as follows:

14 “(c) Lands made available for leasing under sub-
15 section (b)(1) but for which no bid is accepted may be
16 made available by the Secretary for a new round of sealed
17 bidding under such subsection.”;

18 (3) in section 17(e) (30 U.S.C. 226(e))—

19 (A) by striking “Competitive and non-
20 competitive leases” and inserting “Leases, in-
21 cluding leases for tar sand areas,”; and

22 (B) by striking “*Provided, however*” and
23 all that follows through “ten years.”;

24 (4) in section 31(d)(1) (30 U.S.C. 188(d)(1))
25 by striking “or (c)”;

1 (5) in section 31(e) (30 U.S.C. 188(e))—

2 (A) in paragraph (2) by striking “, or the
3 inclusion” and all that follows and inserting a
4 semicolon; and

5 (B) in paragraph (3) by striking “(A)”
6 and by striking subparagraph (B);

7 (6) by striking section 31(f) (30 U.S.C. 188(f));

8 and

9 (7) in section 31(g) (30 U.S.C. 188(g))—

10 (A) in paragraph (1) by striking “as a
11 competitive” and all that follows through the
12 period and inserting “in the same manner as
13 the original lease issued pursuant to section
14 17.”;

15 (B) by striking paragraph (2) and redesignating
16 paragraphs (3) and (4) as paragraphs
17 (2) and (3), respectively; and

18 (C) in paragraph (2), as redesignated, by
19 striking “, applicable to leases issued under
20 subsection 17(e) of this Act (30 U.S.C. 226(e))
21 except,” and inserting “, except”.

22 (k) OIL AND GAS BONDING REQUIREMENTS.—Sec-
23 tion 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g))
24 is amended—

1 (1) by inserting “Each such bond, surety, or
2 other financial arrangement shall be considered in-
3 adequate if such bond, surety, or other financial ar-
4 rangement is for less than \$150,000 in the case of
5 an arrangement for an individual surface-disturbing
6 activity of each entity on an individual oil or gas
7 lease in a State, or \$500,000 in the case of an ar-
8 rangement for all surface-disturbing activities of
9 each entity on all oil and gas leases in a State.”
10 after “on the lease.”;

11 (2) by redesignating existing subsection (g) as
12 paragraph (1); and

13 (3) by adding at the end the following new
14 paragraph:

15 “(2)(A) Not later than 180 days after the date
16 of enactment of subtitle H of the Act to provide for
17 reconciliation pursuant to title II of S. Con. Res. 14
18 of the 117th Congress the Secretary concerned shall
19 initiate a rulemaking to require that an adequate
20 bond, surety, or other financial arrangement be pro-
21 vided by the lessee prior to the commencement of
22 surface-disturbing activities on any lease issued
23 under this Act to ensure the complete and timely re-
24 mediation and reclamation of any land, water, or
25 other resources (including resources with recreation,

1 range, timber, mineral, watershed, fish or wildlife,
2 natural scenic, scientific, or historical value) ad-
3 versely affected by lease activities and operations
4 after the abandonment or cessation of oil and gas
5 operations on the lease.

6 “(B) The Secretary concerned shall find that a
7 bond, surety or other financial arrangement required
8 by regulation under subparagraph (A) is inadequate
9 if it is for less than—

10 “(i) the complete and timely reclamation of
11 the lease tract;

12 “(ii) the restoration of any lands or sur-
13 face waters adversely affected by lease oper-
14 ations after the abandonment or cessation of oil
15 and gas operations on the lease; and

16 “(iii) in the case of an idled well, the total
17 plugging and reclamation costs for each idled
18 well controlled by the same operator.

19 “(C) The Secretary concerned shall review the
20 adequacy of each such bond, surety, or other finan-
21 cial arrangement at least once every 5 years and
22 anytime a lease issued under this Act is trans-
23 ferred.”.

24 (I) PER-ACRE LEASE FEES.—

1 (1) OIL AND GAS LEASE FEES.—The Secretary
2 of Interior shall charge onshore and offshore oil and
3 gas leaseholders the following annual, non-refund-
4 able fees:

5 (A) CONSERVATION OF RESOURCES FEE.—
6 There is established a Conservation of Re-
7 sources Fee of \$4 per acre per year on new pro-
8 ducing Federal onshore and offshore oil and gas
9 leases.

10 (B) SPECULATIVE LEASING FEE.—There is
11 established a Speculative Leasing Fee of \$6 per
12 acre per year on new nonproducing Federal on-
13 shore and offshore oil and gas leases.

14 (2) DEPOSIT.—All funds collected pursuant to
15 paragraph (1) shall be deposited into the United
16 States Treasury General Fund.

17 (3) ADJUSTMENT FOR INFLATION.—The Sec-
18 retary of the Interior shall, by regulation at least
19 once every four years, adjust each fee created by
20 paragraph (1) to reflect any increase in inflation.

21 (m) ONSHORE OIL AND GAS INSPECTION FEES.—

22 (1) IN GENERAL.—Section 108 of the Federal
23 Oil and Gas Royalty Management Act of 1982 (30
24 U.S.C. 1718) is amended by adding at the end the
25 following:

1 “(d) INSPECTION FEES.—

2 “(1) IN GENERAL.—The designated operator
3 under each oil and gas lease on Federal or Indian
4 lands, or each unit and communitization agreement
5 that includes one or more such Federal or Indian
6 leases, that is subject to inspection under subsection
7 (b) and that is in force at the start of the fiscal year
8 2021, shall pay a nonrefundable annual inspection
9 fee in an amount that, except as provided in para-
10 graph (2), is established by the Secretary by regula-
11 tion and is sufficient to recover the full costs in-
12 curred by the United States for inspection and en-
13 forcement with respect to such leases.

14 “(2) AMOUNT.—Until the effective date of reg-
15 ulations under paragraph (1), the amount of the fee
16 shall be—

17 “(A) \$800 for each lease or unit or
18 communitization agreement with no active or
19 inactive wells, but with surface use, disturbance
20 or reclamation;

21 “(B) \$1,400 for each lease or unit or
22 communitization agreement with 1 to 10 wells,
23 with any combination of active or inactive wells;

24 “(C) \$5,600 for each lease or unit or
25 communitization agreement with 11 to 50 wells,

1 with any combination of active or inactive wells;
2 and

3 “(D) \$11,300 for each lease or unit or
4 communitization agreement with more than 50
5 wells, with any combination of active or inactive
6 wells.

7 “(3) DUE DATE.—Payment of the fee under
8 this section shall be due, annually, not later than 30
9 days after the Secretary provides notice of the as-
10 sessment of the fee.

11 “(4) PENALTY.—If the designated operator
12 fails to pay the full amount of the fee as prescribed
13 in this section, the Secretary may, in addition to uti-
14 lizing any other applicable enforcement authority,
15 assess civil penalties against the operator under sec-
16 tion 109 in the same manner as if this section were
17 a mineral leasing law.

18 “(5) EXEMPTION FOR TRIBAL OPERATORS.—An
19 operator that is a Tribe or is controlled by a Tribe
20 is not subject to paragraph (1) with respect to a
21 lease, unit, or communitization agreement that is lo-
22 cated entirely on the lands of such Tribe.”.

23 (2) ASSESSMENT FOR FISCAL YEAR 2022.—The
24 Secretary of the Interior shall assess the fee under
25 the amendment made by paragraph (1) for fiscal

1 year 2022, and provide notice of such assessment to
2 each designated operator who is liable for such fee,
3 by not later than 60 days after the date of enact-
4 ment of this Act.

5 (n) OFFSHORE OIL AND GAS INSPECTION FEES.—
6 Section 22 of the Outer Continental Shelf Lands Act (43
7 U.S.C. 1348) is amended by adding at the end the fol-
8 lowing:

9 “(g) INSPECTION FEES.—

10 “(1) IN GENERAL.—

11 “(A) ESTABLISHMENT.—The Secretary
12 shall collect from the operators of facilities sub-
13 ject to inspection under subsection (c) non-
14 refundable fees for such inspections—

15 “(i) at an aggregate level to offset the
16 annual expenses of such inspections;

17 “(ii) using a schedule that reflect the
18 differences in complexity among the classes
19 of facilities to be inspected; and

20 “(iii) in accordance with subpara-
21 graph (C).

22 “(B) ADJUSTMENT FOR INFLATION.—For
23 each fiscal year beginning after fiscal year
24 2022, the Secretary shall adjust the amount of

1 the fees collected under this paragraph for in-
2 flation.

3 “(C) FEES FOR FISCAL YEAR 2022.—

4 “(i) ANNUAL FEES.—For fiscal year
5 2022, the Secretary shall collect annual
6 fees from the operator of facilities that are
7 above the waterline, excluding drilling rigs,
8 and are in place at the start of the fiscal
9 year in the following amounts:

10 “(I) \$11,725 for facilities with no
11 wells, but with processing equipment
12 or gathering lines.

13 “(II) \$18,984 for facilities with 1
14 to 10 wells, with any combination of
15 active or inactive wells.

16 “(III) \$35,176 for facilities with
17 more than 10 wells, with any com-
18 bination of active or inactive wells.

19 “(ii) FEES FOR DRILLING RIGS.—For
20 fiscal year 2022, the Secretary shall collect
21 fees for each inspection from the operators
22 of drilling rigs in the following amounts:

23 “(I) \$34,059 per inspection for
24 rigs operating in water depths of 500
25 feet or more.

1 “(II) \$18,649 per inspection for
2 rigs operating in water depths of less
3 than 500 feet.

4 “(iii) FEES FOR NON-RIG UNITS.—For
5 fiscal year 2022, the Secretary shall collect
6 fees for each inspection from the operators
7 of well operations conducted via non-rig
8 units as outlined in subparts D, E, F, and
9 Q of part 250 of title 30, Code of Federal
10 Regulations (or any successor regulation),
11 in the following amounts:

12 “(I) \$13,260 per inspection for
13 non-rig units operating in water
14 depths of 2,500 feet or more.

15 “(II) \$11,530 per inspection for
16 non-rig units operating in water
17 depths between 500 and 2,499 feet.

18 “(III) \$4,470 per inspection for
19 non-rig units operating in water
20 depths of less than 500 feet.

21 “(2) DISPOSITION.—Amounts collected as fees
22 under paragraph (1) shall be deposited into the gen-
23 eral fund of the Treasury.

24 “(3) BILLING.—

1 “(A) ANNUAL FEES.—The Secretary shall
2 bill designated operators under paragraph
3 (1)(C)(i) annually, with payment required not
4 later than 30 days after such billing.

5 “(B) FEES FOR DRILLING RIGS.—The Sec-
6 retary shall bill designated operators under
7 paragraph (1)(C)(ii) not later than 30 days
8 after the end of the month in which the inspec-
9 tion occurred, with payment required not later
10 than 30 days after such billing.

11 “(4) PUBLICATION.—The Secretary shall annu-
12 ally make available to the public the following infor-
13 mation about each fee deposited into the Fund:

14 “(A) The facility that was inspected.

15 “(B) The name of the operator of such fa-
16 cility.

17 “(C) The amount of the payment.”.

18 (o) SEVERANCE FEES.—The Secretary of Interior
19 shall collect annual, non-refundable fees on fossil fuels
20 produced from new leases on Federal lands and the Outer
21 Continental Shelf and deposit the funds into the United
22 States Treasury General Fund. Such fees shall be—

23 (1) not less than \$0.50 per barrel of oil equiva-
24 lent on oil and natural gas produced from Federal
25 lands and the Outer Continental Shelf; and

1 (2) not less than \$2 per metric ton of coal pro-
2 duced from Federal lands.

3 (p) IDLED WELL FEES.—

4 (1) IN GENERAL.—The Secretary shall, not
5 later than 180 days after the date of enactment of
6 this section, issue regulations to require each oper-
7 ator of an idled well on Federal land and the Outer
8 Continental Shelf to pay an annual, nonrefundable
9 fee for each such idled well in accordance with this
10 subsection.

11 (2) AMOUNTS.—Except as provided in para-
12 graph (5), the amount of the fee shall be as follows:

13 (A) \$500 for each well that has been con-
14 sidered an idled well for at least 1 year, but not
15 more than 5 years.

16 (B) \$1,500 for each well that has been
17 considered an idled well for at least 5 years, but
18 not more than 10 years.

19 (C) \$3,500 for each well that has been
20 considered an idled well for at least 10 years,
21 but not more than 15 years.

22 (D) \$7,500 for each well that has been
23 considered an idled well for at least 15 years.

24 (3) DUE DATE.—An owner of an idled well that
25 is required to pay a fee under this subsection shall

1 submit to the Secretary such fee by not later than
2 October 1 of each year.

3 (4) CIVIL PENALTY.—If the operator of a idled
4 well fails to pay the full amount of a fee under this
5 subsection, the Secretary may assess a civil penalty
6 against the operator under section 109 of the Fed-
7 eral Oil and Gas Royalty Management Act of 1982
8 (30 U.S.C. 1719) as if such failure to pay were a
9 violation under such section.

10 (5) ADJUSTMENT FOR INFLATION.—The Sec-
11 retary shall, by regulation not less than once every
12 4 years, adjust each fee under this subsection to ac-
13 count for inflation.

14 (6) DEPOSIT.—All funds collected pursuant to
15 paragraph (1) shall be deposited into the United
16 States Treasury General Fund.

17 (7) IDLED WELL DEFINITION.—For the pur-
18 poses of this section, the term “idled well” means a
19 well that has been non-operational for at least two
20 consecutive years and for which there is no antici-
21 pated beneficial future use.

22 (q) ANNUAL PIPELINE OWNERS FEE.—Not later
23 than 180 days after the date of enactment of this Act,
24 the Bureau of Safety and Environmental Enforcement
25 shall issue regulations to assess an annual fee on owners

1 of offshore oil and gas pipelines. Such fee shall not qualify
2 as a transportation allowance or as a deductible cost in
3 calculating royalties due to the United States and shall
4 be no less than—

5 (1) \$10,000 per mile for such pipelines in water
6 with a depth of 500 feet or greater; and

7 (2) \$1,000 per mile for pipelines in water depth
8 of under 500 feet.

9 (r) ROYALTIES ON ALL EXTRACTED METHANE.—

10 (1) ASSESSMENT ON ALL PRODUCTION.—

11 (A) IN GENERAL.—Except as provided in
12 subparagraph (B), royalties paid for gas pro-
13 duced from Federal lands and on the Outer
14 Continental Shelf shall be assessed on all gas
15 produced, including—

16 (i) gas used or consumed within the
17 area of the lease tract for the benefit of
18 the lease; and

19 (ii) all gas that is consumed or lost by
20 venting, flaring, or fugitive releases
21 through any equipment during upstream
22 operations.

23 (B) EXCEPTION.—Subparagraph (A) shall
24 not apply with respect to—

1 (i) gas vented or flared for not longer
2 than 48 hours in an acute emergency situ-
3 ation that poses a danger to human health;
4 and

5 (ii) gas used or consumed within the
6 area of the lease tract for the benefit of
7 the lease when the operator is a Tribe or
8 is controlled by a Tribe that is located en-
9 tirely on the lands of such Tribe.

10 (2) CONFORMING AMENDMENTS.—

11 (A) MINERAL LEASING ACT.—The Mineral
12 Leasing Act is amended—

13 (i) in section 14 (30 U.S.C. 223), by
14 adding at the end the following: “Royalties
15 shall be assessed with respect to oil and
16 gas, other than gas vented or flared for not
17 longer than 48 hours in an acute emer-
18 gency situation that poses a danger to
19 human health and gas used or gas con-
20 sumed within the area of the lease tract
21 for the benefit of the lease when the oper-
22 ator is a Tribe or is controlled by a Tribe
23 that is located entirely on the lands of such
24 Tribe, without regard to whether oil or gas
25 is removed or sold from the leased land.”;

1 (ii) in section 22 (30 U.S.C. 251), by
2 striking “sold or removed”; and

3 (iii) in section 31 (30 U.S.C. 188), by
4 striking “removed or sold” each place it
5 appears.

6 (B) OUTER CONTINENTAL SHELF LANDS
7 ACT.—The Outer Continental Shelf Lands Act
8 is amended—

9 (i) in section 6(a)(8) (43 U.S.C.
10 1335(a)(8)), by striking “saved, removed,
11 or sold” each place it appears; and

12 (ii) in section 8(a) (43 U.S.C.
13 1337(a))—

14 (I) in paragraph (1), by striking
15 “saved, removed, or sold” each place
16 it appears; and

17 (II) by adding at the end the fol-
18 lowing:

19 “(9) Royalties under this Act shall be assessed
20 with respect to oil and gas, other than gas vented
21 or flared for not longer than 48 hours in an acute
22 emergency situation that poses a danger to human
23 health and gas used or gas consumed within the
24 area of the lease tract for the benefit of the lease
25 when the operator is a Tribe or is controlled by a

1 Tribe that is located entirely on the lands of such
2 Tribe, without regard to whether oil or gas is re-
3 moved or sold from the leased land.”.

4 (s) ELIMINATION OF ROYALTY RELIEF.—

5 (1) IN GENERAL.—

6 (A) OUTER CONTINENTAL SHELF LANDS
7 ACT RELATING TO THE SUSPENSION OF ROYAL-
8 TIES.—Section 8(a)(1)(H) of the Outer Conti-
9 nental Shelf Lands Act (43 U.S.C.
10 1337(a)(1)(H)) is amended by striking “, and
11 with suspension of royalties for a period, vol-
12 ume, or value of production determined by the
13 Secretary, which suspensions may vary based
14 on the price of production from the lease”.

15 (B) OUTER CONTINENTAL SHELF LANDS
16 ACT RELATING TO THE SUSPENSION OF ROYAL-
17 TIES.—Section 8(a)(1)(H) of the Outer Conti-
18 nental Shelf Lands Act (43 U.S.C.
19 1337(a)(1)(H)) is amended by striking “, and
20 with suspension of royalties for a period, vol-
21 ume, or value of production determined by the
22 Secretary, which suspensions may vary based
23 on the price of production from the lease”.

24 (C) OUTER CONTINENTAL SHELF LANDS
25 ACT.—Section 8(a)(3) of the Outer Continental

1 Shelf Lands Act (43 U.S.C. 1337(a)(3)) is
2 amended—

3 (i) by striking subparagraphs (A) and
4 (B); and

5 (ii) by redesignating subparagraph
6 (C) as subparagraph (A).

7 (D) ENERGY POLICY ACT OF 2005.—

8 (i) INCENTIVES FOR NATURAL GAS
9 PRODUCTION FROM DEEP WELLS IN THE
10 SHALLOW WATERS OF THE GULF OF MEX-
11 ICO.—Section 344 of the Energy Policy
12 Act of 2005 (42 U.S.C. 15904) is repealed.

13 (ii) DEEP WATER PRODUCTION.—Sec-
14 tion 345 of the Energy Policy Act of 2005
15 (42 U.S.C. 15905) is repealed.

16 (2) FUTURE PROVISIONS.—Royalty relief shall
17 not be permitted under a lease issued under section
18 8 of the Outer Continental Shelf Lands Act (43
19 U.S.C. 1337).

20 (3) PROVISIONS RELATING TO NAVAL PETRO-
21 LEUM RESERVE IN ALASKA.—Section 107 of the
22 Naval Petroleum Reserves Production Act of 1976
23 (42 U.S.C. 6506a) is amended—

24 (A) in subsection (i), by striking para-
25 graphs (2) through (6); and

1 (B) by striking subsection (k).

2 (4) ROYALTY RELIEF UNDER THE MINERAL
3 LEASING ACT.—

4 (A) REPEAL.—Section 39 of the Mineral
5 Leasing Act (30 U.S.C. 209) is repealed.

6 (B) CONFORMING AMENDMENTS.—

7 (i) Section 8721(b) of title 10, United
8 States Code, is amended by striking “202–
9 209” and inserting “202–208”.

10 (ii) Section 8735(a) of title 10, United
11 States Code, is amended by striking “202–
12 209” and inserting “202–208”.

13 (iii) Section 31(h) of the Mineral
14 Leasing Act (30 U.S.C. 188(h)) is amend-
15 ed by striking “and the provisions of sec-
16 tion 39 of this Act”.

17 **SEC. 70805. CIVIL AND CRIMINAL PENALTIES.**

18 (a) MINERAL LEASING ACT.—Section 41 of the Min-
19 eral Leasing Act (30 U.S.C. 195) is amended—

20 (1) in subsection (b), by striking “\$500,000”
21 and inserting “\$1,000,000”; and

22 (2) in subsection (c), by striking “\$100,000”
23 and inserting “\$250,000”.

1 (b) FEDERAL OIL AND GAS ROYALTY MANAGEMENT
2 ACT OF 1982.—The Federal Oil and Gas Royalty Man-
3 agement Act of 1982 is amended—

4 (1) in section 109 (30 U.S.C. 1719)—

5 (A) in subsection (a)(2), by striking
6 “\$500” and inserting “\$1,500”;

7 (B) in subsection (b), by striking
8 “\$5,000” and inserting “\$15,000”;

9 (C) in subsection (c)(3), by striking
10 “\$10,000” and inserting “\$30,000”;

11 (D) in subsection (d)(3), by striking
12 “\$25,000” and inserting “\$75,000”;

13 (E) by redesignating existing subsections
14 (e) through (l) as (f) through (m), respectively;
15 and

16 (F) by adding at the end:

17 “(n) INFLATION ADJUSTMENT OF MAXIMUM PEN-
18 ALTIES.—

19 “(1) The maximum civil penalty amounts listed
20 in subsections (a) through (d) shall automatically
21 adjust for inflation on the 1st day of each calendar
22 year in accordance with the provisions of this sub-
23 section.

24 “(2) The inflation adjustment under this sub-
25 section shall be based on the Consumer Price Index

1 published by the Department of Labor for all Urban
2 Consumers (CPI-U) and shall be calculated by the
3 percentage change, if any, by which the CPI-U for
4 the month of October preceding the adjustment date
5 exceeds the CPI-U for the month of October one
6 year before.

7 “(3) The Secretary will provide sufficient notice
8 of adjusted penalties by publishing the adjusted
9 maximum civil penalty amounts on a public website
10 of the Department.

11 “(4) The Secretary will provide notice, in writ-
12 ing, to the Committee on Natural Resources of the
13 Department’s intent to adjust such penalties 180
14 days before publishing the adjusted maximum civil
15 penalty amounts on a public website of the Depart-
16 ment under paragraph (3).”; and

17 (2) in section 110, by striking “\$50,000” and
18 inserting “\$150,000”.

19 (c) OUTER CONTINENTAL SHELF LANDS ACT.—

20 (1) CIVIL PENALTY, GENERALLY.—Section
21 24(b) of the Outer Continental Shelf Lands Act (43
22 U.S.C. 1350(b)) is amended to read as follows:

23 “(b) CIVIL PENALTIES.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (2), any person who fails to comply with any

1 provision of this Act, or any term of a lease, license,
2 or permit issued pursuant to this Act, or any regula-
3 tion or order issued under this Act, shall be liable
4 for a civil administrative penalty of not more than
5 \$75,000 for each day of the continuance of such fail-
6 ure. The Secretary may assess, collect, and com-
7 promise any such penalty.

8 “(2) OPPORTUNITY FOR A HEARING.—No pen-
9 alty shall be assessed until the person charged with
10 a violation has been given an opportunity for a hear-
11 ing.

12 “(3) ADJUSTMENT FOR INFLATION.—The Sec-
13 retary shall, by regulation at least every 3 years, ad-
14 just the penalty specified in this paragraph to reflect
15 any increases in inflation.

16 “(4) THREAT OF HARM.—If a failure described
17 in paragraph (1) constitutes or constituted a threat
18 of harm or damage to life, property, any mineral de-
19 posit, or the marine, coastal, or human environment,
20 a civil penalty of not more than \$150,000 shall be
21 assessed for each day of the continuance of the fail-
22 ure.”.

23 (2) KNOWING AND WILLFUL VIOLATIONS.—Sec-
24 tion 24(c) of the Outer Continental Shelf Lands Act

1 (43 U.S.C. 1350(c)) is amended by striking
2 “\$100,000” and inserting “\$1,000,000”.

3 (3) OFFICERS AND AGENTS OF CORPORA-
4 TIONS.—Section 24(d) of the Outer Continental
5 Shelf Lands Act (43 U.S.C. 1350(d)) is amended by
6 striking “knowingly and willfully authorized, or-
7 dered, or carried out” and inserting “authorized, or-
8 dered, carried out, or through reckless disregard of
9 the law caused”.

10 **SEC. 70806. TECHNICAL AMENDMENTS TO FOGRMA.**

11 (a) AMENDMENTS TO DEFINITIONS.—Section 3 of
12 the Federal Oil and Gas Royalty Management Act of 1982
13 (30 U.S.C. 1702) is amended—

14 (1) in paragraph (20)(A), by striking “: *Pro-*
15 *vided, That*” and all that follows through “subject of
16 the judicial proceeding”;

17 (2) in paragraph (20)(B), by striking “(with
18 written notice to the lessee who designated the des-
19 ignee)”;

20 (3) in paragraph (23)(A), by striking “(with
21 written notice to the lessee who designated the des-
22 ignee)”;

23 (4) by amending paragraph (24) to read as fol-
24 lows:

1 “(24) ‘designee’ means a person who pays, off-
2 sets, or credits monies, makes adjustments, requests
3 and receives refunds, or submits reports with respect
4 to payments a lessee must make pursuant to section
5 102(a);”;

6 (5) in paragraph (25), in subparagraph (B)—

7 (A) by striking “(subject to the provisions
8 of section 102(a) of this Act)”; and

9 (B) in clause (ii), by striking subclause
10 (IV) and all that follows through the end of the
11 subparagraph and inserting the following:

12 “(IV) any assignment, that arises
13 from or relates to any lease, ease-
14 ment, right-of-way, permit, or other
15 agreement regardless of form adminis-
16 tered by the Secretary for, or any
17 mineral leasing law related to, the ex-
18 ploration, production, and develop-
19 ment of oil and gas or other energy
20 resource on Federal lands or the
21 Outer Continental Shelf;” and

22 (6) in paragraph (29), by inserting “or permit”
23 after “lease”.

24 (b) COMPLIANCE REVIEWS.—Section 101 of the Fed-
25 eral Oil and Gas Royalty Management Act of 1982 (30

1 U.S.C. 1711) is amended by adding at the end the fol-
2 lowing new subsection:

3 “(d) The Secretary may, as an adjunct to audits of
4 accounts for leases, conduct compliance reviews of ac-
5 counts. Such reviews shall not constitute nor substitute
6 for audits of lease accounts. The Secretary shall imme-
7 diately refer any disparity uncovered in such a compliance
8 review to a program auditor. The Secretary shall, before
9 completion of a compliance review, provide notice of the
10 review to designees whose obligations are the subject of
11 the review.”.

12 (c) LIABILITY FOR ROYALTY PAYMENTS.—Section
13 102(a) of the Federal Oil and Gas Royalty Management
14 Act of 1982 (30 U.S.C. 1712(a)) is amended to read as
15 follows:

16 “(a) LIABILITY FOR ROYALTY PAYMENTS.—

17 “(1) TIME AND MANNER OF PAYMENT.—In
18 order to increase receipts and achieve effective col-
19 lections of royalty and other payments, a lessee who
20 is required to make any royalty or other payment
21 under a lease, easement, right-of-way, permit, or
22 other agreement, regardless of form, or under the
23 mineral leasing laws, shall make such payment in
24 the time and manner as may be specified by the Sec-
25 retary or the applicable delegated State.

1 “(2) DESIGNEE.—Any person who pays, offsets,
2 or credits monies, makes adjustments, requests and
3 receives refunds, or submits reports with respect to
4 payments the lessee must make is the lessee’s des-
5 ignee under this Act.

6 “(3) LIABILITY.—A designee shall be liable for
7 any payment obligation of any lessee on whose be-
8 half the designee pays royalty under the lease. The
9 person owning operating rights in a lease and a per-
10 son owning legal record title in a lease shall be liable
11 for that person’s pro rata share of payment obliga-
12 tions under the lease.”.

13 (d) RECORDKEEPING.—Section 103(b) of the Federal
14 Oil and Gas Royalty Management Act of 1982 (30 U.S.C.
15 1713(b)) is amended by striking “6” and inserting “7”.

16 (e) ADJUSTMENTS AND REFUNDS.—Section 111A of
17 the Federal Oil and Gas Royalty Management Act of 1982
18 (30 U.S.C. 1721a) is amended—

19 (1) in subsection (a)—

20 (A) by amending paragraph (3) to read as
21 follows:

22 “(3)(A) An adjustment or a request for a re-
23 fund for an obligation may be made after the adjust-
24 ment period only upon written notice to and ap-
25 proval by the Secretary or the applicable delegated

1 State, as appropriate, during an audit of the period
2 which includes the production month for which the
3 adjustment is being made.

4 “(B) Except as provided in subparagraph (C),
5 no adjustment may be made with respect to an obli-
6 gation after the completion of an audit or compli-
7 ance review of such obligation unless such adjust-
8 ment is approved by the Secretary or the applicable
9 delegated State, as appropriate.

10 “(C) If an overpayment is identified during an
11 audit, the Secretary shall allow a credit in the
12 amount of the overpayment.”; and

13 (B) in paragraph (4)—

14 (i) by striking “six-year” and insert-
15 ing “four-year”; and

16 (ii) by striking “period shall” and in-
17 serting “period may”; and

18 (2) in subsection (b)(1)—

19 (A) in subparagraph (C), by striking
20 “and”;

21 (B) in subparagraph (D), by striking the
22 period and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(E) is made within the adjustment period
25 for that obligation.”.

1 (f) OBLIGATION PERIOD.—

2 (1) Section 115(b)(1) of the Federal Oil and
3 Gas Royalty Management Act of 1982 (30 U.S.C.
4 1724(b)(1)) is amended to read as follows:

5 “(1) The Secretary or a delegated State shall
6 commence a judicial proceeding or demand which
7 arises from, or relates to an obligation, within seven
8 years from the date on which the obligation becomes
9 due and if not so commenced shall be barred. A les-
10 see shall commence a judicial proceeding or demand
11 which arises from, or relates to an obligation, within
12 four years from the date on which an obligation be-
13 comes due and if not so commenced shall be barred.
14 If the Secretary, a delegated State, a lessee, or des-
15 ignee is barred from commencement of a judicial
16 proceeding or demand for an obligation, it—

17 “(A) shall not take any other or further
18 action regarding that obligation, including (but
19 not limited to) the issuance of any order, re-
20 quest, demand or other communication seeking
21 any document, accounting, determination, cal-
22 culation, recalculation, payment, principal, in-
23 terest, assessment, or penalty or the initiation,
24 pursuit or completion of an audit with respect
25 to that obligation; and

1 “(B) shall not pursue any other equitable
2 or legal remedy, including equitable
3 recoupment, whether under statute or common
4 law, with respect to an action on, defense
5 against, or an enforcement of said obligation.”.

6 (2) Section 115(c) of the Federal Oil and Gas
7 Royalty Management Act of 1982 (30 U.S.C.
8 1724(c)) is amended by adding at the end the fol-
9 lowing new paragraph:

10 “(3) ADJUSTMENTS.—In the case of an adjust-
11 ment under section 111A(a) in which a recoupment
12 by the lessee results in an underpayment of an obli-
13 gation, the obligation becomes due on the date the
14 lessee or its designee makes the adjustment.”.

15 (g) APPEALS.—Section 115(h) of the Federal Oil and
16 Gas Royalty Management Act of 1982 (30 U.S.C.
17 1724(h)) is amended—

18 (1) in paragraph (1), in the heading, by strik-
19 ing “33-MONTH” and inserting “48-MONTH”;

20 (2) by striking “33 months” each place it ap-
21 pears and inserting “48 months”; and

22 (3) by striking “33-month” each place it ap-
23 pears and inserting “48-month”.

24 (h) PENALTY FOR LATE OR INCORRECT REPORTING
25 OF DATA.—

1 (1) IN GENERAL.—The Secretary of the Inte-
2 rior shall issue regulations by not later than 1 year
3 after the date of enactment of this Act that establish
4 a civil penalty for late or incorrect reporting of data
5 under the Federal Oil and Gas Royalty Management
6 Act of 1982.

7 (2) AMOUNT.—The amount of the civil penalty
8 shall be—

9 (A) an amount that the Secretary deter-
10 mines is sufficient to ensure filing of data in ac-
11 cordance with that Act; and

12 (B) not less than \$10 for each failure to
13 file correct data in accordance with that Act.

14 (3) CONTENT OF REGULATIONS.—Except as
15 provided in paragraph (2), the regulations issued
16 under this section shall be substantially similar to
17 section 216.40 of title 30, Code of Federal Regula-
18 tions, as most recently in effect before the date of
19 enactment of this Act.

20 (i) SHARED PENALTIES.—Section 206 of the Federal
21 Oil and Gas Royalty Management Act of 1982 (30 U.S.C.
22 1736) is amended by striking “Any payments under this
23 section shall be reduced by an amount equal to any pay-
24 ments provided or due to such State or Indian Tribe under
25 the cooperative agreement or delegation, as applicable,

1 during the fiscal year in which the civil penalty is received,
2 up to the total amount provided or due for that fiscal
3 year.”.

4 (j) ADJUSTMENTS AND REFUNDS.—Section 111A of
5 the Federal Oil and Gas Royalty Management Act of 1982
6 (30 U.S.C. 1721a) is amended—

7 (1) in subsection (a)—

8 (A) by amending paragraph (3) to read as
9 follows:

10 “(3)(A) An adjustment or a request for a re-
11 fund for an obligation may be made after the adjust-
12 ment period only upon written notice to and ap-
13 proval by the Secretary or the applicable delegated
14 State, as appropriate, during an audit of the period
15 which includes the production month for which the
16 adjustment is being made.

17 “(B) Except as provided in subparagraph (C),
18 no adjustment may be made with respect to an obli-
19 gation after the completion of an audit or compli-
20 ance review of such obligation unless such adjust-
21 ment is approved by the Secretary or the applicable
22 delegated State, as appropriate.

23 “(C) If an overpayment is identified during an
24 audit, the Secretary shall allow a credit in the
25 amount of the overpayment.”; and

1 (B) in paragraph (4)—

2 (i) by striking “six-year” and insert-
3 ing “four-year”; and

4 (ii) by striking “period shall” and in-
5 serting “period may”; and

6 (2) in subsection (b)(1)—

7 (A) in subparagraph (C), by striking
8 “and”;

9 (B) in subparagraph (D), by striking the
10 period and inserting “; and”; and

11 (C) by adding at the end the following:

12 “(E) is made within the adjustment period
13 for that obligation.”.

14 (k) TOLLING AGREEMENTS AND SUBPOENAS.—

15 (1) TOLLING AGREEMENTS.—Section 115(d)(1)
16 of the Federal Oil and Gas Royalty Management Act
17 of 1982 (30 U.S.C. 1724(d)(1)) is amended—

18 (A) by striking “(with notice to the lessee
19 who designated the designee)”; and

20 (B) by adding at the end “A tolling agree-
21 ment executed by a designee shall bind both the
22 owner of legal record title in a lease and the
23 owner of operating rights in a lease, and any
24 designee. The owner of the legal record title
25 and the owner of operating rights in a lease

1 shall be bound by the tolling agreement to the
2 extent of their pro rata share of payment obli-
3 gations under the lease.”.

4 (2) SUBPOENAS.—Section 115(d)(2)(A) of the
5 Federal Oil and Gas Royalty Management Act of
6 1982 (30 U.S.C. 1724(d)(2)(A)) is amended by
7 striking “(with notice to the lessee who designated
8 the designee, which notice shall not constitute a sub-
9 poena to the lessee)”.

10 (1) REQUIRED RECORDKEEPING FOR NATURAL GAS
11 PLANTS.—

12 (1) Not later than 1 year after the date of en-
13 actment of this Act, the Secretary of the Interior
14 shall publish final regulations with respect to re-
15 quired recordkeeping, under the authority provided
16 in section 103 of the Federal Oil and Gas Royalty
17 Management Act of 1982 (30 U.S.C. 1713), as
18 amended by this Act.

19 (2) Section 103(a) of the Federal Oil and Gas
20 Royalty Management Act of 1982 (30 U.S.C.
21 1713(a)) is amended to read:

22 “(a) A lessee, operator, or other person directly in-
23 volved in developing, producing, treating, transporting,
24 processing, purchasing, or selling oil or gas subject to this
25 chapter through the point of first arm’s-length sale, the

1 point of royalty determination, or the point that proc-
2 essing is complete, whichever is later, shall establish and
3 maintain any records, make any reports, and provide any
4 information that the Secretary may, by rule, reasonably
5 require for the purposes of implementing this chapter or
6 determining compliance with rules or orders under this
7 chapter. Upon the request of any officer or employee duly
8 designated by the Secretary or any State or Indian Tribe
9 conducting an audit or investigation pursuant to this
10 chapter, the appropriate records, reports, or information
11 which may be required by this section shall be made avail-
12 able for inspection and duplication by such officer or em-
13 ployee, State, or Indian Tribe.”.

14 (m) ENTITLEMENTS.—

15 (1) DIRECTED RULEMAKING.—Not later than
16 180 days after the date of enactment of this Act, the
17 Secretary of the Interior shall publish final regula-
18 tions prescribing when a Federal lessee or designee
19 must report and pay royalties on oil and gas produc-
20 tion for each month based on—

21 (A) the volume of oil and gas produced
22 from a lease or allocated to the lease in accord-
23 ance with the terms of a unit or
24 communitization agreement; or

1 (B) the actual volume of oil and gas sold
2 by or on behalf of the lessee.

3 (2) 100 PERCENT ENTITLEMENT REPORTING
4 AND PAYING.—The Secretary shall give consider-
5 ation to requiring all reporting and paying based on
6 the volume of oil and gas produced from a lease or
7 allocated to the lease in accordance with the terms
8 of a unit or communitization agreement without re-
9 gard to the actual volume of oil and gas sold by or
10 on behalf of a lessee.

11 (3) VOLUME ALLOCATION OF OIL AND GAS PRO-
12 Duction.—Section 111(i) of the Federal Oil and
13 Gas Royalty Management Act of 1982 (30 U.S.C.
14 1721(i)) is amended to read:

15 “(i) VOLUME ALLOCATION OF OIL AND GAS PRO-
16 Duction.—Except as otherwise provided by this sub-
17 section—

18 “(A) a lessee or its designee of a lease in any
19 unit or communitization agreement shall report and
20 pay royalties on oil and gas production for each pro-
21 duction month based on the volume of oil and gas
22 produced from such agreement and allocated to the
23 lease in accordance with the terms of the agreement;
24 and

1 “(B) a lessee or its designee of a lease that is
2 not contained in a unit or communitization agree-
3 ment shall report and pay royalties on oil and gas
4 production for each production month based on the
5 volume of oil and gas produced from the lease unless
6 the Secretary promulgates a final rule to allow or re-
7 quire that the lessee report and pay royalties on oil
8 and gas production for each production month based
9 on the actual volume of production sold by or on be-
10 half of that lessee.”.

11 **SEC. 70807. HARDROCK MINING.**

12 (a) ABANDONED MINE LAND CLEANUP.—In addition
13 to amounts otherwise available, there is appropriated to
14 the Bureau of Land Management for fiscal year 2022, out
15 of any money in the Treasury not otherwise appropriated
16 \$2,500,000,000, to remain available until September 30,
17 2031, except that no amounts may be expended after Sep-
18 tember 30, 2031, for all activities necessary to inventory,
19 assess, decommission, reclaim, respond to hazardous sub-
20 stance releases on, and remediate abandoned locatable
21 minerals mine land.

22 (b) ROYALTY.—

23 (1) IN GENERAL.—Except as provided in para-
24 graph (2) and subject to paragraph (3), production
25 of all locatable minerals from any mining claim lo-

1 cated under the general mining laws and maintained
2 in compliance with this Act, or mineral concentrates
3 or products derived from locatable minerals from
4 any such mining claim, as the case may be, shall be
5 subject to a royalty of 8 percent of the gross income
6 from mining. The claim holder or any operator to
7 whom the claim holder has assigned the obligation
8 to make royalty payments under the claim and any
9 person who controls such claim holder or operator
10 shall be liable for payment of such royalties.

11 (2) ROYALTY FOR FEDERAL LANDS SUBJECT
12 TO APPROVED PLAN OF OPERATIONS.—The royalty
13 under paragraph (2) shall be 4 percent in the case
14 of any Federal land that is subject to an approved
15 plan of operations on the date of the enactment of
16 this Act.

17 (3) FEDERAL LAND ADDED TO EXISTING PLANS
18 OF OPERATIONS.—Any Federal land added through
19 a plan modification to a mining plan of operations
20 that is submitted after the date of enactment of this
21 Act shall be subject to the royalty that applies to
22 Federal land under paragraph (1).

23 (4) LIMITATION ON APPLICATION.—

24 (A) IN GENERAL.—Any royalty under this
25 subsection shall not apply to small miners. In

1 this subparagraph, the term “small miner”
2 means a person (including all related parties
3 thereto) that certifies to the Secretary in writ-
4 ing that the person had annual gross income in
5 the preceding calendar year from mineral pro-
6 duction in an amount less than \$100,000.

7 (B) RELATED PARTIES DEFINED.—For the
8 purposes of this paragraph, the term “related
9 parties” means, with respect to a person—

10 (i) the spouse and all dependents (as
11 defined in section 152 of the Internal Rev-
12 enue Code of 1986 (26 U.S.C. 152)) of the
13 person; or

14 (ii) another person who is affiliated
15 with the person, including—

16 (I) another person who controls,
17 is controlled by, or is under common
18 control with the person; and

19 (II) a subsidiary or parent com-
20 pany or corporation of the person.

21 (C) CONTROL DEFINED.—For purposes of
22 this paragraph, the term “control” includes ac-
23 tual control, legal control, and the power to ex-
24 ercise control, through or by common directors,
25 officers, stockholders, a voting trust, or a hold-

1 ing company or investment company, or any
2 other means.

3 (5) DUTIES OF CLAIM HOLDERS, OPERATORS,
4 AND TRANSPORTERS.—

5 (A) REGULATION.—The Secretary shall
6 prescribe by rule the time and manner in
7 which—

8 (i) a person who is required to make
9 a royalty payment under this section shall
10 make such payment; and

11 (ii) shall notify the Secretary of any
12 assignment that such person may have
13 made of the obligation to make any royalty
14 or other payment under a mining claim
15 under this section.

16 (B) WRITTEN INSTRUMENT.—Any person
17 paying royalties under this section shall file a
18 written instrument, together with the first roy-
19 alty payment, affirming that such person is re-
20 sponsible for making proper payments for all
21 amounts due for all time periods for which such
22 person has a payment responsibility.

23 (C) ADDITIONAL AMOUNTS.—Such respon-
24 sibility for the periods referred to in subpara-
25 graph (B) shall include any and all additional

1 amounts billed by the Secretary and determined
2 to be due by final agency or judicial action.

3 (D) JOINT AND SEVERAL LIABILITY.—Any
4 person liable for royalty payments under this
5 section who assigns any payment obligation
6 shall remain jointly and severally liable for all
7 royalty payments due for the period.

8 (E) OBLIGATIONS.—A person conducting
9 mineral activities shall—

10 (i) develop and comply with the site
11 security provisions in the mining plan of
12 operations designed to protect from theft
13 the hardrock minerals, concentrates, or
14 products derived therefrom that are pro-
15 duced or stored on the area subject to a
16 mining claim or lease, and such provisions
17 shall conform with such minimum stand-
18 ards as the Secretary may prescribe by
19 rule, taking into account the variety of cir-
20 cumstances on areas subject to mining
21 claims and leases; and

22 (ii) not later than the 5th business
23 day after production begins anywhere on
24 an area subject to a mining claim, or pro-
25 duction resumes after more than 90 days

1 after production was suspended, notify the
2 Secretary, in the manner prescribed by the
3 Secretary, of the date on which such pro-
4 duction has begun or resumed.

5 (F) REQUIRED DOCUMENTATION.—The
6 Secretary may by rule require any person en-
7 gaged in transporting a hardrock mineral, con-
8 centrate, or product derived therefrom to carry
9 on his or her person, in his or her vehicle, or
10 in his or her immediate control, documentation
11 showing, at a minimum, the amount, origin,
12 and intended destination of the hardrock min-
13 eral, concentrate, or product derived therefrom
14 in such circumstances as the Secretary deter-
15 mines is appropriate.

16 (6) RECORDKEEPING AND REPORTING RE-
17 QUIREMENTS.—

18 (A) IN GENERAL.—A claim holder, oper-
19 ator, or other person directly involved in devel-
20 oping, producing, processing, transporting, pur-
21 chasing, or selling hardrock minerals, con-
22 centrates, or products derived therefrom, sub-
23 ject to this section, shall establish and maintain
24 any records, make any reports, and provide any
25 information that the Secretary may reasonably

1 require for the purposes of implementing this
2 section or determining compliance with rules or
3 orders under this section. Such records shall in-
4 clude periodic reports, records, documents, and
5 other data. Such reports may also include perti-
6 nent technical and financial data relating to the
7 quantity, quality, composition volume, weight,
8 and assay of all minerals extracted from the
9 mining claim or lease.

10 (B) FORFEITURE.—Failure by a claim
11 holder or operator to cooperate with such an
12 audit, provide data required by the Secretary,
13 or grant access to information may, at the dis-
14 cretion of the Secretary, be declared void.

15 (C) MAINTENANCE OF RECORDS.—Records
16 required by the Secretary under this section
17 shall be maintained for 7 years after release of
18 financial assurance unless the Secretary notifies
19 the operator that the Secretary has initiated an
20 audit or investigation involving such records
21 and that such records must be maintained for
22 a longer period. In any case when an audit or
23 investigation is underway, records shall be
24 maintained until the Secretary releases the op-

1 erator of the obligation to maintain such
2 records.

3 (7) AUDITS.—The Secretary is authorized to
4 conduct such audits of all operators, transporters,
5 purchasers, processors, or other persons directly or
6 indirectly involved in the production or sale of min-
7 erals covered by this section, as the Secretary deems
8 necessary for the purposes of ensuring compliance
9 with the requirements of this section. For purposes
10 of performing such audits, the Secretary shall, at
11 reasonable times and upon request, have access to,
12 and may copy, all books, papers and other docu-
13 ments that relate to compliance with any provision
14 of this section by any person.

15 (8) INTEREST AND SUBSTANTIAL UNDER-
16 REPORTING ASSESSMENTS.—

17 (A) PAYMENTS NOT RECEIVED.—In the
18 case of production where royalty payments are
19 not received by the Secretary on the date that
20 such payments are due, the Secretary shall
21 charge interest on such underpayments at the
22 same interest rate as the rate applicable under
23 section 6621(a)(2) of the Internal Revenue
24 Code of 1986. In the case of an underpayment,
25 interest shall be computed and charged only on

1 the amount of the deficiency and not on the
2 total amount.

3 (B) UNDERREPORTING.—If there is any
4 underreporting of royalty owed on production
5 for any production month by any person liable
6 for royalty payments under this section, the
7 Secretary shall assess a penalty of not greater
8 than 25 percent of the amount of that under-
9 reporting.

10 (C) SELF-REPORTING.—The Secretary
11 may waive or reduce the assessment provided in
12 subparagraph (B) if the person liable for roy-
13 alty payments under this section corrects the
14 underreporting before the date such person re-
15 ceives notice from the Secretary that an under-
16 reporting may have occurred, or before 90 days
17 after the date of the enactment of this section,
18 whichever is later.

19 (D) WAIVER.—The Secretary shall waive
20 any portion of an assessment under subpara-
21 graph (B) attributable to that portion of the
22 underreporting for which the person responsible
23 for paying the royalty demonstrates that—

24 (i) such person had written authoriza-
25 tion from the Secretary to report royalty

1 on the value of the production on basis on
2 which it was reported;

3 (ii) such person had substantial au-
4 thority for reporting royalty on the value
5 of the production on the basis on which it
6 was reported;

7 (iii) such person previously had noti-
8 fied the Secretary, in such manner as the
9 Secretary may by rule prescribe, of rel-
10 evant reasons or facts affecting the royalty
11 treatment of specific production which led
12 to the underreporting; or

13 (iv) such person meets any other ex-
14 ception which the Secretary may, by rule,
15 establish.

16 (E) DEFINITION.—For the purposes of
17 this subsection, the term “underreporting”
18 means the difference between the royalty on the
19 value of the production that should have been
20 reported and the royalty on the value of the
21 production which was reported, if the value that
22 should have been reported is greater than the
23 value that was reported.

24 (9) EXPANDED ROYALTY OBLIGATIONS.—Each
25 person liable for royalty payments under this section

1 shall be jointly and severally liable for royalty on all
2 hardrock minerals, concentrates, or products derived
3 therefrom lost or wasted from a mining claim when
4 such loss or waste is due to negligence on the part
5 of any person or due to the failure to comply with
6 any rule, regulation, or order issued under this sec-
7 tion.

8 (10) GROSS INCOME FROM MINING DEFINED.—
9 For the purposes of this section, for any hardrock
10 mineral, the term “gross income from mining” has
11 the same meaning as the term “gross income” in the
12 Internal Revenue Code of 1986 (26 C.F.R. 61).

13 (11) EFFECTIVE DATE.—Royalties under this
14 section shall take effect with respect to the produc-
15 tion of hardrock minerals after the enactment of this
16 Act, but any royalty payments attributable to pro-
17 duction during the first 12 calendar months after
18 the enactment of this Act shall be payable at the ex-
19 piration of such 12-month period.

20 (12) FAILURE TO COMPLY WITH ROYALTY RE-
21 QUIREMENTS.—Any person who fails to comply with
22 the requirements of this section or any regulation or
23 order issued to implement this section shall be liable
24 for a civil penalty under section 109 of the Federal
25 Oil and Gas Royalty Management Act (30 U.S.C.

1 1719) to the same extent as if the claim maintained
2 in compliance with this title were a lease under such
3 Act.

4 (c) RECLAMATION FEE.—

5 (1) IMPOSITION OF FEE.—Except as provided
6 in paragraph (7), each operator conducting hardrock
7 mineral activities shall pay to the Secretary of the
8 Interior a reclamation fee of 7 cents per ton of dis-
9 placed material.

10 (2) PAYMENT DEADLINE.—Such reclamation
11 fee shall be paid not later than 60 days after the
12 end of each calendar year beginning with the first
13 calendar year occurring after the date of enactment
14 of this Act.

15 (3) SUBMISSION OF STATEMENT.—All operators
16 conducting hardrock mineral activities shall submit
17 to the Secretary a statement of the amount of dis-
18 placed material produced during mineral activities
19 during the previous calendar year, the accuracy of
20 which shall be sworn to by the operator and nota-
21 rized.

22 (4) PENALTY.—Any corporate officer, agent, or
23 director of a person conducting hardrock mineral ac-
24 tivities, and any other person acting on behalf of
25 such a person, who knowingly makes any false state-

1 ment, representation, or certification, or knowingly
2 fails to make any statement, representation, or cer-
3 tification, required under this section with respect to
4 such operation shall, upon conviction, be punished
5 by a fine of not more than \$10,000.

6 (5) CIVIL ACTION TO RECOVER FEE.—Any por-
7 tion of such reclamation fee not properly or prompt-
8 ly paid pursuant to this section shall be recoverable,
9 with statutory interest, from the hardrock mineral
10 activities operator, in any court of competent juris-
11 diction in any action at law to compel payment of
12 debts.

13 (6) EFFECT.—Nothing in this section requires
14 a reduction in, or otherwise affects, any similar fee
15 required under any law (including regulations) of
16 any State.

17 (7) EXEMPTION.—The fee under this section
18 shall not apply for small miners.

19 (8) DEFINITIONS.—

20 (A) The term “displaced material” means
21 any unprocessed ore and waste dislodged from
22 its location at the time hardrock mineral activi-
23 ties begin at a surface, underground, or in-situ
24 mine.

25 (B) The term “hardrock mineral”—

1 (i) means any mineral that was sub-
2 ject to location under the general mining
3 laws as of the date of enactment of this
4 Act, and that is not subject to disposition
5 under—

6 (I) the Mineral Leasing Act (30
7 U.S.C. 181 et seq.);

8 (II) the Geothermal Steam Act of
9 1970 (30 U.S.C. 1001 et seq.);

10 (III) the Act of July 31, 1947,
11 commonly known as the Materials Act
12 of 1947 (30 U.S.C. 601 et seq.); or

13 (IV) the Mineral Leasing for Ac-
14 quired Lands Act (30 U.S.C. 351 et
15 seq.); and

16 (ii) does not include any mineral that
17 is subject to a restriction against alienation
18 imposed by the United States and is—

19 (I) held in trust by the United
20 States for any Indian or Indian Tribe,
21 as defined in section 2 of the Indian
22 Miner Development Act of 1982 (25
23 U.S.C. 2101); or

24 (II) owned by any Indian or In-
25 dian Tribe, as defined in that section.

1 (C) The term “mineral activities” means
2 any activity on a mining claim, mill site, or tun-
3 nel site, or a mining plan of operations, for, re-
4 lated to, or incidental to, mineral exploration,
5 mining, beneficiation, processing, or reclama-
6 tion activities for any hardrock mineral.

7 (D) The term “operator” means any per-
8 son authorized at the date of enactment of this
9 Act or proposing after the date of enactment of
10 this Act to conduct mineral activities under the
11 Mining Law of 1872 (30 U.S.C. 22) and any
12 agent of such person.

13 (E) The term “small miner” means a per-
14 son (including all related parties thereto) that
15 certifies to the Secretary in writing that the
16 person had annual gross income in the pre-
17 ceeding calendar year from mineral production
18 in an amount less than \$100,000.

19 (F) The term “displaced material” means
20 any crude ore and waste dislodged from its lo-
21 cation at the time hardrock mineral activities
22 begin at a surface, underground, or in-situ
23 mine.

24 (d) CLAIM MAINTENANCE FEE.—

1 (1) HARDROCK MINING CLAIM MAINTENANCE
2 FEE.—

3 (A) REQUIRED FEES.—

4 (i) For each unpatented mining claim,
5 mill, or tunnel site on federally owned
6 lands, whether located before, on, or after
7 the date of enactment of this Act, each
8 claimant shall pay to the Secretary, on or
9 before September 1 of each year, a claim
10 maintenance fee of \$200 per claim to hold
11 such unpatented mining claim, mill or tun-
12 nel site for the assessment year beginning
13 at noon on the next day, September 1.

14 (ii) For each unpatented placer min-
15 ing claim on federally owned lands, wheth-
16 er located before, on, or after the date of
17 enactment of this Act, each claimant shall
18 pay to the Secretary, on or before Sep-
19 tember 1 of each year, a claim mainte-
20 nance fee of \$200 for each 20 acres of the
21 placer claim or portion thereof.

22 (iii) Such claim maintenance fee de-
23 scribed in this section shall be in lieu of
24 the assessment work requirement con-
25 tained in the Mining Law of 1872 (30

1 U.S.C. 28 et seq.) and the related filing re-
2 quirements contained in section 314 (a)
3 and (c) of the Federal Land Policy and
4 Management Act of 1976 (43 U.S.C. 1744
5 (a) and (c)).

6 (iv) The claim maintenance fee in this
7 section shall be paid for the year in which
8 the location is made, at the time the loca-
9 tion notice is recorded with the Bureau of
10 Land Management.

11 (B) FEE ADJUSTMENTS.—

12 (i) The Secretary shall provide claim-
13 ants notice of any adjustment made under
14 this subsection not later than July 1 of
15 any year in which the adjustment is made.

16 (ii) A fee adjustment under this sub-
17 section shall begin to apply the first as-
18 sessment year which begins after adjust-
19 ment is made.

20 (C) EXCEPTION FOR SMALL MINERS.—The
21 claim maintenance fee required under this sec-
22 tion may be waived for a claimant who certifies
23 in writing to the Secretary that on the date the
24 payment was due, the claimant and all related
25 parties—

1 (i) held not more than 10 mining
2 claims, mill sites, or tunnel sites, or any
3 combination thereof, on public lands; and

4 (ii) have performed assessment work
5 required under the Mining Law of 1872
6 (30 U.S.C. 28–28e) to maintain the min-
7 ing claims held by the claimant and such
8 related parties for the assessment year
9 ending on noon of September 1 of the cal-
10 endar year in which payment of the claim
11 maintenance fee was due.

12 (2) CO-OWNERSHIP.—The co-ownership provi-
13 sions of the Mining Law of 1872 (30 U.S.C. 28 et
14 seq.) shall remain in effect except that the annual
15 claim maintenance fee, where applicable, shall re-
16 place applicable assessment requirements and ex-
17 penditures.

18 (3) FAILURE TO PAY.—Failure to timely pay
19 the claim maintenance fee as required by the Sec-
20 retary shall conclusively constitute a forfeiture of the
21 unpatented mining claim, mill or tunnel site by the
22 claimant and the claim shall be deemed null and
23 void by operation of law.

24 (e) FUNDING TO PREVENT ENVIRONMENTAL DAM-
25 AGE FROM MINING.—In addition to amounts otherwise

1 available, there is appropriated to the Bureau of Land
2 Management for fiscal year 2022, out of any money in
3 the Treasury not otherwise appropriated, \$3,000,000, to
4 remain available until September 30, 2031, except that no
5 amounts may be expended after September 30, 2031, to
6 revise rules and regulations to prevent undue degradation
7 of public lands due to hardrock mining activities as au-
8 thorized by the Federal Land Policy and Management Act
9 (43 U.S.C. 1701) and the Mining Law of 1872 (30 U.S.C.
10 22).

11 **Subtitle I—Office of Native**
12 **Hawaiian Relations**

13 **SEC. 70901. NATIVE HAWAIIAN CONSULTATION.**

14 In addition to amounts otherwise available, there is
15 appropriated to the Office of Native Hawaiian Relations
16 for fiscal year 2022, out of any money in the Treasury
17 not otherwise appropriated, \$3,000,000, to remain avail-
18 able until September 30, 2031, except that no amounts
19 may be expended after September 30, 2031, for the pur-
20 poses of conducting consultations with the Native Hawai-
21 ian people.

22 **SEC. 70902. NATIVE HAWAIIAN CLIMATE RESILIENCE.**

23 In addition to amounts otherwise available, there is
24 appropriated to the Office of Native Hawaiian Relations
25 for fiscal year 2022, out of any money in the Treasury

1 not otherwise appropriated, \$30,000,000, to remain avail-
2 able until September 30, 2031, except that no amounts
3 may be expended after September 30, 2031, through di-
4 rect expenditure, contracts, grants, and cooperative agree-
5 ments to provide funding and technical assistance for cli-
6 mate resilience and adaptation programs that serve the
7 Native Hawaiian people.

8 **Subtitle J—Accountability for**
9 **Funds**

10 **SEC. 71001. OVERSIGHT.**

11 One half of one percent of the amounts made avail-
12 able under this title in each of fiscal years 2022 through
13 2031 shall be used for the oversight and accountability
14 of the expenditure of funds.

15 **SEC. 71002. LIMITATION.**

16 Of the funds provided under sections 70301, 70303,
17 70310, 70504, 70505, 70506, 70507, 70508, 70510,
18 70512, 70513, 70514, 70601, 70602, 70603, 70609, and
19 70610, no more than 2 percent shall be used for adminis-
20 trative costs to carry out such sections.

21 **SEC. 71003. LIMITATION.**

22 No funds made available under this title may be used
23 to close the national office of the Bureau of Land Manage-
24 ment located in Grand Junction, Colorado.

1 **TITLE VIII—COMMITTEE ON**
2 **OVERSIGHT AND REFORM**

3 **SEC. 80001. GENERAL SERVICES ADMINISTRATION CLEAN**
4 **VEHICLE FLEET.**

5 In addition to amounts otherwise available, there is
6 appropriated to the General Services Administration for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$5,000,000,000, to remain avail-
9 able until expended, for the procurement of electric vehi-
10 cles and related infrastructure for the Federal fleet (ex-
11 cluding any vehicles of the United States Postal Service
12 and including non-tactical vehicles of the Department of
13 Defense), and the management, acquisition, and allocation
14 of such electric vehicles and infrastructure and working
15 with Federal agencies to allocate and lease resources as
16 necessary.

17 **SEC. 80002. GENERAL SERVICES ADMINISTRATION OFFICE**
18 **OF THE INSPECTOR GENERAL CLEAN VEHI-**
19 **CLE FLEET OVERSIGHT.**

20 In addition to amounts otherwise available, there is
21 appropriated to the Office of the Inspector General of the
22 General Services Administration for fiscal year 2022, out
23 of any money in the Treasury not otherwise appropriated,
24 \$2,500,000, to remain available until expended, for over-
25 sight of the procurement of electric vehicles and related

1 infrastructure for the Federal fleet at the General Services
2 Administration.

3 **SEC. 80003. UNITED STATES POSTAL SERVICE; CLEAN VEHI-**
4 **CLE FLEET AND FACILITY MAINTENANCE.**

5 In addition to amounts otherwise available, there is
6 appropriated to the United States Postal Service for fiscal
7 year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$7,000,000,000, to remain available until
9 expended, to be deposited into the Postal Service Fund
10 established under section 2003 of title 39, United States
11 Code, to acquire electric vehicles for the Postal Service
12 fleet, of which \$3,000,000,000 shall be for the purchase
13 of electric delivery vehicles and \$4,000,000,000 shall be
14 for the purchase of the related infrastructure to support
15 such vehicles.

16 **SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE OF**
17 **THE INSPECTOR GENERAL CLEAN VEHICLE**
18 **FLEET PROCUREMENT OVERSIGHT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Office of the Inspector General of the
21 United States Postal Service for fiscal year 2022, out of
22 any money in the Treasury not otherwise appropriated,
23 \$23,000,000, to remain available until expended, to be de-
24 posited into the Postal Service Fund established under
25 section 2003 of title 39, United States Code, to perform

1 oversight of the United States Postal Service's acquisition
2 and deployment of electric vehicles and such infrastructure
3 as may be required to support such vehicles.

4 **SEC. 80005. NATIONAL ARCHIVES AND RECORDS ADMINIS-**
5 **TRATION.**

6 In addition to amounts otherwise available, there is
7 appropriated to the National Archives and Records Ad-
8 ministration for fiscal year 2022, out of any money in the
9 Treasury not otherwise appropriated, \$60,000,000 to re-
10 main available until expended to address backlogs in re-
11 sponding to requests from veterans for military personnel
12 records, improve cyber security, improve digital preserva-
13 tion and access to archival Federal records, and address
14 backlogs in requests made under section 552 of title 5,
15 United States Code (commonly referred to as the Freedom
16 of Information Act). Such amounts may also be used for
17 the Federal Records Center Program.

18 **SEC. 80006. FUNDING FOR GOVERNMENT ACCOUNTABILITY**
19 **OFFICE.**

20 In addition to amounts otherwise available, there is
21 appropriated for fiscal year 2022, out of any money in
22 the Treasury not otherwise appropriated, \$25,000,000, to
23 remain available until expended, for the Comptroller Gen-
24 eral to conduct oversight of the receipt, disbursement, and
25 use of funds and exercise of authorities provided by this

1 Act, including oversight of the equitable distribution and
2 use of funds and their economic, social, and environmental
3 impacts, and to prepare such reports that the Comptroller
4 General determines appropriate.

5 **SEC. 80007. FUNDING FOR THE OFFICE OF MANAGEMENT**
6 **AND BUDGET FOR IMPLEMENTATION OF**
7 **JUSTICE40.**

8 In addition to amounts otherwise available, there is
9 appropriated to the Office of Management and Budget for
10 fiscal year 2022, out of any money in the Treasury not
11 otherwise appropriated, \$4,000,000 to remain available
12 until September 30, 2026, for additional personnel and
13 data management expenses to support implementation of
14 the Justice40 Initiative set forth in section 223 of Execu-
15 tive Order No. 14008, “Executive Order on Tackling the
16 Climate Crisis at Home and Abroad” (January 27, 2021),
17 including providing assistance to other agencies in the de-
18 velopment and implementation of methodologies to meas-
19 ure benefits, the development of a database to track agen-
20 cy benefits to disadvantaged communities, and a public-
21 facing scorecard detailing agency environmental justice
22 performance measures.

1 **SEC. 80008. DISTRICT OF COLUMBIA CLEAN VEHICLE**
2 **FLEET.**

3 In addition to amounts otherwise available, there is
4 appropriated to the District of Columbia for fiscal year
5 2022, out of any money in the Treasury not otherwise ap-
6 propriated, \$10,000,000, to remain available until ex-
7 pended, for the procurement of electric vehicles and re-
8 lated infrastructure for the District of Columbia and the
9 management and acquisition of such electric vehicles and
10 infrastructure.

11 **SEC. 80009. FUNDING FOR TECHNOLOGY MODERNIZATION**
12 **FUND.**

13 In addition to amounts otherwise available, there is
14 appropriated to the Technology Modernization Fund for
15 fiscal year 2022, out of any money in the Treasury not
16 otherwise appropriated, \$1,000,000,000, to remain avail-
17 able until September 30, 2031.

18 **SEC. 80010. FUNDING FOR GENERAL SERVICES ADMINIS-**
19 **TRATION FEDERAL CITIZEN SERVICES FUND.**

20 In addition to amounts otherwise available, there is
21 appropriated to the General Services Administration for
22 fiscal year 2022, out of any money in the Treasury not
23 otherwise appropriated, \$2,000,000,000, to remain avail-
24 able until September 30, 2031, to be deposited in the Fed-
25 eral Citizen Services Fund.

1 **SEC. 80011. FUNDING FOR INFORMATION TECHNOLOGY**
2 **OVERSIGHT AND REFORM (ITOR) ACCOUNT.**

3 In addition to amounts otherwise available, there is
4 appropriated to the Office of Management and Budget's
5 Information Technology Oversight and Reform (ITOR)
6 account within the Executive Office of the President for
7 fiscal year 2022, out of any money in the Treasury not
8 otherwise appropriated, \$350,000,000, to remain available
9 until September 30, 2031.

10 **TITLE IX—COMMITTEE ON**
11 **SCIENCE, SPACE, AND TECH-**
12 **NOLOGY**

13 **SEC. 90001. DEPARTMENT OF COMMERCE REGIONAL INNO-**
14 **VATION.**

15 In addition to amounts otherwise available, there is
16 appropriated to the Department of Commerce for fiscal
17 year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$5,000,000,000, to remain available until
19 September 30, 2031, except that no amounts may be ex-
20 pended after September 30, 2031, for planning and estab-
21 lishment of regional innovation initiatives pursuant to the
22 Stevenson-Wydler Act, and for related administrative ex-
23 penses. Of the funds provided by this section for regional
24 innovation initiatives, no fewer than one-third of grants
25 or cooperative agreements awarded shall significantly ben-
26 efit a State that is eligible to receive funding from the

1 Established Program to Stimulate Competitive Research
2 of the National Science Foundation or a rural or other
3 underserved community.

4 **SEC. 90002. FUNDING FOR DEPARTMENT OF ENERGY LAB-**
5 **ORATORY INFRASTRUCTURE.**

6 (a) OFFICE OF SCIENCE APPROPRIATION.—In addi-
7 tion to amounts otherwise available, there is appropriated
8 to the Department of Energy Office of Science for fiscal
9 year 2022, out of any money in the Treasury not otherwise
10 appropriated, \$10,391,804,000, to remain available until
11 September 30, 2026, to carry out laboratory infrastruc-
12 ture projects, including—

13 (1) \$7,780,566,000 for Construction Projects,
14 of which—

15 (A) \$220,000,000 shall be used for the
16 Exascale Computing Project;

17 (B) \$493,600,000 shall be used for the
18 Frontier Exascale Computing System;

19 (C) \$427,400,000 shall be used for the Au-
20 rora Exascale Computing System;

21 (D) \$155,400,000 shall be used for up-
22 grades to the National Energy Research Sci-
23 entific Computing Center;

24 (E) \$38,616,000 shall be used for the En-
25 ergy Sciences Network;

1 (F) \$157,000,000 shall be used for the Ad-
2 vanced Photon Source Upgrade;

3 (G) \$729,800,000 shall be used for the
4 Spallation Neutron Source Proton Power Up-
5 grade and Second Target Station;

6 (H) \$337,600,000 shall be used for the
7 Advanced Light Source Upgrade;

8 (I) \$472,850,000 shall be used for the
9 Linac Coherent Light Source-II, including the
10 High Energy Upgrade;

11 (J) \$86,000,000 shall be used for the
12 Cryomodule Repair and Maintenance Facility;

13 (K) \$25,000,000 shall be used for the
14 High Flux Isotope Reactor Pressure Vessel Re-
15 placement;

16 (L) \$1,325,000,000 shall be used for
17 United States contributions to the ITER
18 project as authorized in section 972(c) of the
19 Energy Policy Act of 2005 (42 U.S.C.
20 16312(c));

21 (M) \$212,300,000 shall be used for the
22 Matter in Extreme Conditions Upgrade;

23 (N) \$581,000,000 shall be used for the
24 Proton Improvement Plan-II project;

1 (O) \$1,300,000,000 shall be used for the
2 Long Baseline Neutrino Facility/Deep Under-
3 ground Neutrino Experiment;

4 (P) \$13,000,000 shall be used for the
5 Muon to Electron Conversion Experiment;

6 (Q) \$806,000,000 shall be used for the
7 Electron Ion Collider;

8 (R) \$213,000,000 shall be used for the
9 Oak Ridge National Laboratory Radioisotope
10 Processing Facility; and

11 (S) \$187,000,000 shall be used for the
12 United States Stable Isotope Production and
13 Research Center;

14 (2) \$1,470,238,000 for Major Items of Equip-
15 ment, of which—

16 (A) \$302,000,000 shall be used for the
17 High Performance Data Facility;

18 (B) \$90,000,000 shall be used for the
19 Nanoscale Science Research Center Recapital-
20 ization project;

21 (C) \$83,500,000 shall be used for the Na-
22 tional Synchrotron Light Source-II Experi-
23 mental Tools II project;

24 (D) \$59,200,000 shall be used for the Ma-
25 terial Plasma Exposure Experiment;

1 (E) \$567,875,000 shall be used for such
2 projects for the High Energy Physics program,
3 including—

4 (i) \$237,000,000 for the Cosmic
5 Microwave Background-Stage 4 experi-
6 ment; and

7 (ii) \$223,875,000 for upgrades to the
8 Large Hadron Collider; and

9 (F) \$367,663,000 shall be used for such
10 projects for the Nuclear Physics program, in-
11 cluding \$212,500,000 for the Ton-Scale
12 Neutrinoless Double Beta Decay experiment;
13 and

14 (3) \$1,141,000,000 for Science Laboratories
15 Infrastructure, of which—

16 (A) \$111,500,000 shall be used for such
17 projects at the Oak Ridge National Laboratory;

18 (B) \$115,000,000 shall be used for such
19 projects at the Thomas Jefferson National Ac-
20 celerator Facility;

21 (C) \$150,400,000 shall be used for such
22 projects at the Princeton Plasma Physics Lab-
23 oratory;

24 (D) \$29,850,000 shall be used for such
25 projects at the Ames Laboratory;

1 (E) \$90,000,000 shall be used for such
2 projects at the Brookhaven National Labora-
3 tory;

4 (F) \$265,000,000 shall be used for such
5 projects at the Lawrence Berkeley National
6 Laboratory;

7 (G) \$152,000,000 shall be used for such
8 projects at the SLAC National Accelerator Lab-
9 oratory;

10 (H) \$100,000,000 shall be used for such
11 projects at the Argonne National Laboratory;
12 and

13 (I) \$127,250,000 shall be used for such
14 projects at the Fermi National Accelerator Lab-
15 oratory.

16 (b) ENERGY EFFICIENCY AND RENEWABLE ENERGY
17 APPROPRIATION.—In addition to amounts otherwise avail-
18 able, there is appropriated to the Department of Energy
19 Office of Energy Efficiency and Renewable Energy for fis-
20 cal year 2022, out of any money in the Treasury not other-
21 wise appropriated, \$349,200,000, to remain available until
22 September 30, 2026, to carry out laboratory infrastruc-
23 ture projects, of which—

24 (1) \$163,000,000 shall be used for the Energy
25 Materials and Processing at Scale project;

1 (2) \$96,200,000 shall be used for the Advanced
2 Research in Integrated Energy Systems initiative;
3 and

4 (3) \$90,000,000 shall be used for high-perform-
5 ance computing equipment and infrastructure.

6 (c) NUCLEAR ENERGY APPROPRIATION.—In addition
7 to amounts otherwise available, there is appropriated to
8 the Department of Energy Office of Nuclear Energy for
9 fiscal year 2022, out of any money in the Treasury not
10 otherwise appropriated, \$408,000,000, to remain available
11 until September 30, 2026, to carry out laboratory infra-
12 structure projects, of which—

13 (1) \$66,000,000 shall be used for the Sample
14 Preparation Laboratory;

15 (2) \$125,000,000 shall be used for the Ad-
16 vanced Test Reactor and Materials and Fuel Com-
17 plex Plant Health projects;

18 (3) \$122,000,000 shall be used for the Ad-
19 vanced Test Reactor Recapitalization project; and

20 (4) \$95,000,000 shall be used for the Versatile
21 Test Reactor as authorized in section 955 of the En-
22 ergy Policy Act of 2005 (42 U.S.C. 16275).

23 (d) FOSSIL ENERGY AND CARBON MANAGEMENT AP-
24 PROPRIATION.—In addition to amounts otherwise avail-
25 able, there is appropriated to the Department of Energy

1 Office of Fossil Energy and Carbon Management for fiscal
2 year 2022, out of any money in the Treasury not otherwise
3 appropriated, \$20,000,000, to remain available until Sep-
4 tember 30, 2026, to carry out activities to support high-
5 performance computing equipment and infrastructure.

6 (e) GENERAL LABORATORY INFRASTRUCTURE.—In
7 addition to amounts otherwise available, there is appro-
8 priated for fiscal year 2022, out of any money in the
9 Treasury not otherwise appropriated, \$1,080,996,000, to
10 remain available until September 30, 2026, to carry out
11 activities to support infrastructure at Department of En-
12 ergy National Laboratories for civilian research and devel-
13 opment purposes, including General Plant Projects and
14 General Plant Equipment, of which—

15 (1) not less than \$377,301,000 shall be avail-
16 able to the Office of Science;

17 (2) not less than \$209,800,000 shall be avail-
18 able to the Office of Energy Efficiency and Renew-
19 able Energy;

20 (3) not less than \$40,000,000 shall be available
21 to the Office of Nuclear Energy;

22 (4) not less than \$190,000,000 shall be avail-
23 able to the Office of Fossil Energy and Carbon Man-
24 agement; and

1 (5) not less than \$102,200,000 shall be avail-
2 able to the Office of Environmental Management.

3 **SEC. 90003. DEPARTMENT OF ENERGY RESEARCH, DEVELOP-**
4 **MENT, AND DEMONSTRATION ACTIVITIES.**

5 (a) OFFICE OF SCIENCE APPROPRIATIONS.—In addi-
6 tion to amounts otherwise available, there is appropriated
7 to the Office of Science of the Department of Energy for
8 fiscal year 2022, out of any money in the Treasury not
9 otherwise appropriated, \$2,000,000,000, to remain avail-
10 able until September 30, 2026, to carry out research and
11 development activities. Of the funds provided by this sec-
12 tion:

13 (1) COMPUTATIONAL SCIENCE GRADUATE FEL-
14 LOWSHIP.—\$116,000,000 shall be used to carry out
15 the Department of Energy Computational Science
16 Graduate Fellowship program.

17 (2) QUANTUM USER EXPANSION FOR SCIENCE
18 AND TECHNOLOGY.—\$340,000,000 shall be used to
19 carry out activities to facilitate access of researchers
20 to United States quantum computing facilities for
21 research purposes as part of the program authorized
22 in title IV of the National Quantum Initiative Act
23 (15 U.S.C. 8851 et seq.).

24 (3) LOW-DOSE RADIATION RESEARCH.—
25 \$180,000,000 shall be used to carry out the activi-

1 ties of the low-dose radiation research program au-
2 thorized in section 306(c) of the Department of En-
3 ergy Research and Innovation Act (42 U.S.C.
4 18644(c)).

5 (4) FUSION MATERIALS RESEARCH AND DEVEL-
6 OPMENT.—\$250,000,000 shall be used to carry out
7 the activities of the fusion materials research and
8 development program authorized in section 307(b) of
9 the Department of Energy Research and Innovation
10 Act (42 U.S.C. 18645(b)).

11 (5) INERTIAL FUSION RESEARCH AND DEVEL-
12 OPMENT.—\$140,000,000 shall be used to carry out
13 the activities of the program of research and tech-
14 nology development in inertial fusion for energy ap-
15 plications authorized in section 307(d) of the De-
16 partment of Energy Research and Innovation Act
17 (42 U.S.C. 18645(d)).

18 (6) ALTERNATIVE AND ENABLING FUSION EN-
19 ERGY CONCEPTS.—\$275,000,000 shall be used to
20 carry out the activities of the alternative and ena-
21 bling fusion energy concepts program authorized in
22 section 307(e) of the Department of Energy Re-
23 search and Innovation Act (42 U.S.C. 18645(e)).

24 (7) MILESTONE-BASED FUSION ENERGY DEVEL-
25 OPMENT PROGRAM.—\$325,000,000 shall be used to

1 carry out the activities of the milestone-based fusion
2 energy development program authorized in section
3 307(i) of the Department of Energy Research and
4 Innovation Act (42 U.S.C. 18645(i)).

5 (8) FUSION REACTOR SYSTEM DESIGN.—
6 \$250,000,000 shall be used to carry out the fusion
7 reactor system design activities authorized in section
8 307(j) of the Department of Energy Research and
9 Innovation Act (42 U.S.C. 18645(j)).

10 (b) ENERGY EFFICIENCY AND RENEWABLE ENERGY
11 APPROPRIATION.—

12 (1) DEMONSTRATION PROJECTS.—In addition
13 to amounts otherwise available, there is appropriated
14 to the Department of Energy Office of Energy Effi-
15 ciency and Renewable Energy for fiscal year 2022,
16 out of any money in the Treasury not otherwise ap-
17 propriated, \$1,107,500,000, to remain available
18 until September 30, 2026, to carry out demonstra-
19 tion projects, including demonstration of advanced—

20 (A) wind energy technologies as authorized
21 in section 3003 of the Energy Act of 2020 (42
22 U.S.C. 16237);

23 (B) solar energy technologies as authorized
24 in section 3004 of the Energy Act of 2020 (42
25 U.S.C. 16238), including technologies and proc-

1 esses to encourage the domestic production of
2 materials, semiconductors, and other compo-
3 nents at all stages of the solar supply chain;

4 (C) geothermal technologies as authorized
5 in section 615 of the Energy Independence and
6 Security Act of 2007 (42 U.S.C. 17194);

7 (D) water power technologies as authorized
8 in sections 634 and 635 of the Energy Inde-
9 pendence and Security Act of 2007 (42 U.S.C.
10 17213 et al.);

11 (E) vehicle technologies;

12 (F) bioenergy technologies, including
13 biofuels; and

14 (G) building technologies.

15 (2) CLEAN ENERGY MANUFACTURING INNOVA-
16 TION INSTITUTE.—In addition to amounts otherwise
17 available, there is appropriated to the Office of En-
18 ergy Efficiency and Renewable Energy for fiscal
19 year 2022, out of any money in the Treasury not
20 otherwise appropriated, \$70,000,000, to remain
21 available until September 30, 2026, to carry out ac-
22 tivities to support one new Clean Energy Manufac-
23 turing Innovation Institute.

24 (c) NUCLEAR ENERGY APPROPRIATION.—In addition
25 to amounts otherwise available, there is appropriated to

1 the Department of Energy Office of Nuclear Energy for
2 fiscal year 2022, out of any money in the Treasury not
3 otherwise appropriated, \$52,500,000, to remain available
4 until September 30, 2026, to carry out the activities of
5 the research reactor infrastructure program as authorized
6 in section 954(a) of the Energy Policy Act of 2005 (42
7 U.S.C. 16274(a)).

8 (d) FOSSIL ENERGY AND CARBON MANAGEMENT AP-
9 PROPRIATION.—In addition to amounts otherwise avail-
10 able, there is appropriated to the Department of Energy
11 Office of Fossil Energy and Carbon Management for fiscal
12 year 2022, out of any money in the Treasury not otherwise
13 appropriated, \$10,000,000, to remain available until Sep-
14 tember 30, 2026, to carry out on-site demonstration
15 projects on the reduction of environmental impacts of pro-
16 duced water.

17 (e) DIVERSITY SUPPORT.—In addition to amounts
18 otherwise available, there is appropriated to the Depart-
19 ment of Energy Office of Economic Impact and Diversity
20 for fiscal year 2022, out of any money in the Treasury
21 not otherwise appropriated, \$20,000,000, to remain avail-
22 able until September 30, 2031, except that no amounts
23 may be expended after September 30, 2031, to support
24 programs across the Department's civilian research, devel-

1 opment, demonstration, and commercial application activi-
2 ties.

3 (f) OVERSIGHT.—In addition to amounts otherwise
4 available, there is appropriated to the Department of En-
5 ergy for fiscal year 2022, out of any money in the Treas-
6 ury not otherwise appropriated, \$50,000,000, to remain
7 available until September 30, 2031, except that no
8 amounts may be expended after September 30, 2031, for
9 oversight by the Department of Energy Office of Inspector
10 General of the Department of Energy activities for which
11 funding is appropriated in this title.

12 **SEC. 90004. ENVIRONMENTAL PROTECTION AGENCY CLI-**
13 **MATE CHANGE RESEARCH AND DEVELOP-**
14 **MENT.**

15 In addition to amounts otherwise made available,
16 there is appropriated to the Environmental Protection
17 Agency for fiscal year 2022, out of any money in the
18 Treasury not otherwise appropriated, \$264,000,000 to re-
19 main available until September 30, 2026, to conduct envi-
20 ronmental research and development activities related to
21 climate change, including related administrative expenses.
22 The amounts made available in this section shall be used
23 for the purposes of—

24 (1) conducting further research on mitigation of
25 climate forcing emissions, adaptation to reduce the

1 impacts of climate change, and approaches to build
2 resilience to climate change;

3 (2) providing increased support for evidence-
4 based regional and community climate adaptation
5 and resilience actions, including development of a
6 grants-based regional climate science network;

7 (3) conducting further social science research to
8 upgrade the utilization and efficacy of scientific tools
9 to mitigate, adapt, and build resilience to the im-
10 pacts of climate change;

11 (4) increasing engagement capacity with front-
12 line communities with environmental justice con-
13 cerns in translating, utilizing, and evaluating sci-
14 entific research results;

15 (5) conducting further research to improve un-
16 derstanding of impacts of decarbonized energy
17 sources compared to existing energy sources, includ-
18 ing cumulative impacts of pollution from existing
19 sources;

20 (6) conducting further research to improve un-
21 derstanding of the impacts of the transition to
22 decarbonized energy, transportation, and building
23 sectors on frontline communities;

24 (7) conducting further research to improve un-
25 derstanding of impacts of climate change, including

1 cumulative impacts of pollution exposure, in commu-
2 nities that face disproportionate impacts from en-
3 ergy transitions; and

4 (8) providing increased support to conduct fur-
5 ther environmental research and development activi-
6 ties on climate change that the Administrator deems
7 appropriate.

8 **SEC. 90005. FEDERAL EMERGENCY MANAGEMENT AGENCY**
9 **ASSISTANCE TO FIREFIGHTERS GRANTS.**

10 In addition to amounts otherwise available, there is
11 appropriated to the Federal Emergency Management
12 Agency for Fiscal Year 2022, out of any money in the
13 Treasury not otherwise appropriated, to remain available
14 until September 30, 2026, \$798,000,000, for Assistance
15 to Firefighters Grants pursuant to the Federal Fire Pre-
16 vention and Control Act of 1974: *Provided*, That
17 \$718,000,000 of such amount shall be available for Assist-
18 ance to Firefighters Grants for fire and EMS department
19 facility construction, upgrades, and modifications, and for
20 related administrative expenses: *Provided further*, That
21 \$80,000,000 of such amount shall be available for Assist-
22 ance to Firefighters Grants for PFAS-free personal pro-
23 tective equipment and PFAS-free firefighting foam, and
24 for related administrative expenses.

1 **SEC. 90006. FIREFIGHTER GRANT OVERSIGHT.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Department of Homeland Security for
4 fiscal year 2022, out of any money in the Treasury not
5 otherwise appropriated, \$2,000,000, to remain available
6 until September 30, 2031, except that no amounts may
7 be expended after September 30, 2031, for oversight by
8 the Department of Homeland Security Office of Inspector
9 General of the activities for which funding is appropriated
10 in section 90005.

11 **SEC. 90007. NATIONAL AERONAUTICS AND SPACE ADMINIS-**
12 **TRATION INFRASTRUCTURE.**

13 In addition to amounts otherwise made available,
14 there are appropriated to the National Aeronautics and
15 Space Administration for fiscal year 2022, out of any
16 money in the Treasury not otherwise appropriated,
17 \$4,000,000,000 to remain available until September 30,
18 2026, for repair, recapitalization, and modernization of
19 physical infrastructure and facilities, including related ad-
20 ministrative expenses, consistent with the responsibilities
21 authorized under section 31502 of title 51, United States
22 Code, on maintenance of facilities and section 31503 of
23 title 51, United States Code, on laboratory productivity.

1 **SEC. 90008. NATIONAL AERONAUTICS AND SPACE ADMINIS-**
2 **TRATION CLIMATE CHANGE RESEARCH AND**
3 **DEVELOPMENT.**

4 In addition to amounts otherwise made available,
5 there are appropriated to the National Aeronautics and
6 Space Administration for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated,
8 \$388,000,000 to remain available until September 30,
9 2026, of which \$85,000,000 shall be for research and de-
10 velopment on subseasonal to seasonal models and observa-
11 tions, climate resilience and sustainability, and airborne
12 instruments, campaigns, and surface networks to under-
13 stand, observe, and mitigate global climate change and its
14 impacts, including related administrative expenses, au-
15 thorized under section 60501 of title 51, United States
16 Code, and research and development activities on upper
17 atmospheric research authorized under sections 20161,
18 20163, and 20164 of title 51, United States Code;
19 \$28,000,000 shall be for investments in data management
20 and processing to support research, development, and ap-
21 plications to understand, observe, and mitigate the global
22 climate change and its impacts consistent with the respon-
23 sibilities authorized under section 60506 of title 51,
24 United States Code; \$50,000,000 shall be for research and
25 development to support the wildfire community and im-
26 prove wildfire fighting operations, including the Scalable

1 Traffic Management for Emergency Response Operations
2 project; and \$225,000,000 shall be for advancing aero-
3 nautics research and development on sustainable aviation,
4 including sustainable aviation biofuels, including related
5 administrative expenses, consistent with the responsibil-
6 ities authorized under sections 40701 and 40702 of title
7 51, United States Code.

8 **SEC. 90009. NATIONAL AERONAUTICS AND SPACE ADMINIS-**
9 **TRATION OVERSIGHT AND CYBERSECURITY.**

10 In addition to amounts otherwise made available,
11 there are appropriated to the National Aeronautics and
12 Space Administration for fiscal year 2022, out of any
13 money in the Treasury not otherwise appropriated,
14 \$7,000,000, to remain available until September 30, 2031,
15 except that no amounts may be expended after September
16 30, 2031, for information technology security and cyberse-
17 curity activities for which funding is appropriated under
18 sections 90007 and 90008. In addition to amounts other-
19 wise made available, there are appropriated to the Na-
20 tional Aeronautics and Space Administration for fiscal
21 year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$5,000,000, to remain available until Sep-
23 tember 30, 2031, except that no amounts may be ex-
24 pended after September 30, 2031, for the Office of Inspec-

1 tor General to provide oversight over the management of
2 funds appropriated under sections 90007 and 90008.

3 **SEC. 90010. NATIONAL INSTITUTE OF STANDARDS AND**
4 **TECHNOLOGY RESEARCH.**

5 In addition to amounts otherwise available, there is
6 appropriated to the National Institute of Standards and
7 Technology for fiscal year 2022, out of any money in the
8 Treasury not otherwise appropriated, \$1,195,000,000, to
9 remain available until September 30, 2031, except that no
10 amounts may be expended after September 30, 2031, for
11 scientific and technical research pursuant to the National
12 Institute of Standards and Technology Act, for artificial
13 intelligence (including AI safety and control), cybersecu-
14 rity, quantum information science and technology, bio-
15 technology, communications technologies, advanced manu-
16 facturing, resilience to natural hazards including wildfires,
17 greenhouse gas and other climate-related measurement,
18 and for related administrative expenses: *Provided*, That
19 \$150,000,000 shall be available for cybersecurity research
20 and activities.

21 **SEC. 90011. NATIONAL INSTITUTE OF STANDARDS AND**
22 **TECHNOLOGY SUPPORTING AMERICAN MAN-**
23 **UFACTURING.**

24 (a) IN GENERAL.—In addition to amounts otherwise
25 available, there is appropriated to the National Institute

1 of Standards and Technology for fiscal year 2022, out of
2 any money in the Treasury not otherwise appropriated,
3 \$2,000,000,000, to remain available until September 30,
4 2031, except that no amounts may be expended after Sep-
5 tember 30, 2031, of which—

6 (1) \$1,000,000,000 shall be for the Hollings
7 Manufacturing Extension Partnership as authorized
8 by sections 25 and 26 of the National Institute of
9 Standards and Technology Act (15 U.S.C. 278k;
10 278l), including related administrative expenses;

11 (2) \$850,000,000 shall be to provide funds,
12 through existing programs, for advanced manufac-
13 turing research, development, and testbeds, includ-
14 ing related administrative expenses; and

15 (3) \$150,000,000 shall be for the creation of a
16 new Manufacturing USA Institute that is focused on
17 semiconductor manufacturing.

18 (b) LIMITATION.—Amounts provided under sub-
19 section (a)(1) shall not be subject to cost share require-
20 ments under section 25(e)(2) of the National Institute of
21 Standards and Technology Act (15 U.S.C. 278k(e)(2)).
22 The authority made available pursuant to this preceding
23 sentence shall be elective for any Manufacturing Extension
24 Partnership Center that also receives funding from a State

1 that is conditioned upon the application of a Federal cost
2 sharing requirement.

3 **SEC. 90012. NATIONAL INSTITUTE OF STANDARDS AND**
4 **TECHNOLOGY RESEARCH FACILITIES.**

5 In addition to amounts otherwise available, there is
6 appropriated to the National Institute of Standards and
7 Technology for fiscal year 2022, out of any money in the
8 Treasury not otherwise appropriated, \$1,000,000,000, to
9 remain available until September 30, 2031, except that no
10 amounts may be expended after September 30, 2031, for
11 necessary expenses as authorized by sections 13 through
12 15 of the National Institute of Standards and Technology
13 Act (15 U.S.C. 278c-278e) for construction of new re-
14 search facilities, including architectural and engineering
15 design, and for renovation and maintenance of existing fa-
16 cilities.

17 **SEC. 90013. NATIONAL INSTITUTE OF STANDARDS AND**
18 **TECHNOLOGY OVERSIGHT.**

19 In addition to amounts otherwise available, there is
20 appropriated to the Department of Commerce for fiscal
21 year 2022, out of any money in the Treasury not otherwise
22 appropriated, \$5,000,000, to remain available until Sep-
23 tember 30, 2031, except that no amounts may be ex-
24 pended after September 30, 2031, for oversight by the De-
25 partment of Commerce Office of Inspector General of Na-

1 tional Institute of Standards and Technology activities for
2 which funding is appropriated in this title.

3 **SEC. 90014. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
4 **MINISTRATION WEATHER, OCEAN, AND CLI-**
5 **MATE RESEARCH AND FORECASTING.**

6 In addition to amounts otherwise made available,
7 there is appropriated to the National Oceanic and Atmos-
8 pheric Administration for fiscal year 2022, out of any
9 money in the Treasury not otherwise appropriated,
10 \$1,240,000,000, to remain available until September 30,
11 2026, to carry out the provisions of the Weather Research
12 and Forecasting Innovation Act (15 U.S.C. 8501 et seq.),
13 the National Integrated Drought Information System Act
14 (15 U.S.C. 313d), the National Climate Program Act (15
15 U.S.C. 2901–2908.), the Harmful Algal Bloom and Hy-
16 poxia Research and Control Act (33 U.S.C. 4001–4010),
17 the Federal Ocean Acidification Research and Monitoring
18 Act (33 U.S.C. 3701–3708), title III of the America COM-
19 PETES Act (33 U.S.C. 893, 893a, 893b, and 893c), and
20 the Weather Service Organic Act (15 U.S.C. 313 et seq.).
21 The amounts in this section shall be used for the purposes
22 of—

23 (1) increasing the understanding, and predictive
24 and forecasting capabilities, of weather and climate
25 phenomena including, but not limited to, hurricanes,

1 tornadoes, drought, wildland fires and associated fire
2 weather, extreme precipitation, extreme heat and ex-
3 treme heat events, flooding, and other severe weath-
4 er, and their impacts;

5 (2) increasing marine research capacity and the
6 understanding of the impacts of climate change on
7 ocean processes and phenomena including, but not
8 limited to, ocean acidification, harmful algal blooms,
9 hypoxia and deoxygenation, sea level change, and
10 ocean warming;

11 (3) enhancing weather, ocean, climate, and
12 other environmental observations, research, data,
13 data assimilation, and modeling;

14 (4) facilitating successful transition of research
15 into operations and operations to research, including
16 social science for improved decision support services;

17 (5) acquiring related high-performance com-
18 puting, data management, and storage assets; and

19 (6) developing, leveraging, and employing new
20 capabilities, technologies and instruments, including
21 dissemination and processing.

1 **SEC. 90015. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
2 **MINISTRATION CLIMATE ADAPTATION AND**
3 **RESILIENCE ACTIVITIES.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 available, there is appropriated to the National Oceanic
6 and Atmospheric Administration for fiscal year 2022, out
7 of any money in the Treasury not otherwise appropriated,
8 \$765,000,000 to remain available until September 30,
9 2026, to carry out the provisions of the National Climate
10 Program Act (15 U.S.C. 2901–2908), the Weather Re-
11 search and Forecasting Innovation Act (15 U.S.C. 8501
12 et seq.), title III of the America COMPETES Act (33
13 U.S.C. 893, 893a, 893b, and 893c), the National Inte-
14 grated Drought Information System Act (15 U.S.C.
15 313d), the Weather Service Organic Act (15 U.S.C. 313
16 et seq.), the Harmful Algal Bloom and Hypoxia Research
17 and Control Act (33 U.S.C. 4001–4010), and the Federal
18 Ocean Acidification Research and Monitoring Act (33
19 U.S.C. 3701–3708) to develop and distribute actionable
20 climate information for communities across all States, ter-
21 ritories, and Tribal lands of the United States in an equi-
22 table manner, to build climate resilience and develop a cli-
23 mate-ready workforce.

24 (b) USE OF FUNDS.—The amounts made available
25 in subsection (a) shall be used for the following activities:

1 (1) \$265,000,000 to better enable end users, as
2 appropriate, to assess the relative risk of, determine
3 possible adaptation and mitigation strategies for,
4 and make executive and budgetary decisions in re-
5 sponse to climate impacts by—

6 (A) increasing end user understanding of
7 the impacts of climate change at the local and
8 regional level;

9 (B) developing actionable climate informa-
10 tion and accessible tools and products; and

11 (C) providing end users with technical as-
12 sistance.

13 (2) \$500,000,000 to recruit, educate, and train
14 a climate-ready workforce to—

15 (A) develop and support on-the-ground
16 community-driven projects to enhance climate
17 adaptation and resilience;

18 (B) support community engagement and
19 participation in monitoring, tracking, and pre-
20 paring for extreme events;

21 (C) support local resilience to climate im-
22 pacts;

23 (D) conduct community-driven climate
24 science; and

1 (E) enhance the National Oceanic and At-
2 mospheric Administration’s delivery of climate
3 information services, tools, and products, in-
4 cluding but not limited to those developed in
5 paragraph (1)(B).

6 (c) END USERS.—For the purposes of this section,
7 the term “end users” shall include—

- 8 (1) States;
- 9 (2) territories;
- 10 (3) Tribes;
- 11 (4) local governments;
- 12 (5) businesses;
- 13 (6) not-for-profit or other organizations; and
- 14 (7) individuals.

15 (d) EXTREME EVENT.—For the purposes of this sec-
16 tion, the term “extreme event” refers to a time and place
17 in which weather, climate, or environmental conditions,
18 such as temperature, precipitation, drought, or flooding,
19 rank above a threshold value near the upper or lower ends
20 of the range of historical measurements.

21 **SEC. 90016. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
22 **MINISTRATION HIGH PERFORMANCE COM-**
23 **PUTING.**

24 In addition to amounts otherwise made available,
25 there is appropriated to the National Oceanic and Atmos-

1 pheric Administration for fiscal year 2022, out of any
2 money in the Treasury not otherwise appropriated,
3 \$70,000,000 to remain available until September 30,
4 2026, to procure and enhance high performance com-
5 puting, data management, and storage capabilities, and
6 related facilities to enable the National Oceanic and At-
7 mospheric Administration to meet its mission require-
8 ments, including related administrative expenses.

9 **SEC. 90017. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
10 **MINISTRATION PHASED ARRAY RADAR.**

11 In addition to amounts otherwise made available,
12 there is appropriated to the National Oceanic and Atmos-
13 pheric Administration for fiscal year 2022, out of any
14 money in the Treasury not otherwise appropriated,
15 \$224,000,000 to remain available until September 30,
16 2026, to carry out the provisions of the Weather Research
17 and Forecasting Innovation Act (15 U.S.C. 8501 et seq.)
18 for research and development activities to advance the un-
19 derstanding of phased array radar as a potential future
20 radar technology to improve weather forecasts.

21 **SEC. 90018. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
22 **MINISTRATION HURRICANE HUNTER AIR-**
23 **CRAFT.**

24 In addition to amounts otherwise made available,
25 there is appropriated to the National Oceanic and Atmos-

1 pheric Administration for fiscal year 2022, out of any
2 money in the Treasury not otherwise appropriated,
3 \$1,024,000,000 to remain available until September 30,
4 2026, to carry out the provisions of the Weather Research
5 and Forecasting Innovation Act (15 U.S.C. 8501 et seq.)
6 for the procurement of hurricane hunters and related ex-
7 penses, and the development and acquisition of airborne
8 phased array radar, to prepare for fleet readiness by fiscal
9 year 2030.

10 **SEC. 90019. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
11 **MINISTRATION UNCREWED SYSTEMS.**

12 In addition to amounts otherwise made available,
13 there is appropriated to the National Oceanic and Atmos-
14 pheric Administration for fiscal year 2022, out of any
15 money in the Treasury not otherwise appropriated,
16 \$12,000,000 to remain available until September 30,
17 2026, to support uncrewed systems development and ap-
18 plication in support of National Oceanic and Atmospheric
19 Administration mission priorities including oceanic and at-
20 mospheric research and research to operations, including
21 related administrative expenses.

1 **SEC. 90020. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
2 **MINISTRATION RESEARCH INFRASTRUC-**
3 **TURE.**

4 In addition to amounts otherwise made available,
5 there is appropriated to the National Oceanic and Atmos-
6 pheric Administration for fiscal year 2022, out of any
7 money in the Treasury not otherwise appropriated,
8 \$743,000,000 to remain available until September 30,
9 2026, to conduct deferred maintenance of meteorological,
10 hydrological, climatological, and other oceanic and atmos-
11 pheric research and development or operational facilities,
12 and to make improvements to scientific equipment and in-
13 struments, including related administrative expenses.

14 **SEC. 90021. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
15 **MINISTRATION SPACE WEATHER.**

16 In addition to amounts otherwise made available,
17 there is appropriated to the National Oceanic and Atmos-
18 pheric Administration for fiscal year 2022, out of any
19 money in the Treasury not otherwise appropriated,
20 \$173,000,000, to remain available until September 30,
21 2026, to carry out the provisions of the Promoting Re-
22 search and Observations of Space Weather to Improve the
23 Forecasting of Tomorrow (PROSWIFT) Act (51 U.S.C.
24 60601 et seq.) by accelerating the development and deliv-
25 ery of instruments and spacecraft, and prioritizing an

1 independent launch for the Space Weather Next Lagrange
2 point 1 mission, including related administrative expenses.

3 **SEC. 90022. NATIONAL OCEANIC AND ATMOSPHERIC AD-**
4 **MINISTRATION OVERSIGHT.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Department of Commerce for fiscal
7 year 2022, out of any money in the Treasury not otherwise
8 appropriated, \$5,000,000, to remain available until Sep-
9 tember 30, 2026, for oversight by the Department of Com-
10 merce Office of Inspector General of National Oceanic and
11 Atmospheric Administration activities for which funding
12 is appropriated in this title.

13 **SEC. 90023. NATIONAL SCIENCE FOUNDATION INFRASTRUC-**
14 **TURE.**

15 In addition to amounts otherwise available, there is
16 appropriated to the National Science Foundation for fiscal
17 year 2022, out of any money in the Treasury not otherwise
18 appropriated, \$3,430,000,000, to remain available until
19 September 30, 2031, except that no amounts may be ex-
20 pended after September 30, 2031, for research-enabling
21 equipment, facilities, and infrastructure, including mid-
22 scale research infrastructure, Antarctic infrastructure
23 modernization, related Federal administrative expenses
24 and additional major research equipment and facilities
25 construction projects approved by the National Science

1 Board as required under section 14 of the National
2 Science Foundation Authorization Act of 2002 (42 U.S.C.
3 1862n-4): *Provided*, That \$1,000,000,000 shall be for ac-
4 tivities authorized by title II of Public Law 100–570 for
5 academic research facilities modernization, which may in-
6 clude shore-side facilities for academic research vessels, of
7 which \$300,000,000 shall be for academic research facili-
8 ties modernization at historically Black colleges and uni-
9 versities, Hispanic serving institutions, Tribal colleges and
10 universities, and other minority serving institutions: *Pro-*
11 *vided further*, That not less than 20 percent of the funds
12 made available in this section shall be for research-ena-
13 bling equipment, facilities, and infrastructure projects lo-
14 cated in a State or territory that is eligible to receive fund-
15 ing from the Established Program to Stimulate competi-
16 tive Research as established under section 113 of the Na-
17 tional Science Foundation Authorization Act of 1988 (42
18 U.S.C. 1862g).: *Provided further*, That \$25,000,000 shall
19 be for the Office of the Chief of Research Security Strat-
20 egy and Policy for research security activities.

21 **SEC. 90024. NATIONAL SCIENCE FOUNDATION RESEARCH**
22 **AND DEVELOPMENT.**

23 In addition to amounts otherwise available, there is
24 appropriated to the National Science Foundation for fiscal
25 year 2022, out of any money in the Treasury not otherwise

1 appropriated, \$7,550,000,000, to remain available until
2 September 30, 2031, except that no amounts may be ex-
3 pended after September 30, 2031, to fund or extend new
4 and existing research awards, scholarships, and fellow-
5 ships across all science, technology, engineering, and
6 mathematics (STEM) and STEM education disciplines, to
7 fund use-inspired and translational research and develop-
8 ment awards, entrepreneurial education, and technology
9 transfer activities, to extend existing research awards and
10 scholarships and fellowships to aid in the recovery from
11 COVID-19 related disruptions, and for related administra-
12 tive expenses: *Provided*, That \$400,000,000 shall be avail-
13 able for climate change research, including relating to
14 wildfires: *Provided further*, That \$700,000,000 shall be
15 available for research and related activities at historically
16 Black colleges and universities, Tribal colleges and univer-
17 sities, Hispanic serving institutions, and other minority
18 serving institutions.

19 **SEC. 90025. NATIONAL SCIENCE FOUNDATION OVERSIGHT.**

20 In addition to amounts otherwise available, there is
21 appropriated to the Office of Inspector General of the Na-
22 tional Science Foundation for fiscal year 2022, out of any
23 money in the Treasury not otherwise appropriated,
24 \$50,000,000, to remain available until September 30,
25 2031, except that no amounts may be expended after Sep-

1 tember 30, 2031, for oversight, investigations, and audits
2 of programs, grants, and projects carried out by the Na-
3 tional Science Foundation using funds under this title.

4 **SEC. 90026. WAGE RATE REQUIREMENTS.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law, all laborers and mechanics employed by con-
7 tractors and subcontractors on any project funded directly
8 or assisted in whole or in part by the Federal Government
9 pursuant to this title shall be paid wages at rates not less
10 than those prevailing on projects of a similar character
11 in the locality, as determined by the Secretary of Labor
12 in accordance with subchapter IV of chapter 31 of title
13 40, United States Code (commonly known as the “Davis-
14 Bacon Act”).

15 (b) AUTHORITY.—With respect to the labor stand-
16 ards specified in paragraph (1), the Secretary of Labor
17 shall have the authority and functions set forth in Reorga-
18 nization Plan Numbered 14 of 1950 (64 Stat. 1267; 5
19 U.S.C. App.) and section 3145 of title 40, United States
20 Code.

21 **SEC. 90027. FORCED LABOR PROHIBITION.**

22 None of the funds provided in this title may be used
23 in awarding a contract, subcontract, grant, or loan to an
24 entity that is listed pursuant to section 9(b)(3) of the

1 Uyghur Human Rights Policy Act of 2020 (Public Law
2 116–145).

3 **TITLE X—COMMITTEE ON SMALL**
4 **BUSINESS**

5 **SEC. 100001. DEFINITIONS.**

6 In this title—

7 (1) the terms “Administration” and “Adminis-
8 trator” mean the Small Business Administration
9 and the Administrator thereof, respectively; and

10 (2) the term “small business concern” has the
11 meaning given under section 3 of the Small Business
12 Act (15 U.S.C. 632).

13 **Subtitle A—Increasing Federal**
14 **Contracting Opportunities for**
15 **Small Businesses**

16 **SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTRE-**
17 **PRENEURSHIP TRAINING PROGRAM.**

18 (a) APPROPRIATIONS.—In addition to amounts other-
19 wise available, there is appropriated to the Small Business
20 Administration, out of any money in the Treasury not oth-
21 erwise appropriated, \$5,000,000 for each of fiscal years
22 2022 through 2028 for carrying out subsection (h) of sec-
23 tion 32 of the Small Business Act (15 U.S.C. 657b), as
24 added by this section. Amounts appropriated by this sub-
25 section shall remain available for 3 fiscal years.

1 (b) ESTABLISHMENT.—Section 32 of the Small Busi-
2 ness Act (15 U.S.C. 657b) is amended by adding at the
3 end the following:

4 “(h) VETERAN FEDERAL PROCUREMENT ENTREPRE-
5 NEURSHIP TRAINING PROGRAM.—The Administrator, act-
6 ing through the Associate Administrator, shall make
7 grants to, or enter into cooperative agreements with non-
8 profit entities to operate a Federal procurement entrepre-
9 neurship training program to provide assistance to small
10 business concerns owned and controlled by veterans re-
11 garding how to increase the likelihood of being awarded
12 contracts with the Federal Government. A grant or coop-
13 erative agreement under this subsection—

14 “(1) shall be made to or entered into with non-
15 profit entities that have a track record of success-
16 fully providing educational and job training services
17 to targeted veteran populations from diverse loca-
18 tions;

19 “(2) shall include terms under which the non-
20 profit entities may, at the discretion of the Adminis-
21 trator, be required to match any Federal funds re-
22 ceived for the program with State, local, or private
23 sector funds; and

24 “(3) shall include terms under which the non-
25 profit entities shall use a diverse group of profes-

1 sional service experts, such as Federal, State, and
2 local contracting experts and private sector industry
3 experts with first-hand experience in Federal Gov-
4 ernment contracting, to provide assistance to small
5 business concerns owned and controlled by vet-
6 erans.”.

7 **SEC. 100102. EXPANDING SURETY BOND PROGRAM.**

8 (a) APPROPRIATIONS.—In addition to amounts other-
9 wise available, there is appropriated to the Small Business
10 Administration for fiscal year 2022, out of any money in
11 the Treasury not otherwise appropriated, \$100,000,000,
12 to remain available until September 30, 2031, for addi-
13 tional capital for the fund established under section 412
14 of the Small Business Investment Act of 1958 (15 U.S.C.
15 694e).

16 (b) EXPANDING SURETY BOND PROGRAM.—Part B
17 of title IV of the Small Business Investment Act of 1958
18 (15 U.S.C. 694a et seq.) is amended—

19 (1) in section 411 (15 U.S.C. 694b)—

20 (A) in subsection (a)(1)—

21 (i) in subparagraph (A), by striking
22 “\$6,500,000” and inserting
23 “\$10,000,000”; and

24 (ii) by amending subparagraph (B) to
25 read as follows:

1 “(B) The Administrator may guarantee a sur-
2 ety under subparagraph (A) for a total work order
3 or contract entered into by a Federal agency in an
4 amount that does not exceed \$20,000,000.”; and

5 (B) in subsection (e)(2), by striking
6 “\$6,500,000” and inserting “the amount de-
7 scribed in subparagraph (A) or (B) of sub-
8 section (a)(1), as applicable”; and
9 (2) in section 412 (15 U.S.C. 694c)—

10 (A) in subsection (a), in the third sentence,
11 by striking “, excluding administrative ex-
12 penses,”;

13 (B) by redesignating subsection (b) as sub-
14 section (e); and

15 (C) by inserting after subsection (a) the
16 following:

17 “(b) Not more than 15 percent of the amount that
18 is in the fund described in subsection (a) on the first day
19 of each fiscal year may be obligated during that fiscal year
20 to cover costs incurred by the Administration in connec-
21 tion with the management and administration of this part,
22 including costs related to information technology and sys-
23 tems, personnel, outreach activities, and relevant con-
24 tracts.”.

1 **SEC. 100103. UPLIFT ACCELERATOR PROGRAM; BUSINESS**
2 **DEVELOPMENT ACADEMY.**

3 (a) UPLIFT ACCELERATOR PROGRAM.—

4 (1) APPROPRIATIONS.—

5 (A) IN GENERAL.—In addition to amounts
6 otherwise available, there is appropriated to the
7 Small Business Administration for fiscal year
8 2022, out of any money in the Treasury not
9 otherwise appropriated, \$1,000,000,000 to re-
10 main available until September 30, 2031, to
11 carry out subparagraph (K) of section 7(j)(10)
12 of the Small Business Act (15 U.S.C.
13 636(j)(10)), as added by this subsection; and

14 (B) SET ASIDE.—Of amounts made avail-
15 able under subparagraph (A), not more than 15
16 percent may be used by the Administrator for
17 administrative expenses and costs related to
18 monitoring and oversight.

19 (2) ESTABLISHMENT.—Section 7(j)(10) of the
20 Small Business Act (15 U.S.C. 636(j)(10)) is
21 amended by adding at the end the following:

22 “(K) UPLIFT ACCELERATOR PROGRAM.—

23 “(i) DEFINITIONS.—In this subpara-
24 graph:

25 “(I) ACCELERATOR.—The term
26 ‘accelerator’ means an organization—

1 “(aa) that provides
2 mentorship and other support to
3 growing, startup, and newly es-
4 tablished small business con-
5 cerns; and

6 “(bb) offers startup capital
7 or the opportunity to raise cap-
8 ital from outside investors to
9 growing, startup, and newly es-
10 tablished small business con-
11 cerns.

12 “(II) ELIGIBLE ENTITY.—The
13 term ‘eligible entity’ means—

14 “(aa) a historically black
15 college or university;

16 “(bb) an institution of high-
17 er education, as defined in sec-
18 tion 101 of the Higher Education
19 Act of 1965, which primarily
20 educates students who are Black
21 or African American, Hispanic or
22 Latino, American Indian, Alaska
23 Native, Asian, Native Hawaiian,
24 or other Pacific Islander; or

1 “(cc) a junior or community
2 college, as defined in section 312
3 of the Higher Education Act of
4 1965.

5 “(III) ELIGIBLE SMALL BUSI-
6 NESS CONCERN.—The term ‘eligible
7 small business concern’ means a small
8 business concern—

9 “(aa) located in a
10 HUBZone, as defined in section
11 31(b);

12 “(bb) owned and controlled
13 by a resident of a low-income
14 community, as defined in section
15 45D(e) of the Internal Revenue
16 Code of 1986;

17 “(cc) owned and controlled
18 by a resident of a low-income
19 rural community;

20 “(dd) owned and controlled
21 by a member of an Indian or
22 Alaska Native tribe, band, na-
23 tion, pueblo, village, community,
24 component band, or component
25 reservation, individually identified

1 (including parenthetically) in the
2 most recent list published pursu-
3 ant to section 104 of the Feder-
4 ally Recognized Indian Tribe List
5 Act of 1994;

6 “(ee) owned and controlled
7 by a Native Entity;

8 “(ff) owned and controlled
9 by an individual with a disability,
10 as defined in section 3 of the
11 Americans with Disabilities Act
12 of 1990; or

13 “(gg) otherwise identified by
14 the Administrator.

15 “(IV) HISTORICALLY BLACK COL-
16 LEGE OR UNIVERSITY.—The term
17 ‘historically black college or univer-
18 sity’ means a ‘part B institution’, as
19 defined under section 322 of the
20 Higher Education Act of 1965.

21 “(V) INCUBATOR.—The term ‘in-
22 cubator’ means an organization—

23 “(aa) that provides
24 mentorship and other support to

1 growing, startup, and established
2 small business concerns; and

3 “(bb) that may provide a co-
4 working environment or a month-
5 to-month lease program.

6 “(VI) NATIVE ENTITY.—The
7 term ‘Native Entity’ means—

8 “(aa) an Indian tribe, in-
9 cluding an Alaska Native village
10 or Regional or Village Corpora-
11 tion, as defined in section 4 of
12 the Indian Self-Determination
13 and Education Assistance Act;
14 and

15 “(bb) a Native Hawaiian or-
16 ganization, as that term is de-
17 fined in section 6207 of the Ele-
18 mentary and Secondary Edu-
19 cation Act of 1965.

20 “(ii) USE OF FUNDS.—The Adminis-
21 trator is authorized to establish a competi-
22 tive grant program to make grants to eligi-
23 ble entities to establish accelerators or in-
24 cubators to support eligible small business
25 concerns in developing—

1 “(I) business readiness, including
2 by providing services such as account-
3 ing, organization, human resources,
4 and legal assistance;

5 “(II) growth readiness, including
6 assistance to build past performance
7 and relationships with prime contrac-
8 tors;

9 “(III) readiness to submit bids
10 for prime contracts, including assist-
11 ance in developing skills, conducting
12 market research, and drafting capa-
13 bility statements and proposals; or

14 “(IV) global readiness, including
15 assistance in establishing long-term,
16 additional revenue streams outside of
17 the United States.

18 “(iii) ACQUISITION AUTHORITIES.—
19 The Administrator shall identify acquisi-
20 tion authorities under which eligible small
21 business concerns assisted under this sub-
22 paragraph may enter into contracts or
23 agreements with Federal agencies.

24 “(iv) AMOUNT.—During the period
25 beginning on the date of the enactment of

1 this subparagraph and ending not later
2 than 10 years after such date, the Admin-
3 istrator shall award not more than an ag-
4 gregate total of \$1,000,000,000 in grants
5 to eligible entities under this subpara-
6 graph.”.

7 (b) BUSINESS DEVELOPMENT ACADEMY.—

8 (1) APPROPRIATIONS.—

9 (A) IN GENERAL.—In addition to amounts
10 otherwise available, there is appropriated to the
11 Small Business Administration for fiscal year
12 2022, out of any money in the Treasury not
13 otherwise appropriated, \$725,000,000 to re-
14 main available until September 30, 2031, to
15 carry out subparagraph (L) of section 7(j)(10)
16 of the Small Business Act (15 U.S.C.
17 636(j)(10)), as added by this subsection.

18 (B) SET ASIDE.—Of amounts made avail-
19 able under subparagraph (A), not more than 15
20 percent may be used by the Administrator for
21 administrative expenses and costs related to
22 monitoring and oversight.

23 (2) ESTABLISHMENT.—Section 7(j)(10) of the
24 Small Business Act (15 U.S.C. 636(j)(10)), as

1 amended by subsection (a), is further amended by
2 adding at the end the following:

3 “(L) BUSINESS DEVELOPMENT ACAD-
4 EMY.—

5 “(i) DEFINITION OF ELIGIBLE ENTI-
6 TY.—In this paragraph, the term ‘eligible
7 entity’ has the meaning given in subpara-
8 graph (K)(i).

9 “(ii) USE OF FUNDS.—The Adminis-
10 trator is authorized to establish a competi-
11 tive grant program to make grants to eligi-
12 ble entities to support Program Partici-
13 pants.

14 “(iii) DUTIES OF ELIGIBLE ENTI-
15 TIES.—An eligible entity that receives a
16 grant under this subparagraph shall use
17 such grant to—

18 “(I) develop and establish a
19 foundational 12-month executive men-
20 toring and training program for small
21 business concerns described in clause
22 (ii);

23 “(II) recruit and enroll partici-
24 pants in the program described in

1 subclause (I), including by providing
2 incentives for participation;

3 “(III) develop certification pro-
4 grams for eligible entities based on
5 proven best practices of the Adminis-
6 tration; and

7 “(IV) conduct research into the
8 effectiveness of the program described
9 in clause (iv)(I).

10 “(iv) AMOUNT.—During the period
11 beginning on the date of the enactment of
12 this subparagraph and ending not later
13 than 10 years after such date, the Admin-
14 istrator shall award not more than an ag-
15 gregate total of \$725,000,000 in grants to
16 eligible entities under this subparagraph.”.

17 **SEC. 100104. PATHWAY TO PRIME GRANT PROGRAM.**

18 (a) APPROPRIATIONS.—

19 (1) IN GENERAL.—In addition to amounts oth-
20 erwise available, there is appropriated to the Small
21 Business Administration for fiscal year 2022, out of
22 any money in the Treasury not otherwise appro-
23 priated, to remain available until September 30,
24 2031—

1 (A) \$75,000,000 to carry out subsection
2 (b)(1) of section 49 of the Small Business Act,
3 as added by subsection (b); and

4 (B) \$450,000,000 to carry out subsection
5 (b)(2) of section 49 of the Small Business Act,
6 as added by subsection (b).

7 (2) SET ASIDE.—Of the amount made available
8 to carry out this section for any fiscal year, not
9 more than 15 percent may be used by the Adminis-
10 trator for administrative expenses.

11 (b) ESTABLISHMENT.—The Small Business Act (15
12 U.S.C. 631 et seq.) is amended—

13 (1) by redesignating section 49 (15 U.S.C. 631
14 note) as section 55; and

15 (2) by inserting after section 48 the following:

16 **“SEC. 49. PATHWAY TO PRIME GRANT PROGRAM.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
19 tity’ means—

20 “(A) a historically black college or univer-
21 sity; or

22 “(B) an institution of higher education, as
23 defined in section 101 of the Higher Education
24 Act of 1965, which primarily educates students
25 who are Black or African American, Hispanic

1 or Latino, American Indian, Alaska Native,
2 Asian, Native Hawaiian, or other Pacific Is-
3 lander.

4 “(2) HISTORICALLY BLACK COLLEGE OR UNI-
5 VERSITY.—The term ‘historically black college or
6 university’ has the meaning given the term ‘part B
7 institution’ under section 322 of the Higher Edu-
8 cation Act of 1965.

9 “(3) PATHWAY FIRM.—The term ‘pathway
10 firm’ means a small business concern that is—

11 “(A) a subcontractor of the Federal Gov-
12 ernment;

13 “(B) a contractor or subcontractor of a
14 State, local, or tribal government, including
15 such contractor or subcontractor for a project
16 funded by the CARES Act (Public Law 116–
17 136), the American Rescue Plan Act of 2021
18 (Public Law 117–2), or an Act providing funds
19 for infrastructure that is enacted during the
20 117th Congress (as determined by the Adminis-
21 trator).

22 “(b) ESTABLISHMENT.—The Administrator shall es-
23 tablish a program to assist pathway firms to become prime
24 contractors of the Federal Government by—

1 “(1) making competitive grants to eligible enti-
2 ties to establish a national contracting and subcon-
3 tracting network and database of pathway firms and
4 grantees under paragraph (2) to track and connect
5 pathway firms with Federal prime contracting op-
6 portunities based on the record of the pathway firm
7 in competing for and obtaining—

8 “(A) prime contracts or contracts with
9 Federal, State, local, or tribal governments;

10 “(B) subcontracts with Federal prime con-
11 tractors; and

12 “(C) subcontracts from State, local, or
13 tribal governments participating in projects
14 funded by the CARES Act (Public Law 116–
15 136), the American Rescue Plan Act of 2021
16 (Public Law 117–2), or an Act providing funds
17 for infrastructure that is enacted during the
18 117th Congress (as determined by the Adminis-
19 trator; and

20 “(2) making competitive grants to not fewer
21 than 20 State or local governments or federally rec-
22 ognized Tribal governments to—

23 “(A) participate in the national small busi-
24 ness contracting network established in para-
25 graph (1); and

1 “(B) assist pathway firms within the geo-
2 graphic regions served by those governments.

3 “(c) USE OF FUNDS.—A recipient of a grant made
4 under this section shall—

5 “(1) provide resources to enable pathway firms
6 to gain the experience and capabilities necessary to
7 compete for and obtain prime contracts;

8 “(2) facilitate engagement between pathway
9 firms and Federal, State, local, or tribal govern-
10 ments;

11 “(3) work with the Administration to ensure
12 that prime contractors with subcontracting plans
13 under section 8(d) meet the requirements of those
14 plans;

15 “(4) work with the Administration to maximize
16 opportunities for small business concerns to obtain-
17 ing subcontracts from State, local, or tribal govern-
18 ments participating in projects funded by the
19 CARES Act (Public Law 116–136), the American
20 Rescue Plan Act of 2021 (Public Law 117–2), or an
21 Act providing funds for infrastructure that is en-
22 acted during the 117th Congress (as determined by
23 the Administrator); and

24 “(5) make publicly available data to advocate
25 for best practices and policies that promote small

1 business concerns as prime contractors of the Fed-
2 eral Government.”.

3 **Subtitle B—Empowering Small**
4 **Business Creation and Expans-**
5 **ion in Underrepresented Com-**
6 **munities**

7 **SEC. 100201. GRANTS FOR BUSINESS INCUBATORS.**

8 (a) APPROPRIATIONS.—

9 (1) IN GENERAL.—In addition to amounts oth-
10 erwise available, there is appropriated to the Small
11 Business Administration for fiscal year 2022, out of
12 any money in the Treasury not otherwise appro-
13 priated, \$1,000,000,000, to remain available until
14 September 30, 2031, for carrying out section 50 of
15 the Small Business Act, as added by subsection (b).

16 (2) SET ASIDE.—Of the amounts made avail-
17 able under this subsection for a fiscal year, not more
18 than 15 percent shall be available for administrative
19 expenses and costs related to monitoring and over-
20 sight.

21 (b) ESTABLISHMENT.—The Small Business Act (15
22 U.S.C. 631 et seq.) is amended by inserting after section
23 49, as added by section 10104, the following:

24 **“SEC. 50. GRANTS FOR BUSINESS INCUBATORS.**

25 **“(a) DEFINITIONS.—**In this section:

1 “(1) BUSINESS INCUBATOR.—The term ‘busi-
2 ness incubator’ means an organization that—

3 “(A) provides resources, which may include
4 physical workspace and facilities, to startups
5 and established small business concerns;

6 “(B) is designed to accelerate the growth
7 and success of small business concerns through
8 a variety of business support resources and
9 services, including—

10 “(i) access to capital, business edu-
11 cation, and counseling;

12 “(ii) networking opportunities;

13 “(iii) mentorship opportunities; and

14 “(iv) other services intended to aid in
15 developing a business.

16 “(2) ECONOMIC DEVELOPMENT ORGANIZA-
17 TION.—The term ‘economic development organiza-
18 tion’—

19 “(A) means a regional, State, tribal, or
20 local private nonprofit organization established
21 for purposes of promoting or otherwise facili-
22 tating economic development; and

23 “(B) includes community financial institu-
24 tions, as defined in section 7(a)(36)(A).

1 “(3) ELIGIBLE APPLICANT.—The term ‘eligible
2 applicant’ means—

3 “(A) an economic development organiza-
4 tion;

5 “(B) an eligible entity, as defined in sec-
6 tion 7(j)(10)(K)(i)(II);

7 “(C) an SBA partner organization; or

8 “(D) any entity that provides support to
9 startups and small business concerns, as deter-
10 mined by the Administrator.

11 “(4) ELIGIBLE SMALL BUSINESS CONCERN.—
12 The term ‘eligible small business concern’ means a
13 business concern that—

14 “(A) is organized or incorporated in the
15 United States;

16 “(B) is operating primarily in the United
17 States;

18 “(C) meets—

19 “(i) the applicable industry-based size
20 standard established under section 3; or

21 “(ii) the alternate size standard appli-
22 cable to the program under section 7(a) or
23 the loan programs under title V of the
24 Small Business Investment Act of 1958;

1 “(D) is in the planning stages or has been
2 in business for not more than 5 years as of the
3 date on which assistance under this section
4 commences; and

5 “(E) is—

6 “(i) owned and controlled by 1 or
7 more members of an underrepresented
8 community; or

9 “(ii) a Native Entity, as defined in
10 section 7(j)(10)(K)(i).

11 “(5) MEMBER OF AN UNDERREPRESENTED
12 COMMUNITY.—The term ‘member of an underrep-
13 resented community’ means an individual who is—

14 “(A) a resident of—

15 “(i) a low-income community, as de-
16 fined in section 45D(e) of the Internal
17 Revenue Code of 1986;

18 “(ii) a low-income rural community;
19 or

20 “(iii) a HUBZone, as defined in sec-
21 tion 31(b);

22 “(B) a member of an Indian or Alaska Na-
23 tive tribe, band, nation, pueblo, village, commu-
24 nity, component band, or component reserva-
25 tion, individually identified (including par-

1 enthetically) in the most recent list published
2 pursuant to section 104 of the Federally Recog-
3 nized Indian Tribe List Act of 1994;

4 “(C) an individual with a disability, as de-
5 fined in section 3 of the Americans with Dis-
6 abilities Act of 1990;

7 “(D) a veteran;

8 “(E) an individual who completed a term
9 of imprisonment; or

10 “(F) otherwise identified by the Adminis-
11 trator.

12 “(6) SBA PARTNER ORGANIZATION.—The term
13 ‘SBA partner organization’ means any organization
14 awarded financial assistance in the form of a grant,
15 cooperative agreement, or contract for the purpose
16 of conducting a public project funded, either in
17 whole or in part, under a program of the Adminis-
18 tration.

19 “(b) AUTHORITY.—The Administrator may provide
20 financial assistance on a competitive basis in the form of
21 a grant, prize, cooperative agreement, or contract for an
22 eligible applicant to provide the services of a business incu-
23 bator to eligible small business concerns.

24 “(c) USE OF FUNDS.—An eligible applicant that re-
25 ceives assistance under this section shall support areas

1 that serve members of an underrepresented community
2 and provide services that shall—

3 “(1) be carried out in such areas as to provide
4 maximum accessibility and benefits to the eligible
5 small business concerns that the project is intended
6 to serve; and

7 “(2) not impose or otherwise collect a fee or
8 other compensation from eligible small business con-
9 cerns in connection with such services.

10 “(d) ONE OR MORE BUSINESS INCUBATORS.—An eli-
11 gible applicant that receives financial assistance under this
12 section may share such assistance among one or more
13 business incubators to expand access to resources, infor-
14 mation, and best practices.

15 “(e) AWARD AMOUNT.—An award of financial assist-
16 ance under this section shall be for not more than
17 \$1,250,000 for each fiscal year for which the award is
18 granted.

19 “(f) PENALTIES FOR FAILURE TO ABIDE BY TERMS
20 OR CONDITIONS OF AWARD.—At the discretion of the Ad-
21 ministrators and in addition to any other civil or criminal
22 consequences, the Administrator shall withhold payments
23 to an eligible applicant or order the eligible applicant to
24 return any assistance provided under this section for fail-

1 ure to abide by the terms and conditions of such assist-
2 ance.”.

3 **SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.**

4 (a) APPROPRIATIONS.—In addition to amounts other-
5 wise available, there is appropriated to the Small Business
6 Administration, out of any money in the Treasury not oth-
7 erwise appropriated, \$2,000,000 for each of fiscal years
8 2022 through 2031 for carrying out section 51 of the
9 Small Business Act, as added by subsection (b). Amounts
10 appropriated by this subsection shall remain available
11 until September 30, 2031.

12 (b) ESTABLISHMENT.—The Small Business Act (15
13 U.S.C. 631 et seq.) is amended by inserting after section
14 50, as added by section 10201 of this title, the following:

15 **“SEC. 51. OFFICE OF NATIVE AMERICAN AFFAIRS.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) INDIAN TRIBE.—The term ‘Indian Tribe’
18 has the meaning given in section 4 of the Indian
19 Self-Determination and Education Assistance Act.

20 “(2) NATIVE AMERICAN.—The term ‘Native
21 American’ means a member of an Indian Tribe.

22 “(3) NATIVE HAWAIIAN ORGANIZATION.—The
23 term ‘Native Hawaiian Organization’ has the mean-
24 ing given in section 6207 of the Elementary and
25 Secondary Education Act of 1965.

1 “(4) RESOURCE PARTNERS.—The term ‘re-
2 source partners’ means—

3 “(A) small business development centers;

4 “(B) women’s business centers described in
5 section 29;

6 “(C) chapters of the Service Corps of Re-
7 tired Executives established under section
8 8(b)(1)(B); and

9 “(D) Veteran Business Outreach Centers
10 described in section 32.

11 “(b) ESTABLISHMENT.—There is established in the
12 Administration an Office of Native American Affairs, in
13 this section referred to as the ‘Office’, which shall provide
14 entrepreneurship outreach and development assistance to
15 Native Americans, Native Hawaiian Organizations and
16 members thereof, and Indian Tribes, through the Native
17 American Outreach Program established under subsection
18 (c).

19 “(c) NATIVE AMERICAN OUTREACH PROGRAM.—

20 “(1) ESTABLISHMENT.—The Administrator
21 shall establish and administer a Native American
22 Outreach Program within the Office—

23 “(A) to ensure that small business con-
24 cerns owned and controlled by Native Ameri-
25 cans, Native Hawaiian Organizations, and In-

1 dian Tribes, and Native American entre-
2 preneurs have access to programs and services
3 of the Administration;

4 “(B) to provide information to State, local,
5 and tribal governments and other interested
6 persons about Federal assistance available to
7 small business concerns owned and controlled
8 by Native Americans, Native Hawaiian Organi-
9 zations, and Indian Tribes, and Native Amer-
10 ican entrepreneurs; and

11 “(C) to ensure access to in-person and vir-
12 tual counseling and training services to small
13 business concerns owned and controlled by Na-
14 tive Americans, Native Hawaiian Organizations,
15 and Indian Tribes, and Native American entre-
16 preneurs.

17 “(2) SERVICES.—The services described in
18 paragraph (1) shall include—

19 “(A) financial education on applying for
20 and securing credit, loan guarantees, surety
21 bonds, and investment capital, managing finan-
22 cial operations, and preparing and presenting
23 financial statements and business plans;

1 “(B) education on management of a small
2 business concern, including planning, orga-
3 nizing, staffing, and marketing;

4 “(C) identifying domestic and international
5 market opportunities; and

6 “(D) implementing economic and business
7 development strategies to improve long-term job
8 growth.”.

9 **SEC. 100203. OFFICE OF RURAL AFFAIRS.**

10 (a) APPROPRIATIONS.—

11 (1) IN GENERAL.—In addition to amounts oth-
12 erwise available, there is appropriated to the Small
13 Business Administration, out of any money in the
14 Treasury not otherwise appropriated, \$2,000,000 for
15 each of fiscal years 2022 through 2031 for carrying
16 out this section. Amounts appropriated by this sub-
17 section shall remain available until September 30,
18 2031.

19 (2) SET ASIDE.—Of the amounts made avail-
20 able under this subsection for a fiscal year, not more
21 than 15 percent shall be available for administrative
22 expenses related to carrying out this section.

23 (b) OFFICE OF RURAL AFFAIRS.—Section 26 of the
24 Small Business Act (15 U.S.C. 653) is amended by adding
25 at the end the following:

1 “(d) RURAL SMALL BUSINESS CONFERENCES.—

2 “(1) IN GENERAL.—The Office shall administer
3 1 or more annual Rural Small Business Conferences,
4 to be held in various regions of the United States.
5 The purpose of such Conferences shall be to—

6 “(A) promote policies and programs of the
7 Administration specific to small business con-
8 cerns located in rural areas, and make publicly
9 available information about such policies and
10 programs;

11 “(B) coordinate with all offices of the Ad-
12 ministration, resource partners, lenders, and
13 other interested persons to ensure that the
14 needs of small business concerns located in
15 rural area are being met; and

16 “(C) analyze data on the effectiveness of
17 programs of the Administration that benefit
18 small business concerns located in rural areas.”.

19 **SEC. 100204. OFFICE OF EMERGING MARKETS.**

20 (a) APPROPRIATIONS.—In addition to amounts other-
21 wise available, there is appropriated to the Small Business
22 Administration, out of any money in the Treasury not oth-
23 erwise appropriated, \$2,000,000 for each of fiscal years
24 2022 through 2031 for carrying out subsection (o) of sec-
25 tion 7 of the Small Business Act (15 U.S.C. 636), as

1 added by subsection (b). Amounts appropriated by this
2 subsection shall remain available until September 30,
3 2031.

4 (b) ESTABLISHMENT.—Section 7 of the Small Busi-
5 ness Act (15 U.S.C. 636) is amended by adding at the
6 end the following:

7 “(o) OFFICE OF EMERGING MARKETS.—

8 “(1) DEFINITIONS.—In this subsection—

9 “(A) the term ‘Director’ means the Direc-
10 tor of the Office of Emerging Markets;

11 “(B) the term ‘microloan program’ means
12 the program described in subsection (m);

13 “(C) the term ‘small business concern in
14 an emerging market’ means a small business
15 concern—

16 “(i) that is located in—

17 “(I) a low-income or moderate-in-
18 come area for purposes of the Com-
19 munity Development Block Grant
20 Program under title I of the Housing
21 and Community Development Act of
22 1974; or

23 “(II) a HUBZone, as that term
24 is defined in section 31(b);

1 “(ii) that is growing, newly estab-
2 lished, or a startup;

3 “(iii) owned and controlled by vet-
4 erans;

5 “(iv) owned and controlled by individ-
6 uals with a disability, as defined in section
7 3 of the Americans with Disabilities Act of
8 1990; or

9 “(v) owned and controlled by other in-
10 dividuals or groups identified by the Ad-
11 ministrators.

12 “(2) ESTABLISHMENT.—There is established
13 within the Office of Capital Access of the Adminis-
14 tration an office to be known as the ‘Office of
15 Emerging Markets’, which shall be responsible for
16 the planning, coordination, implementation, evalua-
17 tion, and improvement of the efforts of the Adminis-
18 trator to enhance the economic well-being of small
19 business concerns in an emerging market.

20 “(3) ADMINISTRATION.—The Office of Emerg-
21 ing Markets shall be administered by a Director,
22 who shall—

23 “(A) create and implement strategies and
24 programs that provide an integrated approach

1 to the development of small business concerns
2 in an emerging market;

3 “(B) review the effectiveness and impact of
4 access to capital programs (including the
5 microloan program) of the Administration and
6 recommend policies on such programs with re-
7 spect to small business concerns in an emerging
8 market;

9 “(C) coordinate with the Office of Entre-
10 preneurial Development and the Office of Vet-
11 erans Business Development of the Administra-
12 tion to establish partnerships to advance the
13 goal of improving the economic success of small
14 business concerns in an emerging market;

15 “(D) consult with the Associate Adminis-
16 trator of the Office of Field Operations; and

17 “(E) coordinate the activities of—

18 “(i) the SBIC Working Group estab-
19 lished under section 10404 of the Act to
20 provide for reconciliation pursuant to title
21 II of S. Con. Res. 14;

22 “(ii) the Office of Native American
23 Affairs established under section 51; and

24 “(iii) the Office of Rural Affairs es-
25 tablished under section 26.”.

1 **SEC. 100205. STATE TRADE EXPANSION PROGRAM.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Small Business Administration, out
4 of any money in the Treasury not otherwise appropriated,
5 \$30,000,000 for each of fiscal years 2022 through 2025
6 for carrying out section 22(l) of the Small Business Act
7 (15 U.S.C. 649(l)). Amounts appropriated by this sub-
8 section shall remain available for 3 fiscal years.

9 **Subtitle C—Encouraging Small**
10 **Businesses to Fully Engage in**
11 **the Innovation Economy**

12 **SEC. 100301. GROWTH ACCELERATOR COMPETITION.**

13 (a) APPROPRIATIONS.—

14 (1) IN GENERAL.—In addition to amounts oth-
15 erwise available, there is appropriated to the Small
16 Business Administration for fiscal year 2022, out of
17 any money in the Treasury not otherwise appro-
18 priated, \$400,000,000, to remain available until
19 September 30, 2031, for carrying out section 52 of
20 the Small Business Act, as added by subsection (b).

21 (2) SET ASIDE.—Of the amounts made avail-
22 able under this subsection for a fiscal year, not more
23 than 5 percent shall be available for administrative
24 expenses related to carrying out this section.

1 (b) IN GENERAL.—The Small Business Act (15
2 U.S.C. 631 et seq.) is amended by inserting after section
3 51, as added by section 10202 of this title, the following:

4 **“SEC. 52. GROWTH ACCELERATOR COMPETITION.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) AWARD.—The term ‘award’ means a
7 grant, prize, contract, cooperative agreement, or
8 other cash or cash equivalent (as determined by the
9 Administrator).

10 “(2) DISABILITY.—The term ‘disability’ has the
11 meaning given the term in section 3 of the Ameri-
12 cans with Disabilities Act of 1990.

13 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
14 tity’ means—

15 “(A) an eligible entity, as defined in sec-
16 tion 49; or

17 “(B) an organization that is a growth ac-
18 celerator located in the United States.

19 “(4) GROWTH ACCELERATOR.—The term
20 ‘growth accelerator’ means an organization that—

21 “(A) supports new small business concerns
22 that have a focus on technology, research, and
23 development;

1 “(B) frequently provides, but is not exclu-
2 sively designed to provide, seed investment in
3 exchange for a small amount of equity;

4 “(C) works with a new small business con-
5 cern for a predetermined amount of time;

6 “(D) provides mentorship and instruction
7 to small business concerns to scale businesses;
8 or

9 “(E) offers startup capital or the oppor-
10 tunity to raise capital from outside investors.

11 “(5) NEW SMALL BUSINESS CONCERN.—The
12 term ‘new small business concern’ means a small
13 business concern that has been in operation for not
14 more than 5 years.

15 “(b) ESTABLISHMENT.—The Administrator shall
16 make competitive awards of not less than \$100,000 to eli-
17 gible entities to accelerate the growth of new small busi-
18 ness concerns by providing—

19 “(1) assistance to small business concerns with
20 accessing capital and finding mentors and net-
21 working opportunities; and

22 “(2) advice to small business concerns, includ-
23 ing advising on market analysis, company strategy,
24 revenue growth, commercialization, and securing
25 funding.

1 “(c) USE OF FUNDS.—An award under this section—

2 “(1) may be used by an eligible entity for con-
3 struction costs, acquisition of physical workspace
4 and facilities, and programmatic purposes to benefit
5 new small business concerns; and

6 “(2) may not be used by an eligible entity to
7 provide capital to new small business concerns di-
8 rectly or through the subaward of funds.

9 “(d) APPLICATION.—In making awards under this
10 section, the Administrator shall establish an application
11 process and selection criteria, which shall include—

12 “(1) assurances that the eligible entity will use
13 such award to provide assistance for not less than
14 5 new small business concerns each year;

15 “(2) if located within 20 miles of a minority
16 serving institution, proof of a referral or pro-
17 grammatic relationship between the eligible entity
18 and such institution;

19 “(3) an assessment of the need for additional
20 assistance for new small business concerns in the ge-
21 ographic area to be served by the eligible entity; and

22 “(4) other criteria, as determined by the Ad-
23 ministrator.

24 “(e) PENALTIES FOR FAILURE TO ABIDE BY TERMS
25 OR CONDITIONS OF AWARD.—At the discretion of the Ad-

1 administrator and in addition to any other civil or criminal
2 consequences, the Administrator shall withhold payments
3 to an eligible entity or order the eligible entity to return
4 an award made under this section for failure to abide by
5 the terms and conditions of the award.”.

6 **SEC. 100302. BUILDING A NATIONAL INNOVATION SUPPORT**
7 **ECOSYSTEM NETWORK.**

8 (a) APPROPRIATIONS.—

9 (1) IN GENERAL.—In addition to amounts oth-
10 erwise available, there is appropriated to the Small
11 Business Administration for fiscal year 2022, out of
12 any money in the Treasury not otherwise appro-
13 priated, to remain available until September 30,
14 2031, for carrying out this section—

15 (A) \$525,000,000 to carry out subsection
16 (c)(1) of this section; and

17 (B) \$150,000,000 to carry out subsection
18 (c)(2) of this section.

19 (2) SET ASIDE.—Of the amounts made avail-
20 able under paragraph (1)(A) of this subsection for
21 a fiscal year, not more than 5 percent shall be avail-
22 able for administrative expenses related to carrying
23 out this section.

24 (b) DEFINITIONS.—In this section:

1 (1) BUSINESS INCUBATOR.—The term “busi-
2 ness incubator” means an organization that—

3 (A) provides resources, which may include
4 physical workspace and facilities, to startups
5 and established small business concerns; and

6 (B) is designed to accelerate the growth
7 and success of businesses through a variety of
8 business support resources and services, includ-
9 ing—

10 (i) access to capital, business edu-
11 cation, and counseling;

12 (ii) networking opportunities;

13 (iii) mentorship opportunities; and

14 (iv) other services intended to aid in
15 developing a business.

16 (2) ECONOMIC DEVELOPMENT ORGANIZA-
17 TION.—The term “economic development organiza-
18 tion” means a regional, State, tribal, or local organi-
19 zation established for purposes of promoting or oth-
20 erwise facilitating economic development.

21 (3) ELIGIBLE APPLICANT.—The term “eligible
22 applicant” means—

23 (A) an economic development organization;

1 (B) an eligible entity, as defined in section
2 7(j)(10)(K)(i) of the Small Business Act, as
3 added by section 100103;

4 (C) a business incubator;

5 (D) a growth accelerator;

6 (E) an SBA partner organization, as de-
7 fined in section 50 of the Small Business Act
8 (as added by section 10201 of this title); or

9 (F) any combination or collaboration of the
10 entities described in subparagraphs (A) through
11 (E).

12 (4) ELIGIBLE BUSINESS.—The term “eligible
13 business” means any innovative startup seeking to—

14 (A) participate in the SBIR and STTR
15 programs described in section 9 of the Small
16 Business Act (15 U.S.C. 638); or

17 (B) otherwise develop, through research
18 and development, or commercialize advanced
19 technologies.

20 (5) GROWTH ACCELERATOR.—The term
21 “growth accelerator” has the meaning given the
22 term in section 52 of the Small Business Act, as
23 added by section 10301 of this title.

24 (6) INNOVATIVE STARTUP.—The term “innova-
25 tive startup” means a science, technology, engineer-

1 ing, and math entrepreneur or small business con-
2 cern that—

3 (A) was founded or commenced a trade or
4 business not earlier than 5 years before receiv-
5 ing assistance under this section; and

6 (B) has a primary focus on the develop-
7 ment or commercialization of advanced tech-
8 nologies.

9 (7) MEMBER OF AN UNDERREPRESENTED COM-
10 MUNITY.—The term “member of an underrep-
11 resented community” has the meaning given in sec-
12 tion 50 of the Small Business Act, as added by sec-
13 tion 10201 of this title.

14 (c) ESTABLISHMENT.—The Administrator shall—

15 (1) make grants or award prizes to, or enter
16 into contracts or cooperative agreements with, eligi-
17 ble applicants to address the training, proposal de-
18 velopment, mentoring, partnering, coordinating, net-
19 working, customer discovery, and business incubator
20 and growth accelerator needs of eligible businesses
21 to expand and accelerate the growth of eligible busi-
22 nesses; and

23 (2) facilitate fellowships and internships in the
24 fields of science, technology, engineering, and mathe-
25 matics, prioritizing members of an underrepresented

1 community through partnerships with or supple-
2 mental grants or awards to provide opportunities at
3 the undergraduate, graduate, and postdoctoral lev-
4 els.

5 **Subtitle D—Increasing Equity Op-**
6 **portunities for Small Manufac-**
7 **turers**

8 **SEC. 100401. INCREASING EQUITY INVESTMENT BY THE**
9 **SBIC PROGRAM.**

10 (a) VENTURE SMALL BUSINESS INVESTMENT COM-
11 PANY FACILITY.—

12 (1) APPROPRIATIONS.—In addition to amounts
13 otherwise available, there is appropriated to the Ad-
14 ministration for fiscal year 2022, out of any money
15 in the Treasury not otherwise appropriated, to re-
16 main available until September 30, 2031,
17 \$9,500,000,000, to be deposited into the facility es-
18 tablished under section 321 of the Small Business
19 Investment Act of 1958, as added by paragraph (2).

20 (2) ESTABLISHMENT.—The Small Business In-
21 vestment Act of 1958 (15 U.S.C. 661 et seq.) is
22 amended—

23 (A) in section 103 (15 U.S.C. 662)—

24 (i) in paragraph (9)(B)(iii)—

1 (I) in subclause (II), by striking
2 “and” at the end;

3 (II) in subclause (III), by adding
4 “and” at the end; and

5 (III) by adding at the end the
6 following:

7 “(IV) funds obtained from any fi-
8 nancial institution identified under
9 section 302(b);”; and

10 (ii) in paragraph (10)—

11 (I) in subparagraph (A), by add-
12 ing “and” at the end; and

13 (II) by striking subparagraphs
14 (B) and (C) and inserting the fol-
15 lowing:

16 “(B) partnership interests purchased by
17 the Administration, as described in section
18 321.”;

19 (B) in section 302(a)(1) (15 U.S.C.
20 682(a)(1))—

21 (i) in subparagraph (A), by striking
22 “or” at the end;

23 (ii) in subparagraph (B), by striking
24 the period at the end and inserting “; or”;

25 and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(C) \$20,000,000, adjusted every 5 years
4 for inflation, with respect to each licensee par-
5 ticipating in the facility under section 321.”;

6 (C) in section 303(b)(2)(B) (15 U.S.C.
7 683(b)(2)(B)), by striking “\$350,000,000” and
8 inserting “\$400,000,000”; and

9 (D) in section 304—

10 “(e) Notwithstanding section 310(c)(6), a licensee
11 under section 321 may, subject to regulations to be issued
12 by the Administration, invest equity capital in investment
13 funds which—

14 “(1) are majority controlled by members of an
15 underrepresented community (as defined in section
16 50 of the Small Business Act);

17 “(2) receive annual assistance provided by such
18 licensee; or

19 “(3) meet additional criteria as determined by
20 the Administration.”; and

21 (E) by adding at the end the following:

22 **“SEC. 321. VENTURE SMALL BUSINESS INVESTMENT COM-**
23 **PANY FACILITY.**

24 “(a) DEFINITIONS.—In this section:

1 “(1) COVERED INVESTMENTS.—The term ‘cov-
2 ered investments’ means investments in—
3 “(A) infrastructure, including—
4 “(i) roads, bridges, and mass transit;
5 “(ii) water supply and sewer;
6 “(iii) the electrical grid;
7 “(iv) broadband and telecommuni-
8 cations;
9 “(v) clean energy; or
10 “(vi) child care and elder care;
11 “(B) manufacturing;
12 “(C) low-income communities, as that term
13 is defined in section 45D(e) of the Internal
14 Revenue Code of 1986;
15 “(D) HUBZones, as defined in section
16 31(b) of the Small Business Act;
17 “(E) small business concerns owned and
18 controlled by a member of an Indian tribe indi-
19 vidually identified (including parenthetically) in
20 the most recent list published pursuant to sec-
21 tion 104 of the Federally Recognized Indian
22 Tribe List Act of 1994;
23 “(F) small business concerns owned and
24 controlled by an individual with a disability, as

1 defined in section 3 of the Americans with Dis-
2 abilities Act of 1990;

3 “(G) small business concerns owned and
4 controlled by a veteran; or

5 “(H) small business concerns identified by
6 the Administrator as critical.

7 “(2) FACILITY.—The term ‘facility’ means the
8 facility established under subsection (b).

9 “(3) PARTNERSHIP INTEREST.—The term
10 ‘partnership interest’ means a limited partnership
11 equity interest in a licensee purchased and held by
12 the Administration under this section.

13 “(4) VENTURE SMALL BUSINESS INVESTMENT
14 COMPANY.—The term ‘venture small business invest-
15 ment company’ means a private equity fund—

16 “(A) that makes early-stage venture cap-
17 ital investments in small business concerns ap-
18 proved to participate in the facility by the Ad-
19 ministration; and

20 “(B) for which 75 percent of total
21 financings shall be invested in covered invest-
22 ments, of which not more than 33 percent of
23 such investments are in small business concerns
24 in infrastructure or manufacturing.

1 “(b) ESTABLISHMENT AND ADMINISTRATION OF FA-
2 CILITY.—

3 “(1) IN GENERAL.—The Administrator shall es-
4 tablish and carry out a facility to purchase partner-
5 ship interests from venture small business invest-
6 ment companies.

7 “(2) ADMINISTRATION.—The facility shall be
8 administered by the Administrator acting through
9 the Associate Administrator described in section
10 201.

11 “(3) USE OF AMOUNTS.—The Administrator
12 shall use amounts deposited in the facility to pur-
13 chase partnership interests from venture small busi-
14 ness investment companies.

15 “(4) BIFURCATION.—Losses to the Administra-
16 tion under this section—

17 “(A) shall not be offset by fees or any
18 other charges on licenses not authorized by the
19 Administration;

20 “(B) shall be borne solely by the facility;
21 and

22 “(C) shall not be included in the calcula-
23 tion of the subsidy rate under section 303(j).

24 “(c) LICENSING MATTERS.—

1 “(1) IN GENERAL.—A venture small business
2 investment company shall be licensed under section
3 301(c) and approved by the Administrator to issue
4 partnership interests.

5 “(2) CONSIDERATION.—In issuing a license
6 under paragraph (1), the Administrator shall take
7 into consideration investment risk through criteria
8 set by the Administrator.

9 “(d) REQUIRED INVESTMENTS.—

10 “(1) IN GENERAL.—Except as described in
11 paragraph (2), a venture small business investment
12 company shall invest solely in small business con-
13 cerns.

14 “(2) EXCEPTION AND WAIVER.—Notwith-
15 standing section 310(c)(6) and subject to rules
16 issued by the Administrator, a venture small busi-
17 ness investment company may invest equity capital
18 in venture capital funds if—

19 “(A) such venture capital funds are major-
20 ity controlled by underrepresented individuals;

21 “(B) not less than 50 percent of total cap-
22 ital of each such venture capital fund is in-
23 vested in covered investments; and

1 “(C) the venture small business investment
2 company provides annual assistance to the ven-
3 ture capital fund.

4 “(e) PARTNERSHIP INTERESTS.—

5 “(1) IN GENERAL.—The Administrator may,
6 out of amounts available in the facility, purchase
7 partnership interests as described in this subsection.

8 “(2) ISSUANCE AND PURCHASE OF PARTNER-
9 SHIP INTERESTS.—

10 “(A) IN GENERAL.—The Administrator
11 may purchase venture equity securities issued
12 by a venture small business investment com-
13 pany in an amount that does not exceed the
14 lesser of 100 percent of the private capital of
15 the venture small business investment company
16 or a lesser amount to be determined by the Ad-
17 ministrator.

18 “(3) PARTNERSHIP INTEREST TERMS.—A part-
19 nership interest purchased by the Administrator
20 from a venture small business investment company
21 under this subsection shall be subject to such re-
22 strictions and limitations as the Administrator may
23 determine.”.

24 (b) EMERGING MANAGERS PROGRAM.—

1 (1) APPROPRIATIONS.—In addition to amounts
2 otherwise available, there is appropriated to the
3 Small Business Administration for fiscal year 2022,
4 out of any money in the Treasury not otherwise ap-
5 propriated, \$20,000,000, to remain available until
6 September 30, 2031, for carrying out this sub-
7 section.

8 (2) ESTABLISHMENT.—The Small Business In-
9 vestment Act of 1958 (15 U.S.C. 661 et seq.), as
10 amended by subsection (a), is further amended by
11 adding at the end the following:

12 **“SEC. 322. EMERGING MANAGERS PROGRAM.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) COVERED INVESTMENTS.—The term ‘cov-
15 ered investments’ has the meaning given in section
16 321.

17 “(2) EMERGING MANAGER COMPANY.—The
18 term ‘emerging manager company’ means an invest-
19 ment management firm that is focused on investing
20 private equity that meets not less than 2 of the fol-
21 lowing criteria:

22 “(A) The partners of the firm have—

23 “(i) an investment track record of less
24 than 10 years of combined investment ex-
25 perience; or

1 “(ii) a documented record of success-
2 ful business experience.

3 “(B) The firm has a focus on underserved
4 markets.

5 “(C) The firm is not less than 50 percent
6 owned, managed, or controlled by members of
7 an underrepresented community (as defined in
8 section 50 of the Small Business Act).

9 “(b) ESTABLISHMENT.—The Administrator shall es-
10 tablish an emerging managers program pursuant to which
11 managers with substantial experience in operating small
12 business investment companies may enter into a written
13 agreement approved by the Administrator to provide guid-
14 ance and assistance to an applicant for a license for a
15 small business investment company that is to be managed
16 by an emerging manager company. The manager with sub-
17 stantial experience may hold a minority financial interest
18 in the small business investment company that is to be
19 managed by an emerging manager company.

20 “(c) LICENSING.—An applicant described in sub-
21 section (b) shall apply with for a license under section
22 301(c) and shall—

23 “(1) have private capital not to exceed
24 \$100,000,000;

1 “(2) be managed by not less than two individ-
2 uals;

3 “(3) be a second generation fund or earlier; and

4 “(4) focus its investment strategy on covered
5 investments.

6 “(d) **WAIVER OF MAXIMUM LEVERAGE.**—The ap-
7 proval of a written agreement under subsection (b) by the
8 Administrator shall operate as a waiver of the require-
9 ments of section 303(b)(2)(B) to the extent that such sec-
10 tion would otherwise apply.

11 “(e) **INCREASED LEVERAGE MAXIMUM.**—An existing
12 small business investment company that enters into a
13 written agreement under subsection (b) that is approved
14 by the Administrator may increase the maximum leverage
15 cap of the company under section 303(b)(2)—

16 “(1) under subparagraph (A) of such section,
17 with respect to a single license, by not more than
18 \$17,500,000; and

19 “(2) under subparagraph (B) of such section,
20 with respect to multiple licenses under common con-
21 trol, by not more than \$35,000,000.”.

22 **SEC. 100402. MICROCAP SMALL BUSINESS INVESTMENT**
23 **COMPANY LICENSE.**

24 (a) **APPROPRIATIONS.**—In addition to amounts other-
25 wise available, there is appropriated to the Administration

1 for fiscal year 2022, out of amounts in the Treasury not
2 otherwise appropriated, \$40,000,000, to remain available
3 until September 30, 2031, to carry out paragraph (5) of
4 section 301(c) of the Small Business Investment Act of
5 1958 (15 U.S.C. 681(c)), as added by subsection (b).

6 (b) MICROCAP SMALL BUSINESS INVESTMENT COM-
7 PANY LICENSE.—Section 301(c) of the Small Business In-
8 vestment Act of 1958 (15 U.S.C. 681(c)) is amended by
9 adding at the end the following:

10 “(5) MICROCAP SMALL BUSINESS INVESTMENT
11 COMPANY LICENSE.—

12 “(A) IN GENERAL.—The Administrator
13 may issue a number of licenses under this sub-
14 section to applicants—

15 “(i) that do not satisfy the qualifica-
16 tion requirements under paragraph
17 (3)(A)(ii) to the extent that such require-
18 ments relate to investment experience and
19 track record, including any such require-
20 ments further set forth in section 107.305
21 of title 13, Code of Federal Regulations, or
22 any successor regulation;

23 “(ii) that would otherwise be issued a
24 license under this subsection, except that
25 the management of the applicant does not

1 satisfy the requirements under paragraph
2 (3)(A)(ii) to the extent that such require-
3 ments relate to investment experience and
4 track record, including any such require-
5 ments further set forth in section 107.305
6 of title 13, Code of Federal Regulations, or
7 any successor regulation;

8 “(iii) for which the fund managers
9 have—

10 “(I) a documented record of suc-
11 cessful business experience;

12 “(II) a record of business man-
13 agement success; or

14 “(III) knowledge in the par-
15 ticular industry or business for which
16 the applicant is pursuing an invest-
17 ment strategy; and

18 “(iv) that have demonstrated appro-
19 priate qualifications for the license, based
20 on factors determined by the Adminis-
21 trator.

22 “(B) REQUIRED INVESTMENTS.—The li-
23 censee under this paragraph shall invest not
24 less than 50 percent of the total financings of
25 such licensee in covered investments (as defined

1 in section 321), of which not more than 33 per-
2 cent of such investments are in small business
3 concerns in infrastructure or manufacturing.

4 “(C) TIMING FOR ISSUANCE OF LI-
5 CENSE.—The Administrator shall establish poli-
6 cies to ensure the timely disposition and
7 issuance of licenses under this paragraph.

8 “(D) LEVERAGE.—A company licensed
9 pursuant to this paragraph shall—

10 “(i) not be eligible to receive leverage
11 in an amount that is more than
12 \$50,000,000; and

13 “(ii) be able to access leverage in an
14 amount that is not more than 200 percent
15 of the private capital of the applicant.

16 “(E) INVESTMENT COMMITTEE.—If a com-
17 pany licensed pursuant to this paragraph has
18 investment committee members or control per-
19 sons who are principals approved by the Admin-
20 istration or control persons of licensed small
21 business investment companies not licensed
22 under this paragraph, such licensee or licensees
23 shall not be deemed to be under common con-
24 trol with the company licensed pursuant to this

1 paragraph solely for the purpose of section
2 303(b)(2)(B).

3 “(F) FEES.—In addition to the fees au-
4 thorized under sections 301(e) and 310(b), the
5 Administration may prescribe fees to be paid by
6 each company designated to operate under this
7 paragraph.”.

8 **SEC. 100403. FUNDING FOR SBIC OUTREACH AND EDU-**
9 **CATION.**

10 (a) APPROPRIATIONS.—In addition to amounts other-
11 wise available, there is appropriated to the Small Business
12 Administration for fiscal year 2022, out of any money in
13 the Treasury not otherwise appropriated, \$2,500,000, to
14 remain available until September 30, 2031, for carrying
15 out this section.

16 (b) OUTREACH AND EDUCATION.—The Adminis-
17 trator shall develop and implement a program to promote
18 to, conduct outreach to, and educate prospective licensees
19 on the licensing procedures and other programs of small
20 business investment companies under title III of the Small
21 Business Investment Act of 1958 (15 U.S.C. 681 et seq.).

22 **SEC. 100404. SBIC WORKING GROUP.**

23 (a) APPROPRIATIONS.—In addition to amounts other-
24 wise available, there is appropriated to the Small Business
25 Administration for fiscal year 2022, out of any money in

1 the Treasury not otherwise appropriated, \$2,000,000, to
2 remain available until September 30, 2031, to carry out
3 this section.

4 (b) DEFINITIONS.—In this section—

5 (1) the term “covered Members” means the
6 Chair and Ranking Member of—

7 (A) the Committee on Small Business and
8 Entrepreneurship of the Senate; and

9 (B) the Committee on Small Business of
10 the House of Representatives;

11 (2) the terms “licensee”, “small business in-
12 vestment company”, and “underlicensed State” have
13 the meanings given those terms, respectively, in sec-
14 tion 103 of the Small Business Investment Act of
15 1958 (15 U.S.C. 662);

16 (3) the term “low-income community” has the
17 meaning given the term in section 45D(e) of the In-
18 ternal Revenue Code of 1986;

19 (4) the term “member of an underrepresented
20 community” has the meaning given in section 50 of
21 the Small Business Act, as added by section 10201
22 of this title.

23 (5) the term “underfinanced State” means a
24 State that has below median financing, as deter-
25 mined by the Administrator; and

1 (6) the term “underserved community”
2 means—

3 (A) a HUBZone, as defined in section
4 31(b) of the Small Business Act (15 U.S.C.
5 657a(b));

6 (B) a low-income community; or

7 (C) a low-income rural community.

8 (c) ESTABLISHMENT.—Not later than 90 days after
9 the date on which the covered Members are required to
10 submit to the Administrator a notification that the indi-
11 viduals selected by the covered Members under paragraph
12 (1) have accepted those assignments, the Administrator
13 shall establish a small business investment company
14 Working Group (referred to in this section as the “Work-
15 ing Group”), which shall—

16 (1) consist of—

17 (A) 4 representatives—

18 (i) among general partners of licens-
19 ees that have a demonstrated record of in-
20 vesting in—

21 (I) low-income communities;

22 (II) businesses primarily engaged
23 in research and development;

24 (III) manufacturers;

1 (IV) businesses primarily owned
2 or controlled by individuals in under-
3 served communities before receiving
4 capital from the licensee; and

5 (V) low-income rural commu-
6 nities; and

7 (ii) of whom—

8 (I) 1 shall be selected by the
9 Chair of the Committee on Small
10 Business and Entrepreneurship of the
11 Senate;

12 (II) 1 shall be selected by the
13 Ranking Member of the Committee on
14 Small Business and Entrepreneurship
15 of the Senate;

16 (III) 1 shall be selected by the
17 Chair of the Committee on Small
18 Business of the House of Representa-
19 tives; and

20 (IV) 1 shall be selected by the
21 Ranking Member of the Committee on
22 Small Business of the House of Rep-
23 resentatives;

24 (B) 4 representatives—

1 (i) from licensees, of whom 1 shall be
2 an owner of a small business investment
3 company or fund manager that is located
4 in—

5 (I) a low-income community;

6 (II) an underserved community;

7 (III) a low-income rural commu-
8 nity; or

9 (IV) an underfinanced State; and

10 (ii) of whom—

11 (I) 1 shall be selected by the
12 Chair of the Committee on Small
13 Business and Entrepreneurship of the
14 Senate;

15 (II) 1 shall be selected by the
16 Ranking Member of the Committee on
17 Small Business and Entrepreneurship
18 of the Senate;

19 (III) 1 shall be selected by the
20 Chair of the Committee on Small
21 Business of the House of Representa-
22 tives; and

23 (IV) 1 shall be selected by the
24 Ranking Member of the Committee on

1 Small Business of the House of Rep-
2 resentatives;

3 (C) the Associate Administrator for the
4 Office of Investment and Innovation of the Ad-
5 ministration, who shall—

6 (i) serve as the Chair of the Working
7 Group; and

8 (ii) select not more than 4 additional
9 representatives from the Office of Invest-
10 ment and Innovation of the Administration
11 to serve as representatives of the Working
12 Group; and

13 (D) 4 representatives from the investment
14 industry or academia, or who are bank limited
15 partners, with expertise in developing and moni-
16 toring interventions to expand the investment
17 industry, of whom—

18 (i) 1 shall be selected by the Chair of
19 the Committee on Small Business and En-
20 trepreneurship of the Senate;

21 (ii) 1 shall be selected by the Ranking
22 Member of the Committee on Small Busi-
23 ness and Entrepreneurship of the Senate;

1 (iii) 1 shall be selected by the Chair of
2 the Committee on Small Business of the
3 House of Representatives; and

4 (iv) 1 shall be selected by the Ranking
5 Member of the Committee on Small Busi-
6 ness of the House of Representatives;

7 (2) develop recommendations regarding how the
8 Administrator could increase the number of—

9 (A) applicants to become small business in-
10 vestment companies, with a focus on manage-
11 ment teams or companies located in—

12 (i) low-income communities;

13 (ii) underserved communities; and

14 (iii) low-income rural communities;

15 and

16 (B) investments made in underfinanced
17 States;

18 (3) develop recommendations for incentives for
19 small business investment companies to—

20 (A) invest and locate in underlicensed
21 States and underfinanced States; and

22 (B) invest in small business concerns, in-
23 cluding those owned and controlled by members
24 of an underrepresented community, small busi-
25 ness concerns owned and controlled by veterans,

1 and small business concerns owned and con-
2 trolled by women; and

3 (4) develop recommendations for metrics of suc-
4 cess, and benchmarks for success, with respect to
5 the goals described in this section.

6 (d) REPORT.—Not later than 1 year after the date
7 on which the Administrator establishes the Working
8 Group under subsection (b), the Working Group shall sub-
9 mit to the Committee on Small Business and Entrepre-
10 neurship of the Senate and the Committee on Small Busi-
11 ness of the House of Representatives a report that in-
12 cludes—

13 (1) the recommendations of the Working
14 Group; and

15 (2) a recommended plan and timeline for imple-
16 menting the recommendations described in para-
17 graph (1).

18 (e) TERMINATION.—The Working Group shall termi-
19 nate on the date on which the Working Group submits
20 the report required under subsection (e).

1 **Subtitle E—Increasing Access to**
2 **Lending and Investment Capital**

3 **SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE LOAN**
4 **PROGRAM.**

5 (a) APPROPRIATIONS.—In addition to amounts other-
6 wise available, there is appropriated to the Small Business
7 Administration for fiscal year 2022, out of any money in
8 the Treasury not otherwise appropriated, to remain avail-
9 able until September 30, 2031—

10 (1) \$281,000,000 for carrying out paragraph
11 (38) of section 7(a) of the Small Business Act (15
12 U.S.C. 636(a)), as added by subsection (b);

13 (2) \$5,000,000 for carrying out subparagraph
14 (F) of such paragraph (38); and

15 (3) \$314,000,000 for administrative expenses
16 related to carrying out such paragraph (38), includ-
17 ing issuing interim final rules.

18 (b) ESTABLISHMENT.—Section 7(a) of the Small
19 Business Act (15 U.S.C. 636(a)) is amended by adding
20 at the end the following:

21 “(38) COMMUNITY ADVANTAGE LOAN PRO-
22 GRAM.—

23 “(A) DEFINITIONS.—In this paragraph—

24 “(i) the term ‘covered institution’
25 means—

1 “(I) a development company, as
2 defined in section 103 of the Small
3 Business Investment Act of 1958,
4 participating in the loan program es-
5 tablished under title V of such Act;

6 “(II) a non-Federally regulated
7 entity certified as a community devel-
8 opment financial institution under the
9 Community Development Banking
10 and Financial Institutions Act of
11 1994;

12 “(III) an intermediary, as de-
13 fined in subsection (m)(11), that is a
14 nonprofit organization and is partici-
15 pating in the microloan program
16 under subsection (m); and

17 “(IV) an eligible intermediary, as
18 defined in subsection (l)(1), partici-
19 pating in the small business inter-
20 mediary lending pilot program estab-
21 lished under subsection (l)(2);

22 “(ii) the term ‘existing business’
23 means a small business concern that has
24 been in existence for not less than 2 years

1 on the date on which a loan is made to the
2 small business concern under the program;

3 “(iii) the term ‘new business’ means a
4 small business concern that has been in ex-
5 istence for not more than 2 years on the
6 date on which a loan is made to the small
7 business concern under the program;

8 “(iv) the term ‘program’ means the
9 Community Advantage Loan Program es-
10 tablished under subparagraph (B);

11 “(v) the term ‘small business concern
12 in an underserved market’ means a small
13 business concern—

14 “(I) that is located in—

15 “(aa) a low- to moderate-in-
16 come community;

17 “(bb) a HUBZone, as that
18 term is defined in section 31(b);

19 “(cc) a rural area; or

20 “(dd) any area for which a
21 disaster declaration or determina-
22 tion described in subparagraph
23 (B), (C), or (E) of subsection
24 (b)(2) has been made that has
25 not terminated more than 2

1 years before the date (or later, as
2 determined by the Administrator)
3 on which a loan is made to such
4 concern under such subsection,
5 or in any area for which a major
6 disaster described in subsection
7 (b)(2)(A) has been declared, that
8 period shall be 5 years; or
9 “(II) that is a new business;
10 “(III) owned and controlled by
11 veterans;
12 “(IV) owned and controlled by an
13 individual who has completed a term
14 of imprisonment;
15 “(V) owned and controlled by an
16 individual with a disability, as that
17 term is defined in section 3 of the
18 Americans with Disabilities Act of
19 1990;
20 “(VI) owned and controlled by a
21 member of an Indian tribe individ-
22 ually identified (including parentheti-
23 cally) in the most recent list published
24 pursuant to section 104 of the Feder-

1 ally Recognized Indian Tribe List Act
2 of 1994; or

3 “(VII) otherwise identified by the
4 Administrator.

5 “(B) ESTABLISHMENT.— There is estab-
6 lished a Community Advantage Loan Program
7 under which the Administration may guarantee
8 loans made by covered institutions under this
9 subsection, including loans made to small busi-
10 ness concerns in underserved market

11 “(C) REQUIREMENT TO MAKE LOANS TO
12 UNDERSERVED MARKETS.—Not less than 50
13 percent of loans made by a covered institution
14 under the program shall consist of loans made
15 to small business concerns in an underserved
16 market.

17 “(D) MAXIMUM LOAN AMOUNT.—

18 “(i) IN GENERAL.—Except as pro-
19 vided in clause (ii), the maximum loan
20 amount for a loan guaranteed under the
21 program is \$250,000.

22 “(ii) EXCEPTIONS.—

23 “(I) REQUESTED EXCEPTION.—

24 “(aa) IN GENERAL.—Upon
25 request by a covered institution,

1 the Administrator may approve a
2 guarantee of a loan under the
3 program that is more than
4 \$250,000 and not more than
5 \$350,000.

6 “(bb) NOTIFICATION.—As
7 soon as practicable and not later
8 than 14 business days after re-
9 ceiving a request under item
10 (aa), the Administration shall—

11 “(AA) review the re-
12 quest; and

13 “(BB) provide a deci-
14 sion regarding the request to
15 the covered institution mak-
16 ing the loan.

17 “(II) MAJOR DISASTERS.—The
18 maximum loan amount for a loan
19 guaranteed under the program that is
20 made to a small business concern lo-
21 cated in an area affected by a major
22 disaster described in subsection
23 (b)(2)(A) is \$350,000.

24 “(E) INTEREST RATES.—The maximum
25 interest rate for a loan guaranteed under the

1 program shall not exceed the maximum interest
2 rate, as determined by the Administration, ap-
3 plicable to other loans guaranteed under this
4 subsection.

5 “(F) TRAINING.—The Administrator shall
6 develop a training course and provide free or
7 low-cost training to covered institutions making
8 loans under the program.”.

9 **SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT AND**
10 **SMALL DOLLAR LOAN FUNDING.**

11 (a) APPROPRIATIONS.—In addition to amounts other-
12 wise available, there is appropriated to the Small Business
13 Administration for fiscal year 2022, out of any money in
14 the Treasury not otherwise appropriated, to remain avail-
15 able until September 30, 2031—

16 (1) \$3,365,000,000 to carry out paragraph (39)
17 of section 7(a) of the Small Business Act (15 U.S.C.
18 636(a)), as added by subsection (b); and

19 (2) \$1,100,000,000 for administrative expenses
20 related to carrying out such paragraph (39), includ-
21 ing issuing interim final rules.

22 (b) SMALL DOLLAR LOAN FUNDING.—Section 7(a)
23 of the Small Business Act (15 U.S.C. 636(a)), as amended
24 by section 10501, is further amended—

1 (1) in paragraph (1)(A)(i), in the third sen-
2 tence, by striking “; and” and all that follows
3 through the period at the end and inserting a period;

4 (2) in paragraph (26), by inserting “(except for
5 those collected under paragraph (39))” after “prof-
6 its”; and

7 (3) by adding at the end the following:

8 “(39) SMALL DOLLAR LOAN FUNDING.—

9 “(A) DEFINITIONS.—In this paragraph:

10 “(i) SMALL GOVERNMENT CON-
11 TRACTOR.—The term ‘small government
12 contractor’ means a small business concern
13 that is performing a Government contract.

14 “(ii) SMALL MANUFACTURER.—The
15 term ‘small manufacturer’ means a small
16 business concern that is assigned a North
17 American Industry Classification System
18 code beginning with 31, 32, or 33 at the
19 time at which the small business concern
20 receives loan under this subsection.

21 “(B) DIRECT LOANS.—The Administrator
22 is authorized to originate and disburse direct
23 loans, including through partnerships with third
24 parties, to small business concerns.

25 “(C) TERMS.—

1 “(i) LOAN SIZE.—Notwithstanding
2 paragraph (3)(C) of this subsection, a loan
3 made in accordance with this paragraph
4 shall be—

5 “(I) except as provided in sub-
6 clause (II), not more than \$150,000;
7 or

8 “(II) not more than \$1,000,000,
9 if the borrower is a small manufac-
10 turer or a small government con-
11 tractor.

12 “(D) FEES.—With respect to each loan
13 made in accordance with this paragraph, the
14 Administrator, an authorized third party, or an
15 agent may—

16 “(i) impose, collect, retain, and utilize
17 fees, which may be charged to the bor-
18 rower, to cover any costs associated with
19 referring applications or originating, mak-
20 ing, underwriting, disbursing, closing, serv-
21 icing, or liquidating the loan, including any
22 direct lending agent costs, other program
23 or contract costs, or other agent adminis-
24 trative expenses;

1 “(ii) impose, collect, retain, and use
2 fees (including unused fees and draw fees),
3 which may be charged to the borrower on
4 loans for revolving lines of credit; and

5 “(iii) pay third parties, including di-
6 rect lending agents and financial institu-
7 tions, with which the Administration part-
8 ners for assistance in referring applicants
9 or promoting, originating, making, under-
10 writing, disbursing, closing, servicing, or
11 liquidating loans in accordance with this
12 paragraph on behalf of the Administration.

13 “(E) OTHER TERMS.—

14 “(i) IN GENERAL.—Not later than 90
15 days after the date of the enactment of
16 this paragraph, the Administrator shall
17 issue interim final rules relating to the un-
18 derwriting criteria, interest rate, maturity,
19 and other terms of a loan made in accord-
20 ance with this paragraph and revising any
21 other rules necessary to carry out this
22 paragraph.

23 “(ii) REPAYMENT.—Not later than 90
24 days after the date of the enactment of
25 this paragraph, the Administrator shall

1 issue rules to allow reasonable assurance of
2 repayment of a loan made in accordance
3 with this paragraph, including reasonable
4 assurance of repayment from the assets
5 converting to cash to be the sole and pri-
6 mary form of repayment under this para-
7 graph.”.

8 **SEC. 100503. EXTENSION OF TEMPORARY FEE REDUCTIONS.**

9 (a) APPROPRIATIONS.—In addition to amounts other-
10 wise available, there is appropriated to the Small Business
11 Administration for fiscal year 2022, out of any money in
12 the Treasury not otherwise appropriated, \$1,000,000,000,
13 to remain available until September 30, 2026, for carrying
14 out this section.

15 (b) 7(a) LOAN PROGRAM.—Section 326 of the Eco-
16 nomic Aid to Hard-Hit Small Businesses, Nonprofits, and
17 Venues Act (title III of division N of Public Law 116–
18 260; 134 Stat. 2036; 15 U.S.C. 636 note) is amended—

19 (1) in subsection (a)(2), by striking “October 1,
20 2021” and inserting “October 1, 2026”; and

21 (2) in subsection (b)(2), by striking “October 1,
22 2021” and inserting “October 1, 2026”.

23 (c) OTHER FEES.—Section 327 of the Economic Aid
24 to Hard-Hit Small Businesses, Nonprofits, and Venues

1 Act (title III of division N of Public Law 116–260; 134
2 Stat. 2037; 15 U.S.C. 636 note) is amended—

3 (1) in subsection (a)(1), by striking “September
4 30, 2021” and inserting “September 30, 2026”; and

5 (2) in subsection (b)(1), by striking “September
6 30, 2021” and inserting “September 30, 2026”.

7 **SEC. 100504. FUNDING FOR COOPERATIVES.**

8 (a) APPROPRIATIONS.—In addition to amounts other-
9 wise available, there is appropriated to the Small Business
10 Administration for fiscal year 2022, out of any money in
11 the Treasury not otherwise appropriated, \$500,000,000,
12 to remain available until September 30, 2031, for carrying
13 out paragraph (40) of section 7(a) of the Small Business
14 Act (15 U.S.C. 636(a)), as added by subsection (b).

15 (b) COOPERATIVE LENDING PILOT.—Section 7(a) of
16 the Small Business Act (15 U.S.C. 636(a)), as amended
17 by section 10502, is amended by adding at the end the
18 following:

19 “(40) COOPERATIVE LENDING PILOT.—

20 “(A) DEFINITIONS.—In this paragraph:

21 “(i) COMMUNITY FINANCIAL INSTITU-
22 TION.—The term ‘community financial in-
23 stitution’ has the meaning given in para-
24 graph (36)(A);

1 “(ii) COOPERATIVE.—The term ‘coop-
2 erative’—

3 “(I) means an entity determined
4 by the Administrator to be a coopera-
5 tive; and

6 “(II) includes an entity owned by
7 employees or consumers of the entity.

8 “(iii) ELIGIBLE EMPLOYEE-OWNED
9 BUSINESS CONCERN.—The term ‘eligible
10 employee-owned business concern’ means—

11 “(I) a cooperative in which the
12 employees of the cooperative are eligi-
13 ble for membership;

14 “(II) a qualified employee trust;
15 or

16 “(III) other employee-owned enti-
17 ties as determined by the Adminis-
18 trator.

19 “(iv) PILOT PROGRAM.—The term
20 ‘pilot program’ means the pilot program
21 established under subparagraph (B).

22 “(B) ESTABLISHMENT.—There is estab-
23 lished a pilot program under which the Admin-
24 istrator shall guarantee loans (including loans
25 made by community financial institutions),

1 without the requirement of a personal or entity
2 guarantee, where such loans are made to co-
3 operatives or eligible employee-owned business
4 concerns.

5 “(C) TERMINATION.—The pilot program
6 shall terminate on the date that is 5 years after
7 the date of enactment of this paragraph.”.

8 (c) DELEGATED LENDING AUTHORITY FOR PRE-
9 FERRED LENDERS.—Section 5(b)(7) of the Small Busi-
10 ness Act (15 U.S.C. 634(b)(7)) is amended by striking
11 “paragraph (15) or (35)” and inserting “paragraph (15),
12 (35), or (40)”.

13 **SEC. 100505. FUNDING FOR DIRECT DEBENTURES.**

14 (a) APPROPRIATIONS.—In addition to amounts other-
15 wise available, there is appropriated to the Small Business
16 Administration for fiscal year 2022, out of any money in
17 the Treasury not otherwise appropriated, to remain avail-
18 able until September 30, 2031—

19 (1) \$2,118,000,000 for carrying out subsection
20 (j) of section 503 of the Small Business Investment
21 Act of 1958 (15 U.S.C. 697), as added by sub-
22 section (b); and

23 (2) \$628,000,000 for administrative expenses
24 related to carrying out such subsection (j), including
25 issuing interim final rules.

1 (b) DIRECT DEBENTURES.—Section 503 of the Small
2 Business Investment Act of 1958 (15 U.S.C. 697) is
3 amended by adding at the end the following:

4 “(j) DIRECT DEBENTURES.—

5 “(1) DEFINITIONS.—In this subsection—

6 “(A) the term ‘direct debenture’ means a
7 debenture guaranteed by the Administrator
8 under the authority under paragraph (2);

9 “(B) the term ‘eligible entity’ means—

10 “(i) a small business concern in an
11 underserved market;

12 “(ii) a small government contractor;

13 or

14 “(iii) a small manufacturer;

15 “(C) the term ‘renewable energy equip-
16 ment’—

17 “(i) means such equipment as the Ad-
18 ministrator may designate as renewable en-
19 ergy equipment; and

20 “(ii) includes solar panels, wind tur-
21 bines, and battery storage;

22 “(D) the term ‘small business concern in
23 an underserved market’ has the meaning given
24 in section 7(a)(38) of the Small Business Act;

1 “(E) the term ‘small government con-
2 tractor’ means a small business concern that is
3 performing a government contract; and

4 “(F) the term ‘small manufacturer’ means
5 a small business concern that is assigned a
6 North American Industry Classification System
7 code beginning with 31, 32, or 33 at the time
8 at which the small business concern receives
9 loan under this subsection.

10 “(2) AUTHORITY.—Except as otherwise pro-
11 vided in this subsection, the Administrator may
12 guarantee the timely payment of all principal and in-
13 terest as scheduled under this subsection on a de-
14 benture issued by any qualified State or local devel-
15 opment company under the same terms, conditions,
16 and processes as a guarantee made under the au-
17 thority under subsection (a)(1).

18 “(3) USE OF PROCEEDS.—The proceeds of a di-
19 rect debenture—

20 “(A) for a small business concern that is
21 an eligible entity, may be used for any purpose
22 for which a loan under section 502 may be
23 used, including to acquire renewable energy
24 equipment and for working capital; and

1 “(B) for a small business concern that is
2 not an eligible entity, may be used to acquire
3 renewable energy equipment.

4 “(4) MAXIMUM LOAN AMOUNT.—

5 “(A) IN GENERAL.—A direct debenture
6 shall be in an amount not more than
7 \$6,500,000.

8 “(B) COST OF PROJECT.—The amount of
9 the proceeds of a direct debenture may not ex-
10 ceed the amount equal to 100 percent of the
11 cost of the project for which the proceeds are
12 to be used.

13 “(5) CRITERIA FOR ASSISTANCE.—

14 “(A) NO COMMUNITY INJECTION FUNDS
15 REQUIRED.—Compliance with subparagraph
16 (B) of section 502(a)(3) shall not be required
17 for a direct debenture.

18 “(B) FUNDING FROM SMALL BUSINESS
19 CONCERN.—A small business concern receiving
20 funds under a direct debenture—

21 “(i) for a direct debenture used for
22 working capital, is not required to provide
23 funds toward the total cost of the project
24 financed;

1 “(ii) for a direct debenture used for
2 renewable energy equipment, may provide
3 not more than 10 percent of the total cost
4 of the project financed; and

5 “(iii) for a direct debenture used for
6 any other eligible purpose, shall provide
7 not less than 5 percent of the total cost of
8 the project financed.

9 “(6) FEES.—With respect to each debenture
10 made in accordance with this paragraph, in addition
11 to other fees authorized under this section, the Ad-
12 ministrator, an authorized third party, or an agent
13 may—

14 “(A) impose, collect, retain, and utilize
15 fees, which shall be charged to the borrower, to
16 cover any costs associated with referring appli-
17 cations or originating, underwriting, making,
18 disbursing, closing, and servicing, or liquidating
19 the loan, including any central servicing agent
20 costs, other program or contract costs, or other
21 agent administrative expenses;

22 “(B) impose, collect, retain, and use fees
23 (including unused fees and draw fees), which
24 may be charged to the borrower on loans for re-
25 volving lines of credit; and

1 “(C) establish fees that may be charged by
2 interim lenders for interim financing provided
3 in connection with a direct debenture, including
4 for assistance in referring applicants or pro-
5 moting, originating, making, underwriting, dis-
6 bursing, closing, servicing, or liquidating loans
7 in accordance with this paragraph on behalf of
8 the Administration.

9 “(7) INTERIM FINANCING.—Nothing in this
10 subsection shall be construed to restrict the ability
11 of a State or local development company to use a
12 third party lender or another lender to provide in-
13 terim financing for all project costs except the bor-
14 rower’s contribution, in accordance with section
15 120.890 of title 13, Code of Federal Regulations, or
16 any successor thereto, in connection with providing
17 a direct debenture to a small business concern.

18 “(8) OTHER TERMS.—

19 “(A) IN GENERAL.—Not later than 90
20 days after the date of the enactment of this
21 paragraph, the Administrator shall issue in-
22 terim final rules relating to the underwriting
23 criteria, interest rate, maturity, collateral, serv-
24 icing, and other terms or project requirements
25 of a direct debenture made in accordance with

1 this subsection and revising any other rules nec-
2 essary to carry out this subsection.

3 “(B) REPAYMENT.—Not later than 90
4 days after the date of the enactment of this
5 subsection, the Administrator shall issue rules
6 to allow reasonable assurance of repayment of
7 a direct debenture, including reasonable assur-
8 ance of repayment from the assets converting to
9 cash to be the primary form of repayment
10 under this subsection.”.

11 (c) CALCULATION OF JOB CREATION REQUIRE-
12 MENT.—Section 501(e)(4) of the Small Business Invest-
13 ment Act of 1958 (15 U.S.C. 695(e)(4)) is amended to
14 read as follows:

15 “(4) Loans for projects of small manufacturers and
16 direct debenture loans under section 503(j) shall be ex-
17 cluded from calculations under paragraph (2) or (3) of
18 this subsection.”.

19 **Subtitle F—Supporting**
20 **Entrepreneurial Second Chances**

21 **SEC. 100601. REENTRY ENTREPRENEURSHIP COUNSELING**
22 **AND TRAINING FOR INCARCERATED AND**
23 **FORMERLY INCARCERATED INDIVIDUALS.**

24 (a) REENTRY ENTREPRENEURSHIP COUNSELING
25 AND TRAINING FOR INCARCERATED INDIVIDUALS.—

1 “(b) ESTABLISHMENT.—The Administrator shall co-
2 ordinate with resource partners and associations formed
3 to pursue matters of common concern to resource partners
4 to provide entrepreneurship counseling and training serv-
5 ices to covered individuals pursuant to subsection (c).

6 “(c) USE OF FUNDS.—Amounts made available
7 under this section shall be used to—

8 “(1) develop and deliver a curriculum, including
9 classroom instruction and in-depth training to de-
10 velop skills related to business planning and finan-
11 cial literacy;

12 “(2) train mentors and instructors;

13 “(3) establish public-private partnerships to
14 support covered individuals; and

15 “(4) identify opportunities to access capital.”.

16 (b) REENTRY ENTREPRENEURSHIP COUNSELING
17 AND TRAINING FOR FORMERLY INCARCERATED INDIVID-
18 UALS.—

19 (1) APPROPRIATIONS.—In addition to amounts
20 otherwise available, there is appropriated to the
21 Small Business Administration, out of any money in
22 the Treasury not otherwise appropriated
23 \$5,000,000, for each of fiscal years 2022 through
24 2028 to carry out section 54 of the Small Business
25 Act, as added by paragraph (2). Amounts appro-

1 priated by this subsection shall remain available for
2 3 fiscal years.

3 (2) IN GENERAL.—The Small Business Act (15
4 U.S.C. 631 et seq.) is amended by inserting after
5 section 53, as added by subsection (a), the following:

6 **“SEC. 54. REENTRY ENTREPRENEURSHIP COUNSELING**
7 **AND TRAINING FOR FORMERLY INCARCER-**
8 **ATED INDIVIDUALS.**

9 “(a) COVERED INDIVIDUAL DEFINED.—In this sec-
10 tion, the term ‘covered individual’ means an individual
11 who completed a term of imprisonment.

12 “(b) ESTABLISHMENT.—The Administrator shall es-
13 tablish a program under which the Service Corps of Re-
14 tired Executives authorized by section 8(b)(1)(B) shall
15 provide entrepreneurship counseling and training services
16 to covered individuals on a nationwide basis.

17 “(c) USE OF FUNDS.—Amounts made available
18 under this section shall be used by the Service Corps of
19 Retired Executives for providing to covered individuals the
20 following services:

21 “(1) Regular individualized mentoring sessions
22 to identify and support development of the business
23 plans of covered individuals.

24 “(2) Workshops on topics specifically tailored to
25 meet the needs of covered individuals.

1 “(3) Instructional videos designed specifically
2 for covered individuals on how to start or expand a
3 small business concern.”.

4 **SEC. 100602. NEW START ENTREPRENEURIAL DEVELOP-**
5 **MENT PROGRAM FOR FORMERLY INCARCER-**
6 **ATED INDIVIDUALS.**

7 (a) APPROPRIATIONS.—In addition to amounts other-
8 wise available, there is appropriated to the Small Business
9 Administration, out of any money in the Treasury not oth-
10 erwise appropriated, \$5,000,000, for each of fiscal years
11 2022 through 2028 for carrying out this section. Amounts
12 appropriated by this subsection shall remain available for
13 3 fiscal years.

14 (b) DEFINITIONS.—In this section—

15 (1) COVERED INDIVIDUAL.—The term “covered
16 individual” means an individual who—

17 (A) completed a term of imprisonment;
18 and

19 (B) meets the offense eligibility require-
20 ments set forth in any applicable policy notice
21 or other guidance issued by the Small Business
22 Administration for the program established
23 under section 7(m) of the Small Business Act
24 (15 U.S.C. 636(m)).

1 (2) INTERMEDIARY; MICROLOAN.—The terms
2 “intermediary” and “microloan” have the meanings
3 given those terms, respectively, in section 7(m)(11)
4 of the Small Business Act (15 U.S.C. 636(m)(11)).

5 (3) PARTICIPATING LENDER.—The term “par-
6 ticipating lender” means a participating lender de-
7 scribed under section 7(a) of the Small Business Act
8 (15 U.S.C. 636(a)).

9 (4) PILOT PROGRAM.—The term “pilot pro-
10 gram” means the pilot program established under
11 subsection (b).

12 (5) RESOURCE PARTNER.—The term “resource
13 partner” means—

14 (A) a small business development center
15 (defined in section 3 of the Small Business Act
16 (15 U.S.C. 632));

17 (B) a women’s business center (described
18 under section 29 of such Act (15 U.S.C. 656));

19 (C) a chapter of the Service Corps of Re-
20 tired Executives (established under section
21 8(b)(1)(B) of such Act ((15 U.S.C.
22 637(b)(1)(B))); and

23 (D) a Veteran Business Outreach Center
24 (described under section 32 of such Act (15
25 U.S.C. 657b)).

1 (c) ESTABLISHMENT.—The Administrator shall es-
2 tablish a pilot program to award grants to organizations,
3 or partnerships of organizations, to provide assistance to
4 covered individuals throughout the United States.

5 (d) APPLICATION.—

6 (1) IN GENERAL.—An organization or partner-
7 ship of organizations desiring a grant under the
8 pilot program shall submit an application to the Ad-
9 ministrator in such form, in such manner, and con-
10 taining such information as the Administrator may
11 reasonably require.

12 (2) CONTENTS.—An application submitted
13 under paragraph (1) shall—

14 (A) demonstrate that the applicant has a
15 partnership with, or is, an intermediary that
16 shall make microloans to covered individuals;

17 (B) demonstrate an ability to provide a full
18 range of entrepreneurial development program-
19 ming on an ongoing basis;

20 (C) include a plan for reaching covered in-
21 dividuals, including by identifying particular
22 target populations within the community in
23 which a covered individual lives;

24 (D) include a plan to refer covered individ-
25 uals who have completed participation in the

1 pilot program to existing resource partners and
2 participating lenders;

3 (E) include a comprehensive plan for the
4 use of grant funds, including estimates for ad-
5 ministrative expenses and outreach costs; and

6 (F) any other requirements, as determined
7 by the Administrator.

8 (e) MATCHING REQUIREMENT.—

9 (1) IN GENERAL.—As a condition of a grant
10 provided under the pilot program, the Administrator
11 shall require the recipient of the grant to contribute
12 an amount equal to 25 percent of the amount of the
13 grant, obtained solely from non-Federal sources.

14 (2) FORM.—In addition to cash or other direct
15 funding, the contribution required under paragraph
16 (1) may include indirect costs or in-kind contribu-
17 tions paid for under non-Federal programs.

18 **Subtitle G—Other Matters**

19 **SEC. 100701. ADMINISTRATIVE EXPENSES.**

20 (a) IN GENERAL.—In addition to amounts otherwise
21 available, there is appropriated to the Administration for
22 fiscal year 2022, out of any money in the Treasury not
23 otherwise appropriated, \$1,250,000,000, to remain avail-
24 able until September 30, 2031, for administrative ex-

1 penses related to carrying out this title, except as other-
2 wise provided in this title.

3 (b) RULEMAKING.—Using amounts made available
4 under subsection (a), not later than 30 days after the date
5 of the enactment of this Act, the Administrator may issue
6 rules, including interim final rules, as necessary to carry
7 out this title and the amendments made by this title.

8 (c) RECISSION.—With respect to amounts appro-
9 priated under subsection (a)—

10 (1) the Secretary of the Treasury shall complete
11 all disbursements and remaining obligations before
12 September 30, 2031; and

13 (2) the unexpended balance of such amounts
14 September 30, 2031, shall be rescinded and depos-
15 ited into the general fund of the Treasury.

16 **SEC. 100702. OFFICE OF THE INSPECTOR GENERAL OF THE**
17 **SMALL BUSINESS ADMINISTRATION.**

18 In addition to amounts otherwise available, there is
19 appropriated to the Office of the Inspector General of the
20 Small Business Administration for fiscal year 2022, out
21 of any money in the Treasury not otherwise appropriated,
22 \$25,000,000, to remain available until September 30,
23 2031, for audits, investigations, and other oversight of
24 projects and activities carried out with funds made avail-
25 able by this title to the Small Business Administration.

1 **TITLE XI—COMMITTEE ON**
2 **TRANSPORTATION AND IN-**
3 **FRASTRUCTURE**

4 **SEC. 110001. AFFORDABLE HOUSING ACCESS PROGRAM.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 available, there is appropriated for fiscal year 2022, out
7 of any funds in the Treasury not otherwise appropriated,
8 \$9,900,000,000, to remain available until September 30,
9 2026, for competitive grants to support access to afford-
10 able housing and the enhancement of mobility for resi-
11 dents in disadvantaged communities or neighborhoods, in
12 persistent poverty communities, or for low-income riders
13 generally.

14 (b) CRITERIA AND PROCESS.—The Secretary of
15 Housing and Urban Development and the Administrator
16 of the Federal Transit Administration shall establish cri-
17 teria and a process for the allocation of funds made avail-
18 able under this section in a manner to ensure that such
19 funds support—

20 (1) access to affordable housing;

21 (2) enhanced mobility for residents and riders,
22 including those in disadvantaged communities and
23 neighborhoods, persistent poverty communities, or
24 for low-income riders generally; or

1 (3) other community benefits for residents of
2 disadvantaged communities or neighborhoods, per-
3 sistent poverty communities, or for low-income riders
4 generally identified by the Secretary and the Admin-
5 istrator related to enhanced transit service, includ-
6 ing—

7 (A) access to job and educational opportu-
8 nities;

9 (B) better connections to medical care; or

10 (C) enhanced access to grocery stores with
11 fresh foods to help eliminate food deserts.

12 (e) ADMINISTRATION OF FUNDS.—Funds made
13 available under this section shall—

14 (1) be available to recipients and subrecipients
15 eligible under chapter 53 of title 49, United States
16 Code;

17 (2) after allocation, be administered by the Ad-
18 ministrator of the Federal Transit Administration—

19 (A) to recipients and subrecipients in
20 urban areas, as if such funds were provided
21 under section 5307 of title 49, United States
22 Code;

23 (B) to recipients and subrecipients in rural
24 areas, as if such funds were provided under sec-
25 tion 5311 of such title;

1 (C) for any project activities related to the
2 acquisition of zero-emission buses or related in-
3 frastructure, as if funds for such activities were
4 awarded under section 5339(e) of such title;

5 (D) for any activities related to research
6 that supports efforts to reduce barriers to the
7 deployment of zero-emission transit vehicles in
8 disadvantaged communities or neighborhoods
9 and rural areas, including barriers related to
10 the cost of such vehicles, as if funds for such
11 activities were provided under section 5312 of
12 such title; or

13 (E) for any activities related to the train-
14 ing and development of the transit workforce
15 that provides service to disadvantaged commu-
16 nities or neighborhoods and rural areas, includ-
17 ing the creation of new employment opportuni-
18 ties in the transit industry for workers from
19 such communities, neighborhoods or areas, as if
20 funds for such activities were provided under
21 section 5314 of such title;

22 (3) not be subject to any restriction on the total
23 amount of funds available for implementation or exe-
24 cution of programs authorized under section 5307,

1 5311, 5312, 5314, or 5339 of title 49, United States
2 Code;

3 (4) notwithstanding paragraph (1), be available
4 for grants for up to 100 percent of the net cost of
5 a project; and

6 (5) be expended in compliance with the require-
7 ments of part 26 of title 49, Code of Federal Regu-
8 lations.

9 (d) ELIGIBLE ACTIVITIES.—Eligible activities for
10 funds made available under this section shall be—

11 (1) construction of a new fixed guideway capital
12 project;

13 (2) construction of a bus rapid transit project
14 or a corridor-based bus rapid transit project that
15 utilizes zero-emission vehicles, including costs related
16 to the acquisition of such vehicles and related charg-
17 ing or fueling infrastructure, or a collection of such
18 projects;

19 (3) the establishment or expansion of high-fre-
20 quency bus service that utilizes zero-emission buses,
21 including costs related to the acquisition of such ve-
22 hicles and related charging or fueling infrastructure,
23 but does not have all of the features of a bus rapid
24 transit project or corridor-based bus rapid transit
25 project;

1 (4) an expansion of the service area or the fre-
2 quency of service of recipients or subrecipients under
3 section 5311 of title 49, United States Code, which
4 may include operational expenses, including the pro-
5 vision of fare-free or reduced-fare service, or the ac-
6 quisition of vehicles or infrastructure to expand serv-
7 ice;

8 (5) notwithstanding subsection (a)(1) of section
9 5307 of such title, an expansion of the service area
10 or the frequency of service of recipients under such
11 section, which may include operational expenses, in-
12 cluding the provision of fare-free or reduced-fare
13 service, or the acquisition of zero-emission vehicles
14 or infrastructure to expand service;

15 (6) renovation or construction of facilities and
16 incidental expenses to continue or expand transit
17 service in disadvantaged communities or neighbor-
18 hoods or service that benefits low-income riders gen-
19 erally;

20 (7) research activities and capital expenses re-
21 lated to research under section 5312 of such title
22 that support efforts to reduce barriers to the deploy-
23 ment of zero-emission transit vehicles in disadvan-
24 taged communities or neighborhoods and rural

1 areas, including barriers related to the cost of such
2 vehicles;

3 (8) activities under section 5314 of such title
4 that support the training and development of the
5 transit workforce that provides service to disadvan-
6 taged communities or neighborhoods and rural
7 areas, including the creation of new employment op-
8 portunities in the transit industry for workers from
9 such communities, neighborhoods, or areas;

10 (9) additional assistance to project sponsors of
11 new fixed guideway capital projects, core capacity
12 improvement projects, or corridor-based bus rapid
13 transit projects not yet open to revenue service, not-
14 withstanding applicable requirements regarding Gov-
15 ernment share of contributions toward net project
16 cost of the project or the share of contributions from
17 a program carried out by the Administrator of the
18 Federal Transit Administration, if—

19 (A) the applicant demonstrates that the
20 availability of funding under this section pro-
21 vides additional support for access to affordable
22 housing and the enhancement of mobility for
23 residents in disadvantaged communities or
24 neighborhoods, persistent poverty communities,
25 or for low-income riders generally in the service

1 area of the recipient, consistent with the pur-
2 poses described in subsection (b); and

3 (B) assistance under this paragraph does
4 not increase by more than 10 percentage
5 points—

6 (i) the Government share of contribu-
7 tions toward net project cost; or

8 (ii) the Government share of assist-
9 ance from a program carried out by the
10 Administrator of the Federal Transit Ad-
11 ministration;

12 (10) fleet transition, route, or other public
13 transportation planning, including planning related
14 to economic development; or

15 (11) projects to upgrade the accessibility of bus
16 or rail public transportation services for persons
17 with disabilities, including individuals who use
18 wheelchairs, in disadvantaged communities or neigh-
19 borhoods.

20 (e) ADMINISTRATIVE EXPENSES.—In addition to
21 amounts otherwise available, there is appropriated for fis-
22 cal year 2022, out of any funds in the Treasury not other-
23 wise appropriated, \$100,000,000, to remain available until
24 September 30, 2026, for the following:

1 (1) The costs of administering and overseeing
2 the implementation of this section.

3 (2) To make new awards or to increase prior
4 awards to provide technical assistance and capacity
5 building for eligible recipients or subrecipients under
6 this section.

7 **SEC. 110002. COMMUNITY CLIMATE INCENTIVE GRANTS.**

8 (a) **FEDERAL HIGHWAY ADMINISTRATION APPRO-**
9 **PRIATION.**—In addition to amounts otherwise available,
10 there is appropriated for fiscal year 2022, out of any funds
11 in the Treasury not otherwise appropriated, \$50,000,000,
12 to remain available until September 30, 2026, to the Ad-
13 ministrator of the Federal Highway Administration—

14 (1) to establish a greenhouse gas performance
15 measure that requires States to set performance tar-
16 gets to reduce greenhouse gas emissions;

17 (2) to establish an incentive structure to reward
18 States that demonstrate the most significant
19 progress towards achieving reductions in greenhouse
20 gas emissions;

21 (3) to establish consequences for States that do
22 not achieve reductions in greenhouse gas emissions;

23 (4) to issue guidance and regulations, and pro-
24 vide technical assistance, as necessary to implement
25 this section; and

1 (5) from any remaining amounts after carrying
2 out paragraphs (1) through (4), for operations and
3 administration of the Federal Highway Administra-
4 tion.

5 (b) GRANTS TO STATES.—In addition to amounts
6 otherwise available, there is appropriated for fiscal year
7 2022, out of any funds in the Treasury not otherwise ap-
8 propriated, \$950,000,000, to remain available until Sep-
9 tember 30, 2026, to the Administrator of the Federal
10 Highway Administration, for incentive grants for carbon
11 reduction projects, to be awarded to States that—

12 (1) qualify for a reward under the incentive
13 structure established by the Administrator under
14 subsection (a)(2); or

15 (2) have adopted carbon reduction strategies
16 that contribute to achieving net-zero greenhouse gas
17 emissions by 2050, and have incorporated such
18 strategies into the transportation plans required
19 under section 135 of title 23, United States Code.

20 (c) GRANTS TO OTHER ELIGIBLE ENTITIES.—In ad-
21 dition to amounts otherwise available, there is appro-
22 priated for fiscal year 2022, out of any funds in the Treas-
23 ury not otherwise appropriated, \$3,000,000,000, to re-
24 main available until September 30, 2026, to the Adminis-
25 trator of the Federal Highway Administration for grants,

1 to be awarded on a competitive basis, for carbon reduction
2 projects to eligible entities that are not States.

3 (d) USE OF FUNDS.—

4 (1) IN GENERAL.—Funds made available under
5 subsections (b) and (c) shall be administered as if
6 made available under chapter 1 of title 23, United
7 States Code, and a project carried out under this
8 section shall be treated as a project on a Federal-
9 aid highway under such chapter.

10 (2) GRANTS TO STATES.—Funds made avail-
11 able under subsection (b) administered by or
12 through a State department of transportation shall
13 be expended in compliance with the requirements of
14 part 26 of title 49, Code of Federal Regulations.

15 (e) FEDERAL SHARE.—

16 (1) IN GENERAL.—The Federal share for a re-
17 cipient of funds that is not a State under this sec-
18 tion may be up to 100 percent.

19 (2) STATES.—The Federal share for a recipient
20 of funds under this section that is a State shall be
21 determined in accordance with section 120 of title
22 23, United States Code.

23 (f) LIMITATION.—Funds made available under this
24 section shall not—

1 (1) be subject to any restriction or limitation on
2 the total amount of funds available for implementa-
3 tion or execution of programs authorized for Fed-
4 eral-aid highways; and

5 (2) be used for projects that result in additional
6 through travel lanes for single occupant passenger
7 vehicles.

8 (g) DEFINITIONS.—In this section:

9 (1) CARBON REDUCTION PROJECT.—A carbon
10 reduction project means a project that is eligible
11 under title 23, United State Code, and that—

12 (A) will result in significant reductions in
13 greenhouse gas emissions related to a surface
14 transportation facility or project;

15 (B) provides zero-emission transportation
16 options;

17 (C) reduces dependence on single-occupant
18 vehicle trips; or

19 (D) advances carbon reduction strategies
20 adopted by an eligible entity that contribute to
21 achieving net-zero greenhouse gas emissions by
22 2050.

23 (2) ELIGIBLE ENTITY.—The term “eligible enti-
24 ty” means—

25 (A) a unit of local government;

1 (B) a political subdivision of a State;

2 (C) a territory;

3 (D) a metropolitan planning organization
4 (as defined in section 134 of title 23, United
5 States Code);

6 (E) a special purpose district or public au-
7 thority with a transportation function;

8 (F) a recipient of funds under section 202
9 of title 23, United State Code; or

10 (G) a State.

11 (3) STATE.—The term “State” has the mean-
12 ing given the term in section 101 of title 23, United
13 States Code.

14 **SEC. 110003. NEIGHBORHOOD ACCESS AND EQUITY**
15 **GRANTS.**

16 (a) IN GENERAL.—In addition to amounts otherwise
17 available, there is appropriated for fiscal year 2022, out
18 of any funds in the Treasury not otherwise appropriated,
19 \$3,950,000,000, to remain available until September 30,
20 2026, to the Administrator of the Federal Highway Ad-
21 ministration—

22 (1) for grants to eligible entities described in
23 subsection (b) to improve walkability, safety, and af-
24 fordable transportation access through construction
25 (as such term is defined in section 101 of title 23,

1 United States Code) of projects that are context sen-
2 sitive—

3 (A) to remove, remediate, or reuse a facil-
4 ity described in subsection (c)(1);

5 (B) to replace a facility described in sub-
6 section (c)(1) with a facility that is at-grade or
7 lower speed;

8 (C) to retrofit or cap a facility described in
9 subsection (c)(1);

10 (D) to build or improve complete streets,
11 multiuse trails, regional greenways, or active
12 transportation networks or spines; or

13 (E) to provide affordable access to essen-
14 tial destinations, public spaces, or transpor-
15 tation links and hubs;

16 (2) for mitigation grants to eligible entities de-
17 scribed in subsection (b) to remediate negative im-
18 pacts on the human or natural environment result-
19 ing from a facility described in subsection (c)(2) in
20 a disadvantaged or underserved community, includ-
21 ing construction (as such term is defined in section
22 101 of title 23, United States Code) of—

23 (A) noise barriers to reduce impacts result-
24 ing from a facility described in subsection
25 (c)(2);

1 (B) technologies, infrastructure, and activi-
2 ties to reduce surface transportation-related air
3 pollution, including greenhouse gas emissions;

4 (C) infrastructure or protective features to
5 reduce or manage stormwater run-off resulting
6 from a facility described in subsection (c)(2),
7 including through natural infrastructure and
8 pervious, permeable, or porous pavement;

9 (D) infrastructure and natural features to
10 reduce, or to mitigate, urban heat island hot
11 spots in the transportation right of way or on
12 surface transportation facilities; or

13 (E) safety improvements for vulnerable
14 road users; and

15 (3) for grants to eligible entities described in
16 subsection (b) for planning and capacity building ac-
17 tivities in disadvantaged or underserved communities
18 to—

19 (A) identify, monitor, or assess local and
20 ambient air quality, emissions of transportation
21 greenhouse gases, hot spot areas of extreme
22 heat or elevated air pollution, gaps in tree can-
23 opy coverage, or flood prone locations;

1 (B) assess transportation equity or pollu-
2 tion impacts and develop local anti-displacement
3 policies and community benefit agreements;

4 (C) conduct predevelopment activities for
5 projects eligible under this subsection;

6 (D) expand public participation in trans-
7 portation planning by individuals and organiza-
8 tions in disadvantaged or underserved commu-
9 nities; or

10 (E) administer or obtain technical assist-
11 ance related to activities described in this sub-
12 section.

13 (b) ELIGIBLE ENTITIES DESCRIBED.—An eligible
14 entity referred to in subsection (a) is—

15 (1) a State (as such term is defined in section
16 101 of title 23, United States Code);

17 (2) a unit of local government;

18 (3) a political subdivision of a State (as such
19 term is defined in section 101 of title 23, United
20 States Code);

21 (4) a recipient of funds under section 202 of
22 title 23, United States Code;

23 (5) a territory of the United States;

1 (6) a metropolitan planning organization (as
2 defined in section 134(b) of title 23, United States
3 Code); or

4 (7) with respect to a grant described in sub-
5 section (a)(3), in addition to an eligible entity de-
6 scribed in paragraphs (1) through (6), a nonprofit
7 organization or institution of higher education that
8 has entered into a partnership with an eligible entity
9 described in paragraphs (1) through (6).

10 (c) FACILITY DESCRIBED.—A facility is—

11 (1) a surface transportation facility for which
12 high speeds, grade separation, or other design fac-
13 tors create an obstacle to connectivity within a com-
14 munity; or

15 (2) a surface transportation facility which is a
16 source of air pollution, noise, stormwater, or other
17 burden to a disadvantaged or underserved commu-
18 nity.

19 (d) LOCAL TECHNICAL ASSISTANCE.—In addition to
20 amounts otherwise available, there is appropriated for fis-
21 cal year 2022, out of any funds in the Treasury not other-
22 wise appropriated, \$50,000,000, to remain available until
23 September 30, 2026, to the Administrator of the Federal
24 Highway Administration for—

1 (1) guidance, technical assistance, templates,
2 training, or tools to facilitate efficient and effective
3 contracting, design, and project delivery by units of
4 local government;

5 (2) subgrants to units of local government to
6 build capacity of such local government to assume
7 responsibilities to deliver surface transportation
8 projects; and

9 (3) operations and administration of the Fed-
10 eral Highway Administration.

11 (e) USE OF FUNDS.—

12 (1) IN GENERAL.—The Administrator shall pro-
13 vide grants to eligible entities described in sub-
14 section (b) that submit an application to the Admin-
15 istrator at such time, in such manner, and con-
16 taining such information as the Administration re-
17 quires.

18 (2) MINIMUM INVESTMENT.—Not less than
19 \$1,580,000,000 of funds made available under sub-
20 section (a) shall be distributed for projects in com-
21 munities that—

22 (A) are economically disadvantaged, in-
23 cluding an underserved community or a commu-
24 nity located in an area of persistent poverty;

1 (B) have entered or will enter into a com-
2 munity benefits agreement with representatives
3 of the community;

4 (C) have an anti-displacement policy, a
5 community land trust, or a community advisory
6 board in effect; or

7 (D) have demonstrated a plan for employ-
8 ing local residents in the area impacted by the
9 activity or project proposed under this section.

10 (f) ADMINISTRATION.—

11 (1) IN GENERAL.—Amounts made available
12 under subsection (a) shall be administered as if
13 made available under chapter 1 of title 23, United
14 States Code, and a project carried out under this
15 section shall be treated as a project on a Federal-
16 aid highway under such chapter.

17 (2) GRANTS TO STATES.—Funds made avail-
18 able under subsection (a) administered by or
19 through a State department of transportation shall
20 be expended in compliance with the requirements of
21 part 26 of title 49, Code of Federal Regulations.

22 (g) COST SHARE.—The Federal share of the cost of
23 an activity carried out using a grant awarded under this
24 section shall be not more than 80 percent, except that the

1 Federal share of the cost of a project in a disadvantaged
2 or underserved community may be up to 100 percent.

3 (h) LIMITATIONS.—Funds made available under this
4 section shall not—

5 (1) be subject to any restriction or limitation on
6 the total amount of funds available for implementa-
7 tion or execution of programs authorized for Fed-
8 eral-aid highways; and

9 (2) be used for a project for additional through
10 travel lanes for single-occupant passenger vehicles.

11 **SEC. 110004. FEDERAL HIGHWAY ADMINISTRATION SEC-**
12 **TION 202 FUNDS.**

13 (a) IN GENERAL.—In addition to amounts otherwise
14 made available, there is appropriated for fiscal year 2022,
15 out of any funds in the Treasury not otherwise appro-
16 priated, \$1,000,000,000, to remain available until Sep-
17 tember 30, 2026, to the Administrator of the Federal
18 Highway Administration for the purposes described under
19 section 202 of title 23, United States Code.

20 (b) DISTRIBUTION OF FUNDS.—The Administrator
21 of the Federal Highway Administration shall administer
22 amounts made available under subsection (a) as if allo-
23 cated under section 202 of title 23, United States Code.

24 (c) LIMITATION.—Funds made available under this
25 section shall not be subject to any restriction or limitation

1 on the total amount of funds available for implementation
2 or execution of programs authorized for Federal-aid high-
3 ways.

4 **SEC. 110005. TERRITORIAL HIGHWAY PROGRAM FUNDING.**

5 (a) IN GENERAL.—In addition to amounts otherwise
6 made available, there is appropriated for fiscal year 2022,
7 out of any funds in the Treasury not otherwise appro-
8 priated, \$320,000,000, to remain available until Sep-
9 tember 30, 2026, to the Administrator of the Federal
10 Highway Administration for the purposes described under
11 section 165(c) of title 23, United States Code.

12 (b) ADMINISTRATION OF FUNDS.—The Adminis-
13 trator of the Federal Highway Administration shall ad-
14 minister amounts made available under subsection (a) as
15 if allocated under section 165(c) of title 23, United States
16 Code.

17 (c) LIMITATION.—Funds made available under this
18 section shall not be subject to any restriction or limitation
19 on the total amount of funds available for implementation
20 or execution of programs authorized for Federal-aid high-
21 ways.

22 **SEC. 110006. TRAFFIC SAFETY CLEARINGHOUSE.**

23 (a) IN GENERAL.—In addition to amounts otherwise
24 made available, there is appropriated for fiscal year 2022,
25 out of any funds in the Treasury not otherwise appro-

1 priated, \$100,000,000 to remain available until September
2 30, 2026, for the Administrator of the National Highway
3 Traffic Safety Administration to make 1 or more grants,
4 cooperative agreements, or contracts with 1 or more quali-
5 fied institutions to—

6 (1) operate a national clearinghouse for fair
7 and equitable traffic safety enforcement programs;

8 (2) research and develop systems for States to
9 collect traffic safety enforcement data and provide
10 technical assistance to States collecting such data,
11 including the sharing of data to a national database;

12 (3) develop recommendations and best practices
13 to help States collect and use traffic safety enforce-
14 ment data to promote equity and reduce traffic-re-
15 lated fatalities and injuries; and

16 (4) develop information and educational pro-
17 grams on implementing equitable traffic safety en-
18 forcement best practices to assist States and local
19 communities.

20 (b) ADMINISTRATION.—Not more than 5 percent of
21 the amounts made available under this section may be
22 used for salaries, expenses, and administration of the Na-
23 tional Highway Traffic Safety Administration.

1 **SEC. 110007. AUTOMATED VEHICLES AND MOBILITY INNO-**
2 **VATION.**

3 In addition to amounts otherwise made available,
4 there is appropriated for fiscal year 2022, out of any funds
5 in the Treasury not otherwise appropriated, \$8,000,000,
6 to remain available until September 30, 2026, to the Sec-
7 retary of Transportation to make a grant to a qualified
8 institution of higher education to—

9 (1) operate a national highly automated vehicle
10 and mobility innovation clearinghouse;

11 (2) collect, conduct, and support research on
12 the secondary and societal impacts of highly auto-
13 mated vehicles and mobility innovation on the built
14 environment; and

15 (3) disseminate and make such research avail-
16 able on a public website to assist communities.

17 **SEC. 110008. LOCAL TRANSPORTATION PRIORITIES.**

18 (a) **IN GENERAL.**—In addition to amounts otherwise
19 made available, there is appropriated to the Secretary of
20 Transportation for fiscal year 2022, out of any funds in
21 the Treasury not otherwise appropriated, \$6,000,000,000
22 to remain available until September 30, 2026, for projects
23 to advance local surface transportation priorities.

24 (b) **DAVIS BACON REQUIREMENT.**—

25 (1) **IN GENERAL.**—All laborers and mechanics
26 employed by contractors or subcontractors in the

1 performance of construction, alteration, or repair
2 work carried out, in whole or in part, with assistance
3 made available under this section shall be paid
4 wages at rates not less than those prevailing on
5 projects of a character similar in the locality as de-
6 termined by the Secretary of Labor in accordance
7 with subchapter IV of chapter 31 of title 40, United
8 States Code.

9 (2) **AUTHORITY AND FUNCTIONS.**—With re-
10 spect to the labor standards specified in this sub-
11 section, the Secretary of Labor shall have the au-
12 thority and functions set forth in Reorganization
13 Plan Numbered 14 of 1950 (64 Stat. 1267; 5
14 U.S.C. App.) and section 3145 of title 40, United
15 States Code.

16 **SEC. 110009. PASSENGER RAIL IMPROVEMENT, MOD-**
17 **ERNIZATION, AND EMISSIONS REDUCTION**
18 **GRANTS.**

19 (a) **APPROPRIATION.**—In addition to amounts other-
20 wise available, there is appropriated to the Secretary of
21 Transportation for fiscal year 2022, out of any money in
22 the Treasury not otherwise appropriated,
23 \$10,000,000,000, to remain available until September 30,
24 2026, for financial assistance under chapter 261 of title

1 49, United States Code, to eligible entities for eligible
2 projects.

3 (b) ALLOCATION.—Of the funds provided pursuant to
4 subsection (a), not less than 10 percent shall be used for
5 eligible projects as described under subsection (e)(1)(A).

6 (c) FEDERAL SHARE.—For any financial assistance
7 provided pursuant to this section, the Federal share may
8 not exceed 90 percent of the total cost of the eligible
9 project.

10 (d) OVERSIGHT.—Not more than 1 percent of the
11 amounts made available under subsection (a) shall be for
12 the use of the Secretary of Transportation for the costs
13 of award and project management of financial assistance
14 provided under this section.

15 (e) DEFINITIONS.—In this section:

16 (1) ELIGIBLE PROJECT.—The term “eligible
17 project” means—

18 (A) a planning project for high-speed rail
19 corridor development that consists of planning
20 activities eligible to receive financial assistance
21 under section 26101(b) of title 49, United
22 States Code; or

23 (B) a capital project for high-speed rail
24 corridor development that—

1 (i) directly serves rail stations within
2 urban areas, as published by the Bureau of
3 the Census, that are located in close prox-
4 imity to a census tract, as published by the
5 Bureau of the Census, within the urban
6 area that has a greater population density
7 than the urban area as a whole; and

8 (ii) is eligible to receive financial as-
9 sistance for a capital project, as defined in
10 section 26106(b)(3) of title 49, United
11 States Code.

12 (2) ELIGIBLE ENTITY.—The term “eligible enti-
13 ty” means—

14 (A) an entity eligible to receive financial
15 assistance under section 26101 of title 49,
16 United States Code; or

17 (B) an applicant eligible to receive a grant
18 under section 26106 of title 49, United States
19 Code.

20 (3) HIGH-SPEED RAIL.—The term “high-speed
21 rail” means non-highway ground transportation that
22 is owned or operated by an eligible entity and rea-
23 sonably expected to reach speeds of 160 miles per
24 hour or more on shared-use right-of-way or 186
25 miles per hour or more on dedicated right-of-way.

1 (4) CORRIDOR.—The term “corridor” means an
2 existing, modified, or proposed intercity passenger
3 rail service, as defined in section 26106(b) of title
4 49, United States Code.

5 **SEC. 110010. RAILROAD REHABILITATION INFRASTRUC-**
6 **TURE AND FINANCING CREDIT RISK PRE-**
7 **MIUM ASSISTANCE.**

8 (a) APPROPRIATION.—In addition to amounts other-
9 wise available, there is appropriated to the Secretary of
10 Transportation, out of any money in the Treasury not oth-
11 erwise appropriated, \$150,000,000, in fiscal year 2022, to
12 remain available until September 30, 2026, to provide
13 credit risk premium assistance to eligible entities through
14 the railroad rehabilitation infrastructure and financing
15 program established by title V of the Railroad Revitaliza-
16 tion and Regulatory Reform Act of 1976.

17 (b) ELIGIBLE ENTITIES.—For purposes of this sec-
18 tion, eligible entities shall include—

19 (1) railroad carriers as defined in section 20102
20 of title 49, United States Code;

21 (2) State or local governments; or

22 (3) government-sponsored authorities or cor-
23 porations.

24 (c) ALLOCATION.—

1 (1) PUBLIC PASSENGER RAIL PROJECTS.—Not
2 less than 50 percent of the amounts appropriated
3 under subsection (a) shall be set aside for publicly
4 owned or operated passenger rail projects.

5 (2) FREIGHT RAILROADS.—Not less than 25
6 percent of the amounts appropriated under sub-
7 section (a) shall be set aside for freight railroads
8 that are not Class I railroads.

9 **SEC. 110011. ALTERNATIVE FUEL AND LOW-EMISSION AVIA-**
10 **TION TECHNOLOGY PROGRAM.**

11 (a) IN GENERAL.—In addition to amounts otherwise
12 made available, there is appropriated for fiscal year 2022,
13 out of any money in the Treasury not otherwise appro-
14 priated, \$1,000,000,000, to remain available until Sep-
15 tember 30, 2026, for the Secretary of Transportation to
16 provide grants to, and enter into cost-sharing agreements
17 with, eligible entities to carry out projects located in the
18 United States that—

19 (1) develop, demonstrate, or apply low-emission
20 aviation technologies; or

21 (2) produce, transport, blend, or store sustain-
22 able aviation fuels that would reduce greenhouse gas
23 emissions attributable to the operation of aircraft
24 that have fuel uplift in the United States.

1 (b) SELECTION.—In carrying out subsection (a), the
2 Secretary shall consider, with respect to a proposed
3 project—

4 (1) the anticipated public benefits of the
5 project;

6 (2) the potential to increase the domestic pro-
7 duction and deployment of sustainable aviation fuel
8 or the use of low-emission aviation technologies
9 among the United States commercial aviation and
10 aerospace industry;

11 (3) the potential for creating new jobs in the
12 United States;

13 (4) the potential the project has to reduce or
14 displace, on a lifecycle basis, United States green-
15 house gas emissions associated with air travel;

16 (5) the proposed utilization of non-Federal cost-
17 share contributions;

18 (6) for projects related to the production of sus-
19 tainable aviation fuel, the potential net greenhouse
20 gas emissions impact of such fuel on a lifecycle
21 basis, which shall include feedstock, fuel production,
22 and potential direct and indirect greenhouse gas
23 emissions (including resulting from changes in land
24 use);

1 (7) how the project will strengthen the leader-
2 ship of the United States in either sustainable avia-
3 tion fuels or in low-emission aviation technologies;

4 (8) the benefits of ensuring a diversity of feed-
5 stocks for sustainable aviation fuel, including the use
6 of waste carbon oxides and direct air capture;

7 (9) the potential for partnerships with relevant
8 supply chain stakeholders for sustainable aviation
9 fuel;

10 (10) the potential to leverage existing industrial
11 infrastructure to accelerate the deployment of sus-
12 tainable aviation fuels;

13 (11) aeronautical construction and design im-
14 provements that result in more efficient aircraft, in-
15 cluding new aircraft architectures, innovative propul-
16 sion integration, and high-performance lightweight
17 materials;

18 (12) more efficient aircraft engines, including
19 innovative engine architectures, hybrid-electric en-
20 gines, and all-electric engines suitable for fully or
21 partially powering aircraft operations; and

22 (13) air traffic management and navigation
23 technologies that permit more efficient flight pat-
24 terns.

1 (c) FUNDING DISTRIBUTION.—Of the amount made
2 available under subsection (a), 30 percent of such amount
3 shall be awarded for projects described in subsection
4 (a)(1) and 70 percent of such amount shall be awarded
5 for projects described in subsection (a)(2).

6 (d) FEDERAL COST SHARE.—The Secretary shall de-
7 termine a higher Federal share of project costs for any
8 cost-share agreement or grant awarded to any eligible re-
9 cipient for a project under subsection (a) that involves a
10 low-emission aviation technology that exceeds a 20 percent
11 reduction in fuel burn compared to current best in class
12 aircraft or a sustainable aviation fuel that substantially
13 exceeds a 50 percent lifecycle greenhouse gas emission re-
14 duction compared to conventional jet fuels.

15 (e) PROGRAM REQUIREMENTS.—As a condition of re-
16 ceiving funds under this section, the Secretary may ap-
17 prove an award under this section only if the Secretary
18 has received written assurances from the recipient that—

19 (1) any low-emission aviation technology that is
20 funded or is part of a project funded by a grant
21 under subsection (a)(1) is produced in the United
22 States;

23 (2) any sustainable aviation fuel that is part of
24 a project funded by a grant under subsection (a)(2)
25 is—

1 (A) produced in the United States; and

2 (B) is not derived from feedstocks that are
3 developed through practices that threaten mass
4 deforestation, harm biodiversity, or otherwise
5 promote environmentally unsustainable proc-
6 esses; and

7 (3) the recipient of grant funding has ade-
8 quately considered the environmental justice and eq-
9 uity impacts of any project on underserved commu-
10 nities.

11 (f) DEVELOPMENT PROJECTS.—Section 47112(a) of
12 title 49, United States Code, is amended by inserting “or
13 labor for a project funded under section 110011 of the
14 Act entitled ‘An Act to provide for reconciliation pursuant
15 to title II of S. Con. Res. 14’” after “this subchapter”.

16 (g) ADMINISTRATIVE EXPENSES.—The Secretary
17 may retain up to 1 percent of the funds provided under
18 this section to fund the award of, and oversight by the
19 Secretary of, grants made under this section.

20 (h) DEFINITIONS.—In this section:

21 (1) ELIGIBLE ENTITY.—The term “eligible enti-
22 ty” means—

23 (A) a State or local government other than
24 an airport sponsor;

25 (B) an air carrier;

1 (C) an airport sponsor;

2 (D) an accredited institution of higher edu-
3 cation;

4 (E) a person or entity engaged in the pro-
5 duction, transportation, blending or storage of
6 sustainable aviation fuel or feedstocks that
7 could be used to produce sustainable aviation
8 fuel;

9 (F) a person or entity engaged in the de-
10 velopment, demonstration, or application of low-
11 emission aviation technologies; or

12 (G) nonprofit entities or nonprofit con-
13 sortia with experience in sustainable aviation
14 fuel, low-emission technology, or other clean
15 transportation research programs.

16 (2) LOW-EMISSION AVIATION TECHNOLOGY.—

17 The term “low-emission aviation technology” means
18 technologies that significantly—

19 (A) improve aircraft fuel efficiency;

20 (B) increase utilization of sustainable avia-
21 tion fuels; or

22 (C) reduce greenhouse gas emissions pro-
23 duced during operation of civil aircraft.

24 (3) SUSTAINABLE AVIATION FUEL.—The term
25 “sustainable aviation fuel” means liquid fuel that—

1 (A) consists of synthesized hydrocarbons;

2 (B) meets the requirements of—

3 (i) ASTM International Standard
4 D7566; or

5 (ii) the co-processing provisions of
6 ASTM International Standard D1655,
7 Annex A1 (or such successor standard);

8 (C) is derived from biomass (as such term
9 is defined in section 45K(e)(3) of the Internal
10 Revenue Code of 1986), waste streams, renew-
11 able energy sources or gaseous carbon oxides;

12 (D) is not derived from palm fatty acid
13 distillates; and

14 (E) achieves at least a 50 percent lifecycle
15 greenhouse gas emissions reduction in compari-
16 son with petroleum-based jet fuel, as deter-
17 mined by a test that shows—

18 (i) the fuel production pathway
19 achieves at least a 50 percent reduction of
20 the aggregate attributional core lifecycle
21 greenhouse gas emissions and the induced
22 land use change values under the lifecycle
23 methodology for sustainable aviation fuel
24 adopted by the International Civil Aviation
25 Organization for the Carbon Offsetting

1 and Reduction Scheme for International
2 Aviation with the agreement of the United
3 States; or

4 (ii) the fuel production pathway
5 achieves at least a 50 percent reduction of
6 the aggregate attributional core lifecycle
7 greenhouse gas emissions values under an-
8 other methodology that the Secretary, in
9 consultation with the Administrator of the
10 Environmental Protection Agency, deter-
11 mines is—

12 (I) reflective of the latest sci-
13 entific understanding of lifecycle
14 greenhouse gas emissions; and

15 (II) as stringent as the require-
16 ment under clause (i).

17 (i) TIME LIMIT FOR ADOPTION OF NEW SUSTAIN-
18 ABLE AVIATION FUEL EMISSIONS REDUCTION TEST.—

19 For purposes of clause (ii) of subsection (h)(3)(E), the
20 Secretary, in consultation with the Administrator of the
21 Environmental Protection Agency, shall, not later than 2
22 years after the date of the enactment of this section, adopt
23 at least 1 methodology for testing lifecycle greenhouse gas
24 emissions that meets the requirements of such clause.

1 **SEC. 110012. IMPLEMENTATION OF THE CARBON OFFSET-**
2 **TING AND REDUCTION SCHEME FOR INTER-**
3 **NATIONAL AVIATION.**

4 (a) IN GENERAL.—In addition to amounts otherwise
5 made available, there is appropriated for fiscal year 2022,
6 out of any money in the Treasury not otherwise appro-
7 priated, \$6,000,000, to remain available until September
8 30, 2026, for the Secretary of Transportation to ensure
9 the United States complies with its obligations with re-
10 spect to volume IV of annex 16 to the Convention on
11 International Civil Aviation (61 Stat. 1180) (“Carbon Off-
12 setting and Reduction Scheme for International Aviation”,
13 hereinafter “CORSIA”).

14 (b) REGULATIONS.—

15 (1) IN GENERAL.—The Secretary shall issue
16 regulations with requirements to ensure the United
17 States complies with the obligations referenced in
18 subsection (a), including requirements for operators
19 of civil aircraft of the United States with respect
20 to—

21 (A) monitoring, reporting, and verifying
22 quantities of carbon emissions covered under
23 the CORSIA, cancelling eligible emissions units
24 and reporting and verifying such cancellations,
25 and reporting use of CORSIA eligible fuels; and

1 (B) submission of such information as the
2 Secretary determines is necessary with respect
3 to implementation of the CORSIA.

4 (2) STANDARDS AND RECOMMENDED PRAC-
5 TICES.—Regulations issued under this subsection
6 shall be consistent with applicable standards and
7 recommended practices published in volume IV of
8 annex 16 to the Convention on International Civil
9 Aviation (61 Stat. 1180) and associated implementa-
10 tion elements, adopted by the International Civil
11 Aviation Organization prior to enactment of this
12 Act, and any amendments or updates to such stand-
13 ards and related documents with which the United
14 States concurs.

15 (c) REPORTS.—Not later than December 31, 2022,
16 and every 3 years thereafter, the Secretary shall submit
17 to the Committee on Transportation and Infrastructure
18 of the House of Representatives and the Committee on
19 Commerce, Science, and Technology of the Senate a report
20 assessing the compliance of operators of civil aircraft reg-
21 istered in the United States with regulations issued under
22 this section as well as the standards and recommended
23 practices referenced in subsection (b)(2), as applicable.

1 **SEC. 110013. ASSISTANCE TO UPDATE AND ENFORCE HAZ-**
2 **ARD RESISTANT CODES AND STANDARDS.**

3 (a) **IN GENERAL.**—In addition to amounts otherwise
4 available, there is appropriated for fiscal year 2022, out
5 of any money in the Treasury not otherwise appropriated,
6 \$291,000,000, to remain available until expended, to the
7 Administrator of the Federal Emergency Management
8 Agency to carry out activities described in section 203(i)
9 of the Robert T. Stafford Disaster Relief and Emergency
10 Assistance Act (42 U.S.C. 5133(i)), notwithstanding sec-
11 tion 203(f)(2) of such Act (42 U.S.C. 5133(f)(2)), includ-
12 ing for activities and grants that provide technical assist-
13 ance and capacity building for State, local, Indian Tribal,
14 or territorial governments for establishing, implementing,
15 and carrying out enforcement activities of the latest pub-
16 lished editions of relevant performance-based and con-
17 sensus-based codes, specifications, and standards that in-
18 corporate hazard-resistant designs and the latest require-
19 ments for the maintenance and inspection of existing
20 buildings to address hazard risk.

21 (b) **COST SHARE.**—The Federal share of the assist-
22 ance provided in this section shall be 100 percent.

23 (c) **ADMINISTRATION.**—In addition to amounts made
24 available for administrative expenses under section
25 205(d)(2) of the Robert T. Stafford Disaster Relief and
26 Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there

1 is appropriated for fiscal year 2022, out of any money in
2 the Treasury not otherwise available, \$9,000,000 to the
3 Administrator of the Federal Emergency Management
4 Agency, to remain available until expended, for adminis-
5 tration of this section.

6 **SEC. 110014. HAZARD MITIGATION REVOLVING LOAN FUND.**

7 (a) IN GENERAL.—In addition to amounts otherwise
8 available, there is appropriated for fiscal year 2022, out
9 of any money in the Treasury not otherwise appropriated,
10 \$495,000,000, to remain available until expended, to the
11 Administrator of the Federal Emergency Management
12 Agency for the establishment and carrying out of hazard
13 mitigation revolving loan fund grants under section 205
14 of the Robert T. Stafford Disaster Relief and Emergency
15 Assistance Act (42 U.S.C. 5135).

16 (b) ADMINISTRATION.—In addition to amounts made
17 available for administrative expenses under section
18 205(d)(2) of the Robert T. Stafford Disaster Relief and
19 Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there
20 is appropriated for fiscal year 2022, out of any money in
21 the Treasury not otherwise available, \$5,000,000 to the
22 Administrator of the Federal Emergency Management
23 Agency, to remain available until expended, for adminis-
24 tration of this section.

1 **SEC. 110015. UPGRADING PUBLIC ALERT AND WARNING.**

2 (a) IN GENERAL.—In addition to amounts otherwise
3 available, there is appropriated for fiscal year 2022, out
4 of any money in the Treasury not otherwise appropriated,
5 \$24,000,000, to remain available until September 30,
6 2024, to the Administrator of the Federal Emergency
7 Management Agency to upgrade the Integrated Public
8 Alert and Warning System for implementation of the Next
9 Generation Warning System.

10 (b) ASSISTANCE TO CERTAIN ENTITIES.—In car-
11 rying out subsection (a), the Administrator of the Federal
12 Emergency Management Agency is authorized to issue
13 noncompetitive, risk-informed financial assistance to pub-
14 lic broadcasting entities, as defined in section 397 of the
15 Communications Act of 1934 (47 U.S.C. 397).

16 (c) ADMINISTRATION.—In addition to amounts made
17 available for administrative expenses under section
18 205(d)(2) of the Robert T. Stafford Disaster Relief and
19 Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there
20 is appropriated for fiscal year 2022, out of any money in
21 the Treasury not otherwise available, \$1,000,000 to the
22 Administrator of the Federal Emergency Management
23 Agency, to remain available until September 30, 2026, for
24 administration of this section.

1 **SEC. 110016. FEDERAL ASSISTANCE FOR EMERGENCY MAN-**
2 **AGERS.**

3 (a) **IN GENERAL.**—In addition to amounts otherwise
4 available, there is appropriated for fiscal year 2022, out
5 of any money in the Treasury not otherwise appropriated,
6 \$412,000,000, to remain available until expended, to the
7 Administrator of the Federal Emergency Management
8 Agency for grants for construction, retrofit, technological
9 enhancement, and updated requirements of State, local,
10 Indian Tribal, and territorial emergency operations cen-
11 ters under section 614 of the Robert T. Stafford Disaster
12 Relief and Emergency Assistance Act (42 U.S.C. 5196c).
13 A State may provide grant funds under this subsection
14 to local governments and Tribal governments to carry out
15 the activities for which such funds are provided.

16 (b) **ADMINISTRATION.**—In addition to amounts made
17 available for administrative expenses under section
18 205(d)(2) of the Robert T. Stafford Disaster Relief and
19 Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there
20 is appropriated for fiscal year 2022, out of any money in
21 the Treasury not otherwise available, \$13,000,000 to the
22 Administrator of the Federal Emergency Management
23 Agency, to remain available until expended, for adminis-
24 tration of this section.

1 (c) LIMITATION.—The amount of a project under a
2 grant provided under this section may not exceed
3 \$4,000,000.

4 (d) CODE COMPLIANCE.—In using funds under sub-
5 section (a), a grant recipient shall act in compliance with
6 the latest published editions of relevant consensus-based
7 codes, specifications, and standards that incorporate the
8 latest hazard resistant designs and establish minimum ac-
9 ceptable criteria for the design, construction, and mainte-
10 nance of structures and facilities for the purpose of pro-
11 tecting the health, safety, and general welfare of the build-
12 ing users against disasters.

13 **SEC. 110017. FEMA PROCUREMENT, CONSTRUCTION, AND**
14 **IMPROVEMENTS.**

15 In addition to amounts otherwise available, there is
16 appropriated for fiscal year 2022, out of any money in
17 the Treasury not otherwise appropriated, \$200,000,000,
18 to remain available until September 30, 2026, to the Ad-
19 ministrator of the Federal Emergency Management Agen-
20 cy for the construction, renovation, retrofit, technological
21 enhancement, and updated requirements of Federal emer-
22 gency training centers and Federal emergency operations
23 centers.

1 **SEC. 110018. ECONOMIC DEVELOPMENT ADMINISTRATION.**

2 (a) ECONOMIC DEVELOPMENT ASSISTANCE FOR RE-
3 GIONAL ECONOMIC GROWTH CLUSTERS.—In addition to
4 amounts otherwise available, there is appropriated for fis-
5 cal year 2022, out of any money in the Treasury not other-
6 wise appropriated, \$4,000,000,000, to remain available
7 until September 30, 2027, to the Secretary of Commerce
8 for grants under section 209 of the Public Works and Eco-
9 nomic Development Act of 1965 (42 U.S.C. 3149) to de-
10 velop regional economic growth clusters, subject to the
11 condition that sections 204 and 301 of such Act (42
12 U.S.C. 3144 and 3161) shall not apply to grants made
13 with amounts made available under this subsection.

14 (b) ECONOMIC ADJUSTMENT ASSISTANCE.—In addi-
15 tion to amounts otherwise available, there is appropriated
16 for fiscal year 2022, out of any money in the Treasury
17 not otherwise appropriated, \$1,000,000,000, to remain
18 available until September 30, 2027, to the Secretary of
19 Commerce for economic adjustment assistance as author-
20 ized by section 209 of the Public Works and Economic
21 Development Act of 1965 (42 U.S.C. 3149), of which—

22 (1) \$500,000,000 shall be to provide assistance
23 to energy and industrial transition communities, in-
24 cluding coal, oil and gas, and nuclear transition
25 communities; and

1 (2) \$50,000,000 shall be to provide grants for
2 project predevelopment and capacity building activi-
3 ties, including activities relating to the writing of
4 grant applications (consistent with section 213 of
5 such Act (42 U.S.C. 3153)) and stipends to local
6 community organizations for planning participation,
7 community outreach and engagement activities, sub-
8 ject to the conditions that—

9 (A) sections 204 and 301 of such Act (42
10 U.S.C. 3144 and 3161) shall not apply to
11 grants made with amounts made available
12 under this paragraph; and

13 (B) not less than 50 percent of the
14 amounts made available under this paragraph
15 shall be for activities that are carried out in un-
16 derserved communities.

17 (c) GRANTS FOR PUBLIC WORKS AND ECONOMIC DE-
18 VELOPMENT.—In addition to amounts otherwise available,
19 there is appropriated for fiscal year 2022, out of any
20 money in the Treasury not otherwise appropriated,
21 \$500,000,000, to remain available until September 30,
22 2027, to the Secretary of Commerce for public works
23 projects as authorized by section 201 of the Public Works
24 and Economic Development Act of 1965 (42 U.S.C.
25 3141).

1 (d) ADMINISTRATION.—Not more than 3 percent of
2 the amounts made available under this section shall be
3 used for the administrative costs of carrying out this sec-
4 tion.

5 **SEC. 110019. RECOMPETE PILOT PROGRAM.**

6 (a) ECONOMIC DEVELOPMENT ADMINISTRATION AP-
7 PROPRIATION.—In addition to amounts otherwise avail-
8 able, there is appropriated for fiscal year 2022, out of any
9 money in the Treasury not otherwise appropriated,
10 \$4,000,000,000, to remain available until September 30,
11 2031, to the Department of Commerce for economic ad-
12 justment assistance as authorized by section 209 of the
13 Public Works and Economic Development Act of 1965 (42
14 U.S.C. 3149) to establish a pilot program, to be known
15 as the “Recompete Pilot Program”, to provide grants to
16 specified entities to carry out activities in eligible areas
17 and Tribal lands for which a specified entity has jurisdic-
18 tion or otherwise serves to support local labor markets,
19 local communities, and Tribal governments to alleviate
20 persistent economic distress and labor market dislocation,
21 except that sections 204 and 301 of such Act shall not
22 apply to a grant provided under this section.

23 (b) TERM.—A grant shall have a term of 10 fiscal
24 years and be disbursed at such time and in such manner
25 as determined by the Secretary of Commerce in accord-

1 ance with benchmarking requirements established by the
2 Secretary.

3 (c) USE OF FUNDS.—Of the funds provided by this
4 section—

5 (1) not less than \$3,855,000,000 shall be used
6 for grants to be awarded to at least 15 specified en-
7 tities representing eligible areas to carry out activi-
8 ties described in a recompetite plan approved by the
9 Secretary of Commerce;

10 (2) not more than \$25,000,000 may be used for
11 planning and technical assistance grants to be
12 awarded to not more than 50 specified entities rep-
13 resenting eligible areas to develop a recompetite plan
14 and carry out predevelopment activities; and

15 (3) not more than 3 percent shall be used for
16 the administrative costs of carrying out this section.

17 (d) LIMITATIONS.—

18 (1) ELIGIBLE AREAS.—An eligible area may not
19 benefit from more than 1 grant and 1 grant de-
20 scribed in subsection (c)(2).

21 (2) LIMITATION ON RECIPIENTS.—For purposes
22 of the program under this section, a specified entity
23 may not receive a grant on behalf of more than 1
24 eligible area.

1 (e) MAXIMUM AWARD AMOUNT.—In determining the
2 maximum amount of a grant that a specified entity may
3 be awarded, the Secretary shall use the product obtained
4 by multiplying—

5 (1) the prime-age employment gap of the eligi-
6 ble area;

7 (2) the prime-age population of the eligible
8 area; and

9 (3) either—

10 (A) \$70,585 for local labor markets; or

11 (B) \$53,600 for local communities.

12 (f) DEFINITIONS.—In this section:

13 (1) ELIGIBLE AREA.—The term “eligible area”
14 means either of the following:

15 (A) A local labor market that—

16 (i) has a prime-age employment gap
17 equal to not less than 2.5 percent; and

18 (ii) meets additional criteria as the
19 Secretary may establish.

20 (B) A local community that—

21 (i) has a prime-age employment gap
22 equal to not less than 5 percent;

23 (ii) is not located within an eligible
24 local labor market that meets the criteria
25 described in subparagraph (A); and

1 (iii) has a median annual household
2 income of not more than \$75,000.

3 (2) LOCAL LABOR MARKET.—The term “local
4 labor market” means any of the following areas that
5 contains 1 or more specified entities described in
6 subparagraphs (A) through (D) of paragraph (5):

7 (A) A commuting zone, as defined by the
8 Economic Research Service of the Department
9 of Agriculture, excluding all core-based statis-
10 tical areas within the commuting zone described
11 in subparagraph (B).

12 (B) Subject to subparagraph (C), if 1 or
13 more discrete metropolitan statistical areas or
14 micropolitan statistical areas, as defined by the
15 Office of Management and Budget (collectively
16 referred to as “core-based statistical areas”),
17 exists within a commuting zone described in
18 subparagraph (A), each such core-based statis-
19 tical area.

20 (C) If the remaining area of a commuting
21 zone described in subparagraph (A), excluding
22 all core-based statistical areas within the com-
23 muting zone described in subparagraph (B),
24 contains 1 or fewer counties and has a popu-
25 lation of 7,500 or fewer residents, that remain-

1 ing area combined with an adjacent core-based
2 statistical area within the commuting zone.

3 (D) The Tribal land with a Tribal prime-
4 age population represented by a Tribal govern-
5 ment.

6 (3) LOCAL COMMUNITY.—The term “local com-
7 munity” means the area served by a specified entity
8 described in subparagraphs (A) through (C) of para-
9 graph (5) that—

10 (A)(i) is located within a local labor mar-
11 ket or partial local labor market that is not eli-
12 gible; or

13 (ii) is not coexistent with, or encompassing
14 the entirety of, a local labor market; and

15 (B) meets such additional criteria, includ-
16 ing a minimum population requirement, as the
17 Secretary may establish.

18 (4) PRIME-AGE EMPLOYMENT GAP.—

19 (A) IN GENERAL.—The term “prime-age
20 employment gap” means the difference (ex-
21 pressed as a percentage) between—

22 (i) the national 5-year average prime-
23 age employment rate; and

24 (ii) the 5-year average prime-age em-
25 ployment rate of the eligible area.

1 (B) CALCULATION.—For the purposes of
2 subparagraph (A), an individual is prime-age if
3 such individual between the ages of 25 years
4 and 54 years.

5 (5) RECOMPETE PLAN.—The term “recompete
6 plan” means a comprehensive 10-year economic de-
7 velopment plan that—

8 (A) includes—

9 (i) proposed programs and activities
10 to be carried out with a grant awarded
11 under this section to address the economic
12 challenges of the eligible area in a manner
13 that promotes long-term, sustained eco-
14 nomic growth and reduction in the prime-
15 age employment gap of the eligible area;

16 (ii) projected costs and annual ex-
17 penditures and proposed disbursement
18 schedule; and

19 (iii) other information as the Sec-
20 retary determines appropriate;

21 (B) is developed by a specified entity that
22 is the recipient of a planning and technical as-
23 sistance grant described in subsection (c)(2);
24 and

1 (C) is submitted to the Secretary for ap-
2 proval for a specified entity to be considered for
3 a grant under this section.

4 (6) SPECIFIED ENTITY.—The term “specified
5 entity” means—

6 (A) a unit of local government;

7 (B) the District of Columbia;

8 (C) a territory or possession of the United
9 States;

10 (D) a Tribal government;

11 (E) a State-authorized political subdivision
12 or other entity, including a special-purpose enti-
13 ty engaged in economic development activities;

14 (F) a public entity or nonprofit organiza-
15 tion, acting in cooperation with the officials of
16 a political subdivision or entity described in
17 subparagraph (E);

18 (G) an economic development district (as
19 defined in section 3 of the Public Works and
20 Economic Development Act of 1965 (42 U.S.C.
21 3122); and

22 (H) a consortium of any of the specified
23 entities described in this paragraph which serve
24 or are contained within the same eligible area.

1 (7) TRIBAL GOVERNMENT.—The term “Tribal
2 government” means the recognized governing body
3 of any Indian or Alaska Native tribe, band, nation,
4 pueblo, village, community, component band, or com-
5 ponent reservation, individually identified (including
6 parenthetically) in the list published by the Bureau
7 of Indian Affairs on January 29, 2021, pursuant to
8 section 104 of the Federally Recognized Indian
9 Tribe List Act of 1994 (25 U.S.C. 5131).

10 (8) TRIBAL LAND.—The term “Tribal land”
11 means any land—

12 (A) any land located within the boundaries
13 of an Indian reservation, pueblo, or rancharia;
14 or

15 (B) any land not located within the bound-
16 aries of an Indian reservation, pueblo, or
17 rancharia, the title to which is held—

18 (i) in trust by the United States for
19 the benefit of an Indian Tribe or an indi-
20 vidual Indian;

21 (ii) by an Indian Tribe or an indi-
22 vidual Indian, subject to restriction against
23 alienation under laws of the United States;
24 or

1 (iii) by a dependent Indian commu-
2 nity.

3 (9) TRIBAL PRIME-AGE POPULATION.—

4 (A) IN GENERAL.—The term “Tribal
5 prime-age population” shall be equal to the sum
6 obtained by adding—

7 (i) the product obtained by multi-
8 plying—

9 (I) the total number of individ-
10 uals ages 25 through 54 residing on
11 the Tribal land of the Tribal govern-
12 ment; and

13 (II) 0.65; and

14 (ii) the product obtained by multi-
15 plying—

16 (I) the total number of individ-
17 uals ages 25 through 54 included on
18 the membership roll of the Tribal gov-
19 ernment; and

20 (II) 0.35.

21 (B) USE OF DATE.—A calculation under
22 subparagraph (A) shall be determined based on
23 data provided by the applicable Tribal govern-
24 ment to the Department of the Treasury under
25 the Coronavirus State and Local Fiscal Recov-

1 ery Fund programs under title VI of the Social
2 Security Act (42 U.S.C. 801 et seq.).

3 **SEC. 110020. ASSISTANCE FOR FEDERAL BUILDINGS.**

4 In addition to amounts otherwise available, there is
5 appropriated for fiscal year 2022, out of any funds in the
6 Treasury not otherwise appropriated, \$1,000,000,000, to
7 remain available until September 30, 2031, to be depos-
8 ited in the Federal Buildings Fund established under sec-
9 tion 592 of title 40, United States Code, for measures nec-
10 essary to convert facilities of the Administrator of General
11 Services to high-performance green buildings (as defined
12 in section 401 of the Energy Independence and Security
13 Act of 2007 (42 U.S.C. 17061)).

14 **SEC. 110021. TECHNOLOGY INNOVATION AND CLIMATE RE-**
15 **SILIENCE IN MARITIME SECTOR.**

16 In addition to amounts otherwise available, there is
17 appropriated for fiscal year 2022, out of any money in
18 the Treasury not otherwise appropriated, \$100,000,000,
19 to remain available until September 30, 2027, to the Mari-
20 time Administration, for the maritime environmental and
21 technical assistance program under section 50307 of title
22 46, United States Code, to reduce carbon emissions, re-
23 duce vessel noise pollution, and improve the climate resil-
24 iency of the marine shipping and the maritime industry.

1 **SEC. 110022. CLIMATE RESILIENT COAST GUARD INFRA-**
2 **STRUCTURE.**

3 In addition to amounts otherwise available, there is
4 appropriated for fiscal year 2022, out of any money in
5 the Treasury not otherwise appropriated, \$1,000,000,000,
6 to remain available until September 30, 2031, to the ac-
7 count under the heading “Coast Guard Procurement, Con-
8 struction, and Improvements”, for the acquisition, design,
9 and construction of new, or replacement of existing, cli-
10 mate resilient facilities, including personnel readiness fa-
11 cilities such as family support services facilities, that are
12 threatened by or have been impacted by climate change,
13 as authorized under sections 504(e) and 1101(b)(1) of
14 title 14, United States Code. The Coast Guard shall re-
15 turn to the Treasury any funds appropriated under this
16 section that have not been expended by September 30,
17 2031.

18 **SEC. 110023. GREAT LAKES ICEBREAKER ACQUISITION.**

19 In addition to amounts otherwise available, there is
20 appropriated for fiscal year 2022, out of funds in the
21 Treasury not otherwise appropriated, \$350,000,000, to re-
22 main available until September, 30, 2031, to the Coast
23 Guard, for acquisition, design, and construction of a Great
24 Lakes heavy icebreaker, as authorized under section 8107
25 of the William M. (Mac) Thornberry National Defense Au-
26 thorization Act for Fiscal Year 2021 (Public Law 116–

1 283). The Coast Guard shall return to the Treasury any
2 funds appropriated under this section that have not been
3 expended by September 30, 2031.

4 **SEC. 110024. POLAR SECURITY CUTTERS AND CLIMATE**
5 **SCIENCE.**

6 In addition to amounts otherwise available, there is
7 appropriated for fiscal year 2022, out of any money in
8 the Treasury not otherwise appropriated, \$788,000,000,
9 to remain available until September 30, 2031, to the Coast
10 Guard, for the acquisition of the fourth heavy Polar Secu-
11 rity Cutter, including scientific laboratory and berthing fa-
12 cilities, to expand access for scientists to the polar regions,
13 to improve climate and weather research, for other polar
14 missions, and for other purposes, as authorized under sec-
15 tion 561 of title 14, United States Code.

16 **SEC. 110025. SMALL SHIPYARD GRANTS.**

17 In addition to amounts otherwise available, there is
18 appropriated for fiscal year 2022, out of any money in
19 the Treasury not otherwise appropriated, \$300,000,000,
20 to remain available until September 30, 2027, to the Mari-
21 time Administration for the purposes of making grants
22 under the assistance for small shipyards program, as au-
23 thorized by section 54101 of title 46, United States Code,
24 to improve the climate resiliency and environmental sus-
25 tainability of the maritime industry and maritime trans-

1 portation system, including workforce training and equip-
2 ment acquisition projects that improve the efficiency of
3 shipyard operations, vessel construction and vessel repair.
4 The deadlines established in paragraphs (2) and (3) of
5 subsection (b) and paragraph (1) of subsection (f) of sec-
6 tion 54101 of such title shall not apply to amounts made
7 available in this section, and the Secretary of Transpor-
8 tation may carry out multiple rounds of competition.

9 **SEC. 110026. PORT INFRASTRUCTURE AND SUPPLY CHAIN**
10 **RESILIENCE.**

11 In addition to amounts otherwise available, there is
12 appropriated for fiscal year 2022, out of any money in
13 the Treasury not otherwise appropriated, \$2,500,000,000,
14 to remain available until September 30, 2027, to the Mari-
15 time Administration for the purposes of making grants for
16 projects to support supply chain resilience, reduction in
17 port congestion, the development of offshore wind support
18 infrastructure, and environmental remediation, projects to
19 reduce the impact of ports on the environment, and for
20 other purposes. Such grants shall be administered in ac-
21 cordance with the requirements applicable to grants under
22 section 50302 of title 46, United States Code. The dead-
23 lines established in paragraph (5) of subsection (c) of sec-
24 tion 50302 of such title shall not apply to amounts made
25 available in this section, and the Secretary of Transpor-

1 tation may carry out multiple rounds of competition. The
2 Maritime Administration shall return to the Treasury any
3 funds appropriated under this section that have not been
4 expended by September 30, 2031.

5 **SEC. 110027. GRANTS FOR RURAL, SMALL, TRIBAL, AND**
6 **ECONOMICALLY DISADVANTAGED MUNICI-**
7 **PALITY TECHNICAL ASSISTANCE AND CIR-**
8 **CUIT RIDER PROGRAMS AND WORKFORCE**
9 **DEVELOPMENT.**

10 (a) APPROPRIATION.—In addition to amounts other-
11 wise available, there is appropriated to the Environmental
12 Protection Agency for fiscal year 2022, out of any money
13 in the Treasury not otherwise appropriated,
14 \$495,000,000, to remain available until expended, for the
15 Administrator of the Environmental Protection Agency—

16 (1) to provide technical assistance to rural,
17 small, Tribal, and economically disadvantaged mu-
18 nicipalities for the purposes identified in subsection
19 (b)(8) of section 104 of the Federal Water Pollution
20 Control Act (33 U.S.C. 1254); and

21 (2) for grants for manpower development and
22 training and retraining of workforce employees of
23 publicly owned treatment works in accordance with
24 subsection (g) of such section.

1 (b) DETERMINATION OF ECONOMIC DISADVAN-
2 TAGE.—In determining whether a municipality is economi-
3 cally disadvantaged for the purposes of this section, the
4 Administrator shall, to the maximum extent practicable,
5 take into consideration—

6 (1) the criteria under paragraph (1) or (2) of
7 section 301(a) of the Public Works and Economic
8 Development Act of 1965 (42 U.S.C. 3161); and

9 (2) any affordability criteria established by the
10 State in which the municipality is located pursuant
11 to section 603(i)(2) or 221(c) of the Federal Water
12 Pollution Control Act (33 U.S.C. 1383(i)(2);
13 1301(e)).

14 **SEC. 110028. ALTERNATIVE WATER SOURCE PROJECT**
15 **GRANTS.**

16 (a) APPROPRIATION.—In addition to amounts other-
17 wise available, there is appropriated to the Environmental
18 Protection Agency for fiscal year 2022, out of any money
19 in the Treasury not otherwise appropriated,
20 \$125,000,000, to remain available until expended, for car-
21 rying out section 220 of the Federal Water Pollution Con-
22 trol Act (33 U.S.C. 1300), in accordance with subsection
23 (b), which funds may be used to make grants under such
24 section on the condition that—

1 (1) a project carried out using such funds shall,
2 to the maximum extent practicable, maximize the
3 avoidance, minimization, or mitigation of climate
4 change impacts on, and of, any constructed part of
5 the project (including through the implementation of
6 technologies to recover and reuse energy produced in
7 the treatment of wastewater); and

8 (2) all of the iron and steel used in the project
9 are produced in the United States in accordance
10 with section 608 of such Act (33 U.S.C. 1388).

11 (b) LIMITATIONS.—For purposes of subsection (a)—

12 (1) the limitation in section 220(d)(1) of the
13 Federal Water Pollution Control Act (as in effect on
14 September 1, 2021), as it applies to the receipt of
15 planning or design funds, shall not apply with re-
16 spect to eligibility for a grant under this section; and

17 (2) the requirements of sections 220(d)(2) and
18 (e) of such Act (as in effect on September 1, 2021)
19 shall not apply to the making of a grant under this
20 section.

21 **SEC. 110029. SEWER OVERFLOW AND STORMWATER REUSE**
22 **MUNICIPAL GRANTS.**

23 (a) GENERAL ASSISTANCE.—In addition to amounts
24 otherwise available, there is appropriated to the Environ-
25 mental Protection Agency for fiscal year 2022, out of any

1 money in the Treasury not otherwise appropriated,
2 \$1,000,000,000, to remain available until expended, for
3 carrying out section 221 of the Federal Water Pollution
4 Control Act (33 U.S.C. 1301), which funds may be used
5 to make grants under such section on the condition that
6 any activity carried out using such funds shall, to the max-
7 imum extent practicable, maximize the avoidance, mini-
8 mization, or mitigation of climate change impacts on, and
9 of, any constructed part of the activity (including through
10 the implementation of technologies to recover and reuse
11 energy produced in the treatment of wastewater).

12 (b) FINANCIALLY DISTRESSED COMMUNITIES.—

13 (1) APPROPRIATION.—In addition to amounts
14 otherwise available, there is appropriated to the En-
15 vironmental Protection Agency for fiscal year 2022,
16 out of any money in the Treasury not otherwise ap-
17 propriated, \$1,000,000,000, to remain available
18 until expended, for carrying out section 221 of the
19 Federal Water Pollution Control Act (33 U.S.C.
20 1301), which funds may be used to make grants
21 under such section to financially distressed commu-
22 nities (as defined in such section), including rural fi-
23 nancially distressed communities, on the condition
24 that any activity carried out using such funds shall,
25 to the maximum extent practicable, maximize the

1 avoidance, minimization, or mitigation of climate
2 change impacts on, and of, any constructed part of
3 the activity (including through the implementation
4 of technologies to recover and reuse energy produced
5 in the treatment of wastewater).

6 (2) LIMITATION.—In carrying out paragraph
7 (1), the Administrator of the Environmental Protec-
8 tion Agency may not require a financially distressed
9 community receiving a grant pursuant to this sub-
10 section to provide, as a condition of eligibility to re-
11 ceive such grant, a share of the cost of the activity
12 for which the grant was made.

13 **SEC. 110030. INDIVIDUAL HOUSEHOLD DECENTRALIZED**
14 **WASTEWATER TREATMENT SYSTEM GRANTS.**

15 (a) APPROPRIATION.—In addition to amounts other-
16 wise available, there is appropriated to the Environmental
17 Protection Agency for fiscal year 2022, out of any money
18 in the Treasury not otherwise appropriated,
19 \$450,000,000, to remain available until expended, to make
20 grants, in accordance with subsection (b), to States, mu-
21 nicipalities, and nonprofit entities under the Federal
22 Water Pollution Control Act for the construction, repair,
23 or replacement of individual household decentralized
24 wastewater treatment systems of eligible individuals (as

1 such term is defined in section 603(j) of the Federal
2 Water Pollution Control Act (33 U.S.C. 1383(j)).

3 (b) PRIORITY.—In carrying out subsection (a), the
4 Administrator of the Environmental Protection Agency
5 shall prioritize the issuance of grants to assist eligible indi-
6 viduals (as such term is defined in section 603(j) of the
7 Federal Water Pollution Control Act (33 U.S.C. 1383(j))
8 residing in households that are not connected to a system
9 or technology designed to treat domestic sewage, including
10 eligible individuals using household cesspools.

11 **SEC. 110031. TRIBAL CLEAN WATER GRANTS.**

12 (a) APPROPRIATION.—In addition to amounts other-
13 wise available, there is appropriated to the Environmental
14 Protection Agency for fiscal year 2022, out of any money
15 in the Treasury not otherwise appropriated,
16 \$500,000,000, to remain available until expended, to make
17 grants, in accordance with subsection (b), to Indian tribes
18 and other entities described in section 518(c)(3) of the
19 Federal Water Pollution Control Act (33 U.S.C. 1377)—

20 (1) for—

21 (A) projects and activities eligible for as-
22 sistance under section 603(c) of such Act (33
23 U.S.C. 1383); and

24 (B) training, technical assistance, and edu-
25 cational programs related to the operation and

1 management of treatment works eligible for as-
2 sistance pursuant to such section 603(c); and
3 (2) subject to the condition that—

4 (A) any project or activity carried out
5 using such funds shall, to the maximum extent
6 practicable, maximize the avoidance, minimiza-
7 tion, or mitigation of climate change impacts
8 on, and of, any constructed part of the project
9 or activity (including through the implementa-
10 tion of technologies to recover and reuse energy
11 produced in the treatment of wastewater); and

12 (B) all of the iron and steel used in any
13 project carried out using such funds are pro-
14 duced in the United States in accordance with
15 section 608 of such Act (33 U.S.C. 1388).

16 (b) LIMITATION.—In carrying out subsection (a), the
17 Administrator of the Environmental Protection Agency
18 may not require an Indian tribe or other entity receiving
19 a grant under this section to provide, as a condition of
20 eligibility to receive such grant, a share of the cost of the
21 project or activity for which the grant was made.

22 **SEC. 110032. WASTEWATER INFRASTRUCTURE ASSISTANCE**
23 **TO COLONIAS.**

24 In addition to amounts otherwise available, there is
25 appropriated to the Environmental Protection Agency for

1 fiscal year 2022, out of any money in the Treasury not
2 otherwise appropriated, \$125,000,000, to remain available
3 until expended, for the Administrator of the Environ-
4 mental Protection Agency for carrying out section 307 of
5 the Safe Drinking Water Act Amendments of 1996 (33
6 U.S.C. 1281 note; 110 Stat. 1688), which funds may be
7 used to award grants under such section to a border State
8 or municipality with jurisdiction over an eligible commu-
9 nity (as such terms are defined in such section), on the
10 condition that—

11 (1) a project carried out using such funds shall,
12 to the maximum extent practicable, maximize the
13 avoidance, minimization, or mitigation of climate
14 change impacts on, and of, any constructed part of
15 the project (including through the implementation of
16 technologies to recover and reuse energy produced in
17 the treatment of wastewater);

18 (2) all of the iron and steel used in the project
19 are produced in the United States in accordance
20 with section 608 of the Federal Water Pollution
21 Control Act (33 U.S.C. 1388); and

22 (3) an eligible community receiving assistance
23 for such project pursuant to this section shall not be
24 required to provide a share of the costs of carrying
25 out the project.

1 **SEC. 110033. CLEAN WATER NEEDS SURVEY.**

2 In addition to amounts otherwise available, there is
3 appropriated to the Environmental Protection Agency for
4 fiscal year 2022, out of any money in the Treasury not
5 otherwise appropriated, \$5,000,000, to remain available
6 until expended, for grants to States and municipalities to
7 carry out a detailed estimate of the cost of construction
8 of all needed publicly owned treatment works pursuant to
9 section 516(b)(1)(B) of the Federal Water Pollution Con-
10 trol Act (33 U.S.C. 1375(b)(1)(B)).

11 **SEC. 110034. PROHIBITION ON USE OF FUNDS.**

12 The Comptroller General of the United States shall
13 provide a report to Congress accounting for any equipment
14 provided by the United States Coast Guard or the Army
15 Corps of Engineers to any prior regime in Afghanistan
16 and that has been left behind in Afghanistan.

17 **SEC. 110035. POLICY OF THE UNITED STATES ON CHILD**
18 **LABOR.**

19 It is the policy of the United States that funds made
20 available by this title should not be used to purchase prod-
21 ucts produced whole or in part through the use of child
22 labor, as such term is defined in Article 3 of the Inter-
23 national Labor Organization Convention concerning the
24 prohibition and immediate action for the elimination of the
25 worst forms of child labor (December 2, 2000), or in viola-
26 tion of human rights.

1 **TITLE XII—COMMITTEE ON**
2 **VETERANS AFFAIRS**

3 **SEC. 12001. DEPARTMENT OF VETERANS AFFAIRS INFRA-**
4 **STRUCTURE IMPROVEMENTS.**

5 In addition to amounts otherwise available, there is
6 appropriated for fiscal year 2022, out of any money in
7 the Treasury not otherwise appropriated,
8 \$15,200,000,000, to remain available until September 30,
9 2031, for facilities under the jurisdiction of, or for the use
10 of, the Department of Veterans Affairs to carry out sec-
11 tions 2400, 2403, 2404, 2406, 2407, 2412, 8101 through
12 8110, 8122, and 8161 through 8169 of title 38, United
13 States Code, taking into consideration the integration of
14 climate resiliency into infrastructure as well as the needs
15 of underserved areas and underserved veteran populations.

16 **SEC. 12002. MODIFICATIONS TO ENHANCED-USE LEASE AU-**
17 **THORITY OF DEPARTMENT OF VETERANS AF-**
18 **FAIRS.**

19 (a) MODIFICATIONS TO AUTHORITY.—Paragraph (2)
20 of section 8162(a) of title 38, United States Code, is
21 amended to read as follows:

22 “(2)(A) The Secretary may enter into an enhanced-
23 use lease on or after the date of the enactment of this
24 paragraph only if the Secretary determines—

1 “(i) that the lease will not be inconsistent with,
2 and will not adversely affect—

3 “(I) the mission of the Department; or

4 “(II) the operation of facilities, programs,
5 and services of the Department in the local
6 area; and

7 “(ii) that—

8 “(I) the lease will enhance the use of the
9 leased property by directly or indirectly benefit-
10 ting veterans; or

11 “(II) the leased property will provide sup-
12 portive housing.

13 “(B) The Secretary shall give priority to enhanced-
14 use leases that, on the leased property—

15 “(i) provide supportive housing for veterans;

16 “(ii) provide direct services or benefits targeted
17 to veterans; or

18 “(iii) provide services or benefits that indirectly
19 support veterans.”.

20 (b) APPROPRIATION.—In addition to amounts other-
21 wise available, there is appropriated for fiscal year 2022,
22 out of any money in the Treasury not otherwise appro-
23 priated, \$455,000,000 for the Department of Veterans Af-
24 fairs, to remain available until expended, to enter into en-

1 hanced-use leases pursuant to section 8162 of title 38,
2 United States Code, as amended by this section.

3 (c) MODIFICATION OF SUNSET.—Section 8169 of
4 such title is amended by striking “December 31, 2023”
5 and inserting “September 30, 2026”.

6 **SEC. 12003. MAJOR MEDICAL FACILITY LEASES OF THE DE-**
7 **PARTMENT OF VETERANS AFFAIRS.**

8 (a) AUTHORITY TO ENTER INTO MAJOR MEDICAL
9 FACILITY LEASES.—Paragraph (2) of subsection (a) of
10 section 8104 of title 38, United States Code, is amended—

11 (1) by striking “No funds” and inserting “(A)
12 No funds”;

13 (2) by striking “or any major medical facility
14 lease”;

15 (3) by striking “or lease”; and

16 (4) by adding at the end the following new sub-
17 paragraph:

18 “(B) Funds may be appropriated for a fiscal year,
19 and the Secretary may obligate and expend funds, includ-
20 ing for advance planning and design, for any major med-
21 ical facility lease.”.

22 (b) MODIFICATION OF DEFINITION OF MAJOR MED-
23 ICAL FACILITY LEASE.—Subparagraph (B) of paragraph
24 (3) of such subsection is amended to read as follows:

25 “(B) The term ‘major medical facility lease’—

1 “(i) means a lease for space for use as a
2 new medical facility approved through the Gen-
3 eral Services Administration under section
4 3307(a)(2) of title 40 at an average annual rent
5 equal to or greater than the dollar threshold de-
6 scribed in such section, which shall be subject
7 to annual adjustment in accordance with sec-
8 tion 3307(h) of such title; and

9 “(ii) does not include a lease for space for
10 use as a shared Federal medical facility for
11 which the Department’s estimated share of the
12 lease costs does not exceed such dollar thresh-
13 old.”.

14 (c) INTERIM LEASING ACTIONS.—Such section is fur-
15 ther amended by adding at the end the following new sub-
16 section:

17 “(i)(1) The Secretary may carry out interim leasing
18 actions as the Secretary considers necessary for major
19 medical facility leases (as defined in subsection (a)(3)(B)).

20 “(2) In this subsection, the term ‘interim leasing ac-
21 tions’ has the meaning given that term by the Adminis-
22 trator of the General Services Administration.”.

23 (d) APPLICABILITY.—The amendments made by this
24 section shall apply with respect to a lease that has not
25 been specifically authorized by law on or before the date

1 of the enactment of this Act and is included as part of
2 the annual budget submission of the President for fiscal
3 year 2022, 2023, or 2024.

4 (e) PURCHASE OPTIONS.—The Secretary of Veterans
5 Affairs may obligate and expend funds to exercise a pur-
6 chase option included in any major medical facility lease
7 described in subsection (d).

8 (f) APPROPRIATION.—In addition to amounts other-
9 wise available, there is appropriated for fiscal year 2022,
10 out of any money in the Treasury not otherwise appro-
11 priated, \$1,805,000,000, to remain available until ex-
12 pended, for major medical facility leases pursuant to sub-
13 chapter I of chapter 81 of title 38, United States Code,
14 as amended by this section, as requested in the annual
15 budget submission of the President for fiscal year 2022,
16 2023, or 2024.

17 (g) TERMINATION AND RESTORATION.—

18 (1) IN GENERAL.—Effective upon the date of
19 execution of the final lease award for leases de-
20 scribed in subsection (d), subsections (a) through (e)
21 of this section and the amendments made by those
22 subsections are repealed and any provision of law
23 amended by those subsections is restored as if those
24 subsections had not been enacted into law.

1 (2) NOTIFICATION.—The Secretary of Veterans
2 Affairs shall submit to Congress and the Law Revi-
3 sion Counsel of the House of Representatives written
4 notification of the date specified in paragraph (1)
5 not later than 30 days before such date.

6 **SEC. 12004. INCREASE IN NUMBER OF HEALTH PROFES-**
7 **SIONS RESIDENCY POSITIONS AT DEPART-**
8 **MENT OF VETERANS AFFAIRS MEDICAL FA-**
9 **CILITIES.**

10 (a) INCREASE.—In carrying out section 7302(a)(1)
11 of title 38, United States Code, during the seven-year pe-
12 riod beginning on the day that is one year after the date
13 of the enactment of this Act, the Secretary of Veterans
14 Affairs shall increase the number of health professions
15 residency positions at medical facilities of the Department
16 of Veterans Affairs by not more than 700 positions (which
17 shall be allocated among occupations included in the most
18 current determination published in the Federal Register
19 pursuant to section 7412(a) of such title, or allocated pur-
20 suant to a prioritization by the Secretary of occupations
21 in primary care, mental health care, and any other health
22 professions occupation the Secretary determines appro-
23 priate) through the establishment of such new positions
24 at—

1 (1) medical facilities where the Secretary estab-
2 lished such positions pursuant to section 301(b)(2)
3 of the Veterans Access, Choice, and Accountability
4 Act of 2014 (Public Law 113–146; 38 U.S.C. 7302
5 note); or

6 (2) any medical facility—

7 (A) the director of which expresses an in-
8 terest in establishing or expanding a health pro-
9 fessions residency program at the medical facil-
10 ity; or

11 (B) that is located in a community that
12 has a high concentration of veterans or is expe-
13 riencing a shortage of health care professionals.

14 (b) APPROPRIATIONS.—In addition to amounts other-
15 wise available, there is appropriated to the Department
16 of Veterans Affairs for fiscal year 2022, out of any money
17 in the Treasury not otherwise appropriated,
18 \$375,000,000, to remain available until September 30,
19 2029, for the purpose of carrying out this section.

20 **SEC. 12005. VETERAN RECORDS SCANNING.**

21 In addition to amounts otherwise available, there is
22 appropriated to the Veterans Benefits Administration for
23 fiscal year 2022, out of any money in the Treasury not
24 otherwise appropriated, \$150,000,000, to remain available
25 until September 30, 2023, for costs of record scanning

1 and claims processing, to carry out sections 7701 and
2 7703 of title 38, United States Code.

3 **SEC. 12006. FUNDING FOR DEPARTMENT OF VETERANS AF-**
4 **FAIRS OFFICE OF INSPECTOR GENERAL.**

5 In addition to amounts otherwise available, there is
6 appropriated to the Office of Inspector General of the De-
7 partment of Veterans Affairs for fiscal year 2022, out of
8 any money in the Treasury not otherwise appropriated,
9 \$15,000,000, to remain available until September 30,
10 2031, for audits, investigations, and other oversight of
11 projects and activities carried out with funds made avail-
12 able to the Department of Veterans Affairs.

13 **TITLE XIII—COMMITTEE ON**
14 **WAYS AND MEANS**
15 **Subtitle A—Universal Paid Family**
16 **and Medical Leave**

17 **SEC. 130001. PAID FAMILY AND MEDICAL LEAVE.**

18 The Social Security Act (42 U.S.C. 301 et seq.) is
19 amended by adding at the end the following:

20 **“TITLE XXII—PAID FAMILY AND**
21 **MEDICAL LEAVE BENEFITS**

22 **“SEC. 2201. TABLE OF CONTENTS.**

23 “The table of contents for this title is as follows:

“Sec. 2201. Table of contents.

“Sec. 2202. Paid family and medical leave benefit eligibility.

“Sec. 2203. Benefit amount.

“Sec. 2204. Benefit determination and payment.

“Sec. 2205. Appeals.

“Sec. 2206. Stewardship.

“Sec. 2207. Funding for benefit payments, grants, and program administration.

“Sec. 2208. Funding for outreach, public education, and research.

“Sec. 2209. Funding for State administration option for legacy States.

“Sec. 2210. Reimbursement option for employer-sponsored paid leave benefits.

“Sec. 2211. Funding for small business assistance.

“Sec. 2212. Definitions.

1 **“SEC. 2202. PAID FAMILY AND MEDICAL LEAVE BENEFIT**
2 **ELIGIBILITY.**

3 “(a) ENTITLEMENT.—Every individual who—

4 “(1) has filed an application for a paid family
5 and medical leave benefit in accordance with section
6 2204(a);

7 “(2) has, or anticipates having, at least 4
8 caregiving hours in a week ending at any time dur-
9 ing the period that begins 90 days before the date
10 on which such application is filed or not later than
11 180 days after such date; and

12 “(3) has wages or self-employment income at
13 any time during the period—

14 “(A) beginning with the most recent cal-
15 endar quarter that ends at least 4 months prior
16 to the beginning of the individual’s benefit pe-
17 riod specified in subsection (b); and

18 “(B) ending with the month before the
19 month in which such benefit period begins,

1 shall be entitled to such a benefit for each month during
2 such benefit period, except as otherwise provided in this
3 section.

4 “(b) BENEFIT PERIOD.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), the benefit period specified in this sub-
7 section is the period beginning with the month in
8 which ends the 1st week in which the individual has
9 at least 4 caregiving hours and otherwise meets the
10 criteria specified in paragraphs (1), (2), and (3) of
11 subsection (a) and ending with the month in which
12 ends the 52nd week ending during such period.

13 “(2) RETROACTIVE BENEFITS.—In the case of
14 an application for benefits under this section with
15 respect to an individual who has at least 4
16 caregiving hours in a week at any time during the
17 period that begins 90 days before the date on which
18 such application is filed, the benefit period specified
19 in this subsection is the period beginning with the
20 later of—

21 “(A) the month in which ends the 1st week
22 in which the individual has at least 4 caregiving
23 hours; or

24 “(B) the 1st month that begins during
25 such 90-day period,

1 and ending with the month in which ends the 52nd
2 week ending during such period.

3 “(3) LIMITATION.—Notwithstanding para-
4 graphs (1) and (2), no benefit period under this title
5 may begin with any month beginning prior to July
6 2023.

7 “(c) CAREGIVING HOURS.—

8 “(1) CAREGIVING HOUR DEFINED.—For pur-
9 poses of this title, the term ‘caregiving hour’ means
10 a 1-hour period during which the individual engaged
11 in qualified caregiving (determined on the basis of
12 information filed with the Secretary pursuant to
13 subsection (c) of section 2204).

14 “(2) QUALIFIED CAREGIVING.—

15 “(A) IN GENERAL.—For purposes of this
16 subsection, the term ‘qualified caregiving’
17 means any activity engaged in by an individual
18 in lieu of work, other than for monetary com-
19 pensation, for any reason described in para-
20 graph (1) or (3) of section 102(a) of the Family
21 and Medical Leave Act of 1993 (29 U.S.C.
22 2612(a)), except that for purposes of this para-
23 graph such section shall be applied—

24 “(i) by treating such individual as the
25 employee referred to in such paragraph;

1 “(ii) as if paragraph (1)(C) were
2 amended to read as follows:

3 “(C)(i) In order to care for a qualified
4 family member of the employee, if such quali-
5 fied family member has a serious health condi-
6 tion.

7 “(ii) For purposes of clause (i), the term
8 “qualified family member” means, with respect
9 to an employee—

10 “(I) a spouse (including a domestic
11 partner in a civil union or other registered
12 domestic partnership recognized by a
13 State) and a spouse’s parent;

14 “(II) a child and a child’s spouse;

15 “(III) a parent and a parent’s
16 spouse;

17 “(IV) a sibling and a sibling’s
18 spouse;

19 “(V) a grandparent, a grandchild, or
20 a spouse of a grandparent or grandchild;
21 and

22 “(VI) any other individual who is re-
23 lated by blood or affinity and whose asso-
24 ciation with the employee is equivalent of
25 a family relationship (as determined under

1 regulations issued by the Secretary of the
2 Treasury).’; and

3 “(iii) by treating the criterion in para-
4 graph (1)(D) that an individual is ‘unable
5 to perform the functions of the position of
6 such employee’ because of a serious health
7 condition as a criterion that the individual
8 is unable to satisfy the requirements need-
9 ed to continue receiving the wages or self-
10 employment income described in subsection
11 (a)(3) with respect to the individual be-
12 cause of such serious health condition;

13 “(iv) as if paragraph (1)(E) were
14 amended to read as follows:

15 “(E) Because of any qualifying exigency
16 (as the Secretary shall, by regulation, deter-
17 mine) arising out of the fact that a qualified
18 family member of the employee (as defined in
19 subparagraph (C)(ii)) is on covered active duty
20 (or has been notified of an impending call or
21 order to covered active duty) in the Armed
22 Forces.’; and

23 “(v) as if paragraph (1) were amend-
24 ed by adding at the end the following:

1 “(G) Because of the death of a spouse,
2 parent, or child of the employee.’.

3 “(vi) as if paragraph (3) were amend-
4 ed by striking ‘the spouse, son, daughter,
5 parent, or next of kin’ and inserting ‘a
6 qualified family member of the employee
7 (as defined in subparagraph (C)(ii))’.

8 “(B) NO MONETARY COMPENSATION PER-
9 MITTED.—For purposes of subparagraph (A),
10 an activity shall be considered to be engaged in
11 by an individual for monetary compensation if
12 the individual received any form of wage com-
13 pensation from an employer, including paid va-
14 cation, paid sick leave, and any other form of
15 accrued paid time off (but not including any
16 such form of accrued paid time off or any non-
17 accrued paid family and medical leave benefits
18 sponsored by an employer to the extent that the
19 sum of such accrued or non-accrued paid leave
20 and any paid family and medical leave benefits
21 under section 2202 does not exceed 100 percent
22 of the individual’s regular rate of pay (as deter-
23 mined under section 7(e) of the Fair Labor
24 Standards Act of 1938)), for the time during
25 which the individual was so engaged.

1 “(C) TREATMENT OF INDIVIDUALS ELIGI-
2 BLE FOR EMPLOYER SPONSORED PAID FAMILY
3 AND MEDICAL LEAVE BENEFITS.—For purposes
4 of subparagraph (A), an activity engaged in by
5 an individual shall not be considered to be en-
6 gaged in in lieu of work if, for the time during
7 which the individual was so engaged, the indi-
8 vidual would be eligible for paid family and
9 medical leave benefits under a program spon-
10 sored by an employer who receives a grant with
11 respect to such program under section 2210.

12 “(D) TREATMENT OF INDIVIDUALS EM-
13 PLOYED IN LEGACY STATES.—For purposes of
14 subparagraph (A), an activity engaged in by an
15 individual shall not be considered to be engaged
16 in in lieu of work if the time during which the
17 individual was so engaged constitutes leave
18 from employment for which the individual
19 would be eligible to receive paid family or med-
20 ical leave benefits under the law of a legacy
21 State (as defined in section 2209(b)).

22 “(d) TREATMENT OF BEREAVEMENT LEAVE.—In the
23 case of an activity engaged in by an individual in lieu of
24 work for a reason described in paragraph (1)(G) of section
25 102(a) of the Family and Medical Leave Act of 1993 (as

1 such section is applied for purposes of paragraph (2) of
2 subsection (c)), the total number of caregiving hours at-
3 tributable to such activity, for each death described in
4 such paragraph (1)(G), that may be credited under section
5 2203(c) to weeks during the individual's benefit period
6 may not exceed $\frac{3}{5}$ of the number of hours in the individ-
7 ual's regular workweek (within the meaning of section
8 2203(d)).

9 “(e) NO CAREGIVING HOURS IN INDIVIDUAL'S WEEK
10 OF DEATH.—No caregiving hours of an individual may be
11 credited under section 2203(c) to the week during which
12 the individual dies.

13 “(f) DISQUALIFICATION FOLLOWING CERTAIN CON-
14 VICTIONS.—An individual who has been found to have
15 used false statements or representation to secure benefits
16 under this title shall be ineligible for benefits under this
17 title for a 5-year period following the date of such finding.

18 **“SEC. 2203. BENEFIT AMOUNT.**

19 “(a) IN GENERAL.—The amount of the benefit to
20 which an individual is entitled under section 2202 for a
21 month shall be an amount equal to the sum of the weekly
22 benefit amounts for each week ending during such month.
23 The weekly benefit amount of an individual for a week
24 shall be equal to the product of the individual's weekly

1 benefit rate (as determined under subsection (b)) multi-
2 plied by a fraction—

3 “(1) the numerator of which is the number of
4 caregiving hours of the individual credited to such
5 week (as determined in subsection (c)); and

6 “(2) the denominator of which is the number of
7 hours in a regular workweek of the individual (as de-
8 termined in subsection (d)).

9 “(b) WEEKLY BENEFIT RATE.—

10 “(1) IN GENERAL.—For purposes of this sec-
11 tion, an individual’s weekly benefit rate shall be an
12 amount equal to the sum of—

13 “(A) 85 percent of the individual’s average
14 weekly earnings to the extent that such earn-
15 ings do not exceed the amount established for
16 purposes of this subparagraph by paragraph
17 (2);

18 “(B) 75 percent of the individual’s average
19 weekly earnings to the extent that such earn-
20 ings exceed the amount established for purposes
21 of subparagraph (A) but do not exceed the
22 amount established for purposes of this sub-
23 paragraph by paragraph (2);

24 “(C) 55 percent of the individual’s average
25 weekly earnings to the extent that such earn-

1 ings exceed the amount established for purposes
2 of subparagraph (B) but do not exceed the
3 amount established for purposes of this sub-
4 paragraph by paragraph (2);

5 “(D) 25 percent of the individual’s average
6 weekly earnings to the extent that such earn-
7 ings exceed the amount established for purposes
8 of subparagraph (C) but do not exceed the
9 amount established for purposes of this sub-
10 paragraph by paragraph (2); and

11 “(E) 5 percent of the individual’s average
12 weekly earnings to the extent that such earn-
13 ings exceed the amount established for purposes
14 of subparagraph (D) but do not exceed the
15 amount established for purposes of this sub-
16 paragraph by paragraph (2).

17 “(2) AMOUNTS ESTABLISHED.—

18 “(A) INITIAL AMOUNTS.—For individuals
19 whose benefit period under this title begins in
20 or before calendar year 2024, the amount es-
21 tablished for purposes of subparagraphs (A),
22 (B), (C), (D), and (E) of paragraph (1) shall
23 be $\frac{1}{52}$ of \$15,080, \$34,248, \$72,000,
24 \$100,000, and \$250,000, respectively.

1 “(B) WAGE INDEXING.—For individuals
2 whose benefit period under this title begins in
3 any calendar year after 2024, each of the
4 amounts so established shall equal the cor-
5 responding amount established for the calendar
6 year preceding such calendar year, or, if larger,
7 the product of the corresponding amount estab-
8 lished with respect to the calendar year 2024
9 and the quotient obtained by dividing—

10 “(i) the national average wage index
11 (as defined in section 2212) for the second
12 calendar year preceding such calendar
13 year, by

14 “(ii) the national average wage index
15 (as so defined) for 2022.

16 “(C) ROUNDING.—Each amount estab-
17 lished under subparagraph (B) for any calendar
18 year shall be rounded to the nearest \$1, except
19 that any amount so established which is a mul-
20 tiple of \$0.50 but not of \$1 shall be rounded to
21 the next higher \$1.

22 “(3) AVERAGE WEEKLY EARNINGS.—For pur-
23 poses of this subsection, an individual’s average
24 weekly earnings, as calculated by the Secretary, shall
25 be equal to the quotient obtained by dividing—

1 “(A) the total of the wages and self-em-
2 ployment income received by the individual dur-
3 ing the most recent 8-calendar quarter period
4 that ends at least 4 months prior to the begin-
5 ning of the individual’s benefit period; by

6 “(B) 104.

7 “(4) EVIDENCE OF EARNINGS.—For purposes
8 of determining the wages and self-employment in-
9 come of an individual with respect to an application
10 for benefits under section 2202, the Secretary shall
11 make such determination on the basis of wage data
12 provided to the Secretary from the National Direc-
13 tory of New Hires pursuant to section 453(j)(5) and
14 self-employment income data provided by the Sec-
15 retary, except that the Secretary shall also consider
16 any more recent or additional evidence of wages or
17 self-employment income the individual chooses to ad-
18 ditionally submit.

19 “(c) CREDITING OF CAREGIVING HOURS TO A
20 WEEK.—The number of caregiving hours of an individual
21 credited to a week as determined under this subsection
22 shall equal the number of caregiving hours of the indi-
23 vidual occurring during such week, except that—

1 “(1) such number may not exceed the number
2 of hours in a regular workweek of the individual (as
3 determined in subsection (d));

4 “(2) no caregiving hours may be credited to a
5 week in which fewer than 4 caregiving hours of the
6 individual occur;

7 “(3) no caregiving hours of the individual may
8 be credited to the individual’s waiting period, con-
9 sisting of the first week during an individual’s ben-
10 efit period in which at least 4 caregiving hours occur
11 (regardless of whether the individual received paid
12 vacation, paid sick leave, or any other form of ac-
13 crued paid time off from the individual’s employer
14 during such week in accordance with section
15 2202(c)(2)(B)); and

16 “(4) the total number of caregiving hours cred-
17 ited to weeks during the individual’s benefit period
18 may not exceed the product of 12 multiplied by the
19 number of hours in a regular workweek of the indi-
20 vidual (as so determined).

21 “(d) NUMBER OF HOURS IN A REGULAR WORK-
22 WEEK.—For purposes of this section, the number of hours
23 in a regular workweek of an individual shall be the number
24 of hours that the individual regularly works in a week for
25 all employers (or regularly worked in the case of an indi-

1 vidual no longer employed), as determined under guidance
2 to be issued by the Secretary.

3 **“SEC. 2204. BENEFIT DETERMINATION AND PAYMENT.**

4 “(a) IN GENERAL.—An individual seeking benefits
5 under section 2202 shall file an application with the Sec-
6 retary containing the information described in subsection
7 (b) and such other information as the Secretary may re-
8 quire. Any information contained in an application for
9 benefits under section 2202, or in a periodic benefit claim
10 report filed with respect to such benefits, shall be pre-
11 sumed to be true and accurate, unless the Secretary dem-
12 onstrates by a preponderance of the evidence that informa-
13 tion contained in the application or periodic benefit claim
14 report is false, except that the Secretary shall establish
15 procedures to validate the identity of the individual filing
16 the application.

17 “(b) REQUIRED CONTENTS OF INITIAL APPLICA-
18 TION.—An application for a paid family and medical leave
19 benefit filed by an individual shall include—

20 “(1) an attestation that the individual has, or
21 anticipates having, at least 4 caregiving hours in a
22 week ending at any time during the period that be-
23 gins 90 days before the date on which such applica-
24 tion is filed or not later than 180 days after such
25 date;

1 “(2) except as otherwise provided in this sub-
2 section, a certification, issued by a relevant authority
3 determined under regulations issued by the Sec-
4 retary, that contains such information as the Sec-
5 retary shall specify in such regulations as necessary
6 to affirm the circumstances giving rise to the need
7 for such caregiving hours, which shall be no more
8 than the information that is required to be stated
9 under section 103(b) of the Family and Medical
10 Leave Act of 1993 (29 U.S.C. 2613(b));

11 “(3) an attestation from the individual that no-
12 tice of the individual’s need to be absent from work
13 during such caregiving hours has been provided, not
14 later than 7 days after such need arises, to the indi-
15 vidual’s employer (except in cases of hardship or
16 other extenuating circumstances or if the individual
17 does not have (or no longer has) an employer);

18 “(4) pay stubs or such other evidence as the in-
19 dividual may provide demonstrating the individual’s
20 wages or self-employment income during the period
21 described in section 2202(a)(3), except that the Sec-
22 retary may waive this requirement in any case in
23 which such evidence is otherwise available to the
24 Secretary;

1 “(5) an attestation from the individual stating
2 the number of hours in a regular workweek of the
3 individual (within the meaning of section 2203(d));
4 and

5 “(6) an attestation from the individual stating
6 that the leave from employment with respect to
7 which the individual is filing such application is not
8 employment for which the individual has received—

9 “(A) a notice from a State pursuant to
10 subsection (b)(2)(B) of section 2209 stating
11 that such employment would be eligible for paid
12 family and medical leave benefits under a State
13 legacy program described in such section; or

14 “(B) a notice from the individual’s em-
15 ployer pursuant to subsection (b)(1)(F)(iv) of
16 section 2210 stating that such employment
17 would be eligible for paid family and medical
18 leave benefits under an employer-sponsored pro-
19 gram described in such section.

20 In the case of an individual who applies for a paid family
21 and medical leave benefit in the anticipation of caregiving
22 hours occurring after the date of application, the certifi-
23 cation described in paragraph (2), the attestation de-
24 scribed in paragraph (3), and the evidence described in

1 paragraph (4) may be provided after the 1st week in which
2 at least 4 such caregiving hours occur.

3 “(c) PERIODIC BENEFIT CLAIM REPORT.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), not later than 60 days (or such longer pe-
6 riod as may be provided in any case in which the
7 Secretary determines that good cause exists for an
8 extension) after the end of each month during the
9 benefit period of an individual entitled to benefits
10 under section 2202, the individual shall file a peri-
11 odic benefit claim report with the Secretary. Such
12 periodic benefit claim report shall specify the
13 caregiving hours of the individual that occurred dur-
14 ing each week that ended in such month and shall
15 include such other information as the Secretary may
16 require. No periodic benefit claim report shall be re-
17 quired with respect to any week in which fewer than
18 4 caregiving hours occurred.

19 “(2) RETROACTIVE APPLICATIONS.—In the case
20 of an application filed by an individual for a paid
21 family and medical leave benefit with a benefit pe-
22 riod that begins, in accordance with section
23 2202(b)(2), with a month that ends before the date
24 on which such application is filed, the individual may
25 include with such application the information de-

1 scribed in the second sentence of paragraph (1) with
2 respect to each week in the benefit period that ends
3 before such date.

4 “(d) DETERMINATIONS AND NOTICE REQUIRE-
5 MENTS.—

6 “(1) INITIAL APPLICATION.—

7 “(A) IN GENERAL.—The Secretary shall
8 determine the initial eligibility of an individual
9 applying for benefits under this title in accord-
10 ance with section 2202.

11 “(B) NOTICES.—To ensure payment of
12 benefits in the correct amount and that bene-
13 ficiaries are aware of the right to appeal a ben-
14 efit determination of the Secretary—

15 “(i) not later than 15 days after each
16 application for benefits from an individual
17 under this title is filed, the Secretary shall
18 provide notice to the individual of—

19 “(I) the initial determination of
20 eligibility for such benefits;

21 “(II)(aa) the calendar quarter
22 that begins the period described in
23 section 2202(a)(3) with respect to the
24 individual, the 8 calendar quarters
25 used to compute the individual’s aver-

1 age weekly earnings under section
2 2203(b)(3), and the wages and self-
3 employment income received by the
4 individual during each of those 8
5 quarters as recorded by the Secretary;
6 and

7 “(bb) the individual’s right under
8 section 2203(b)(4) to submit more re-
9 cent or additional evidence of such
10 wages or self-employment income, in-
11 cluding a statement that eligibility
12 could change or benefits could in-
13 crease if such additional evidence re-
14 sults in more recent or higher average
15 weekly earnings;

16 “(III) the estimated weekly ben-
17 efit amount for a week to which 4
18 caregiving hours of the individual are
19 credited;

20 “(IV) the estimated weekly ben-
21 efit amount for a week to which a
22 number of caregiving hours are cred-
23 ited equal to the number of hours in
24 a regular workweek of the individual

1 (as determined in subsection
2 2203(d));

3 “(V) the number of caregiving
4 hours credited to weeks ending prior
5 to the date of such application;

6 “(VI) the beginning and ending
7 dates of the individual’s benefit pe-
8 riod; and

9 “(VII) the individual’s right to
10 appeal such initial determination in
11 accordance with the provisions of sec-
12 tion 2205; and

13 “(ii) in any case in which an indi-
14 vidual submits additional information with
15 respect to such an application, the Sec-
16 retary shall provide an updated notice to
17 the individual containing the same infor-
18 mation provided in the notice described in
19 clause (i), including a specific indication of
20 any such information that has been up-
21 dated as a result of the additional informa-
22 tion submitted by the individual.

23 “(2) MONTHLY BENEFIT DETERMINATIONS.—

24 “(A) IN GENERAL.—On the basis of the in-
25 formation filed with the Secretary pursuant to

1 subsection (c), the Secretary shall determine,
2 with respect to an individual for each week end-
3 ing in a month, the number of caregiving hours
4 to be credited to such week in accordance with
5 section 2203(e).

6 “(B) NOTICES.—To ensure payment of
7 benefits in the correct amount and that bene-
8 ficiaries are aware of the right to appeal a ben-
9 efit determination of the Secretary, not later
10 than 15 days after each periodic benefit claim
11 report from an individual is filed (or after filing
12 of initial application for retroactive benefits),
13 the Secretary shall provide notice to the indi-
14 vidual specifying—

15 “(i) whether payment will be made to
16 the individual for each week to which such
17 periodic benefit claim report pertains and
18 the amount of such payment;

19 “(ii) if the Secretary determines that
20 payment will not be made for a week or
21 that payment will be made based on a
22 number of caregiving hours credited to the
23 week inconsistent with the number of
24 caregiving hours specified for such week in
25 such periodic benefit claim report (or ini-

1 tial application), the reasons for such de-
2 termination; and

3 “(iii) the individual’s right to appeal
4 such determination in accordance with the
5 provisions of section 2205.

6 “(3) CHANGING CIRCUMSTANCES.—The Sec-
7 retary shall issue regulations to establish a process
8 under which an individual may notify the Secretary
9 if more than one type of circumstance gives rise to
10 the need for caregiving hours during the individual’s
11 benefit period. Such caregiving hours shall be cred-
12 ited to weeks within the benefit period in accordance
13 with section 2203(c) regardless of circumstance.

14 “(4) ACCESSIBILITY OF NOTICES.—The Sec-
15 retary shall take such actions as are necessary to en-
16 sure that any notice to one or more individuals
17 issued pursuant to this title by the Secretary is writ-
18 ten in simple and clear language.

19 “(e) CERTIFICATION OF PAYMENT.—Not later than
20 15 days after the making of a determination under sub-
21 section (d)(2)(A) with respect to the number of caregiving
22 hours of an individual to be credited to weeks ending in
23 a month, the Secretary shall certify payment to such indi-
24 vidual of the amount of the paid family and medical leave
25 benefit for such month.

1 “(f) EXPEDITED BENEFIT PAYMENT IN CASES OF
2 MISSING PAYMENT.—The Secretary shall establish and
3 put into effect procedures under which expedited payment
4 of benefits under this title will be made to an individual
5 to whom a benefit payment was due for a month but was
6 not received by the individual.

7 “(g) SUBMISSION OF REQUIRED INFORMATION.—

8 “(1) BY PHONE, MAIL, OR ELECTRONIC
9 MEANS.—To ensure full access to benefits by all eli-
10 gible individuals, applicable paid leave information
11 with respect to an individual may be submitted to
12 the Secretary by phone, mail, or electronic means.

13 “(2) BY ANY PERSON.—Any person may submit
14 applicable paid leave information with respect to an
15 individual, including, as applicable, the individual’s
16 representative, the individual’s employer, or any rel-
17 evant authority identified under subsection (b)(2).
18 The Secretary shall promptly notify an individual
19 whenever any other person submits such information
20 on the individual’s behalf.

21 “(3) NOTICE OF RECEIPT.—The Secretary shall
22 provide prompt notice of receipt of all applicable
23 paid leave information submitted with respect to an
24 individual.

1 “(4) DEFINITION OF APPLICABLE PAID LEAVE
2 INFORMATION.—For purposes of this subsection, the
3 term ‘applicable paid leave information’ means, with
4 respect to an individual, any information submitted
5 to the Secretary with respect to the paid family and
6 medical leave benefits of the individual, including
7 any initial application, periodic benefit claim report,
8 appeal, and any other information submitted in sup-
9 port of such application, report, or appeal.

10 **“SEC. 2205. APPEALS.**

11 “(a) IN GENERAL.—An individual shall have the
12 right—

13 “(1) to appeal to the Secretary any determina-
14 tion made with respect to—

15 “(A) paid family and medical leave benefits
16 under section 2202; and

17 “(B) paid family and medical leave bene-
18 fits under an employer-sponsored program de-
19 scribed in section 2210 whose initial appeal
20 pursuant to subsection (b)(1)(F)(iii)(I) of such
21 section results in a determination unfavorable
22 to the individual; and

23 “(2) to appeal any final decision of the Sec-
24 retary by a civil action brought in the district court
25 of the United States for the judicial district in which

1 the plaintiff resides, or in which the principal place
2 of business of the plaintiff sits, or, if the plaintiff
3 does not reside or such principal place of business
4 does not sit within any such judicial district, in the
5 United States District Court for the District of Co-
6 lumbia.

7 “(b) PROCEDURES.—The Secretary shall establish
8 procedures for appeals of such determinations that ensure
9 that appeals will be heard in a timely manner by a deci-
10 sionmaker who is different from the initial decisionmaker
11 using procedures that are similar to the procedures used
12 for appeals of determinations under the Medicare Low-In-
13 come Subsidy program described under section 1860D-
14 14(a)(3)(B)(iv)(II).

15 “(c) AUTHORITY TO ISSUE AND ENFORCE SUB-
16 POENAS.—

17 “(1) IN GENERAL.—For the purpose of any
18 hearing, investigation, or other proceeding author-
19 ized or directed under this title, the Secretary shall
20 have power to issue subpoenas requiring the attend-
21 ance and testimony of witnesses and the production
22 of any evidence that relates to any matter under in-
23 vestigation or in question before the Secretary. Such
24 attendance of witnesses and production of evidence
25 at the designated place of such hearing, investiga-

1 tion, or other proceeding may be required from any
2 place in the United States or in any Territory or
3 possession thereof.

4 “(2) SERVICE; WITNESSES.—Subpoenas of the
5 Secretary shall be served by anyone authorized by
6 the Secretary—

7 “(A) by delivering a copy thereof to the in-
8 dividual named therein; or

9 “(B) by registered mail or by certified mail
10 addressed to such individual at his last dwelling
11 place or principal place of business.

12 A verified return by the individual serving the sub-
13 poena setting forth the manner of service, or, in the
14 case of service by registered mail or by certified
15 mail, the return post-office receipt therefor signed by
16 the individual so served, shall be proof of service.

17 Witnesses so subpoenaed shall be paid the same fees
18 and mileage as are paid witnesses in the district
19 courts of the United States.

20 “(3) CONTUMACY OR REFUSAL TO OBEY A SUB-
21 POENA.—

22 “(A) IN GENERAL.—In case of contumacy
23 by, or refusal to obey a subpoena duly served
24 upon, any person, any district court of the
25 United States for the judicial district in which

1 the person charged with contumacy or refusal
2 to obey is found or resides or transacts busi-
3 ness, upon application by the Secretary, shall
4 have jurisdiction to issue an order requiring
5 such person to appear and give testimony, or to
6 appear and produce evidence, or both. Any fail-
7 ure to obey such order of the court may be pun-
8 ished by the court as contempt thereof.

9 “(B) TREATMENT OF EMPLOYERS.—In the
10 case of contumacy by, or refusal to obey a sub-
11 poena duly served upon, any employer, the Sec-
12 retary shall impose such penalties against the
13 employer as the Secretary determines may
14 apply pursuant to section 2210(f).

15 **“SEC. 2206. STEWARDSHIP.**

16 “(a) PROMOTING EQUITY.—The Secretary shall con-
17 duct a robust program to analyze and prevent disparities
18 on the basis of race, color, ethnicity, religion, sex, sexual
19 orientation, gender identity, disability, age, national ori-
20 gin, family composition, or living arrangements with re-
21 spect to the benefits provided under this title and individ-
22 uals’ access to such benefits.

23 “(b) UNDERPAYMENTS AND OVERPAYMENTS.—

24 “(1) IN GENERAL.—Whenever the Secretary de-
25 termines that more or less than the correct amount

1 of payment has been made to any individual under
2 this title, the Secretary shall promptly notify the in-
3 dividual of such determination and inform the indi-
4 vidual of the right to appeal such determination in
5 accordance with the provisions of section 2205.
6 Proper adjustment or recovery shall be made, under
7 regulations prescribed by the Secretary, as follows:

8 “(A) UNDERPAYMENTS.—With respect to
9 payment to an individual of less than the cor-
10 rect amount, the Secretary shall promptly pay
11 the balance of the amount due to such under-
12 paid individual.

13 “(B) OVERPAYMENTS.—

14 “(i) IN GENERAL.—With respect to
15 payment to an individual of more than the
16 correct amount, the Secretary shall de-
17 crease any payment for a month under this
18 title to which such overpaid individual is
19 entitled (except that the weekly benefit
20 amounts for each week ending during such
21 month as determined under section
22 2203(a) may not be decreased below the
23 amount specified in clause (ii) with respect
24 to such weekly benefit amounts of the indi-
25 vidual), or shall require such overpaid indi-

1 vidual to refund the amount in excess of
2 the correct amount, or shall apply any
3 combination of the foregoing.

4 “(ii) LIMITATION ON RECOVERY.—

5 “(I) AMOUNT SPECIFIED.—The
6 amount specified in this clause with
7 respect to a weekly benefit amount of
8 an individual for a week is an amount
9 equal to the weekly benefit amount
10 that would be determined for the indi-
11 vidual for such week under section
12 2203(a) if the individual’s weekly ben-
13 efit rate (as determined under section
14 2203(b)) were equal to the applicable
15 dollar amount as determined under
16 subclause (II).

17 “(II) APPLICABLE DOLLAR
18 AMOUNT.—For purposes of subclause
19 (I), the applicable dollar amount is—

20 “(aa) with respect to a
21 weekly benefit amount deter-
22 mined for a week ending in a
23 month in or before calendar year
24 2024, \$315; and

1 “(bb) with respect to a
2 weekly benefit amount deter-
3 mined for a week ending in a
4 month in any calendar year after
5 2024, the corresponding amount
6 established with respect to a
7 weekly benefit amount deter-
8 mined for a week ending in a
9 month in the calendar year pre-
10 ceeding such calendar year or, if
11 larger, the product of the cor-
12 responding amount specified in
13 item (aa) with respect to a week-
14 ly benefit amount determined for
15 a week ending in a month in cal-
16 endar year 2024 multiplied by
17 the quotient obtained by divid-
18 ing—

19 “(AA) the national av-
20 erage wage index (as defined
21 in section 2212) for the sec-
22 ond calendar year preceding
23 such calendar year, by

1 “(BB) the national av-
2 erage wage index (as so de-
3 fined) for 2022.

4 “(2) WAIVER OF CERTAIN OVERPAYMENTS.—In
5 any case in which more than the correct amount of
6 payment has been made, there shall be no adjust-
7 ment of payments to, or recovery by the United
8 States from, any individual who was without fault in
9 connection with the overpayment if such adjustment
10 or recovery would defeat the purpose of this title or
11 would be against equity and good conscience, or
12 would impede efficient or effective administration of
13 this title, as determined by the Secretary under pro-
14 cedures to be established by the Secretary.

15 “(3) LIABILITY OF CERTIFYING OR DISBURSING
16 OFFICER.—No certifying or disbursing officer shall
17 be held liable for any amount certified or paid by
18 him to any individual where the adjustment or re-
19 covery of such amount is waived under paragraph
20 (2), or where adjustment under paragraph (1) is not
21 completed prior to the death of the individual
22 against whose benefits deductions are authorized.

23 “(c) PENALTIES AND OTHER PROCEDURES.—

24 “(1) IN GENERAL.—Whoever—

1 “(A) knowingly and willfully makes or
2 causes to be made any false statement or rep-
3 resentation of a material fact in any application
4 for any benefit under this title,

5 “(B) at any time knowingly and willfully
6 makes or causes to be made any false statement
7 or representation of a material fact for use in
8 determining rights to any such benefit,

9 “(C) having knowledge of the occurrence of
10 any event affecting (A) his initial or continued
11 right to any such benefit, or (B) the initial or
12 continued right to any such benefit of any other
13 individual in whose behalf he has applied for or
14 is receiving such benefit, conceals or fails to dis-
15 close such event with an intent fraudulently to
16 secure such benefit either in a greater amount
17 or quantity than is due or when no such benefit
18 is authorized,

19 “(D) having made application to receive
20 any such benefit for the use and benefit of an-
21 other and having received it, knowingly and
22 willfully converts such benefit or any part there-
23 of to a use other than for the use and benefit
24 of such other person, or

1 “(E) conspires to commit any offense de-
2 scribed in any of subparagraphs (A) through
3 (C),
4 shall be fined under title 18, United States Code,
5 imprisoned not more than 5 years, or both.

6 “(2) EXCLUSION FROM PARTICIPATION.—

7 “(A) IN GENERAL.—No person or entity
8 who is convicted of a violation of paragraph (1)
9 may represent, or submit evidence on behalf of,
10 an individual applying for, or receiving, benefits
11 under this title.

12 “(B) NOTICE, EFFECTIVE DATE, AND PE-
13 RIOD OF EXCLUSION.—

14 “(i) IN GENERAL.—An exclusion
15 under this paragraph shall be effective at
16 such time, for such period, and upon such
17 reasonable notice to the public and to the
18 individual excluded as may be specified in
19 regulations consistent with clause (ii).

20 “(ii) EFFECTIVE DATE.—Such an ex-
21 clusion shall be effective with respect to
22 services furnished to any individual on or
23 after the effective date of the exclusion.
24 Nothing in this paragraph may be con-
25 strued to preclude consideration of any

1 medical evidence derived from services pro-
2 vided by a health care provider before the
3 effective date of the exclusion of the health
4 care provider under this paragraph.

5 “(iii) PERIOD OF EXCLUSION.—

6 “(I) IN GENERAL.—The Sec-
7 retary shall specify, in the notice of
8 exclusion under clause (i), the period
9 of the exclusion.

10 “(II) PREVIOUS OFFENSE.—In
11 the case of the exclusion of a person
12 or entity under subparagraph (A) who
13 has previously been subject to an ex-
14 clusion under such subparagraph—

15 “(aa) if the person or entity
16 has previously been subject to
17 such an exclusion only once, the
18 period of exclusion shall be not
19 less than 10 years; and

20 “(bb) if the person or entity
21 has previously been subject to
22 such an exclusion more than
23 once, the exclusion shall be per-
24 manent.

1 “(C) NOTICE TO STATE LICENSING AGEN-
2 CIES.—The Secretary shall—

3 “(i) promptly notify the appropriate
4 State or local agency or authority having
5 responsibility for the licensing or certifi-
6 cation of a person or entity excluded from
7 participation under this section of the fact
8 and circumstances of the exclusion;

9 “(ii) request that appropriate inves-
10 tigations be made and sanctions invoked in
11 accordance with applicable State law and
12 policy; and

13 “(iii) request that the State or local
14 agency or authority keep the Secretary
15 fully and currently informed with respect
16 to any actions taken in response to the re-
17 quest.

18 “(D) NOTICE, HEARING, AND JUDICIAL
19 REVIEW.—Any person or entity who is excluded
20 (or directed to be excluded) from participation
21 under this section is entitled to reasonable no-
22 tice and opportunity for a hearing by the Sec-
23 retary and to judicial review of such final agen-
24 cy decision to the same extent as is provided in
25 section 2205.

1 “(E) APPLICATION FOR TERMINATION OF
2 EXCLUSION.—

3 “(i) IN GENERAL.—An individual ex-
4 cluded from participation under this para-
5 graph may apply to the Secretary, in the
6 manner specified by the Secretary in regu-
7 lations and at the end of the period of ex-
8 clusion provided under subparagraph
9 (B)(iii) and at such other times as the Sec-
10 retary may provide, for termination of the
11 exclusion effected under this paragraph.

12 “(ii) CRITERIA FOR TERMINATION.—
13 The Secretary may terminate the exclusion
14 if the Secretary determines, on the basis of
15 the conduct of the applicant which oc-
16 curred after the date of the notice of exclu-
17 sion or which was unknown to the Sec-
18 retary at the time of the exclusion, that—

19 “(I) there is no basis under sub-
20 paragraph (A) for a continuation of
21 the exclusion; and

22 “(II) there are reasonable assur-
23 ances that the types of actions which
24 formed the basis for the original ex-

1 clusion have not recurred and will not
2 recur.

3 “(F) AVAILABILITY OF RECORDS OF EX-
4 CLUDED PERSONS AND ENTITIES.—Nothing in
5 this section shall be construed to have the effect
6 of limiting access by any applicant or bene-
7 ficiary under this title or the Secretary to
8 records maintained by any person or entity in
9 connection with services provided to the appli-
10 cant or beneficiary prior to the exclusion of
11 such person or entity under this paragraph.

12 “(G) REPORTING REQUIREMENT.—Any
13 person or entity participating in, or seeking to
14 participate in, the program under this title shall
15 inform the Secretary, in such form and manner
16 as the Secretary shall prescribe by regulation,
17 whether such person or entity has been con-
18 victed of a violation under paragraph (1).

19 “(d) REDETERMINATION OF ENTITLEMENT.—

20 “(1) IN GENERAL.—

21 “(A) PROCEDURES.—The Secretary shall
22 immediately redetermine the entitlement of in-
23 dividuals to paid family and medical leave ben-
24 efit benefits under this title if there is reason
25 to believe that fraud or similar fault was in-

1 involved in the application of the individual for
2 such benefits, unless a United States attorney,
3 or equivalent State prosecutor, with jurisdiction
4 over potential or actual related criminal cases,
5 certifies, in writing, that there is a substantial
6 risk that such action by the Secretary with re-
7 gard to beneficiaries in a particular investiga-
8 tion would jeopardize the criminal prosecution
9 of a person involved in a suspected fraud.

10 “(B) DISREGARD OF CERTAIN EVI-
11 DENCE.—When redetermining the entitlement,
12 or making an initial determination of entitle-
13 ment, of an individual under this title, the Sec-
14 retary shall disregard any evidence if there is
15 reason to believe that fraud or similar fault was
16 involved in the providing of such evidence.

17 “(2) SIMILAR FAULT DESCRIBED.—For pur-
18 poses of paragraph (1), similar fault is involved with
19 respect to a determination if—

20 “(A) an incorrect or incomplete statement
21 that is material to the determination is know-
22 ingly made; or

23 “(B) information that is material to the
24 determination is knowingly concealed.

1 “(3) TERMINATION OF BENEFITS.—If, after re-
2 determining pursuant to this subsection the entitle-
3 ment of an individual to monthly insurance benefits,
4 the Secretary determines that there is insufficient
5 evidence to support such entitlement, the Secretary
6 may terminate such entitlement and may treat bene-
7 fits paid on the basis of such insufficient evidence as
8 overpayments.

9 **“SEC. 2207. FUNDING FOR BENEFIT PAYMENTS, GRANTS,**
10 **AND PROGRAM ADMINISTRATION.**

11 “(a) FUNDING FOR BENEFIT PAYMENTS AND
12 GRANTS.—

13 “(1) IN GENERAL.—There are appropriated,
14 out of any funds in the Treasury not otherwise ap-
15 propriated, such sums as may be necessary to pay
16 benefits under section 2202 and for grants under
17 sections 2209 and 2210, subject to paragraph (2).

18 “(2) LIMITATION.—In no case shall a grant
19 under section 2209 exceed a total amount (for all
20 applicable individuals) equivalent to the sum of ben-
21 efits paid (including, in the case of a grant under
22 section 2209, the full cost of administering such
23 benefits) for each applicable individual (as described
24 under paragraph (3)) calculated on the basis of a

1 total number of hours of leave during the individ-
2 ual's benefit period equal to—

3 “(A) the product of 12 multiplied by the
4 number of hours in a regular workweek of the
5 individual (within the meaning of section
6 2203(d)), minus

7 “(B) the number of caregiving hours (as
8 defined in section 2202(c)) of such individual
9 credited in total to months during such benefit
10 period under this title.

11 “(3) APPLICABLE INDIVIDUAL.—For purposes
12 of paragraph (2), an ‘applicable individual’ is an in-
13 dividual, with respect to whom a grant under section
14 2209 is awarded, receiving paid family or medical
15 leave benefits for days of leave under a paid family
16 and medical leave benefit program of a legacy State
17 (as defined in section 2209(b)).

18 “(b) FUNDING FOR PROGRAM ADMINISTRATION.—
19 There are appropriated, out of any funds in the Treasury
20 not otherwise appropriated, such sums as may be nec-
21 essary for the following purposes (including through the
22 use of grants or contracts except where otherwise speci-
23 fied):

24 “(1) Costs related to taking applications, re-
25 sponding to public inquiries, assisting with problem

1 resolution, taking requests for appeals, and the pro-
2 vision of other necessary assistance to individuals
3 applying for or receiving benefits under this title, in-
4 cluding the following:

5 “(A) Costs related to staffing a national
6 toll-free telephone number (which shall not be
7 carried out through the use of grants or con-
8 tracts).

9 “(B) Costs related to technology to sup-
10 port a national toll-free telephone number and
11 to technology related to the design, construction
12 and maintenance of an online application and
13 customer service portal.

14 “(C) Costs related to mailed notices.

15 “(2) Costs related to determining eligibility
16 (which shall not be carried out through the use of
17 grants or contracts).

18 “(3) Costs related to ensuring program integ-
19 rity and combating fraud, including by issuing regu-
20 lations to do the following:

21 “(A) Ensure identity validation of appli-
22 cants and beneficiaries.

23 “(B) Verify the professional credentials of
24 relevant authorities who provide certifications
25 pursuant to section 2204(b)(2).

1 “(C) Ensure the accuracy of any wage and
2 self-employment income data used in the ad-
3 ministration of this title.

4 “(D) Ensure that the attestation require-
5 ment in section 2204(b)(3) has been satisfied
6 for each applicant and beneficiary.

7 “(E) Ensure the accuracy of periodic ben-
8 efit claim reports.

9 “(F) Provide for post-effectuation quality
10 review of approved claims and quality review of
11 denied claims (which shall not be carried out
12 through the use of grants or contracts).

13 “(4) Costs related to certification of payment of
14 benefits (which shall not be carried out through the
15 use of grants or contracts).

16 “(5) Costs related to appeals (which shall not
17 be carried out through the use of grants or con-
18 tracts).

19 “(6) Costs related to the administration by the
20 Secretary of the legacy State grant program under
21 section 2209 and the employer-sponsored plan grant
22 program under section 2210.

23 “(7) Costs related to developing systems of
24 records for purposes of administering the program
25 under this title (which shall not be carried out

1 through the use of grants or contracts, except that
2 costs related to technology to support such systems
3 of records may be carried out through the use of
4 grants or contracts).

5 “(8) Costs related to data exchange and shar-
6 ing, for which the Secretary shall enter into an
7 agreement with relevant data sources including the
8 National Directory of New Hires and shall seek to
9 enter into agreements with States to obtain such in-
10 formation as the Secretary may require to determine
11 eligibility and benefits payable under section 2202,
12 administer the grants in sections 2209 and 2210,
13 and verify such other information as the Secretary
14 determines may be necessary in carrying out the
15 provisions of this title.

16 “(9) Costs related to the training of employees,
17 grantees, and contractors, including training relating
18 to the prevention of discrimination in the adminis-
19 tration of this title on the basis of race, color, eth-
20 nicity, religion, sex, sexual orientation, gender iden-
21 tity, disability, age, national origin, family composi-
22 tion, or living arrangements.

23 “(10) Costs related to providing technical as-
24 sistance to legacy States under section 2209 and to
25 employers or third party administrators designated

1 by an employer of paid leave programs under section
2 2210.

3 “(11) Costs related to providing technical as-
4 sistance to small business employers with respect to
5 the requirements of the small business assistance
6 grants in section 2211 and the process by which
7 their employees may apply for benefits under section
8 2202; and

9 “(12) Any other costs necessary for the effec-
10 tive administration of this title.

11 **“SEC. 2208. FUNDING FOR OUTREACH, PUBLIC EDUCATION,
12 AND RESEARCH.**

13 “(a) FUNDING FOR OUTREACH AND PUBLIC EDU-
14 CATION.—There are appropriated, out of any funds in the
15 Treasury not otherwise appropriated, \$150,000,000 for
16 each of fiscal years 2022 through 2026 for the Secretary
17 to, with respect to benefits provided by the program under
18 this title—

19 “(1) engage in a robust program of culturally
20 and linguistically competent education and outreach
21 toward ensuring awareness of and access to such
22 benefits;

23 “(2) provide information to potential bene-
24 ficiaries regarding eligibility requirements, the
25 claims process, benefit amounts, maximum benefits

1 payable, notice requirements, the appeals process,
2 and nondiscrimination rights, including specific ben-
3 efit estimates based on the average weekly earnings
4 of a potential beneficiary; and

5 “(3) provide employers with a model notice to
6 be used to inform employees of the availability of
7 such benefits.

8 “(b) FUNDING FOR RESEARCH.—There are appro-
9 priated, out of any funds in the Treasury not otherwise
10 appropriated, \$150,000,000 for each of fiscal years 2023
11 through 2027 for the Secretary to—

12 “(1) develop and carry out grants for research
13 for the purpose of ensuring full access to the bene-
14 fits provided by the program under this title, includ-
15 ing through the detection and prevention of dispari-
16 ties on the basis of race, color, ethnicity, religion,
17 sex, sexual orientation, gender identity, disability,
18 age, national origin, income, language, job classifica-
19 tion, family composition, or living arrangements; and

20 “(2) annually make available to the public be-
21 ginning in fiscal year 2024 a report that includes—

22 “(A) the number of individuals who re-
23 ceived such benefits;

24 “(B) the purposes and durations for which
25 such benefits were received;

1 “(C) an analysis of benefit use by occupa-
2 tion, industry, wage levels, employer size, and
3 geography;

4 “(D) an analysis of disparities identified
5 by the grants for research authorized under this
6 subsection on the basis of race, color, ethnicity,
7 religion, sex, sexual orientation, gender identity,
8 disability, age, national origin, family composi-
9 tion, or living arrangements;

10 “(E) a description of the actions by the
11 Secretary to prevent disparities and ensure full
12 access to the benefits provided by the program
13 under this title;

14 “(F) a comparative analysis of paid family
15 and medical leave benefits received by individ-
16 uals through the program under section 2202,
17 through a legacy State paid family and medical
18 leave program described in section 2209, or
19 through an employer-sponsored program de-
20 scribed in section 2210 that takes into account
21 the number of individuals receiving benefits, the
22 characteristics of the benefits received, and the
23 patterns of leave-taking under each program;

24 “(G) the number of employers who re-
25 ceived a reimbursement grant under section

1 2210 and the number of employees of such em-
2 ployers who received paid family and medical
3 leave benefits under an employer-sponsored pro-
4 gram described in such section; and

5 “(H) the number of employers who re-
6 ceived one or more small business assistance
7 grants under section 2211 and the total number
8 of such grants provided.

9 **“SEC. 2209. FUNDING FOR STATE ADMINISTRATION OPTION**
10 **FOR LEGACY STATES.**

11 “(a) IN GENERAL.—In each calendar year beginning
12 with 2024, the Secretary shall make a grant to each State
13 that, for the calendar year preceding such calendar year
14 (or, in the case of a grant under this section in 2024, for
15 the portion of such preceding calendar year occurring
16 after June 30), was a legacy State and that met the data
17 sharing requirements of subsection (c), in an amount
18 equal to the lesser of—

19 “(1) an amount, as estimated by the Secretary,
20 in consultation with the Secretary of Labor, equal to
21 the total amount of paid family and medical leave
22 benefits that would have been paid under section
23 2202 (including the full Federal cost of admin-
24 istering such benefits) to individuals who received
25 benefits under a State program described in sub-

1 section (b) during the calendar year preceding such
2 calendar year (or, in the case of a grant under this
3 section in 2024, for the portion of such preceding
4 calendar year occurring after June 30) if the State
5 had not been a legacy State for such preceding cal-
6 endar year (or, in the case of a grant under this sec-
7 tion in 2024, for the portion of such preceding cal-
8 endar year occurring after June 30); or

9 “(2) an amount equal to the total cost of the
10 State paid family and medical leave program de-
11 scribed in subsection (b) for the calendar year pre-
12 ceding such calendar year (or, in the case of a grant
13 under this section in 2024, for the portion of such
14 preceding calendar year occurring after June 30),
15 including—

16 “(A) the total amount of paid family and
17 medical leave benefits that would have been
18 paid to individuals under such program for
19 leave that is exempt under such program on ac-
20 count of being otherwise paid under a program
21 provided by such individual’s employer; and

22 “(B) the full cost to the State of admin-
23 istering such program.

24 In any case in which, during any calendar year, the Sec-
25 retary has reason to believe that a State will be a legacy

1 State and meet the data sharing requirements of sub-
2 section (c) for such calendar year, the Secretary may make
3 estimated payments during such calendar year of the
4 grant which would be paid to such State in the succeeding
5 calendar year, to be adjusted as appropriate in the suc-
6 ceeding calendar year.

7 “(b) LEGACY STATE.—For purposes of this section,
8 the term ‘legacy State’ for a calendar year means a State
9 that the Secretary, in consultation with the Secretary of
10 Labor, determines—

11 “(1) has enacted, not later than the date of en-
12 actment of this title, a State law that provides paid
13 family and medical leave benefits; and

14 “(2) for any calendar year that begins on or
15 after the date that is 3 years after the date of enact-
16 ment of this title, has in effect, throughout such cal-
17 endar year, a State program enacted into law—

18 “(A) that provides paid family and medical
19 leave benefits—

20 “(i) for at least 12 full workweeks of
21 leave during each 12-month period to at
22 least all of those individuals in the State
23 who would be eligible for paid family and
24 medical leave benefits under section 2202
25 (without regard to section 2202(c)(2)(D))

1 during any part of such calendar year, pro-
2 vided that such State program—

3 “(I) shall provide paid family and
4 medical leave benefits for leave from
5 employment by the State or any polit-
6 ical subdivision thereof, except that
7 any State or local employees subject
8 to a collective bargaining agreement
9 may be excluded from such coverage
10 with the agreement of 90 percent of
11 the employees covered by the collective
12 bargaining agreement; and

13 “(II) may provide such benefits
14 for leave from Federal employment;
15 and

16 “(ii) at a wage replacement rate that
17 is at least equivalent to the wage replace-
18 ment rate under the program under this
19 title (without regard to section
20 2202(c)(2)(D)); and

21 “(B) that provides an annual notice to
22 each individual whose employment would be eli-
23 gible for such benefits under the State program.

24 “(c) DATA SHARING.—As a condition of receiving a
25 grant under subsection (a) in a calendar year, a State

1 shall enter into an agreement with the Secretary under
2 which the State shall provide the Secretary—

3 “(1) with information, to be provided periodi-
4 cally as determined by the Secretary, concerning in-
5 dividuals who received a paid leave benefit under a
6 State program described in subsection (b), including
7 each individual’s name, information to establish the
8 individual’s identity, dates for which such paid leave
9 benefits were paid, the amount of such paid leave
10 benefit, and, to the extent available, such other in-
11 formation concerning such individuals as the Sec-
12 retary may require for the purpose of carrying out
13 this section and section 2202(c)(2)(D);

14 “(2) not later than July 1 of such calendar
15 year, the amount described in subsection (a)(2) for
16 the calendar year preceding such calendar year; and

17 “(3) such other information as the Secretary
18 determines may be necessary in carrying out the
19 provisions of this title, including for the purposes of
20 promoting equity as described under section 2206(a)
21 and for research described under section 2208(b).

22 “(d) FUNDING FOR TRANSITIONAL COSTS FOR LEG-
23 ACY STATES.—

24 “(1) IN GENERAL.—There are appropriated to
25 the Secretary, out of any funds in the Treasury not

1 otherwise appropriated, such sums as necessary for
2 grants in accordance with this subsection.

3 “(2) TRANSITION GRANTS.—The Secretary
4 shall make a grant under this subsection to each
5 State that—

6 “(A) is a legacy State for the calendar
7 year in which occurs the date of enactment of
8 this title;

9 “(B) certifies to the Secretary that the
10 State intends to remain a legacy State and
11 meet the data sharing requirements of sub-
12 section (c) at least through the first calendar
13 year that begins on or after the date that is 3
14 years after the date of enactment of this title;
15 and

16 “(C) agrees to repay the full amount of
17 such grant if the State fails to remain a legacy
18 State and meet the data sharing requirements
19 of subsection (c) as certified in subparagraph
20 (B).

21 “(3) AMOUNT OF GRANT.—The amount of a
22 grant provided to a State under this subsection shall
23 be equal to $\frac{1}{2}$ of the sum of the State’s expenditures
24 from the date of enactment of this title through the
25 calendar year described in paragraph (2)(B) on—

1 “(A) the costs of creating new information
2 technology systems as needed to implement the
3 data sharing requirements of subsection (c) (in-
4 cluding staffing costs related to such systems);
5 and

6 “(B) other necessary costs incurred by the
7 State to meet the requirements of subsection
8 (b)(2)(A)(ii).

9 “(4) ESTIMATED ADVANCE PAYMENTS.—The
10 Secretary may make estimated payments of a grant
11 provided to a State under this subsection for any
12 calendar year, to be adjusted as appropriate in the
13 succeeding calendar year.

14 **“SEC. 2210. REIMBURSEMENT OPTION FOR EMPLOYER-**
15 **SPONSORED PAID LEAVE BENEFITS.**

16 “(a) IN GENERAL.—For each calendar year begin-
17 ning with 2023, the Secretary shall make a grant to each
18 employer that is an eligible employer for such calendar
19 year in an amount equal to—

20 “(1) in the case of an eligible employer spon-
21 soring a paid family and medical leave benefit pro-
22 gram with respect to which benefits are awarded and
23 paid under a contract with an insurer, an amount
24 equal to 90 percent of the product of—

1 “(A) the projected national average cost
2 per employee of providing paid family and med-
3 ical leave benefits as determined by the Sec-
4 retary for such calendar year under subsection
5 (c)(3) (or, in the case of calendar year 2023, $\frac{1}{2}$
6 of such projected national average cost); multi-
7 plied by

8 “(B) the number of employees (pro-rated
9 for part-time employees) covered under the pro-
10 gram for such calendar year (or, in the case of
11 calendar year 2023, for the portion of such cal-
12 endar year occurring after June 30); and

13 “(2) in the case of an eligible employer spon-
14 soring a self-insured paid family and medical leave
15 benefit program with respect to which benefits are
16 awarded and paid directly by the employer (or by a
17 third party administrator on behalf of the employer),
18 an amount equal to 90 percent of—

19 “(A) the amount of benefits paid under the
20 program for such calendar year to individuals
21 for up to 12 weeks of leave per individual (or,
22 in the case of calendar year 2023, for the por-
23 tion of such calendar year occurring after June
24 30); or

1 “(B) if lesser, the product of the national
2 average weekly benefit amount paid under sec-
3 tion 2203(a) during such calendar year (or, in
4 the case of calendar year 2023, during the por-
5 tion of such calendar year occurring after June
6 30) multiplied by the number of weeks of leave
7 (up to 12 per individual) paid by the employer
8 for all individuals under the program for the
9 calendar year (or such portion in the case of
10 calendar year 2023).

11 “(b) ELIGIBILITY; APPLICATION REQUIREMENTS.—

12 “(1) IN GENERAL.—For purposes of subsection
13 (a), an eligible employer for a calendar year is an
14 employer (other than the Federal Government or the
15 government of any State (or political subdivision
16 thereof) that is a legacy State for such calendar year
17 under section 2209) that satisfies all of the following
18 requirements:

19 “(A) NON-LEGACY STATE EMPLOYEES.—

20 The employer has one or more employees dur-
21 ing such calendar year whose employment with
22 such employer would not be eligible for paid
23 family or medical leave benefits under the law
24 of any legacy State (as defined in section
25 2209(b)) for such calendar year.

1 “(B) APPLICATION; SUBMISSION OF RE-
2 QUIRED INFORMATION.—Not later than the cer-
3 tification deadline specified in paragraph (2)(A)
4 for such calendar year, the employer—

5 “(i) notifies the Secretary that the
6 employer intends to seek a grant under
7 this section for such calendar year;

8 “(ii) certifies to the Secretary that the
9 employer will have in effect during such
10 calendar year a paid family and medical
11 leave benefit program that meets the re-
12 quirements of subsection (c) and, not later
13 than the submission deadline specified in
14 paragraph (2)(B) for such calendar year,
15 provides all documentation relating to such
16 program as the Secretary may request; and

17 “(iii) pays an application fee of
18 \$1,000 (or \$200 in the case of a renewed
19 application).

20 “(C) APPROVAL BY THE SECRETARY.—The
21 paid family and medical leave benefit program
22 referred to in subparagraph (B) is subsequently
23 approved by the Secretary as meeting all appli-
24 cable requirements.

1 “(D) INFORMATION SUBMISSION REQUIRE-
2 MENT.—At the time of application for such
3 grant for each calendar year, the employer—

4 “(i) submits to the Secretary—
5 “(I) an attestation that the paid
6 family and medical leave benefit pro-
7 gram referred to in subparagraph (B)
8 will remain in effect during the whole
9 of such calendar year (or, in the case
10 of a program not in effect at the be-
11 ginning of such calendar year, an at-
12 testation that such program will re-
13 main in effect until the end of such
14 calendar year); and

15 “(II) with respect to each em-
16 ployee of the employer covered by the
17 program for such calendar year, the
18 employee’s name, information to es-
19 tablish the employee’s identity, and in
20 the case of a part-time employee (for
21 purposes of determining the number
22 of employees (pro-rated for part-time
23 employees) covered under the program
24 for such calendar year under sub-
25 section (a)(1)(B)), the number of

1 hours the employee regularly works in
2 a week; and

3 “(ii) agrees to submit information to
4 the Secretary as described in subsection
5 (e).

6 “(E) MAINTENANCE OF RECORDS.—The
7 employer agrees to retain all records relating to
8 the employer’s paid family and medical leave
9 benefit program for not less than 3 years.

10 “(F) JOB PROTECTIONS AND OTHER EM-
11 PLOYEE RIGHTS.—As a condition of the grant,
12 the employer agrees—

13 “(i) that, on return from leave under
14 the program described in subparagraph
15 (B), the individual taking such leave will—

16 “(I) be restored by the employer
17 to the position of employment held by
18 the individual when the leave com-
19 menced; or

20 “(II) be restored to an equivalent
21 position with equivalent employment
22 benefits, pay, and other terms and
23 conditions of employment;

24 “(ii) to maintain coverage for the in-
25 dividual under any ‘group health plan’ (as

1 defined in section 2212) for the duration
2 of such leave at the level and under the
3 conditions coverage would have been pro-
4 vided if the individual had continued in
5 employment continuously for the duration
6 of such leave;

7 “(iii) in any case in which an em-
8 ployee receives an adverse determination
9 from the employer (or administering enti-
10 ty) with respect to paid family and medical
11 leave benefits under the program described
12 in subparagraph (B)—

13 “(I) to provide opportunity for
14 the employee to appeal such adverse
15 determination to the employer (or ad-
16 ministering entity); and

17 “(II) in any case in which the
18 employee elects to appeal the results
19 of such initial appeal to the Secretary
20 pursuant to section 2205(a)(1)(B)
21 and the final decision of the Secretary
22 is in the employee’s favor, to provide
23 for the payment of such paid family
24 and medical leave benefits in addition

1 to the costs to the Secretary of such
2 secondary appeal;

3 “(iv) to provide annual notice to all
4 employees of the availability of paid family
5 and medical leave benefits under the pro-
6 gram described in subparagraph (B) and
7 of the right to appeal any adverse deter-
8 mination with respect to such benefits; and

9 “(v) not to impose any fee on any em-
10 ployee related to the receipt of paid family
11 and medical leave benefits under the pro-
12 gram described in subparagraph (B).

13 “(G) *ADDITIONAL ASSURANCES.*—The em-
14 ployer provides assurances that the employer
15 (or administering entity)—

16 “(i) will not interfere with, restrain,
17 or deny the exercise of, or the attempt to
18 exercise, any right provided under such
19 policy;

20 “(ii) will notify an employee in any
21 case in which the employee is provided re-
22 imburseable benefits; and

23 “(iii) will not discharge, or in any
24 other manner discriminate against, any in-

1 dividual for opposing any practice prohib-
2 ited by such policy.

3 “(H) SPECIAL CONDITIONS IN THE CASE
4 OF CERTAIN EMPLOYERS.—

5 “(i) SELF-INSURED PRIVATE EMPLOY-
6 ERS.—In the case of a paid family and
7 medical leave benefit program of an em-
8 ployer (other than a State or political sub-
9 division thereof) with respect to which ben-
10 efits are awarded and paid directly by the
11 employer (or by a third party adminis-
12 trator on behalf of the employer)—

13 “(I) such employer employs at
14 least 50 employees described in sub-
15 paragraph (A);

16 “(II) such benefits are guaran-
17 teed by a surety bond held by the em-
18 ployer; and

19 “(III) such employer (or admin-
20 istering entity) holds funds in a dedi-
21 cated account for such benefits not
22 used for any other business purpose.

23 “(ii) SELF-INSURED STATE AND
24 LOCAL EMPLOYERS.—In the case of a paid
25 family and medical leave benefit program

1 of an employer that is a State (or political
2 subdivision thereof) with respect to which
3 benefits are awarded and paid directly by
4 the employer (or by a third party adminis-
5 trator on behalf of the employer), such
6 benefits are negotiated pursuant to a col-
7 lective bargaining agreement.

8 “(2) TIMING OF APPLICATION.—

9 “(A) CERTIFICATION.—The certification
10 deadline specified in this subparagraph for a
11 calendar year is—

12 “(i) for calendar year 2023, March
13 31, 2023; and

14 “(ii) for any calendar year after 2023,
15 90 days before the beginning of such cal-
16 endar year,

17 or, if later, the date that is 90 days before a
18 plan described in paragraph (1)(B) first goes
19 into effect.

20 “(B) SUBMISSION OF DOCUMENTATION.—

21 The submission deadline specified in this sub-
22 paragraph for a calendar year is—

23 “(i) for calendar year 2023, May 15,
24 2023; and

1 “(ii) for any calendar year after 2023,
2 45 days before the beginning of such cal-
3 endar year,
4 or, if later, the date that is 45 days before a
5 plan described in paragraph (1)(B) first goes
6 into effect.

7 “(c) EMPLOYER PROGRAM REQUIREMENTS.—

8 “(1) IN GENERAL.—A paid family and medical
9 leave benefit program shall not be considered to
10 meet the requirements of this subsection unless such
11 program consists of a written employer policy that
12 provides for the payment, through one or more em-
13 ployee benefit plans, of family and medical leave
14 benefits, which may be guaranteed through an in-
15 surer and which may be administered by an insurer
16 or by another third-party entity, that includes each
17 element in the model template described in para-
18 graph (2), and that provides for each of the fol-
19 lowing:

20 “(A) The provision of such benefits to all
21 employees described in subsection (b)(1)(A), re-
22 gardless of length of service, job type, member-
23 ship in a labor organization, seniority status, or
24 any other employee classification.

1 “(B) Each of the job protections and other
2 employee rights described in subsection
3 (b)(1)(F).

4 “(C) Each of the assurances described in
5 subsection (b)(1)(G).

6 “(D) Submission of information to the
7 Secretary as described in subsection (e).

8 “(2) MODEL TEMPLATE.—Not later than July
9 1, 2022, the Secretary shall make available to eligi-
10 ble employers a model template of a written policy
11 providing paid family and medical leave benefits—

12 “(A) at a wage replacement rate that is at
13 least as great as the wage replacement rate that
14 an employee would receive under the program
15 under this title (without regard to section
16 2202(c)(2)(C));

17 “(B) for a total number of weeks of paid
18 leave that is at least as great as the total num-
19 ber of weeks of paid leave that an employee
20 would receive under the program under this
21 title (without regard to such section);

22 “(C) for all of the reasons for which an in-
23 dividual would be considered to be engaged in
24 qualified caregiving under section

1 2202(c)(2)(A), regardless of any pre-existing
2 medical conditions;

3 “(D) for leave which may be taken inter-
4 mittently or on a reduced leave schedule;

5 “(E) that does not impose any fee on any
6 employee related to the receipt of such benefits.

7 “(F) which must be paid not less fre-
8 quently than monthly;

9 “(G) for which applications must be proc-
10 essed and notifications provided at least as
11 quickly as is provided under section 2204 for
12 benefits provided under section 2202(a); and

13 “(H) for which any information contained
14 in an application for such benefits shall be pre-
15 sumed to be true and accurate, unless the em-
16 ployer (or administering entity) demonstrates
17 by a preponderance of the evidence that infor-
18 mation contained in the application is false;

19 “(3) NATIONAL AVERAGE COST.—Not later
20 than October 1 of the calendar year before each cal-
21 endar year beginning with 2023, the Secretary shall
22 determine the projected national average cost per
23 employee for such calendar year of a paid family and
24 medical leave benefit program that meets the re-
25 quirements of paragraph (2) (assuming administra-

1 tive costs no greater than the average or projected
2 average administrative costs of providing benefits
3 under section 2202), taking into account projected
4 benefit levels, duration of benefits, and frequency of
5 use of the program in such calendar year.

6 “(d) TIMING OF PAYMENT; PENALTY FOR LATE FIL-
7 ING.—

8 “(1) INSURED EMPLOYERS.—A grant paid
9 under this section for a calendar year to an eligible
10 employer described in subsection (a)(1) shall be paid
11 by the Secretary not later than 30 days after the be-
12 ginning of such calendar year, except that in the
13 case of a grant under this section for calendar year
14 2023, such grant shall be paid by the Secretary not
15 later than August 1, 2023.

16 “(2) SELF-INSURED EMPLOYERS.—A grant
17 paid under this section for a calendar year to an eli-
18 gible employer described in subsection (a)(2) shall be
19 paid by the Secretary not later than March 31 of the
20 calendar year succeeding such calendar year.

21 “(3) PENALTY FOR LATE FILING.—In any case
22 in which an eligible employer seeking a grant under
23 this subsection for a calendar year fails to submit all
24 required documentation by the submission deadline

1 for such calendar year as required under subsection
2 (b)(1)(B)(ii)—

3 “(A) the grant for such calendar year for
4 such employer shall not be paid until 45 days
5 after the date of payment otherwise specified in
6 paragraph (1) or (2), as applicable; and

7 “(B) the amount of such grant shall be re-
8 duced by 2 percent for each 7 days by which
9 such submission deadline is exceeded.

10 “(e) INFORMATION SUBMISSION.—As a condition of
11 receiving a grant under subsection (a) for a calendar year,
12 an employer shall provide the Secretary with information,
13 at such times and in such manner as determined by the
14 Secretary, concerning individuals who received a paid
15 leave benefit under the paid family and medical leave ben-
16 efit program of the employer, including each individual’s
17 name, information to establish the individual’s identity,
18 dates for which such paid leave benefits were paid, the
19 amount of such paid leave benefit, and, to the extent avail-
20 able, such other information concerning such individuals
21 as the Secretary may require for the purpose of carrying
22 out this section and section 2202(c)(2)(C), and for other-
23 wise carrying out the provisions of this title, including for
24 the purposes of promoting equity as described under sec-

1 tion 2206(a) and for research described under section
2 2208(b).

3 “(f) ENFORCEMENT.—

4 “(1) IN GENERAL.—The Secretary shall con-
5 duct periodic reviews of employers receiving grants
6 under this section (and of entities administering
7 such grants). The Secretary may withdraw approval
8 of the paid family and medical leave benefit program
9 of an employer in any case in which the Secretary
10 finds that the employer (or administering entity) has
11 violated any requirement of this section, and may
12 disqualify an employer (or administering entity)
13 from receiving (or administering) subsequent grants
14 under this section in the case of repeated violations.

15 “(2) PENALTIES RELATING TO APPEALS.—In
16 any case in which the Secretary determines that a
17 pattern exists with respect to an employer (or ad-
18 ministering entity) in which the employer (or admin-
19 istering entity) has incorrectly denied claims for paid
20 leave benefits under the employer-sponsored pro-
21 gram and such claims have subsequently been ap-
22 proved by the Secretary pursuant to an appeal de-
23 scribed in section 2205(a)(1)(B), the Secretary may
24 impose such penalties on the employer (or admin-
25 istering entity) as the Secretary deems appropriate,

1 which may include a reduction in, or disqualification
2 from receiving (or administering), subsequent grants
3 under this section.

4 “(3) PENALTIES ON ADMINISTERING ENTI-
5 TIES.—In the case of a third-party entity admin-
6 istering a paid family and medical leave benefit pro-
7 gram of an employer, such entity shall notify such
8 employer in any case in which a penalty is imposed
9 under this subsection on the administering entity
10 not later than 30 days after the date on which such
11 penalty has been imposed. In any case in which the
12 Secretary determines that a pattern of misconduct
13 exists with respect to an entity administering bene-
14 fits under this section for multiple employers, the
15 Secretary may disqualify such entity from admin-
16 istering employer-sponsored programs receiving sub-
17 sequent grants under this section.

18 “(4) EMPLOYER AND ADMINISTRATOR AP-
19 PEALS.—An employer (or administering entity) with
20 respect to which a penalty is imposed under this
21 subsection may appeal such decision to the Secretary
22 only if such appeal is filed with the Secretary not
23 later than 60 days after the date of such decision.

24 “(g) GREATER BENEFITS PERMITTED.—Nothing in
25 this section shall be construed to prohibit an eligible em-

1 ployer from providing paid family and medical leave bene-
2 fits that exceed the requirements described in this section.

3 **“SEC. 2211. FUNDING FOR SMALL BUSINESS ASSISTANCE.**

4 “(a) IN GENERAL.—There are appropriated, out of
5 any funds in the Treasury not otherwise appropriated,
6 such sums as may be necessary for grants in accordance
7 with this section.

8 “(b) SMALL BUSINESS ASSISTANCE GRANTS.—The
9 Secretary shall make a grant to each eligible employer (as
10 defined in subsection (g)) who employs a covered indi-
11 vidual (as so defined) if such eligible employer satisfies
12 the requirements of subsection (c).

13 “(c) GRANT REQUIREMENTS.—An eligible employer
14 seeking a grant under this section with respect to a cov-
15 ered individual described in subsection (b) shall—

16 “(1) not later than 90 days after such indi-
17 vidual returns from qualified leave (as defined in
18 subsection (g)) from the employer, submit an appli-
19 cation to the Secretary in such manner as the Sec-
20 retary shall provide;

21 “(2) attest to the Secretary that the employer
22 reasonably expects to, during the period in which
23 such individual is taking such qualified leave, incur
24 costs attributable to replacing the labor of such indi-
25 vidual during such period in excess of the wages that

1 would be paid to the individual during such period
2 if such leave were not taken;

3 “(3) agree that, on return from such qualified
4 leave, the individual will—

5 “(A) be restored by the employer to the
6 position of employment held by the individual
7 when the leave commenced; or

8 “(B) be restored to an equivalent position
9 with equivalent employment benefits, pay, and
10 other terms and conditions of employment;

11 “(4) agree to maintain coverage for the indi-
12 vidual under any ‘group health plan’ (as defined in
13 section 2212) for the duration of such qualified leave
14 at the level and under the conditions coverage would
15 have been provided if the individual had continued in
16 employment continuously for the duration of such
17 leave;

18 “(5) upon the award of such grant, notify the
19 individual of their rights under paragraphs (3) and
20 (4).

21 “(d) AMOUNT OF GRANT.—The amount of a grant
22 to an eligible employer with respect to a covered individual
23 shall be an amount equal to the product of 2.5 multiplied
24 by the average weekly wage of the State in which the indi-
25 vidual’s worksite is located for the most recent calendar

1 year. For purposes of this subsection, the average weekly
2 wage of a State for a calendar year shall be determined
3 and annually published by the Secretary on the basis of
4 data prepared by the Bureau of Labor Statistics that is
5 based on a quarterly census of employers in the State of
6 wages paid for unemployment insurance-covered employ-
7 ment.

8 “(e) LIMITATIONS.—In no case may an eligible em-
9 ployer—

10 “(1) receive more than 1 grant under this sec-
11 tion with respect to the same covered individual in
12 a single calendar year; or

13 “(2) receive more than 10 total grants under
14 this section in a single calendar year.

15 “(f) ENFORCEMENT.—In any case in which—

16 “(1) an employer’s attestation with respect to
17 costs incurred made pursuant to subsection (c)(2) is
18 not made in good faith; or

19 “(2) an employer who receives a grant under
20 this section with respect to a covered individual fails
21 to satisfy the requirements of paragraph (3) or (4)
22 of subsection (c) with respect to such individual,
23 the Secretary may require the employer to repay the full
24 amount of such grant (including any applicable interest)

1 and may permanently prohibit the employer from applying
2 for any subsequent grants under this section.

3 “(g) DEFINITIONS.—For purposes of this section—

4 “(1) COVERED INDIVIDUAL.—For purposes of
5 this section, the term ‘covered individual’ means an
6 individual employed by an eligible employer who
7 takes 4 or more weeks of leave from such employer,
8 or anticipates taking 4 or more weeks, during the in-
9 dividual’s benefit period for which the individual re-
10 ceives paid family and medical leave benefits—

11 “(A) under section 2202(a);

12 “(B) under the law of a legacy State (as
13 defined in section 2209(b)); or

14 “(C) under an eligible employer-sponsored
15 plan under section 2210,

16 but only if the eligible employer has received no
17 other State or Federal grant intended to cover the
18 costs described in subsection (c)(2) with respect to
19 such individual.

20 “(2) ELIGIBLE EMPLOYER.—The term ‘eligible
21 employer’ means any person (other than a govern-
22 mental agency) who regularly employs at least 1 and
23 not more than 50 employees.

24 “(3) QUALIFIED LEAVE.—The term ‘qualified
25 leave’ means leave taken by an individual with re-

1 spect to which the individual is eligible for paid fam-
2 ily and medical leave benefits under section 2202,
3 under the law of a legacy State (as defined in sec-
4 tion 2209(b)), or under an eligible employer-spon-
5 sored plan under section 2210.

6 **“SEC. 2212. DEFINITIONS.**

7 “For purposes of this title the following definitions
8 apply:

9 “(1) GROUP HEALTH PLAN.—The term ‘group
10 health plan’ has the meaning given such term in sec-
11 tion 5000(b)(1) of the Internal Revenue Code of
12 1986.

13 “(2) NATIONAL AVERAGE WAGE INDEX.—The
14 term ‘national average wage index’ has the meaning
15 given such term in section 209(k)(1).

16 “(3) SECRETARY.—The term ‘Secretary’ means
17 the Secretary of the Treasury.

18 “(4) SELF-EMPLOYMENT INCOME.—The term
19 ‘self-employment income’ has the meaning given the
20 term in section 1402(b) of the Internal Revenue
21 Code of 1986 for purposes of the taxes imposed by
22 section 1401(b) of such Code. For purposes of sec-
23 tion 2202(a) and 2203(b)(3), the Secretary shall de-
24 termine rules for the crediting of self-employment
25 income to calendar quarters, under which—

1 “(A) in the case of a taxable year which is
2 a calendar year, self-employment income shall
3 be credited equally to each quarter of such cal-
4 endar year; and

5 “(B) in the case of any other taxable year,
6 such income shall be credited equally to the cal-
7 endar quarter in which such taxable year ends
8 and to each of the next three or fewer preceding
9 quarters any part of which is in such taxable
10 year.

11 “(5) STATE.—The term ‘State’ means any
12 State of the United States or the District of Colum-
13 bia or any territory or possession of the United
14 States.

15 “(6) WAGES.—The term ‘wages’ has the mean-
16 ing given such term in section 3121(a) of the Inter-
17 nal Revenue Code of 1986 for purposes of the taxes
18 imposed by sections 3101(b) and 3111(b) of such
19 Code, except that such term also includes—

20 “(A) compensation, as defined in section
21 3231(e) of such Code for purposes of the Rail-
22 road Retirement Tax Act; and

23 “(B) unemployment compensation, as de-
24 fined in section 85(b) of such Code.

1 “(7) WEEK.—The term ‘week’ means a 7-day
2 period beginning on a Sunday.”.

3 **SEC. 130002. ACCESS TO WAGE INFORMATION FROM THE**
4 **NATIONAL DIRECTORY OF NEW HIRES FOR**
5 **THE PURPOSE OF ADMINISTERING PAID**
6 **LEAVE.**

7 (a) IN GENERAL.—Section 453(j) of the Social Secu-
8 rity Act (42 U.S.C. 653(j)) is amended—

9 (1) by redesignating paragraphs (5) through
10 (11) as paragraphs (6) through (12), respectively;
11 and

12 (2) by adding after paragraph (4) the following:

13 “(5) PROVISION OF NEW HIRE INFORMATION
14 FOR PURPOSES OF FAMILY AND MEDICAL LEAVE
15 PROGRAM.—

16 “(A) IN GENERAL.—The National Direc-
17 tory of New Hires shall provide the Secretary
18 of the Treasury with all information in the Na-
19 tional Directory relating to wages paid to indi-
20 viduals.

21 “(B) USE AND MAINTENANCE OF INFOR-
22 MATION BY THE SECRETARY OF THE TREAS-
23 URY.—The Secretary of the Treasury may use
24 information provided under this paragraph only
25 for purposes of administering the paid family

1 and medical leave benefit program under title
2 XXII, and shall maintain such information in
3 the records of the Secretary of the Treasury for
4 such time as the Secretary of the Treasury
5 deems necessary for the administration of such
6 program.”.

7 (b) CONFORMING AMENDMENT.—Section
8 453(i)(2)(C) of such Act (42 U.S.C. 653(i)(2)(C)) is
9 amended by striking “(j)(5)” and inserting “(j)(6)”.

10 **Subtitle B—Retirement**

11 **SEC. 131001. AMENDMENT OF 1986 CODE.**

12 Except as otherwise expressly provided, whenever in
13 this subtitle an amendment or repeal is expressed in terms
14 of an amendment to, or repeal of, a section or other provi-
15 sion, the reference shall be considered to be made to a
16 section or other provision of the Internal Revenue Code
17 of 1986.

18 **PART 1—AUTOMATIC CONTRIBUTION PLANS AND** 19 **ARRANGEMENTS**

20 **SEC. 131101. TAX IMPOSED ON EMPLOYERS FAILING TO** 21 **MAINTAIN OR FACILITATE AUTOMATIC CON-** 22 **TRIBUTION PLAN OR ARRANGEMENT.**

23 (a) AUTOMATIC CONTRIBUTION PLAN OR ARRANGE-
24 MENT.—

1 (1) IN GENERAL.—Section 414 is amended by
2 adding at the end the following:

3 “(aa) AUTOMATIC CONTRIBUTION PLAN OR AR-
4 RANGEMENT.—For purposes of this title—

5 “(1) IN GENERAL.—The term ‘automatic con-
6 tribution plan or arrangement’ means—

7 “(A) a defined contribution plan that—

8 “(i) is described in clause (i), (ii), or
9 (iv) of section 219(g)(5)(A),

10 “(ii) includes a qualified cash or de-
11 ferred arrangement or a salary reduction
12 arrangement, and

13 “(iii) meets the notice, eligibility, con-
14 tribution, investment, fee, and lifetime in-
15 come requirements of paragraphs (2), (3),
16 (4), (5), (6), and (7), respectively,

17 “(B) an automatic IRA arrangement de-
18 scribed in paragraph (8),

19 “(C) an arrangement described in section
20 408(p) that meets the notice, contribution, in-
21 vestment, and fee requirements described in
22 paragraphs (2), (4), (5), and (6), and

23 “(D) a plan described in clause (i), (ii),
24 (iv), (v), or (vi) of section 219(g)(5)(A) that is
25 established and maintained by an employer as

1 of the date of enactment of the Act to provide
2 for reconciliation pursuant to title II of S. Con.
3 Res. 14, or a plan described in section
4 219(g)(5)(A)(iv) that is not subject to title I of
5 the Employee Retirement Income Security Act
6 of 1974 and offers annuity contracts, or makes
7 custodial accounts available to employees, as of
8 such date.

9 “(2) NOTICE REQUIREMENTS.—A plan or ar-
10 rangement shall be treated as meeting the notice re-
11 quirements of this paragraph with respect to an em-
12 ployee if the plan or arrangement meets the notice
13 requirements of, or similar to, the notice require-
14 ments of section 401(k)(13)(E), excluding any such
15 notice requirements that are not applicable or rel-
16 evant to the such plan or arrangement.

17 “(3) ELIGIBILITY REQUIREMENTS.—

18 “(A) IN GENERAL.—The requirements of
19 this paragraph shall be treated as met if all em-
20 ployees of the employer are eligible to partici-
21 pate in an automatic contribution plan or ar-
22 rangement maintained or facilitated by the em-
23 ployer.

24 “(B) CERTAIN EXCLUSIONS.—The fol-
25 lowing employees may be excluded from consid-

1 eration in determining whether the require-
2 ments of this paragraph are met:

3 “(i) INDIVIDUALS LESS THAN 21
4 YEARS OLD.—Any employee who has not
5 attained age 21.

6 “(ii) CERTAIN OTHER EMPLOYEES.—
7 Any employee described in section
8 410(b)(3).

9 “(iii) SERVICE REQUIREMENTS.—Any
10 employee who has not completed at least
11 one of the following periods of service with
12 the employer maintaining or facilitating
13 the plan or arrangement:

14 “(I) The period permitted under
15 section 410(a)(1) (determined without
16 regard to subparagraph (B)(i) there-
17 of).

18 “(II) A period of 2 consecutive
19 12-month periods during each of
20 which the employee has at least 500
21 hours of service.

22 “(C) SPECIAL RULES FOR CONTROLLED
23 GROUPS.—Eligible employees within an em-
24 ployer need not be eligible to participate in the
25 same automatic contribution plan or arrange-

1 ment. For purposes of this subsection, the term
2 ‘employer’ shall include all employers treated as
3 a single employer under subsection (b), (c),
4 (m), or (o) of section 414.

5 “(D) ENTRY DATES.—Rules similar to the
6 rules of section 410(a)(4) shall apply with re-
7 spect to employees who have satisfied the age
8 and service requirements referenced in subpara-
9 graph (B) and who are otherwise entitled to
10 participate in a plan or arrangement.

11 “(4) CONTRIBUTION REQUIREMENTS.—

12 “(A) IN GENERAL.—The requirements of
13 this paragraph shall be treated as met if, under
14 the plan or arrangement, each employee eligible
15 to participate in the plan or arrangement is
16 treated as having elected to have the employer
17 make elective contributions in an amount equal
18 to the qualified percentage of compensation.

19 “(B) ELECTION OUT.—The election treat-
20 ed as having been made under subparagraph
21 (A) shall cease to apply with respect to any em-
22 ployee if such employee makes an affirmative
23 election—

24 “(i) not to have such contributions
25 made, or

1 “(ii) to make elective contributions at
2 a level specified in such affirmative elec-
3 tion.

4 “(C) QUALIFIED PERCENTAGE.—For pur-
5 poses of this paragraph, and except as provided
6 in subparagraph (D)(i), the term ‘qualified per-
7 centage’ means, with respect to any employee,
8 any percentage determined under the plan or
9 arrangement if such percentage is applied uni-
10 formly, does not exceed 15 percent (10 percent
11 during the period described in clause (i)), and
12 is at least—

13 “(i) 6 percent during the period end-
14 ing on the last day of the first plan year
15 which begins after the date on which the
16 first elective contribution described in sub-
17 paragraph (A) is made with respect to
18 such employee,

19 “(ii) 7 percent during the first plan
20 year following the plan year described in
21 clause (i),

22 “(iii) 8 percent during the first plan
23 year following the plan year described in
24 clause (ii),

1 “(iv) 9 percent during the first plan
2 year following the plan year described in
3 clause (iii), and

4 “(v) 10 percent during any subse-
5 quent plan year.

6 “(D) RULES RELATING TO AUTOMATIC
7 IRA ARRANGEMENTS.—For purposes of this
8 paragraph—

9 “(i) QUALIFIED PERCENTAGE.—In
10 the case of an automatic IRA arrange-
11 ment, the term ‘qualified percentage’
12 means, with respect to an employee for any
13 plan year, a percentage equal to the min-
14 imum percentage described for such plan
15 year under subparagraph (C).

16 “(ii) PAYROLL DEDUCTION CONTRIBU-
17 TIONS.—In the case of an automatic IRA
18 arrangement, any reference in this para-
19 graph to elective contributions shall be
20 treated as including a reference to payroll
21 deduction contributions.

22 “(5) INVESTMENT REQUIREMENTS.—

23 “(A) IN GENERAL.—

24 “(i) DEFAULT INVESTMENTS.—A plan
25 or arrangement shall be treated as meeting

1 the requirements of this paragraph if in
2 the absence of an investment election by a
3 participant or beneficiary, amounts are in-
4 vested only in the class of assets or funds
5 described in subparagraph (B).

6 “(ii) REQUIRED INVESTMENT OP-
7 TIONS IN AUTOMATIC IRA ARRANGE-
8 MENT.—In addition to the default invest-
9 ment requirement of clause (i), an auto-
10 matic IRA arrangement shall be treated as
11 meeting the requirements of this para-
12 graph if the arrangement also allows the
13 participant to invest in any of the class of
14 assets or funds described in subparagraph
15 (B), (C), (D), or (E), and provides for no
16 other investment options.

17 “(B) TARGET DATE/LIFECYCLE OPTION.—
18 The class of assets or funds described in this
19 clause is the class of assets or funds that con-
20 stitutes a qualified default investment alter-
21 native under Department of Labor regulation
22 section 2550.404c-5(e)(4)(i).

23 “(C) PRINCIPAL PRESERVATION.—The
24 class of assets or funds described in this clause
25 is the class of assets or funds that is designed

1 to protect the principal of the individual on an
2 ongoing basis.

3 “(D) BALANCED OPTION.—The class of
4 assets or funds described in this clause is the
5 class of assets or funds that constitutes a quali-
6 fied default investment alternative under De-
7 partment of Labor regulation section
8 2550.404e-5(e)(4)(ii).

9 “(E) OTHER.—Any other class of assets or
10 funds determined by the Secretary to be a
11 qualified investment for purposes of this sec-
12 tion.

13 “(6) FEE REQUIREMENTS.—In the case of any
14 plan or arrangement not otherwise subject to title I
15 of the Employee Retirement Income Security Act of
16 1974, under the fee requirements of this paragraph,
17 no participant may be charged unreasonable fees or
18 expenses.

19 “(7) LIFETIME INCOME REQUIREMENTS.—

20 “(A) IN GENERAL.—A plan or arrange-
21 ment shall be treated as meeting the lifetime in-
22 come requirement described in this paragraph if
23 the plan or arrangement permits participants to
24 elect to receive at least 50 percent of their vest-

1 ed account balance in a form of distribution de-
2 scribed in section 401(a)(38)(B)(iii).

3 “(B) EXCEPTION.—

4 “(i) IN GENERAL.—This paragraph
5 shall not apply with respect to any partici-
6 pant whose vested account balance is
7 \$200,000 or less at the time of distribu-
8 tion.

9 “(ii) NOT TREATED AS DISCRIMINA-
10 TORY IN FAVOR OF HIGHLY COMPENSATED
11 EMPLOYEES.—A plan shall not be treated
12 as failing to meet the requirements of sec-
13 tion 401(a)(4) solely by reason of applying
14 the exception of clause (i) to the require-
15 ments of subparagraph (A).

16 “(8) AUTOMATIC IRA ARRANGEMENT.—

17 “(A) IN GENERAL.—For purposes of this
18 paragraph, the term ‘automatic IRA arrange-
19 ment’ means, with respect to an employer (and
20 trustee or issuer designated by the employer),
21 an arrangement facilitated by the employer
22 which meets the requirements of this paragraph
23 and the eligibility, contribution, investment, and
24 fee requirements of paragraphs (3), (4), (5),
25 and (6), and under which an employee—

1 “(i) may elect—

2 “(I) to have the employer make
3 payroll deduction deposits on behalf of
4 the individual as payroll deduction
5 contributions to an individual retire-
6 ment account, or

7 “(II) to have such payments paid
8 to the employee directly in cash,

9 “(ii) is treated as having made the
10 election under clause (i)(I) at the level de-
11 termined under paragraph (4)(D) until the
12 individual makes an affirmative election
13 not to have such contributions made (or to
14 have such contributions made at a level
15 specified in the affirmative election), and

16 “(iii) may elect to modify the manner
17 in which such amounts are invested for
18 such plan year.

19 “(B) ADMINISTRATIVE REQUIREMENTS.—

20 “(i) PAYMENTS.—The requirements of
21 this subparagraph are met with respect to
22 any automatic IRA arrangement if the em-
23 ployer makes the payments elected or
24 treated as elected under subparagraph
25 (A)(i) on or before the last day of the

1 month following the month in which the
2 compensation otherwise would have been
3 payable to the employee in cash.

4 “(ii) NOTICE OF ELECTION PERIOD.—
5 The requirements of this paragraph shall
6 be treated as met with respect to any year
7 if the employer notifies each employee eli-
8 gible to participate, within a reasonable pe-
9 riod of time before the beginning of such
10 year (and, for the first year the employee
11 is so eligible, a reasonable period of time
12 before the first day such employee is so eli-
13 gible), of—

14 “(I) the opportunity to elect to
15 have contributions made, or to be
16 treated as so electing, under clause
17 (i)(I), or (ii), of subparagraph (A),

18 “(II) the opportunity to elect not
19 to have payroll deduction contribu-
20 tions made or to have such contribu-
21 tions made at a different percentage
22 or in a different amount, and

23 “(III) the opportunity under sub-
24 paragraph (A)(iii) to modify the man-

1 ner in which such amounts are in-
2 vested for such year.

3 The employer shall provide such notice in
4 paper form or, if the employee so elects, in
5 electronic form.

6 “(C) LIMITS ON CONTRIBUTIONS.—An em-
7 ployer shall not be treated as failing to satisfy
8 the requirements of this section or any other
9 provision of this title merely because—

10 “(i) aggregate payroll deduction con-
11 tributions by or on behalf of an individual
12 to individual retirement accounts of the in-
13 dividual exceed the deductible amount in
14 effect under section 219(b)(5) (determined
15 without regard to subparagraph (B) there-
16 of) for any taxable year in which any pay-
17 roll deduction contributions by the em-
18 ployer under an automatic IRA arrange-
19 ment are made, or

20 “(ii) the employer chooses to limit the
21 payroll deduction contributions under this
22 subsection on behalf of an employee for
23 any calendar year in a manner reasonably
24 designed to avoid exceeding such deduct-
25 ible amount.

1 “(D) DEFAULT TREATMENT AS ROTH
2 IRA.—An employee on whose behalf payroll de-
3 duction contributions are made to an individual
4 retirement account under subparagraph (A)
5 may elect, at such time and in such manner
6 and form as the Secretary may prescribe,
7 whether to treat the individual retirement ac-
8 count as designated as a Roth IRA. If no such
9 election is made, the account shall be treated as
10 so designated.

11 “(E) DEPOSITS TO INDIVIDUAL RETIRE-
12 MENT ACCOUNTS OF A DESIGNATED TRUSTEE
13 OR ISSUER.—

14 “(i) IN GENERAL.—An employer shall
15 not be treated as failing to satisfy the re-
16 quirements of this section, or any other
17 provision of this title, merely because the
18 employer makes all payroll deduction con-
19 tributions on behalf of all employees (or all
20 employees who do not specify an individual
21 retirement account, trustee, or issuer to re-
22 ceive the contributions) to individual retire-
23 ment accounts specified in clause (ii).

24 “(ii) INDIVIDUAL RETIREMENT AC-
25 COUNTS OTHER THAN THOSE SELECTED

1 BY EMPLOYEE.—An employer may elect to
2 have payroll deduction contributions for all
3 employees participating in an automatic
4 IRA arrangement made to individual re-
5 tirement accounts of a trustee or issuer
6 under the arrangement that has been des-
7 ignated by the employer, but only if the
8 provider of such accounts, and the invest-
9 ments therein, are identified on the website
10 established under subparagraph (F)(iii).
11 The preceding sentence shall not apply un-
12 less each participant is notified in writing
13 that the participant’s balance may be
14 transferred without cost or penalty to an-
15 other individual retirement account estab-
16 lished by or on behalf of the participant.
17 Such notice shall be in paper form or, if
18 the employee so elects, electronic form.

19 “(iii) EMPLOYERS MAY PERMIT EM-
20 PLOYEE TO CHOOSE IRA.—If the employer
21 so elects, the arrangement may provide for
22 an employee election to have payroll deduc-
23 tion contributions made to any individual
24 retirement account specified by the em-
25 ployee.

1 “(iv) REGULATIONS.—The Secretary
2 may issue such regulations as are nec-
3 essary to carry out the purposes of this
4 subparagraph, including establishment of
5 procedures to assist employers in con-
6 necting with certified and available pro-
7 viders of individual retirement accounts
8 and to communicate to individuals the im-
9 portance of investment diversification.

10 “(F) MODEL NOTICE, ETC.—The Secretary
11 shall—

12 “(i) provide a model notice, written in
13 a manner calculated to be understandable
14 to the average worker, that is simple for
15 employers to use—

16 “(I) to notify employees of the
17 requirement under this section for the
18 employer to provide certain employees
19 with the opportunity to participate in
20 an automatic IRA arrangement, and

21 “(II) to satisfy the requirements
22 of subparagraph (B)(ii),

23 “(ii) provide model forms for enroll-
24 ment, including automatic enrollment, in
25 an automatic IRA arrangement,

1 “(iii) establish a website or other elec-
2 tronic means that small employers and in-
3 dividuals can access and use to obtain in-
4 formation on automatic IRA arrangements
5 (including clear, standardized, easy-to-com-
6 pare information on fees and expenses and
7 investment returns in a format prescribed
8 by the Secretary) and to obtain notices and
9 forms, and

10 “(iv) establish a process—

11 “(I) for the provider of an auto-
12 matic IRA arrangement to dem-
13 onstrate to the Secretary that the ar-
14 rangement is described in this para-
15 graph and meets the requirements
16 specified in paragraph (1)(B), and

17 “(II) to certify any arrangement
18 that the Secretary determines so dem-
19 onstrates, to regularly monitor compli-
20 ance and update such determinations
21 and certifications, and to list all ar-
22 rangements so certified on the website
23 described in clause (iii) as appropriate
24 for use by employers and participants.

1 The information referred to in clause (iii) shall
2 be provided in a manner designed to assist em-
3 ployers and providers by facilitating the identi-
4 fication by employers of private-sector providers
5 of individual retirement accounts, including the
6 provider’s investment options, that are appro-
7 priate for use in automatic IRA arrangements.

8 “(G) SAFE HARBOR FOR CERTAIN STATE-
9 PROVIDED ARRANGEMENTS.—An arrangement
10 facilitated by an employer shall not fail to be
11 treated as an automatic IRA arrangement
12 merely because such arrangement is provided or
13 otherwise offered, in whole or in part, by a
14 State.

15 “(H) INDIVIDUAL RETIREMENT AC-
16 COUNT.—For purposes of this paragraph, the
17 term ‘individual retirement account’ shall have
18 the meaning given such term by section 408(a),
19 except that such term shall include individual
20 retirement annuities (as defined in section
21 408(b)).”.

22 (2) OTHER RULES APPLICABLE TO AUTOMATIC
23 IRA ARRANGEMENTS.—

24 (A) PENALTY FOR FAILURE TO TIMELY
25 REMIT CONTRIBUTIONS TO AUTOMATIC IRA AR-

1 RANGEMENTS.—Section 4975(c) is amended by
2 adding at the end the following new paragraph:

3 “(7) SPECIAL RULE FOR AUTOMATIC IRA AR-
4 RANGEMENTS.—For purposes of paragraph (1), if
5 an employer is required under an automatic IRA ar-
6 rangement (as defined in section 414(aa)(1)(B)) to
7 deposit amounts withheld from an employee’s com-
8 pensation into an individual retirement account
9 (within the meaning of section 414(aa)(8)(H)) but
10 fails to do so within the time prescribed under sec-
11 tion 414(aa)(8)(B)(i), such amounts shall be treated
12 as assets of the individual retirement account.”.

13 (B) WAIVER OF EARLY WITHDRAWAL PEN-
14 ALTY FOR CERTAIN DISTRIBUTIONS FOLLOWING
15 INITIAL ELECTION TO PARTICIPATE IN AUTO-
16 MATIC IRA ARRANGEMENT.—Section 72(t) is
17 amended by adding at the end the following
18 new paragraph:

19 “(11) DISTRIBUTION FOLLOWING INITIAL
20 ELECTION TO PARTICIPATE IN AUTOMATIC IRA AR-
21 RANGEMENT.—Paragraph (1) shall not apply in the
22 case of a distribution—

23 “(A) to an individual from an individual
24 retirement account (within the meaning of sec-
25 tion 414(aa)(8)(H)) that is part of an auto-

1 matic IRA arrangement (as defined in section
2 414(aa)(8)(A)), and

3 “(B) made not later than 90 days after the
4 initial election under section
5 414(aa)(8)(A)(ii).”.

6 (C) AUTOMATIC IRA ADVISORY GROUP.—

7 (i) IN GENERAL.—Not later than 90
8 days after the date of the enactment of
9 this Act, the Secretary of the Treasury
10 shall establish an Automatic IRA Advisory
11 Group (hereinafter in this subparagraph
12 referred to as the “Advisory Group”). The
13 purpose of the Advisory Group shall be to
14 make recommendations, advise, and assist
15 in the Secretary’s implementation and ad-
16 ministration of paragraphs (5), (6), and
17 (8) of section 414(aa) of the Internal Rev-
18 enue Code of 1986 with respect to auto-
19 matic IRA arrangements in the best finan-
20 cial interest of savers, including—

21 (I) the procedures and criteria
22 for the periodic certification, website
23 listing, and monitoring of investment
24 options that meet the requirements of
25 those paragraphs,

1 (II) user-friendly disclosure re-
2 garding investment returns, terms,
3 fees, and expenses to facilitate com-
4 parison,

5 (III) the use of low-cost invest-
6 ment options,

7 (IV) the appropriate use of elec-
8 tronic and paper methods to provide
9 notice and disclosure,

10 (V) any possible learnings or effi-
11 ciencies based on the Secretary's pro-
12 cedures and experience in approving
13 nonbank individual retirement account
14 trustees, and

15 (VI) such other related matters
16 as may be determined by the Sec-
17 retary.

18 (ii) MEMBERSHIP.—The Advisory
19 Group shall consist of not more than 15
20 members and shall be composed of—

21 (I) such individuals as the Sec-
22 retary may consider appropriate to
23 provide expertise regarding the finan-
24 cial needs and challenges of lower-
25 and middle-income households,

1 (II) at least one individual who is
2 an expert in retirement-related con-
3 sumer protections or who represents
4 the general public, and

5 (III) at least one representative
6 of the Department of the Treasury.

7 (iii) COMPENSATION.—The members
8 of the Advisory Group shall serve without
9 compensation.

10 (iv) ADMINISTRATIVE SUPPORT.—The
11 Department of the Treasury shall provide
12 appropriate administrative support to the
13 Advisory Group, including technical assist-
14 ance. The Advisory Group may use the
15 services and facilities of such Department,
16 with or without reimbursement, as deter-
17 mined by such Department.

18 (v) REPORT BY ADVISORY GROUP.—
19 Not later than 1 year after the date of the
20 enactment of this Act, the Advisory Group
21 shall submit to the Secretary of the Treas-
22 ury a report containing its recommenda-
23 tions. The Secretary may request that the
24 Advisory Group submit subsequent reports.

1 (b) EXCISE TAX FOR FAILURE TO MAINTAIN OR FA-
2 CILITATE AUTOMATIC CONTRIBUTION PLANS OR AR-
3 RANGEMENTS.—

4 (1) IN GENERAL.—Chapter 43 is amended by
5 adding at the end the following new section:

6 **“SEC. 4980J. FAILURE TO MAINTAIN OR FACILITATE AUTO-**
7 **MATIC CONTRIBUTION PLANS OR ARRANGE-**
8 **MENTS.**

9 “(a) GENERAL RULE.—

10 “(1) IN GENERAL.—There is hereby imposed a
11 tax on the failure of an employer to maintain or fa-
12 cilitate an automatic contribution plan or arrange-
13 ment.

14 “(2) EXCEPTIONS.—

15 “(A) Paragraph (1) shall not apply to an
16 employer to the extent such employer partici-
17 pates in an arrangement under a qualified
18 State law.

19 “(B) Paragraph (1) shall not apply to an
20 employer with respect to any employee who is
21 eligible to participate in a different automatic
22 contribution plan or arrangement than one or
23 more other employees of the employer.

24 “(b) AMOUNT OF TAX.—

1 “(1) IN GENERAL.—The amount of the tax im-
2 posed by subsection (a) on any failure with respect
3 to an employee shall be \$10 for each day in the non-
4 compliance period with respect to such failure.

5 “(2) NONCOMPLIANCE PERIOD.—For purposes
6 of this section, the term ‘noncompliance period’
7 means, with respect to any failure, the period—

8 “(A) beginning on the date such failure
9 first occurs, and

10 “(B) ending on the earlier of—

11 “(i) the date such failure is corrected,

12 or

13 “(ii) with respect to any employer, the
14 date that is 3 months after the last date
15 on which the employee is required to be eli-
16 gible to participate in an automatic con-
17 tribution plan or arrangement maintained
18 or facilitated by such employer.

19 “(3) ADJUSTMENT FOR INFLATION.—

20 “(A) IN GENERAL.—In the case of any
21 failure relating to maintaining or facilitating a
22 plan or arrangement in a calendar year begin-
23 ning after 2023, the \$10 amount under para-
24 graph (1) shall be increased by an amount
25 equal to such dollar amount multiplied by the

1 cost-of-living adjustment determined under sec-
2 tion 1(f)(3) for the calendar year determined by
3 substituting ‘calendar year 2022’ for ‘calendar
4 year 2016’ in subparagraph (A)(ii) thereof.

5 “(B) ROUNDING.—If any amount adjusted
6 under subparagraph (A) is not a whole dollar
7 amount, such amount shall be rounded to the
8 nearest whole dollar amount.

9 “(c) LIMITATIONS ON AMOUNT OF TAX.—

10 “(1) TAX NOT TO APPLY WHERE FAILURE NOT
11 DISCOVERED EXERCISING REASONABLE DILI-
12 GENCE.—No tax shall be imposed by subsection (a)
13 on any failure during any period for which it is es-
14 tablished to the satisfaction of the Secretary that
15 none of the persons referred to in subsection (e)
16 knew, nor exercising reasonable diligence would have
17 known, that such failure existed.

18 “(2) TAX NOT TO APPLY TO FAILURES COR-
19 RECTED WITHIN 9½ MONTHS.—No tax shall be im-
20 posed by subsection (a) on any failure if—

21 “(A) such failure was due to reasonable
22 cause and not to willful neglect, and

23 “(B) such failure is corrected during the
24 9½-month period beginning on the first date
25 any of the persons referred to in subsection (e)

1 knew that such failure existed, or exercising
2 reasonable diligence would have known.

3 “(3) OVERALL LIMITATION FOR UNINTEN-
4 TIONAL FAILURES.—In the case of failures which
5 are due to reasonable cause and not to willful ne-
6 glect—

7 “(A) GENERAL RULE.—The tax imposed
8 by subsection (a) for failures during the taxable
9 year of the employer shall not exceed \$500,000.

10 “(B) TAXABLE YEARS IN THE CASE OF
11 CERTAIN CONTROLLED GROUPS.—For purposes
12 of this subparagraph, if not all persons who are
13 treated as a single employer for purposes of this
14 section have the same taxable year, the taxable
15 years taken into account shall be determined
16 under principles similar to the principles of sec-
17 tion 1561.

18 “(4) WAIVER BY SECRETARY.—In the case of a
19 failure which is due to reasonable cause and not to
20 willful neglect, the Secretary may waive part or all
21 of the tax imposed by subsection (a) to the extent
22 that the payment of such tax would be excessive rel-
23 ative to the failure involved.

24 “(d) TAX NOT TO APPLY IN CERTAIN CASES.—This
25 section shall not apply in the case of—

1 “(1) any employer with respect to a plan or ar-
2 rangement that, during the prior calendar year, was
3 maintained or facilitated only by employers each of
4 which had no more than 5 employees receiving at
5 least \$5,000 of compensation from the employer for
6 such year,

7 “(2) any employer with respect to a govern-
8 mental plan (within the meaning of section 414(d)),

9 “(3) any employer with respect to a church plan
10 (within the meaning of section 414(e)), or

11 “(4) any employer that has been in existence
12 for fewer than 2 years, taking into account all pred-
13 ecessor employers.

14 “(e) LIABILITY FOR TAX.—The employer shall be lia-
15 ble for the tax imposed by subsection (a) on a failure. All
16 employers, determined without regard to subsection (f)(2),
17 shall be jointly and severally liable for the liability of any
18 other employer with which they are aggregated under sub-
19 section (f)(2).

20 “(f) DEFINITIONS.—For purposes of this section—

21 “(1) AUTOMATIC CONTRIBUTION PLAN OR AR-
22 RANGEMENT.—The term ‘automatic contribution
23 plan or arrangement’ has the meaning given such
24 term under section 414(aa), and

1 “(2) EMPLOYER.—The term ‘employer’ includes
2 all employers treated as a single employer under
3 subsection (b), (c), (m), or (o) of section 414.

4 “(3) QUALIFIED STATE LAW.—The term ‘quali-
5 fied State law’ means a State law (as it may be
6 amended from time to time) that—

7 “(A) was enacted before the date of the
8 enactment of the Act to provide for reconcili-
9 ation pursuant to title II of S. Con. Res. 14,
10 and

11 “(B)(i) requires certain employers to facili-
12 tate an automatic IRA arrangement pursuant
13 to a payroll deduction savings program of the
14 State, or

15 “(ii) allows certain employers to contribute
16 to, or participate in, a plan described in section
17 413(c) of such Code established and maintained
18 by the State.”.

19 (2) CLERICAL AMENDMENT.—The table of sec-
20 tions for chapter 43 is amended by adding at the
21 end the following new item:

 “Sec. 4980J. Failure to maintain or facilitate automatic contribution plans or
 arrangements.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to plan years beginning after De-
24 cember 31, 2022.

1 **SEC. 131102. DEFERRAL-ONLY ARRANGEMENTS.**

2 (a) IN GENERAL.—Section 401(k) is amended by
3 adding at the end the following new paragraph:

4 “(16) DEFERRAL-ONLY ARRANGEMENT.—

5 “(A) IN GENERAL.—A deferral-only ar-
6 rangement shall be treated as meeting the re-
7 quirements of paragraph (3)(A)(ii).

8 “(B) DEFERRAL-ONLY ARRANGEMENT.—
9 For purposes of this paragraph, the term ‘de-
10 ferral-only arrangement’ means any cash or de-
11 ferred arrangement which meets—

12 “(i) the automatic deferral require-
13 ments of subparagraph (C),

14 “(ii) the elective contribution require-
15 ment of subparagraph (D), and

16 “(iii) the requirements of subpara-
17 graph (E) of paragraph (13).

18 “(C) AUTOMATIC DEFERRAL.—

19 “(i) IN GENERAL.—The requirements
20 of this subparagraph shall be treated as
21 met if, under the arrangement, each em-
22 ployee eligible to participate in the ar-
23 rangement is treated as having elected to
24 have the employer make elective contribu-
25 tions in an amount equal to the qualified
26 percentage of compensation.

1 “(ii) ELECTION OUT.—The election
2 treated as having been made under clause
3 (i) shall cease to apply with respect to any
4 employee if such employee makes an af-
5 firmative election—

6 “(I) to not have such contribu-
7 tions made, or

8 “(II) to make elective contribu-
9 tions at a level specified in such af-
10 firmative election.

11 “(iii) QUALIFIED PERCENTAGE.—For
12 purposes of this subparagraph, with re-
13 spect to any employee, the term ‘qualified
14 percentage’ means, in lieu of the meaning
15 given such term in paragraph (13)(C)(iii),
16 any percentage determined under the ar-
17 rangement if such percentage is applied
18 uniformly, does not exceed 15 percent (10
19 percent during the period described in sub-
20 clause (I)) and is at least—

21 “(I) 6 percent during the period
22 ending on the last day of the first
23 plan year which begins after the date
24 on which the first elective contribution

1 described in clause (i) is made with
2 respect to such employee,

3 “(II) 7 percent during the first
4 plan year following the plan year de-
5 scribed in subclause (I),

6 “(III) 8 percent during the first
7 plan year following the plan year de-
8 scribed in subclause (II),

9 “(IV) 9 percent during the first
10 plan year following the plan year de-
11 scribed in subclause (III), and

12 “(V) 10 percent during any sub-
13 sequent plan year.

14 “(D) ELECTIVE CONTRIBUTIONS.—

15 “(i) IN GENERAL.—The requirements
16 of this subparagraph are met if under the
17 plan containing the arrangement—

18 “(I) the only contributions which
19 may be made are elective contribu-
20 tions of employees who are eligible to
21 participate in the arrangement, and

22 “(II) the aggregate amount of
23 such elective contributions which may
24 be made with respect to any employee
25 for any calendar year shall not exceed

1 the amount in effect for the taxable
2 year under section 219(b)(5) (deter-
3 mined without regard to subpara-
4 graph (B) thereof).

5 “(ii) CROSS REFERENCE.—For catch-
6 up contributions for individuals age 50 or
7 over, see section 414(v).”

8 (b) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS
9 AGE 50 AND OVER.—

10 (1) Section 414(v)(2)(B)(i) is amended by in-
11 serting “, 401(k)(16),” after “401(k)(11)”.

12 (2) Section 414(v)(2)(B) is amended by adding
13 at the end thereof the following clause:

14 “(iii) In the case of an applicable em-
15 ployer plan described in section
16 401(k)(16), the applicable dollar amount is
17 \$1,000.”

18 (3) Section 414(v)(2)(C) is amended—

19 (A) by striking “(B)(i) and” and inserting
20 “(B)(i),” and by inserting after “subparagraph
21 (B)(ii)” the following: “, and the \$1,000
22 amount described in subparagraph (B)(iii)”

23 (B) inserting after “2005” the following:
24 “(the calendar quarter beginning July 1, 2020,

1 in the case of the \$1,000 amount described in
2 subparagraph (B)(iii)”, and

3 (C) by inserting before the period at the
4 end the following “(\$100 in the case of an in-
5 crease in the amount described in subparagraph
6 (B)(iii) which is not a multiple of \$100)”.

7 (c) PLANS NOT TREATED AS TOP-HEAVY PLANS.—
8 Section 416(g)(4)(H)(i) is amended by striking “or
9 401(k)(13)” and inserting “401(k)(13), or 401(k)(16)”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to plan years beginning after De-
12 cember 31, 2022.

13 **SEC. 131103. INCREASE IN CREDIT LIMITATION FOR SMALL**
14 **EMPLOYER PENSION PLAN STARTUP COSTS**
15 **INCLUDING FOR AUTOMATIC CONTRIBUTION**
16 **PLAN OR ARRANGEMENT.**

17 (a) YEARS FOR WHICH CREDIT IS ALLOWED.—Sec-
18 tion 45E(b)(1) is amended by striking “2 taxable years”
19 and inserting “4 taxable years”.

20 (b) SPECIAL RULE FOR EMPLOYERS WITH 25 OR
21 FEWER EMPLOYEES.—Section 45E(a) is amended by in-
22 serting before the period at the end the following: “(100
23 percent of such costs in the case of an eligible employer
24 with 25 or fewer employees, as determined by substituting
25 ‘25’ for ‘100’ in section 408(p)(2)(C)(i))”.

1 (c) CREDIT NOT TO APPLY TO CERTAIN PLANS OR
2 ARRANGEMENTS.—

3 (1) NO CREDIT WITH RESPECT TO DEFERRAL-
4 ONLY ARRANGEMENTS.—Section 45E(d)(2) is
5 amended by inserting “(other than a deferral-only
6 arrangement (as defined in section 401(k)(16)(B))”
7 before the period at the end.

8 (2) TERMINATION WITH RESPECT TO PLANS
9 OTHER THAN AUTOMATIC CONTRIBUTION PLANS OR
10 ARRANGEMENTS.—Section 45E is amended by add-
11 ing at the end the following new subsection:

12 “(f) CREDIT TERMINATED FOR NON-AUTOMATIC
13 CONTRIBUTION PLANS OR ARRANGEMENTS AFTER
14 2022.—In the case of taxable years beginning after De-
15 cember 31, 2022, no credit shall be allowed under this sec-
16 tion for amounts paid or incurred with respect to an eligi-
17 ble employer plan that is not an automatic contribution
18 plan or arrangement (as defined in section 414(aa)).”.

19 (d) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to taxable years beginning after
21 December 31, 2021.

1 **SEC. 131104. CREDIT FOR CERTAIN SMALL EMPLOYER**
2 **AUTOMATIC RETIREMENT ARRANGEMENTS.**

3 (a) IN GENERAL.—Subpart D 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. 45U. CREDIT FOR CERTAIN SMALL EMPLOYER AUTO-**
7 **MATIC RETIREMENT ARRANGEMENTS.**

8 “(a) GENERAL RULE.—For purposes of section 38,
9 in the case of an eligible employer, the small employer
10 automatic retirement arrangement credit determined
11 under this section for any taxable year in the credit period
12 is \$500.

13 “(b) DEFINITIONS.—For purposes of this section—
14 “(1) ELIGIBLE EMPLOYER.—The term ‘eligible
15 employer’ means, with respect to the calendar year
16 in which the taxable year begins, an employer
17 which—

18 “(A)(i) participates in an automatic IRA
19 arrangement (as defined in section 414(aa)(8)),
20 or an arrangement described in
21 4980J(a)(2)(A), or

22 “(ii) maintains a deferral-only arrange-
23 ment (as defined in section 401(k)(16)),

24 “(B) is described in 408(p)(2)(C)(i), and

25 “(C) did not maintain an eligible employer
26 plan during the portion of the calendar year

1 preceding the commencement of such arrange-
2 ment, or adoption of such deferral-only arrange-
3 ment, and the 2 preceding calendar years.

4 “(2) CREDIT PERIOD.—The term ‘credit period’
5 means the first 4 calendar years beginning after the
6 date of the enactment of this section in which the
7 eligible employer participates in the arrangement or
8 maintains the deferral-only arrangement.

9 “(3) ELIGIBLE EMPLOYER PLAN.—The term
10 ‘eligible employer plan’ means a qualified employer
11 plan within the meaning of section 4972(d).

12 “(c) OTHER RULES.—For purposes of this section,
13 the rules of section 45E(e) shall apply.”.

14 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
15 NESS CREDIT.—Section 38(b) of is amended by striking
16 “plus” at the end of paragraph (32), by striking the period
17 at the end of paragraph (33) and inserting “, plus”, and
18 by adding at the end the following new paragraph:

19 “(34) the small employer automatic retirement
20 arrangement credit determined under section
21 45U(a).”.

22 (c) CLERICAL AMENDMENT.—The table of sections
23 for subpart D of part IV of subchapter A of chapter 1
24 is amended by adding at the end the following new item:

“Sec. 45U. Credit for certain small employer automatic retirement arrange-
ments.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **PART 2—SAVER’S MATCH**

5 **SEC. 131201. MATCHING PAYMENTS FOR ELECTIVE DEFER-**
6 **RAL AND IRA CONTRIBUTIONS BY CERTAIN**
7 **INDIVIDUALS.**

8 (a) IN GENERAL.—Subchapter B of chapter 65 is
9 amended by adding at the end the following new section:
10 **“SEC. 6433. MATCHING PAYMENTS FOR ELECTIVE DEFER-**
11 **RAL AND IRA CONTRIBUTIONS BY CERTAIN**
12 **INDIVIDUALS.**

13 “(a) IN GENERAL.—

14 “(1) ALLOWANCE OF CREDIT.—Any eligible in-
15 dividual who makes qualified retirement savings con-
16 tributions for the taxable year shall be allowed a
17 credit for such taxable year in an amount equal to
18 the applicable percentage of so much of the qualified
19 retirement savings contributions made by such eligi-
20 ble individual for the taxable year as does not exceed
21 \$1,000.

22 “(2) PAYMENT OF CREDIT.—The credit under
23 this section shall be—

24 “(A) treated as allowed by subpart C of
25 part IV of subchapter A of chapter 1, and

1 “(B) paid by the Secretary as a contribu-
2 tion (as soon as practicable after the eligible in-
3 dividual has filed a tax return making a claim
4 for such credit for the taxable year) to the ap-
5 plicable retirement savings vehicle of an eligible
6 individual.

7 “(b) APPLICABLE PERCENTAGE.—For purposes of
8 this section—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), the applicable percentage is 50 percent.

11 “(2) PHASEOUT.—The percentage under para-
12 graph (1) shall be reduced (but not below zero) by
13 the number of percentage points which bears the
14 same ratio to 50 percentage points as—

15 “(A) the excess of—

16 “(i) the taxpayer’s modified adjusted
17 gross income for such taxable year, over

18 “(ii) the applicable dollar amount,
19 bears to

20 “(B) the phaseout range.

21 If any reduction determined under this paragraph is
22 not a whole percentage point, such reduction shall be
23 rounded to the next lowest whole percentage point.

24 “(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT
25 RANGE.—

1 “(A) JOINT RETURNS.—Except as pro-
2 vided in subparagraph (B)—

3 “(i) the applicable dollar amount is
4 \$50,000, and

5 “(ii) the phaseout range is \$20,000.

6 “(B) OTHER RETURNS.—In the case of—

7 “(i) a head of a household (as defined
8 in section 2(b)), the applicable dollar
9 amount and the phaseout range shall be $\frac{3}{4}$
10 of the amounts applicable under subpara-
11 graph (A) (as adjusted under subsection
12 (h)), and

13 “(ii) any taxpayer who is not filing a
14 joint return and who is not a head of a
15 household (as so defined), the applicable
16 dollar amount and the phaseout range
17 shall be $\frac{1}{2}$ of the amounts applicable
18 under subparagraph (A) (as so adjusted).

19 “(4) EXCEPTION; MINIMUM CREDIT.—In the
20 case of an eligible individual with respect to whom
21 (without regard to this paragraph) the credit deter-
22 mined under subsection (a)(1) is greater than zero
23 but less than \$100, the credit allowed under this
24 section shall be \$100.

1 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
2 section—

3 “(1) IN GENERAL.—The term ‘eligible indi-
4 vidual’ means any individual if such individual has
5 attained the age of 18 as of the close of the taxable
6 year.

7 “(2) DEPENDENTS AND FULL-TIME STUDENTS
8 NOT ELIGIBLE.—The term ‘eligible individual’ shall
9 not include—

10 “(A) any individual with respect to whom
11 a deduction under section 151 is allowed to an-
12 other taxpayer for a taxable year beginning in
13 the calendar year in which such individual’s
14 taxable year begins, and

15 “(B) any individual who is a student (as
16 defined in section 152(f)(2)).

17 “(d) QUALIFIED RETIREMENT SAVINGS CONTRIBU-
18 TIONS.—For purposes of this section—

19 “(1) IN GENERAL.—The term ‘qualified retire-
20 ment savings contributions’ means, with respect to
21 any taxable year, the sum of—

22 “(A) the amount of the qualified retire-
23 ment contributions (as defined in section
24 219(e)) made by the eligible individual,

25 “(B) the amount of—

1 “(i) any elective deferrals (as defined
2 in section 402(g)(3)) of such individual,
3 and

4 “(ii) any elective deferral of com-
5 pensation by such individual under an eli-
6 gible deferred compensation plan (as de-
7 fined in section 457(b)) of an eligible em-
8 ployer described in section 457(e)(1)(A),

9 “(C) the amount of voluntary employee
10 contributions by such individual to any qualified
11 retirement plan (as defined in section 4974(c)),
12 and

13 “(D) the amount of contributions made by
14 such individual to the ABLE account (within
15 the meaning of section 529A) of which such in-
16 dividual is the designated beneficiary.

17 Such term shall not include any amount attributable
18 to a payment under subsection (a)(2).

19 “(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—

21 “(A) IN GENERAL.—The qualified retire-
22 ment savings contributions determined under
23 paragraph (1) for a taxable year shall be re-
24 duced (but not below zero) by the aggregate
25 distributions received by the individual during

1 the testing period from any entity of a type to
2 which contributions under paragraph (1) may
3 be made.

4 “(B) TESTING PERIOD.—For purposes of
5 subparagraph (A), the testing period, with re-
6 spect to a taxable year, is the period which in-
7 cludes—

8 “(i) such taxable year,

9 “(ii) the 2 preceding taxable years,

10 and

11 “(iii) the period after such taxable
12 year and before the due date (including ex-
13 tensions) for filing the return of tax for
14 such taxable year.

15 “(C) EXCEPTED DISTRIBUTIONS.—There
16 shall not be taken into account under subpara-
17 graph (A)—

18 “(i) any distribution referred to in
19 section 72(p), 401(k)(8), 401(m)(6),
20 402(g)(2), 404(k), or 408(d)(4),

21 “(ii) any distribution to which section
22 408(d)(3) or 408A(d)(3) applies,

23 “(iii) any portion of a distribution if
24 such portion is transferred or paid in a
25 rollover contribution (as defined in section

1 402(c), 403(a)(4), 403(b)(8), 408A(e), or
2 457(e)(16)) to an account or plan to which
3 qualified retirement contributions can be
4 made, and

5 “(iv) the amount of distributions
6 under a qualified ABLE program (within
7 the meaning of section 529A) that is equal
8 to amounts not included in gross income
9 with respect to such distributions under
10 section 529A(e)(1)(B) (relating to distribu-
11 tions for qualified disability expenses).

12 “(D) TREATMENT OF DISTRIBUTIONS RE-
13 CEIVED BY SPOUSE OF INDIVIDUAL.—For pur-
14 poses of determining distributions received by
15 an individual under subparagraph (A) for any
16 taxable year, any distribution received by the
17 spouse of such individual shall be treated as re-
18 ceived by such individual if such individual and
19 spouse file a joint return for such taxable year
20 and for the taxable year during which the
21 spouse receives the distribution.

22 “(e) APPLICABLE RETIREMENT SAVINGS VEHI-
23 CLE.—

24 “(1) IN GENERAL.—The term ‘applicable retire-
25 ment savings vehicle’ means an account or plan

1 elected by the eligible individual under paragraph
2 (2).

3 “(2) ELECTION.—Any such election to have
4 contributed the amount determined under subsection
5 (a) shall be to an account or plan which—

6 “(A) is a Roth IRA or a designated Roth
7 account (within the meaning of section 402A)
8 of an applicable retirement plan (as defined in
9 section 402A(e)(1)),

10 “(B) is for the benefit of the eligible indi-
11 vidual,

12 “(C) accepts contributions made under this
13 section, and

14 “(D) is designated by such individual (in
15 such form and manner as the Secretary may
16 provide).

17 “(f) OTHER DEFINITIONS AND SPECIAL RULES.—

18 “(1) MODIFIED ADJUSTED GROSS INCOME.—
19 For purposes of this section, the term ‘modified ad-
20 justed gross income’ means adjusted gross income—

21 “(A) determined without regard to sections
22 911, 931, and 933, and

23 “(B) determined without regard to any ex-
24 clusion or deduction allowed for any qualified

1 retirement savings contribution made during
2 the taxable year.

3 “(2) TREATMENT OF CONTRIBUTIONS.—In the
4 case of any contribution under subsection (a)(2)—

5 “(A) except as otherwise provided in this
6 section or by the Secretary under regulations,
7 such contribution shall be treated as—

8 “(i) an elective deferral made by the
9 individual which is a designated Roth con-
10 tribution, if contributed to an applicable
11 retirement plan, or

12 “(ii) as a Roth IRA contribution made
13 by such individual, if contributed to a Roth
14 IRA, and

15 “(B) such contribution shall not be taken
16 into account with respect to any applicable limi-
17 tation under sections 402(g)(1), 403(b),
18 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2),
19 415(c), or 457(b)(2), and shall be disregarded
20 for purposes of sections 401(a)(4), 401(k)(3),
21 401(k)(11)(B)(i)(III), and 416.

22 “(3) TREATMENT OF QUALIFIED PLANS, ETC.—
23 A plan or arrangement to which a contribution is
24 made under this section shall not be treated as vio-
25 lating any requirement under section 401, 403,

1 408A, or 457 solely by reason of accepting such con-
2 tribution.

3 “(4) ERRONEOUS CREDITS.—

4 “(A) IN GENERAL.—If any contribution is
5 erroneously paid under subsection (a)(2), in-
6 cluding a payment that is not made to an appli-
7 cable retirement savings vehicle, the amount of
8 such erroneous payment shall be treated as an
9 underpayment of tax (other than for purposes
10 of part II of subchapter A of chapter 68) for
11 the taxable year in which the Secretary deter-
12 mines the payment is erroneous.

13 “(B) DISTRIBUTION OF ERRONEOUS CRED-
14 ITS.—In the case of a contribution to which
15 subparagraph (A) applies—

16 “(i) section 72 shall not apply to the
17 distribution of such contribution (and any
18 income attributable thereto) if such dis-
19 tribution is received not later than the day
20 prescribed by law (including extensions of
21 time) for filing the individual’s return for
22 such taxable year, and

23 “(ii) any plan or arrangement from
24 which such a distribution is made under
25 this subparagraph shall not be treated as

1 violating any requirement under section
2 401, 403, 408A, or 457 solely by reason of
3 making such distribution.

4 “(g) PROVISION BY SECRETARY OF INFORMATION
5 RELATING TO CONTRIBUTIONS.—In the case of an
6 amount elected by an eligible individual to be contributed
7 to an account or plan under subsection (e)(2), the Sec-
8 retary shall provide guidance to the custodian of the ac-
9 count or the plan sponsor, as the case may be, detailing
10 the treatment of such contribution under subsection (f)(2)
11 and the reporting requirements with respect to such con-
12 tribution under section 131201(c)(2) of the Act to provide
13 for reconciliation pursuant to title II of S. Con. Res. 14.

14 “(h) INFLATION ADJUSTMENTS.—

15 “(1) IN GENERAL.—In the case of any taxable
16 year beginning in a calendar year after 2020, each
17 of the dollar amounts in subsections (a)(1) and
18 (b)(3)(A)(i) shall be increased by an amount equal
19 to—

20 “(A) such dollar amount, multiplied by

21 “(B) the cost-of-living adjustment deter-
22 mined under section 1(f)(3) for the calendar
23 year in which the taxable year begins, deter-
24 mined by substituting ‘calendar year 2019’ for

1 ‘calendar year 2016’ in subparagraph (A)(ii)
2 thereof.

3 “(2) ROUNDING.—Any increase determined
4 under paragraph (1) shall be rounded to the nearest
5 multiple of—

6 “(A) \$100 in the case of an adjustment of
7 the amount in subsection (a)(1), and

8 “(B) \$1,000 in the case of an adjustment
9 of the amount in subsection (b)(3)(A)(i).”.

10 (b) TREATMENT OF CERTAIN POSSESSIONS.—

11 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
12 CODE TAX SYSTEMS.—The Secretary of the Treas-
13 ury shall pay to each possession of the United States
14 which has a mirror code tax system amounts equal
15 to the loss (if any) to that possession by reason of
16 the amendments made by this section. Such
17 amounts shall be determined by the Secretary of the
18 Treasury based on information provided by the gov-
19 ernment of the respective possession.

20 (2) PAYMENTS TO OTHER POSSESSIONS.—The
21 Secretary of the Treasury shall pay to each posses-
22 sion of the United States which does not have a mir-
23 ror code tax system amounts estimated by the Sec-
24 retary of the Treasury as being equal to the aggre-
25 gate benefits (if any) that would have been provided

1 to residents of such possession by reason of the
2 amendments made by this section if a mirror code
3 tax system had been in effect in such possession.
4 The preceding sentence shall not apply unless the re-
5 spective possession has a plan, which has been ap-
6 proved by the Secretary of the Treasury, under
7 which such possession will promptly distribute such
8 payments to its residents.

9 (3) COORDINATION WITH CREDIT ALLOWED
10 AGAINST UNITED STATES INCOME TAXES.—No cred-
11 it shall be allowed against United States income
12 taxes under section 6433 of the Internal Revenue
13 Code of 1986 (as added by this section) to any per-
14 son—

15 (A) to whom a credit is allowed against
16 taxes imposed by the possession by reason of
17 the amendments made by this section, or

18 (B) who is eligible for a payment under a
19 plan described in paragraph (2).

20 (4) MIRROR CODE TAX SYSTEM.—For purposes
21 of this subsection, the term “mirror code tax sys-
22 tem” means, with respect to any possession of the
23 United States, the income tax system of such posses-
24 sion if the income tax liability of the residents of
25 such possession under such system is determined by

1 reference to the income tax laws of the United
2 States as if such possession were the United States.

3 (5) TREATMENT OF PAYMENTS.—For purposes
4 of section 1324 of title 31, United States Code, the
5 payments under this subsection shall be treated in
6 the same manner as a refund due from a credit pro-
7 vision referred to in subsection (b)(2) of such sec-
8 tion.

9 (c) ADMINISTRATIVE PROVISIONS.—

10 (1) DEFICIENCIES.—Section 6211(b)(4) is
11 amended by striking “and 7527A” and inserting
12 “7527A, and 6433”.

13 (2) REPORTING.—The Secretary of the Treas-
14 ury shall—

15 (A) amend Form 5500 to require separate
16 reporting of the aggregate amount of contribu-
17 tions received by the plan during the year under
18 section 6433 of the Internal Revenue Code of
19 1986 (as added by this section), and

20 (B) amend Form 5498 to require similar
21 reporting with respect to individual retirement
22 accounts (as defined in section 408 of such
23 Code) and individual retirement annuities (as
24 defined in section 408(b) of such Code).

1 (d) PAYMENT AUTHORITY.—Section 1324(b)(2) of
2 title 31, United States Code, is amended by striking “or
3 7527A” and inserting “7527A, or 6433”.

4 (e) CONFORMING AMENDMENTS.—

5 (1) Section 25B is amended by striking sub-
6 sections (a) through (f) and inserting the following:
7 “For payment of credit related to qualified retirement sav-
8 ings contributions, see section 6433.”.

9 (2) The table of sections for subchapter B of
10 chapter 65 is amended by adding at the end the fol-
11 lowing new item:

“Sec. 6433. Matching payments for elective deferral and IRA contributions by
certain individuals.”.

12 (f) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2024.

15 **SEC. 131202. DEADLINE TO FUND IRA WITH TAX REFUND.**

16 (a) IN GENERAL.—Section 219(f)(3) is amended—

17 (1) by striking “is made not later than” and in-
18 serting “is made—

19 “(i) not later than”,

20 (2) by striking the period at the end and insert-
21 ing “, or”, and

22 (3) by adding at the end the following new
23 clause:

1 ritories. The stakeholder engagement process may
2 include parents, center-based child care providers,
3 home-based child care providers, child care policy ex-
4 perts, trade associations, labor unions, and other or-
5 ganizations representing child care providers.

6 “(2) MODELS.—The Secretary may use funds
7 made available to the Secretary for administrative
8 purposes to establish national technology models for
9 State Child Care Information Networks, and guid-
10 ance on development and establishment of interoper-
11 able data governance systems that address privacy
12 and allow for sharing and storing data across infor-
13 mation systems, including guidance on alignment
14 with State child care consumer education websites.

15 “(3) DATA EXCHANGE STANDARDS AND INTER-
16 OPERABILITY.—

17 “(A) DESIGNATION AND USE OF DATA EX-
18 CHANGE STANDARDS.—

19 “(i) DESIGNATION.—The Secretary
20 shall, in consultation with an interagency
21 work group established by the Office of
22 Management and Budget and considering
23 State government perspectives, designate
24 data exchange standards for necessary cat-
25 egories of information that the Child Care

1 Information Network is required to elec-
2 tronically exchange with another agency
3 under applicable Federal law.

4 “(ii) DATA EXCHANGE STANDARDS
5 MUST BE NONPROPRIETARY AND INTER-
6 OPERABLE.—The data exchange standards
7 designated under clause (i) shall, to the ex-
8 tent practicable, be nonproprietary and
9 interoperable.

10 “(iii) OTHER REQUIREMENTS.—In
11 designating data exchange standards under
12 this subparagraph, the Secretary shall, to
13 the extent practicable, incorporate—

14 “(I) interoperable standards de-
15 veloped and maintained by an inter-
16 national voluntary consensus stand-
17 ards body, as defined by the Office of
18 Management and Budget;

19 “(II) interoperable standards de-
20 veloped and maintained by intergov-
21 ernmental partnerships, such as the
22 National Information Exchange
23 Model; and

24 “(III) interoperable standards
25 developed and maintained by Federal

1 entities with authority over con-
2 tracting and financial assistance.

3 “(B) DATA EXCHANGE STANDARDS FOR
4 FEDERAL REPORTING.—

5 “(i) DESIGNATION.—The Secretary
6 shall, in consultation with an interagency
7 work group established by the Office of
8 Management and Budget, and considering
9 State government perspectives, designate
10 data exchange standards to govern Federal
11 reporting and exchange requirements
12 under applicable Federal law.

13 “(ii) REQUIREMENTS.—The data ex-
14 change reporting standards required by
15 clause (i) shall, to the extent practicable—

16 “(I) incorporate a widely accept-
17 ed, nonproprietary, searchable, com-
18 puter-readable format;

19 “(II) be consistent with and im-
20 plement applicable accounting prin-
21 ciples;

22 “(III) be implemented in a man-
23 ner that is cost-effective and improves
24 program efficiency and effectiveness;
25 and

1 “(IV) be capable of being contin-
2 ually upgraded as necessary.

3 “(iii) INCORPORATION OF NONPROPRI-
4 ETARY STANDARDS.—In designating data
5 exchange standards under this subpara-
6 graph, the Secretary shall, to the extent
7 practicable, incorporate existing nonpropr-
8 etary standards.

9 “(iv) RULE OF INTERPRETATION.—
10 Nothing in this subparagraph shall be con-
11 strued to require a change to existing data
12 exchange standards for Federal reporting
13 under this section if the Secretary finds
14 the standards to be effective and efficient.

15 “(4) STATE REQUIREMENTS.—A State meets
16 the requirements of this paragraph with respect to
17 a quarter if—

18 “(A) during the quarter, the State has
19 maintained an up-to-date, publicly available
20 compilation of child care providers who are reg-
21 istered, licensed, or regulated by the State (in
22 this section referred to as the ‘State Child Care
23 Information Network’), that includes, with re-
24 spect to each such provider—

1 “(i) where the provider is located, and
2 a description of any fees imposed by the
3 provider and the services offered by the
4 provider;

5 “(ii) whether the provider is providing
6 child care services that may be funded
7 under section 418;

8 “(iii) the hours of operation of the
9 provider;

10 “(iv) whether the provider offers child
11 care to the general public, and if so, where
12 an application for child care services from
13 the provider may be obtained, or a direct
14 link to such an application;

15 “(v) the total number of children, by
16 age group, for whom the provider is pro-
17 viding child care services, and how many
18 openings are available with the provider by
19 age group;

20 “(vi) whether the provider has a wait-
21 ing list for child care services, and if so,
22 the average length of time parents are on
23 the waiting list before being offered child
24 care services and how to join the list;

1 “(vii) the type of child care (such as
2 family child care or center-based care) pro-
3 vided, differentiating between licensed and
4 license-exempt child care providers; and

5 “(viii) information about the lan-
6 guages spoken by staff of the child care
7 provider, and such other information as
8 the Secretary may require to help parents
9 determine whether the provider can meet
10 their child care needs and the parents can
11 enroll a child in care, such as quality indi-
12 cators or accreditation status;

13 “(B) the State Child Care Information
14 Network—

15 “(i) by grant or contract, has been
16 maintained or jointly maintained by—

17 “(I) a child care resource and re-
18 ferral agency that has operated in the
19 last fiscal year;

20 “(II) a local child care resource
21 and referral agency that has operated
22 in the most recently completed fiscal
23 year and has applied to become a
24 State Child Information Network; or

1 “(III) the lead agency, the State
2 licensing entity, or other appropriate
3 entities;

4 “(ii) may have been maintained in co-
5 ordination with, or jointly with, other fed-
6 erally funded systems, so long as there is
7 no supplantation of funding; and

8 “(iii) has been made—

9 “(I) publicly available, including
10 through the Internet and by tele-
11 phone, to families seeking information
12 about obtaining child care services;
13 and

14 “(II) accessible to State, county,
15 and other government staff involved
16 in the provision of child care;

17 “(C) the State requires each provider listed
18 in the State Child Care Information Network
19 (or, at the option of the provider, another entity
20 designated by the provider) to update the infor-
21 mation described in clauses (v) and (vi) of sub-
22 paragraph (A) on a weekly basis, and to update
23 all other information described in subparagraph
24 (A) not less frequently than quarterly, and en-
25 sures that publicly available information in the

1 State Child Care Information Network indicates
2 when the slot availability information about the
3 provider was most recently updated; and

4 “(D) the State has submitted to the Sec-
5 retary a plan that includes an estimate of the
6 total capacity of licensed, regulated, and reg-
7 istered provider slots, and a description of the
8 eligible expenditures the State will make in the
9 quarter, which may be submitted with other
10 plans required by the Secretary.

11 “(b) FUNDING STATE CHILD CARE INFORMATION
12 NETWORKS.—

13 “(1) START-UP FUNDS.—

14 “(A) GRANTS.—For each fiscal year speci-
15 fied in subparagraph (C), the Secretary shall
16 make grants to lead agencies to conduct activi-
17 ties related to the planning and implementation
18 of State Child Care Information Networks,
19 which may include scaling systems such as non-
20 profit community-based referral registries,
21 staffed Family Child Care Networks, and child
22 care resource and referral systems.

23 “(B) DISTRIBUTION.—The Secretary shall
24 distribute the grant funds to the States that are
25 not territories in accordance with the formula

1 referred to in section 418(a)(2)(B), and to the
2 territories according to relative need.

3 “(C) APPROPRIATION.—Out of any money
4 in the Treasury not otherwise appropriated,
5 there are appropriated to the Secretary
6 \$200,000,000 for each of fiscal years 2022 and
7 2023 for grants under this paragraph.

8 “(2) MATCHING GRANTS.—

9 “(A) IN GENERAL.—The Secretary shall
10 pay to each State that meets the requirements
11 of subsection (a)(4) with respect to a calendar
12 quarter in any of fiscal years 2022 through
13 2026 an amount equal to 75 percent of the eli-
14 gible expenditures of the State in the quarter,
15 subject to subsection (d)(3).

16 “(B) ELIGIBLE EXPENDITURES.—In this
17 section, the term ‘eligible expenditures’ means
18 all of the following, but only to the extent
19 supplementing, and not supplanting, funds
20 made available under other law:

21 “(i) STATE CHILD CARE INFORMATION
22 NETWORK.—Expenditures to carry out
23 subsection (a)(4).

24 “(ii) EASE OF APPLICATION FOR SUB-
25 SIDIZED CHILD CARE CERTIFICATE.—Ex-

1 penditures to establish an option, as indi-
2 cated by the State in a plan describing
3 planned eligible expenditures (which may
4 be submitted with other plans required by
5 the Secretary)—

6 “(I) for a family to file an appli-
7 cation for a subsidized child care cer-
8 tificate with a child care provider, for
9 the provider to submit the application
10 to the State for processing, or for the
11 lead agency, a local child care re-
12 source and referral agency, or other
13 entity under grant or contract to re-
14 spond to the family;

15 “(II) to establish a statewide
16 common application for child care,
17 which—

18 “(aa) allows an application
19 with respect to a child to be sub-
20 mitted simultaneously to multiple
21 child care providers;

22 “(bb) allows the application
23 to be for a particular site and
24 schedule;

1 “(cc) is considered an appli-
2 cation directly to each such pro-
3 vider involved for purposes of any
4 decision of the provider regarding
5 a wait list or an open slot based
6 on the application date;

7 “(dd) safeguards confiden-
8 tial information; and

9 “(ee) allows for such a pro-
10 vider to seek and collect informa-
11 tion not on the common applica-
12 tion so that the provider may de-
13 termine the priority to be given
14 to the applicant on any waiting
15 list or for other specialized ad-
16 mission criteria such as disability
17 services; or

18 “(III) to enable child care pro-
19 viders to respond to families through
20 other application methods.

21 “(iii) EXPENDITURES FOR TECH-
22 NOLOGY NEEDED TO PARTICIPATE IN THE
23 STATE CHILD CARE INFORMATION NET-
24 WORK.—Expenditures for child care pro-
25 viders, lead agencies, and contractors to

1 support system-building and system-imple-
2 mentation activities associated with the
3 State Child Care Information Network, in-
4 cluding data interoperability and the in-
5 stallation and maintenance of equipment
6 and software needed to develop, implement,
7 maintain, and provide electronic access to
8 the State Child Care Information Network.

9 “(iv) PARTICIPATION INCENTIVES.—
10 Expenditures to provide financial incen-
11 tives and support to child care providers
12 for whom participating in the State Child
13 Care Information Network would be costly
14 or time consuming. In providing the incen-
15 tives, a lead agency—

16 “(I) shall take into account the
17 differential burden on varying types of
18 providers to ensure that the incentives
19 are sufficient to encourage all types of
20 providers, including family-based pro-
21 viders, to participate in the State
22 Child Care Information Network;

23 “(II) may coordinate with staffed
24 Family Child Care Networks, child
25 care resource and referral organiza-

1 tions, labor unions, labor-management
2 partnerships, or other community-
3 based organizations, to ensure that
4 home-based providers are able to par-
5 ticipate in the State Child Care Infor-
6 mation Network; and

7 “(III) may reimburse coordi-
8 nating partners and other entities for
9 expenses associated with helping pro-
10 viders participate in the Child Care
11 Information Network and provide in-
12 formation required under subsection
13 (a)(4)(A).

14 “(C) APPROPRIATION.—Out of any money
15 in the Treasury not otherwise appropriated,
16 there are appropriated to the Secretary for each
17 of fiscal years 2022 through 2026 such sums as
18 are necessary for grants under this paragraph.

19 “(c) HHS PARTICIPATING CHILD CARE PROVIDER
20 CERTIFICATION.—

21 “(1) IN GENERAL.—The Secretary shall—

22 “(A) maintain current information on child
23 care providers who are qualified to receive the
24 HHS Participating Child Care Provider Certifi-
25 cation for a calendar quarter, and historical in-

1 formation on child care providers who were so
2 qualified for a prior calendar quarter, including
3 a quarter in a prior year, (in this section re-
4 ferred to as the ‘HHS Participating Child Care
5 Provider Certification’) based on the informa-
6 tion submitted by lead agencies;

7 “(B) update the list of providers who are
8 so qualified, 1 month before the end of each
9 quarter, and electronically share with the Inter-
10 nal Revenue Service current and historical in-
11 formation on the providers who are so qualified;
12 and

13 “(C) at the end of each calendar year and
14 on request of any provider listed in the HHS
15 Participating Child Care Provider Certification
16 who has qualified for the certification for an en-
17 tire calendar quarter, provide the provider and
18 the lead agency of the jurisdiction in which the
19 provider is located written documentation of the
20 quarters with respect to which the provider was
21 so qualified.

22 “(2) QUALIFICATIONS.—A child care provider is
23 qualified to receive the HHS Participating Child
24 Care Provider Certification for a calendar quarter if
25 the provider—

1 “(A)(i) is licensed with a State as a pro-
2 vider of child care services, or is in a license-
3 exempt category of providers that meets all
4 health and safety standards and has zero unre-
5 solved violations;

6 “(ii) is providing child care services that
7 may be funded under section 418;

8 “(iii) has submitted to the State Child
9 Care Information Network, on a weekly basis,
10 the information on all available child care slots
11 with the provider required under subsection
12 (a)(4)(A)(v), and the waiting list information
13 required under subsection (a)(4)(A)(vi);

14 “(iv) makes child care slots available to the
15 general public, when available, subject to any
16 clearly explained priority system; and

17 “(v) is in compliance with other require-
18 ments set by the State regarding applications
19 for or inquiries about available child care slots;
20 or

21 “(B) was so qualified for the entire 3-
22 month period preceding the most recent update
23 made under paragraph (1)(B).

24 “(d) ADMINISTRATIVE PROVISIONS.—

1 “(1) ACCURACY CHECKS.—The Secretary shall
2 periodically conduct accuracy checks of randomly
3 sampled child care providers participating in any
4 State Child Care Information Network to determine
5 whether the providers are updating their slot avail-
6 ability on a weekly basis, and if not, estimate the
7 statewide rate at which the providers are doing so.

8 “(2) PRIVACY; SECURITY.—The Secretary shall
9 issue guidance regarding data interoperability (in ac-
10 cordance with the data exchange standards for inter-
11 operability) and the privacy and security of person-
12 ally identifiable information in any State Child Care
13 Information Network.

14 “(3) PENALTY FOR EXCESSIVE ERRORS IN
15 STATE CHILD CARE INFORMATION NETWORK.—The
16 percentage specified in subsection (b)(2)(A) with re-
17 spect to a State shall be 70 percent if—

18 “(A) a check conducted under paragraph
19 (1) of this subsection reveals that the number
20 of child care providers erroneously included or
21 erroneously not included in the State Child
22 Care Information Network is at least 10 per-
23 cent of the number of providers included in the
24 network; and

1 **“SEC. 418B. INFRASTRUCTURE GRANTS TO IMPROVE CHILD**
2 **CARE SAFETY.**

3 “(a) CHILD CARE FACILITIES GRANTS.—

4 “(1) GRANTS TO STATES.—

5 “(A) IN GENERAL.—The Secretary shall
6 award grants to States for the purpose of help-
7 ing child care providers acquire, construct, ren-
8 ovate, or improve child care facilities, including
9 adapting, reconfiguring, or expanding facilities.

10 “(B) DURATION OF GRANTS.—The Sec-
11 retary shall award grants under this paragraph
12 within 12 months after the date of the enact-
13 ment of this section, for a period of not more
14 than 5 years.

15 “(C) PLAN APPROVAL REQUIRED BEFORE
16 USING GRANT.—A State to which a grant is
17 made under this paragraph shall not obligate or
18 expend the grant funds unless the State has
19 submitted to the Secretary, and the Secretary
20 has approved, a plan that—

21 “(i) includes an analysis or assess-
22 ment, in such form and manner as the
23 Secretary may require, of the need of the
24 State for child care infrastructure;

25 “(ii) is submitted at such time, in
26 such manner, and containing such other

1 information as the Secretary may require,
2 which information shall—

3 “(I) be disaggregated as the Sec-
4 retary may require; and

5 “(II) include a plan to use a por-
6 tion of the grant funds to report to
7 the Secretary on the effects of using
8 the grant funds to improve child care
9 facilities, including center-based and
10 home-based child care facilities; and

11 “(iii) complies with paragraph (3), if
12 applicable.

13 “(D) REQUIREMENT.—In allocating grants
14 awards under this paragraph, the Secretary
15 shall require approved plans to include elements
16 that—

17 “(i) provide for improving center-
18 based and home-based child care programs
19 to meet or surpass State health and safety
20 standards, or include a project designed so
21 that a facility is expected to meet or sur-
22 pass State health and safety standards on
23 completion of the project;

1 “(ii) aim to meet specific needs across
2 urban, suburban, or rural areas as deter-
3 mined by the State;

4 “(iii) show evidence of collaboration
5 with—

6 “(I) local government officials;

7 “(II) other State agencies;

8 “(III) nongovernmental organiza-
9 tions, such as—

10 “(aa) certified community
11 development financial institutions
12 as defined in section 103 of the
13 Community Development Bank-
14 ing and Financial Institutions
15 Act of 1994 (12 U.S.C. 4702)
16 that have been certified by the
17 Community Development Finan-
18 cial Institutions Fund (12 U.S.C.
19 4703); and

20 “(bb) organizations that
21 have demonstrated experience
22 in—

23 “(AA) providing tech-
24 nical or financial assistance
25 for the acquisition, construc-

1 tion, renovation, or improve-
2 ment of child care facilities;
3 “**(BB)** providing tech-
4 nical, financial, or manage-
5 rial assistance to child care
6 providers; and
7 “**(CC)** securing private
8 sources of capital financing
9 for child care facilities or
10 other community develop-
11 ment projects eligible for as-
12 sistance from a child care
13 assistance program; and
14 “**(IV)** local community organiza-
15 tions, such as—
16 “**(aa)** child care providers;
17 “**(bb)** community care agen-
18 cies;
19 “**(cc)** resource and referral
20 agencies; and
21 “**(dd)** labor unions and other
22 employers of infrastructure
23 trades that pay the prevailing
24 wage; and

1 “(iv) provide for improving the facili-
2 ties of child care providers who qualify for
3 the HHS Participating Child Care Pro-
4 vider Certification for at least 1 fiscal
5 quarter before the date of application for
6 the grant.

7 “(E) MATCHING REQUIREMENT.—

8 “(i) IN GENERAL.—As a condition of
9 the receipt of a grant under this para-
10 graph, a State shall agree to make avail-
11 able, directly or through donations from
12 public or private entities, contributions
13 with respect to the costs to be covered by
14 the grant, which may be provided in cash
15 or in kind, in an amount equal to 10 per-
16 cent of the funds provided through the
17 grant.

18 “(ii) DETERMINATION OF AMOUNT
19 CONTRIBUTED.—Such a matching con-
20 tribution may include philanthropic or pri-
21 vate-sector funds.

22 “(F) AMOUNT LIMIT.—The annual amount
23 of a grant under this paragraph may not exceed
24 \$250,000,000.

1 “(G) PROHIBITION.—The Secretary may
2 not, as a condition of making a grant under
3 this paragraph or section 418D, retain an inter-
4 est in any property, including any project in-
5 volving a privately-owned family child care
6 home or tribal land.

7 “(H) REPORT.—Not later than 6 months
8 after the last day of the grant period, a State
9 to which a grant is made under this paragraph
10 shall submit to the Secretary the report re-
11 ferred to in subparagraph (C)(ii)(II)—

12 “(i) to determine the effects of the
13 grant in constructing, renovating, or im-
14 proving child care facilities, including any
15 changes in response to public health guide-
16 lines or efforts associated with natural dis-
17 aster emergency preparedness and re-
18 sponse and any effects on access to child
19 care; and

20 “(ii) to provide such other information
21 as the Secretary may require.

22 “(I) RETURN OF GRANT IF PLAN NOT AP-
23 PROVED WITHIN 2 YEARS.—A State to which a
24 grant is made under this paragraph shall remit
25 the grant to the Secretary if the Secretary has

1 not provided the approval required by subpara-
2 graph (C) within 2 years after the date the
3 grant is made.

4 “(2) GRANTS TO INTERMEDIARY ORGANIZA-
5 TIONS.—

6 “(A) IN GENERAL.—The Secretary may
7 award grants to intermediary organizations,
8 such as certified community development finan-
9 cial institutions or other organizations with
10 demonstrated experience in child care facilities
11 financing, for the purpose of providing technical
12 assistance, capacity-building, and financial
13 products to develop or finance child care facili-
14 ties.

15 “(B) APPLICATION.—A grant under this
16 paragraph may be made only to an inter-
17 mediary organization that submits to the Sec-
18 retary an application at such time, in such
19 manner, and containing such information as the
20 Secretary may require, that complies with para-
21 graph (3) if applicable.

22 “(C) CONSULTATION.—In selecting inter-
23 mediary organizations for grants under this
24 paragraph, the Secretary shall conduct con-
25 sultations with organizations that—

1 “(i) demonstrate experience in child
2 care facility financing or related commu-
3 nity facility financing;

4 “(ii) demonstrate the capacity to as-
5 sist States and local governments in devel-
6 oping child care facilities and programs;

7 “(iii) demonstrate the ability to lever-
8 age grant funding to support financing
9 tools to build the capacity of child care
10 providers, such as through credit enhance-
11 ments;

12 “(iv) propose to focus on child care
13 facilities that operate under nontraditional
14 hours;

15 “(v) propose to meet a diversity of
16 needs across urban, suburban, and rural
17 areas at varying types of center-based,
18 home-based, and other child care settings,
19 including early care programs located in
20 buildings in which the care center is the
21 sole occupant or in mixed-use properties;
22 and

23 “(vi) propose to focus on child care
24 facilities primarily serving low-income pop-

1 ulations and children who have not at-
2 tained 13 years of age.

3 “(D) AMOUNT LIMIT.—The amount of a
4 grant under this paragraph may not exceed
5 \$15,000,000.

6 “(E) ANNUAL REPORT REQUIRED.—As a
7 condition of receiving funds under this para-
8 graph, the recipient shall submit annual reports
9 to the lead agency of the jurisdiction in which
10 the recipient is located documenting how the re-
11 cipient has expended the funds and updating
12 the planned future expenditures described in
13 the application submitted by the recipient for
14 the funds.

15 “(3) LABOR STANDARDS.—In the case of an
16 application for a grant under this subsection for a
17 project to construct, renovate, or improve a child
18 care facility, including a project to adapt, recon-
19 figure, or expand such a facility, the application
20 shall include a written assurance that all laborers
21 and mechanics employed by contractors or sub-
22 contractors in the performance of construction, al-
23 teration, or repair, as part of the project, shall be
24 paid wages at rates not less than those prevailing on
25 similar work in the locality as determined by the

1 Secretary of Labor in accordance with subchapter
2 IV of chapter of part A of subtitle II of title 40,
3 United States Code (commonly referred to as the
4 ‘Davis-Bacon Act’), and with respect to the labor
5 standards specified in such subchapter, the Sec-
6 retary of Labor shall have the authority and func-
7 tions set forth in Reorganization Plan Numbered 14
8 of 1950 (15 Fed. Reg. 3176; 5 U.S.C. App.).

9 “(4) USE OF FUNDS.—

10 “(A) INFRASTRUCTURE IMPROVEMENT.—

11 “(i) IN GENERAL.—A recipient of
12 funds under this subsection may use the
13 funds only to acquire, construct, renovate,
14 or otherwise physically improve the infra-
15 structure of a building primarily used for
16 the provision of child care services by a
17 child care provider, subject to clause (ii).

18 “(ii) PROHIBITION.—A recipient of
19 funds under this subsection may not use
20 the funds for modernization, renovation, or
21 repair of facilities—

22 “(I) that are primarily used for
23 sectarian instruction or religious wor-
24 ship; or

1 “(II) in which a substantial por-
2 tion of the functions of the facilities
3 are subsumed in a religious mission.

4 “(B) RULES APPLICABLE TO LEAD AGEN-
5 CIES.—A lead agency that is a recipient of
6 funds under this subsection may use not more
7 than 5 percent of the funds for administrative
8 purposes which may be in addition to evaluation
9 and reporting activities, and shall use the bal-
10 ance of the funds to enter into grants or con-
11 tracts, on a competitive basis, with entities to
12 carry out projects to acquire, construct, ren-
13 ovate, or complete other physical improvements
14 to buildings in which child care services are
15 provided or will be provided on completion of
16 the project.

17 “(b) APPROPRIATION.—Out of any funds in the
18 Treasury not otherwise appropriated, there is appro-
19 priated \$15,000,000,000 for fiscal year 2022 to carry out
20 this section, which shall remain available through fiscal
21 year 2026.

22 “(c) RESERVATIONS OF FUNDS.—

23 “(1) TERRITORIES.—The Secretary shall re-
24 serve \$100,000,000 of the amount made available to
25 carry out this section, for grants to territories.

1 “(2) ADMINISTRATION.—The Secretary may re-
2 serve not more than \$200,000,000 of the amount
3 made available to carry out this section, for adminis-
4 trative costs.

5 “(3) ASSESSMENTS AND DEVELOPMENT
6 PLANS.—The Secretary shall reserve for each lead
7 agency not more than \$100,000 to conduct assess-
8 ments and develop plans for obligating and expend-
9 ing funds provided under this section, which may be
10 expended by a lead agency immediately on receipt.

11 “(4) DATA EXCHANGE STANDARDS FOR INTER-
12 OPERABILITY.—The Secretary may reserve not more
13 than \$200,000 of the amount made available to
14 carry out this section to implement data exchange
15 standards for interoperability.

16 “(d) LIMITATION ON AVAILABILITY OF FUNDS FOR
17 GRANTS FOR INTERMEDIARY ORGANIZATIONS.—Not more
18 than \$2,250,000,000 of the total amount made available
19 to carry out this section may be used to carry out sub-
20 section (a)(2).”.

21 **SEC. 132003. TECHNICAL ASSISTANCE.**

22 Part A of title IV of the Social Security Act (42
23 U.S.C. 601–619) is further amended by inserting after
24 section 418B the following:

1 **“SEC. 418C. TECHNICAL ASSISTANCE.**

2 “(a) IN GENERAL.—

3 “(1) CHILD CARE INFORMATION NETWORK.—

4 The Secretary shall provide technical assistance to
5 lead agencies to support the development and imple-
6 mentation of, and ongoing full participation in, State
7 Child Care Information Networks provided for in
8 section 418A(a)(4).

9 “(2) CHILD CARE INFRASTRUCTURE.—The Sec-
10 retary shall provide technical assistance—

11 “(A) to child care small business owners,
12 entrepreneurs, nonprofit organizations, and
13 child care infrastructure grant recipients, for
14 the purpose of starting new licensed child care
15 businesses, or re-opening a closed child care fa-
16 cility, in areas in which there is a child care
17 shortage or that are at risk of having such a
18 shortage;

19 “(B) to State and local governments to
20 incentivize public-private partnerships to iden-
21 tify excess buildings and land and conduct fea-
22 sibility studies, for new or expanded child care
23 options that could be available to child care en-
24 trepreneurs and infrastructure grantees, or
25 used for publicly-run child care facilities; and

1 “(C) to support child care business tech-
2 nical assistance, which may include strategies to
3 support management training and shared serv-
4 ices initiatives including provider networks such
5 as child care center alliances and family child
6 care home provider networks, as well as funda-
7 mental business support needs such as budg-
8 eting and fiscal management skills, business
9 planning, understanding the cost of quality, and
10 core best business practices such as record-
11 keeping and payment reconciliation.

12 “(3) SUPPLEMENTING NATIONAL TECHNICAL
13 ASSISTANCE EFFORTS.—The Secretary may provide
14 technical assistance to States (and submit to the
15 Congress reports on technical assistance activities)
16 to increase child care availability and affordability,
17 including by—

18 “(A) providing technical assistance on best
19 practices for conducting market rate surveys
20 and establishing State reimbursement rates and
21 price-per-child rates for child care for children
22 who have not attained 13 years of age;

23 “(B) increasing child care availability in
24 tribal communities for families with children
25 who have not attained 13 years of age;

1 “(C) improving the effectiveness and af-
2 fordability of child care assistance programs in
3 meeting the needs of low-income parents; or

4 “(D) collecting, managing, analyzing, and
5 reporting child care administrative data, and
6 use the data to support documentation of
7 changes in child care availability and afford-
8 ability.

9 “(b) ADMINISTRATIVE PROVISION.—The Secretary
10 may carry out this section through means including the
11 use of grants or cooperative agreements.

12 “(c) APPROPRIATION.—Out of any funds in the
13 Treasury not otherwise appropriated, there is appro-
14 priated \$17,500,000 for each of fiscal years 2022 through
15 2026 to carry out this section.”.

16 **SEC. 132004. TRIBAL CHILD CARE ACCESS AND GROWTH.**

17 Part A of title IV of the Social Security Act (42
18 U.S.C. 601–619) is further amended by inserting after
19 section 418C the following:

20 **“SEC. 418D. TRIBAL CHILD CARE ACCESS AND GROWTH.**

21 “(a) HHS CONSULTATIONS WITH INDIAN TRIBES.—
22 Of the amount appropriated under subsection (e) for each
23 fiscal year, the Secretary shall use not more than
24 \$1,000,000 to—

1 “(1) conduct such consultations with Indian
2 tribes and tribal organizations as are necessary to
3 determine how to better conduct consumer outreach
4 and education and provide timely availability for
5 child care slots, improve child care infrastructure,
6 and otherwise inform best practices and guidelines
7 for carrying out the activities described in subsection
8 (b); and

9 “(2) provide technical assistance to the lead
10 agencies of Indian tribes and tribal organizations
11 with respect to carrying out the activities.

12 “(b) ACTIVITIES DESCRIBED.—The activities de-
13 scribed in this subsection are the following:

14 “(1) Planning, start-up, implementation, and
15 maintenance costs associated with establishing and
16 funding a Child Care Information Network designed
17 to help parents determine which child care providers
18 can meet their child care needs and to give parents
19 ease of access in enrolling their children in child
20 care.

21 “(2) Coordinating with the Secretary regarding
22 the HHS Participating Child Care Provider Certifi-
23 cation provided for in section 418A(c).

24 “(3) Conducting infrastructure projects to im-
25 prove the safety of child care facilities.

1 “(c) GRANTS.—

2 “(1) IN GENERAL.—Of the amount appro-
3 priated under subsection (e) for each fiscal year, the
4 Secretary shall use not less than \$199,000,000 to
5 make grants to the lead agencies of Indian tribes
6 and tribal organizations for activities described in
7 subsection (b), which are to be carried out in accord-
8 ance with such rules as the Secretary may prescribe,
9 taking into account the results of the consultations
10 conducted under subsection (a)(1).

11 “(2) ALLOCATION.—The Secretary may make
12 grants under this subsection according to relative
13 need.

14 “(d) NONSUPPLANTATION.—An entity to which an
15 amount is provided under this section shall use the
16 amount to supplement, but not supplant, other funds pro-
17 vided for any purpose or activity for which the amount
18 is used.

19 “(e) APPROPRIATION.—Out of any funds in the
20 Treasury not otherwise appropriated, there is appro-
21 priated to the Secretary \$200,000,000 for each of fiscal
22 years 2022 through 2026 to carry out this section.”.

1 **SEC. 132005. RAISING THE FLOOR FOR CHILD CARE PRO-**
2 **VIDER WAGES.**

3 (a) PLANNING FOR CHILD CARE WAGE GRANTS FOR
4 SMALL BUSINESSES.—

5 (1) IN GENERAL.—For the purpose of main-
6 taining an effective and diverse child care workforce,
7 effective upon enactment, through the end of fiscal
8 year 2022, the Secretary of Health and Human
9 Services shall, regarding the development and imple-
10 mentation of the Child Care Wage Grant program
11 provided for in section 418E of the Social Security
12 Act (as added by subsection (b) of this section)—

13 (A) issue guidance or technical assistance
14 to lead agencies (as defined in such section)
15 with respect to—

16 (i) consultation with field engagement
17 organizations (as defined in such section);

18 (ii) wage supplement calculations,
19 with the option of providing a bonus that
20 may not be more than the equivalent of an
21 annual wage;

22 (iii) application requirements;

23 (iv) reporting requirements;

24 (v) anti-discrimination protection
25 measures; and

26 (vi) other related activities;

1 (B) engage in hiring, training, developing
2 work plans, developing outreach materials, and
3 other administrative overhead activities; and

4 (C) consult with relevant entities such as
5 tribal leaders, governors, county and local gov-
6 ernment, and community stakeholders.

7 (2) FUNDING.—Out of any money in the Treas-
8 ury not otherwise appropriated, there is appro-
9 priated to the Secretary of Health and Human Serv-
10 ices \$10,000,000, to remain available through Sep-
11 tember 30, 2022, to carry out this paragraph.

12 (b) IMPLEMENTATION.—Part A of title IV of the So-
13 cial Security Act (42 U.S.C. 601–619) is further amended
14 by inserting after section 418D the following:

15 **“SEC. 418E. CHILD CARE WAGE GRANTS FOR SMALL BUSI-
16 NESSES.**

17 **“(a) GRANTS TO LEAD AGENCIES.—**

18 **“(1) GRANTS.—**

19 **“(A) IN GENERAL.—**The Secretary shall
20 make grants to reimburse State, tribal, and ter-
21 ritorial lead agencies for the amount of child
22 care wage grants made to qualifying child care
23 providers under lead agency child care wage
24 grant programs, and for documented costs of
25 administering the programs that are directly re-

1 lated to determining provider eligibility, making
2 payments, data collection, and verifying pro-
3 vider compliance with program rules.

4 “(B) LIMITATION ON REIMBURSEMENT
5 FOR DOCUMENTED ADMINISTRATIVE COSTS.—

6 The amount of the reimbursement for the docu-
7 mented administrative costs shall not exceed 5
8 percent of the total amount of the child care
9 wage grants.

10 “(2) CONSULTATION REQUIRED AS A CONDI-
11 TION OF ELIGIBILITY.—A lead agency shall not be
12 eligible for a grant under this section with respect
13 to a child care wage grant program unless the lead
14 agency has consulted with field engagement organi-
15 zations in developing and implementing the program,
16 including application process, eligibility determina-
17 tions, community outreach, and such other aspects
18 of the program as the Secretary deems appropriate,
19 and if, after the consultation, the lead agency in-
20 tends to operate a child care wage grant program
21 for small businesses, the lead agency shall submit to
22 the Secretary a certification that the lead agency has
23 conducted such a consultation and intends to submit
24 a claim for reimbursement with respect to program
25 expenditures at the end of the fiscal year.

1 “(b) STATE CHILD CARE WAGE GRANT PROGRAM.—

2 “(1) IN GENERAL.—A lead agency child care
3 wage grant program is a program operated by a lead
4 agency under which a child care wage grant is made
5 to qualified child care providers for the 1-year period
6 covered by the grant, in an amount equal to the ag-
7 gregate of the eligible child care wage supplements
8 provided by the qualified child care provider during
9 the year, which year shall not begin before October
10 1, 2022.

11 “(2) REPORTING REQUIREMENT.—

12 “(A) IN GENERAL.—A recipient of a child
13 care wage grant from a lead agency shall sub-
14 mit to the lead agency every fiscal quarter a re-
15 port that includes documentation of how the
16 grant has been expended including the number
17 of full or part-time workers providing child care
18 and whether each such worker worked for the
19 full year, a description of the wage levels and
20 demographics of the child care employees of the
21 qualified child care provider, and such other in-
22 formation as the Secretary may require, and
23 may allow field engagement organizations to
24 support grant recipients in meeting quarterly
25 reporting requirements.

1 “(B) AUTHORITY TO EXTEND DEAD-
2 LINE.—A lead agency may approve a request
3 from such a recipient to extend the reporting
4 deadline for 90 days, but shall accompany such
5 an approval with a notice that failure to submit
6 all information required in the report will result
7 in future ineligibility for such a grant.

8 “(c) REIMBURSEMENT; ADVANCE ESTIMATED PAY-
9 MENT.—A lead agency may submit to the Secretary a re-
10 quest for reimbursement or estimated advance payment of
11 the costs of operating the lead agency child care wage
12 grant program for the 1-year period covered by the re-
13 quest, which shall include documentation of the grant
14 awards made to qualified child care providers under the
15 program, an assurance that not more than 5 percent of
16 the costs in the reimbursement request are for administra-
17 tive costs, an assurance that the State will repay any ad-
18 vances based on payments to child care providers that
19 were in excess of costs allowable under this section (includ-
20 ing payments for workers who did not work for the full
21 year) or based on State administrative costs in excess of
22 5 percent, and the following:

23 “(1) Qualified child care provider application
24 data, including the number of qualified child care
25 providers and the proportion of applications that

1 were approved under the program, documentation of
2 rejected applications, including the reason for dis-
3 qualification, and demographic data of applicants.

4 “(2) Qualified child care provider wage subsidy
5 data, including wage levels, the size and type of the
6 qualified child care provider, the number of children
7 served by the qualified child care provider,
8 verification that the child care wage grant provided
9 to the qualified child care provider was not used to
10 supplant Federal funds, verification that the quali-
11 fied child care provider performs child care services
12 as the primary function of the qualified child care
13 provider, verification that qualifying child care pro-
14 vider applications are approved for 1 year, and docu-
15 mentation of the number of full-time and part-time
16 child care employees (which may include sole propri-
17 etors) including the portion of the year for which
18 each employee was employed with that provider to
19 provide child care.

20 “(3) Certification that each qualified child care
21 provider is not eligible to receive a child care payroll
22 tax credit under section 3135 of the Internal Rev-
23 enue Code of 1986 with respect to wages paid to any
24 child care employee of the qualified child care pro-
25 vider.

1 “(4) Qualified child care provider demographic
2 data, including racial, ethnic, and gender data of the
3 qualified child care provider and child care employ-
4 ees.

5 “(5) Documentation of qualified child care pro-
6 vider wages, and documentation of child care wages
7 that, in the absence of a grant made under this sec-
8 tion, would have been paid at not less than the ap-
9 plicable minimum rate.

10 “(6) Documentation that each qualified child
11 care provider is licensed by, registered with, or regu-
12 lated by the State.

13 “(7) Documentation that each qualified child
14 care provider was so qualified throughout the year
15 with respect to which reimbursement is sought.

16 “(8) Documentation that each employee for
17 which a grant is sought was employed for the full
18 year, or if not, for what portion of the year they
19 were employed.

20 “(9) Such other relevant items as the Secretary
21 may require.

22 “(d) PENALTIES.—

23 “(1) MISUSE OF CHILD CARE WAGE GRANT.—
24 If the Secretary finds that a qualified child care pro-
25 vider has used funds provided under this section

1 with respect to a year other than to supplement the
2 applicable minimum rate of child care wages for an
3 employee engaged in child care work for the reported
4 period, the qualified child care provider shall—

5 “(A) repay to the lead agency all funds so
6 provided to the child care provider for the year;
7 and

8 “(B) be ineligible for the succeeding 2
9 years to receive funds made available under this
10 section.

11 “(2) DECREASE IN NUMBER OF CHILD CARE
12 EMPLOYEES.—If a recipient of a child care wage
13 grant for a year reports under subsection (b)(2)(A)
14 that the number of child care employees of the re-
15 cipient has decreased during the year, then—

16 “(A) the lead agency shall proportionately
17 decrease the amount of the child care wage
18 grant (if any) payable to the recipient for the
19 next year; or

20 “(B) if the recipient is not awarded a child
21 care wage grant for the next year, the recipient
22 shall remit to the lead agency a portion of the
23 grant equal to the proportionate decrease in the
24 number of child care employees of the provider.

1 “(e) APPROPRIATION.—Out of any money in the
2 Treasury not otherwise appropriated, there is appro-
3 priated to the Secretary for each of fiscal years 2023
4 through 2026 such sums as may be necessary for reim-
5 bursements or estimated payments referred to in sub-
6 section (a).

7 “(f) DEFINITIONS.—In this section:

8 “(1) APPLICABLE MINIMUM RATE.—The term
9 ‘applicable minimum rate’ means the rate at which
10 basic pay is payable for a position at level 3, step
11 1, of the General Schedule under subchapter III of
12 chapter 53 of title 5, United States Code, including
13 any applicable locality-based comparability payment
14 under section 5304 of such title or similar authority,
15 at the time such wages are paid and determined
16 with respect to the locality in which services are pro-
17 vided.

18 “(2) CHILD CARE WAGES.—The term ‘child
19 care wages’ means—

20 “(A) wages paid to an employee for serv-
21 ices in providing child care; and

22 “(B) an owner’s draw in lieu of wages, in
23 the case of a sole proprietor who provides child
24 care services or an owner who directly provides
25 child care services alongside employees.

1 “(3) CHILD CARE EMPLOYEE.—The term ‘child
2 care employee’ means an employee—

3 “(A) who is employed by a qualified child
4 care provider;

5 “(B) who provides child care services as a
6 primary function of employment; and

7 “(C) whose wages do not qualify under
8 section 3135(a) of the Internal Revenue Code
9 of 1986.

10 “(4) ELIGIBLE CHILD CARE WAGE SUPPLE-
11 MENT.—

12 “(A) IN GENERAL.—The term ‘eligible
13 child care wage supplement’ means, with re-
14 spect to a year, a supplement to child care
15 wages of an employee (or owner), but only to
16 the extent that the total amount of the child
17 care wage supplements provided to the em-
18 ployee (or owner) during the year—

19 “(i) in the case of a full-time em-
20 ployee (or an owner who works on a full-
21 time basis), is not more than \$16,000; or

22 “(ii) in the case of a part-time em-
23 ployee (or an owner who works on a part-
24 time basis), is not more than \$10,000.

1 In the case of any employee who is not em-
2 ployed as a child care employee for the full
3 year, the maximum dollar amounts set forth in
4 the preceding sentence shall be proportionately
5 reduced.

6 “(B) INFLATION ADJUSTMENT.—Each dol-
7 lar amount in effect under subparagraph (A)
8 with respect to a year shall be increased by a
9 percentage equal to the percentage (if any) by
10 which the Consumer Price Index for all urban
11 consumers (U.S. city average) increased during
12 the 12-month period ending with the last month
13 for which Consumer Price Index data is avail-
14 able.

15 “(5) FIELD ENGAGEMENT ORGANIZATION.—
16 The term ‘field engagement organization’ means any
17 nonprofit, community-based organization, labor
18 union, trade association, staffed family child care
19 network, child care resource and referral organiza-
20 tion, or local government entity with experience pro-
21 viding representation, technical assistance, or com-
22 munity supports to child care providers or individ-
23 uals seeking to enter or re-enter the child care mar-
24 ket.

1 “(6) QUALIFIED CHILD CARE PROVIDER.—The
2 term ‘qualified child care provider’ means an entity
3 who—

4 “(A) provides child care services as the pri-
5 mary function of the entity;

6 “(B) is registered with, or regulated or li-
7 censed by, the State as a child care provider;

8 “(C) at the time of application for a child
9 care wage grant under this section, does not
10 have an unresolved violation of a State law or
11 regulation pertaining to health or safety in the
12 provision of child care services;

13 “(D) has at least 1 employee whose wages
14 may not be taken into account under section
15 3135(a) of the Internal Revenue Code of 1986
16 because the employee is a sole proprietor or re-
17 ports self-employment income;

18 “(E) as of the time of the application, pays
19 child care wages at a rate that is at least the
20 applicable minimum rate, and certifies that the
21 entity will not reduce the hourly wage rate of
22 any employee during the 1-year period for
23 which the entity has applied for a child care
24 wage grant under this section; and

1 “(F) has submitted to the lead agency all
2 data requested by the Secretary under this sec-
3 tion;

4 “(G) has submitted the application to the
5 lead agency, which has approved the applica-
6 tion; and

7 “(H) has not failed to include all informa-
8 tion required to be included in any quarterly re-
9 port required by subsection (b)(2) to be sub-
10 mitted by the entity with respect to the year
11 preceding the year for which the application is
12 submitted.”.

13 **SEC. 132006. COMMON PROVISIONS.**

14 (a) **DEFINITIONS.**—Section 419 of the Social Secu-
15 rity Act (42 U.S.C. 619) is amended by adding at the end
16 the following:

17 “(6) **LEAD AGENCY.**—The term ‘lead agency’
18 means, with respect to a jurisdiction, the lead agen-
19 cy responsible for administering the child care as-
20 sistance program of the jurisdiction.

21 “(7) **TERRITORY.**—The term ‘territory’ means
22 the Commonwealth of Puerto Rico, the United
23 States Virgin Islands, Guam, American Samoa, and
24 the Commonwealth of the Northern Mariana Is-
25 lands.”.

1 (b) REPORTS TO THE CONGRESS.—Section 411 of
2 such Act (42 U.S.C. 611) is amended by adding at the
3 end the following:

4 “(e) REPORTS ON CERTAIN STATE CHILD CARE EX-
5 PENDITURES.—The Secretary shall submit to the Com-
6 mittee on Ways and Means of the House of Representa-
7 tives and the Committee on Finance of the Senate biennial
8 reports on—

9 “(1) eligible expenditures (as defined in section
10 418A(b)(2)(B)) by the States, and on expenditures
11 by the Secretary under section 418A during the pe-
12 riod covered by the report;

13 “(2) the extent to which payments under sec-
14 tion 418A have been made with respect to the ex-
15 penditures;

16 “(3) to the extent that any funds made avail-
17 able to carry out such section have not been ex-
18 pended, the reasons therefor; and

19 “(4) expenditures under section 418C.”.

20 (c) INAPPLICABILITY OF PAYMENT LIMITATION.—
21 Section 1108(a) of such Act (42 U.S.C. 1308(a)) is
22 amended by inserting “418A, 418B, 418C, 418D, 418E,”
23 before “or”.

1 **Subtitle D—Trade Adjustment**
2 **Assistance**

3 **SEC. 133001. SHORT TITLE.**

4 This subtitle may be cited as the “Trade Adjustment
5 Assistance Modernization Act of 2021”.

6 **SEC. 133002. APPLICATION OF PROVISIONS RELATING TO**
7 **TRADE ADJUSTMENT ASSISTANCE.**

8 (a) **EFFECTIVE DATE; APPLICABILITY.**—Except as
9 otherwise provided in this subtitle, the provisions of chap-
10 ters 2 through 6 of title II of the Trade Act of 1974, as
11 in effect on June 30, 2021, and as amended by this sub-
12 title, shall—

13 (1) take effect on the date of the enactment of
14 this Act; and

15 (2) apply with respect to petitions for certifi-
16 cation filed under chapter 2, 3, 4, or 6 of title II of
17 the Trade Act of 1974 on or after such date of en-
18 actment.

19 (b) **REFERENCE.**—Except as otherwise provided in
20 this subtitle, whenever in this subtitle an amendment or
21 repeal is expressed in terms of an amendment to, or repeal
22 of, a provision of chapters 2 through 6 of title II of the
23 Trade Act of 1974, the reference shall be considered to
24 be made to a provision of any such chapter, as in effect
25 on June 30, 2021.

1 (c) REPEAL OF SNAPBACK.—Section 406 of the
2 Trade Adjustment Assistance Reauthorization Act of
3 2015 (Public Law 114–27; 129 Stat. 379) is repealed.

4 **PART 1—TRADE ADJUSTMENT ASSISTANCE FOR**
5 **WORKERS**

6 **SEC. 133101. FILING PETITIONS.**

7 Section 221(a)(1) of the Trade Act of 1974 (19
8 U.S.C. 2271(a)(1)) is amended—

9 (1) by amending subparagraph (A) to read as
10 follows:

11 “(A) One or more workers in the group of
12 workers.”; and

13 (2) in subparagraph (C), by striking “or a
14 State dislocated worker unit” and inserting “a State
15 dislocated worker unit, or workforce intermediaries,
16 including labor-management organizations that carry
17 out re-employment and training services”.

18 **SEC. 133102. GROUP ELIGIBILITY REQUIREMENTS.**

19 (a) IN GENERAL.—Section 222(a)(2) of the Trade
20 Act of 1974 (19 U.S.C. 2272(a)(2)) is amended—

21 (1) in subparagraph (A)—

22 (A) in clause (i), by inserting “, failed to
23 increase, or will decrease absolutely due to a
24 scheduled or imminently anticipated, long-term

1 decrease in or reallocation of the production ca-
2 pacity of the firm” after “absolutely”; and

3 (B) in clause (iii)—

4 (i) by striking “to the decline” and in-
5 sserting “to any decline or absence of in-
6 crease”; and

7 (ii) by striking “or” at the end;

8 (2) in subparagraph (B)(ii), by striking the pe-
9 riod at the end and inserting “; or”; and

10 (3) by adding at the end the following:

11 “(C)(i) the sales or production, or both, of such
12 firm have decreased;

13 “(ii)(I) exports of articles produced or services
14 supplied by such workers’ firm have decreased; or

15 “(II) imports of articles or services necessary
16 for the production of articles or services supplied by
17 such firm have decreased; and

18 “(iii) the decrease in exports or imports de-
19 scribed in clause (ii) contributed to such workers’
20 separation or threat of separation and to the decline
21 in the sales or production of such firm.”.

22 (b) REPEAL.—Section 222 of the Trade Act of 1974
23 (19 U.S.C. 2272) is amended—

24 (1) in subsections (a) and (b), by striking “im-
25 portantly” each place it appears; and

1 (2) in subsection (c)—

2 (A) by striking paragraph (1); and

3 (B) by redesignating paragraphs (2)
4 through (4) as paragraphs (1) through (3), re-
5 spectively.

6 (c) ELIGIBILITY OF STAFFED WORKERS AND TELE-
7 WORKERS.—Section 222 of the Trade Act of 1974 (19
8 U.S.C. 2272), as amended by subsection (b), is further
9 amended by adding at the end the following:

10 “(f) TREATMENT OF STAFFED WORKERS AND TELE-
11 WORKERS.—

12 “(1) IN GENERAL.—For purposes of subsection
13 (a), workers in a firm include staffed workers and
14 teleworkers.

15 “(2) DEFINITIONS.—In this subsection:

16 “(A) STAFFED WORKER.—The term
17 ‘staffed worker’ means a worker who performs
18 work under the operational control of a firm
19 that is the subject of a petition filed under sec-
20 tion 221, even if the worker is directly em-
21 ployed by another firm.

22 “(B) TELEWORKER.—The term ‘tele-
23 worker’ means a worker who works remotely
24 but who reports to the location listed for a firm
25 in a petition filed under section 221.’”.

1 **SEC. 133103. APPLICATION OF DETERMINATIONS OF ELIGI-**
2 **BILITY TO WORKERS EMPLOYED BY SUCCES-**
3 **SORS-IN-INTEREST.**

4 Section 223 of the Trade Act of 1974 (19 U.S.C.
5 2273) is amended by adding at the end the following:

6 “(f) TREATMENT OF WORKERS OF SUCCESSORS-IN-
7 INTEREST.—If the Secretary certifies a group of workers
8 of a firm as eligible to apply for adjustment assistance
9 under this chapter, a worker of a successor-in-interest to
10 that firm shall be covered by the certification to the same
11 extent as a worker of that firm.”.

12 **SEC. 133104. PROVISION OF BENEFIT INFORMATION TO**
13 **WORKERS.**

14 Section 225 of the Trade Act of 1974 (19 U.S.C.
15 2275) is amended—

16 (1) in subsection (a), by inserting after the sec-
17 ond sentence the following new sentence: “The Sec-
18 retary shall make every effort to provide such infor-
19 mation and assistance to workers in their native lan-
20 guage.”; and

21 (2) in subsection (b)—

22 (A) by redesignating paragraph (2) as
23 paragraph (3);

24 (B) by inserting after paragraph (1) the
25 following:

1 “(2) The Secretary shall provide a second notice to
2 a worker described in paragraph (1) before the worker has
3 exhausted all rights to any unemployment insurance to
4 which the worker is entitled (other than additional com-
5 pensation described in section 231(a)(3)(B) funded by a
6 State and not reimbursed from Federal funds).”;

7 (C) in paragraph (3), as redesignated by
8 paragraph (1), by striking “newspapers of gen-
9 eral circulation” and inserting “appropriate
10 print or digital outlets”; and

11 (D) by adding at the end the following:

12 “(4) For purposes of providing sustained outreach re-
13 garding the benefits available under this chapter to work-
14 ers covered by a certification made under this subchapter,
15 the Secretary may take any necessary actions, including
16 the following:

17 “(A) Collecting the email addresses and tele-
18 phone numbers of such workers from the employers
19 of such workers to provide sustained outreach to
20 such workers.

21 “(B) Partnering with the certified or recognized
22 union, a community-based worker organization, or
23 other duly authorized representatives of such work-
24 ers.

1 “(C) Hiring peer support workers to perform
2 sustained outreach to other workers covered by that
3 certification.

4 “(D) Using advertising methods and public in-
5 formation campaigns, including social media, in ad-
6 dition to notice published in print or digital outlets
7 under paragraph (3).”.

8 **SEC. 133105. QUALIFYING REQUIREMENTS FOR WORKERS.**

9 (a) MODIFICATION OF CONDITIONS.—

10 (1) IN GENERAL.—Section 231(a) of the Trade
11 Act of 1974 (19 U.S.C. 2291(a)) is amended—

12 (A) by striking paragraph (2);

13 (B) by redesignating paragraphs (3), (4),
14 and (5) as paragraphs (2), (3), and (4), respec-
15 tively; and

16 (C) in paragraph (4) (as redesignated), by
17 striking “paragraphs (1) and (2)” each place it
18 appears and inserting “paragraph (1)”.

19 (2) CONFORMING AMENDMENTS.—(A) Section
20 232 of the Trade Act of 1974 (19 U.S.C. 2292) is
21 amended by striking “section 231(a)(3)(B)” each
22 place it appears and inserting “section
23 231(a)(2)(B)”.

24 (B) Section 233(a) of the Trade Act of 1974
25 (19 U.S.C. 2293(a)) is amended—

1 (i) in paragraph (1), by striking “section
2 231(a)(3)(A)” and inserting “section
3 231(a)(2)(A)”; and

4 (ii) in paragraph (2)—

5 (I) by striking “adversely affected em-
6 ployment” and all that follows through
7 “(A) within” and inserting “adversely af-
8 fected employment within”;

9 (II) by striking “, and” and inserting
10 a period; and

11 (III) by striking subparagraph (B).

12 (b) WAIVERS OF TRAINING REQUIREMENTS.—Sec-
13 tion 231(c)(1) of the Trade Act of 1974 (19 U.S.C.
14 2291(c)(1)) is amended—

15 (1) by redesignating subparagraphs (A), (B),
16 and (C) as subparagraphs (C), (D), and (E), respec-
17 tively; and

18 (2) by inserting before subparagraph (C) (as re-
19 designated) the following:

20 “(A) RECALL.—The worker has been noti-
21 fied that the worker will be recalled by the firm
22 from which the separation occurred.

23 “(B) RETIREMENT.—The worker is within
24 2 years of meeting all requirements for entitle-
25 ment to either—

1 “(i) old-age insurance benefits under
2 title II of the Social Security Act (42
3 U.S.C. 401 et seq.) (except for application
4 therefor); or

5 “(ii) a private pension sponsored by
6 an employer or labor organization.”.

7 **SEC. 133106. MODIFICATION TO TRADE READJUSTMENT AL-**
8 **LOWANCES.**

9 Section 233 of the Trade Act of 1974 (19 U.S.C.
10 2293) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (2), by inserting after
13 “104-week period” the following: “(or, in the
14 case of an adversely affected worker who re-
15 quires a program of prerequisite education or
16 remedial education (as described in section
17 236(a)(5)(D)) in order to complete training ap-
18 proved for the worker under section 236, the
19 130-week period)”;

20 (B) in paragraph (3), by striking “65 addi-
21 tional weeks in the 78-week period” and insert-
22 ing “78 additional weeks in the 91-week pe-
23 riod”; and

24 (C) in the flush text, by striking “78-week
25 period” and inserting “91-week period”;

1 (2) by striking subsection (d); and

2 (3) by amending subsection (f) to read as fol-
3 lows:

4 “(f) PAYMENT OF TRADE READJUSTMENT ALLOW-
5 ANCES TO COMPLETE TRAINING.—Notwithstanding any
6 other provision of this section, in order to assist an ad-
7 versely affected worker to complete training approved for
8 the worker under section 236 that includes a program of
9 prerequisite education or remedial education (as described
10 in section 236(a)(5)(D)), and in accordance with regula-
11 tions prescribed by the Secretary, payments may be made
12 as trade readjustment allowances for up to 26 additional
13 weeks in the 26-week period that follows the last week of
14 entitlement to trade readjustment allowances otherwise
15 payable under this chapter.”.

16 **SEC. 133107. AUTOMATIC EXTENSION OF TRADE READJUST-**
17 **MENT ALLOWANCES.**

18 (a) IN GENERAL.—Part I of subchapter B of chapter
19 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291
20 et seq.) is amended by inserting after section 233 the fol-
21 lowing new section:

22 **“SEC. 233A. AUTOMATIC EXTENSION OF TRADE READJUST-**
23 **MENT ALLOWANCES.**

24 “(a) IN GENERAL.—Notwithstanding the limitations
25 under section 233(a), the Secretary shall extend the period

1 during which trade readjustment allowances are payable
2 to an adversely affected worker who completes training ap-
3 proved under section 236 by the Secretary during a period
4 of heightened unemployment with respect to the State in
5 which such worker seeks benefits, for the shorter of—

6 “(1) the 26-week period beginning on the date
7 of completion of such training; or

8 “(2) the period ending on the date on which the
9 adversely affected worker secures employment.

10 “(b) **JOB SEARCH REQUIRED.**—A worker shall only
11 be eligible for an extension under subsection (a) if the
12 worker is complying with the job search requirements as-
13 sociated with unemployment insurance in the applicable
14 State.

15 “(c) **PERIOD OF HEIGHTENED UNEMPLOYMENT DE-**
16 **FINED.**—In this section, the term ‘period of heightened
17 unemployment’ with respect to a State means a 90-day
18 period during which, in the determination of the Sec-
19 retary, either of the following average rates equals or ex-
20 ceeds 5.5 percent:

21 “(1) The average rate of total unemployment in
22 such State (seasonally adjusted) for the period con-
23 sisting of the most recent 3-month period for which
24 data for all States are published before the close of
25 such period.

1 (3) by inserting after paragraph (7) the fol-
2 lowing:

3 “(8) Information related to direct job place-
4 ment, including facilitating the extent to which em-
5 ployers within the community commit to employing
6 workers who would benefit from the employment and
7 case management services under this section.

8 “(9) Sustained outreach to groups of workers
9 likely to be certified as eligible for adjustment assist-
10 ance under this chapter and members of certified
11 worker groups who have not yet applied for or been
12 enrolled in benefits or services under this chapter,
13 especially such groups and members from under-
14 served communities.”.

15 **SEC. 133109. TRAINING.**

16 Section 236 of the Trade Act of 1974 (19 U.S.C.
17 2296(a)) is amended—

18 (1) in subsection (a)—

19 (A) in paragraph (1)(D), by inserting “,
20 with a demonstrated ability to place partici-
21 pants into employment” before the comma at
22 the end;

23 (B) in paragraph (3), by adding at the end
24 before the period the following: “, except that
25 every effort shall be made to ensure that em-

1 ployment opportunities are available upon the
2 completion of training”; and

3 (C) in paragraph (5)—

4 (i) in subparagraph (G), by striking “,
5 and” and inserting a comma;

6 (ii) in subparagraph (H)(ii), by strik-
7 ing the period at the end and inserting “,
8 and”; and

9 (iii) by adding at the end before the
10 flush text the following:

11 “(I) pre-apprenticeship training.”; and

12 (2) by adding at the end the following:

13 “(h) REIMBURSEMENT FOR OUT-OF-POCKET TRAIN-
14 ING EXPENSES.—If the Secretary approves training for
15 a worker under paragraph (1) of subsection (a), the Sec-
16 retary may reimburse the worker for out-of-pocket ex-
17 penses relating to training program described in para-
18 graph (5) of that subsection that were incurred by the
19 worker on and after the date of the worker’s total or par-
20 tial separation and before the date on which the certifi-
21 cation of eligibility under section 222 that covers the work-
22 er is issued.”.

1 **SEC. 133110. JOB SEARCH, RELOCATION, AND CHILD CARE**
2 **ALLOWANCES.**

3 (a) **JOB SEARCH ALLOWANCES.**—Section 237 of the
4 Trade Act of 1974 (19 U.S.C. 2297) is amended—

5 (1) in subsection (a)(1), by striking “may use
6 funds made available to the State to carry out sec-
7 tions 235 through 238” and inserting “shall use,
8 from funds made available to the State to carry out
9 sections 235 through 238A, such amounts as may be
10 necessary”;

11 (2) in subsection (a)(2), in the matter pre-
12 ceding subparagraph (A), by striking “may grant”
13 and inserting “shall grant”; and

14 (3) in subsection (b)—

15 (A) in paragraph (1), by striking “not
16 more than 90 percent” and inserting “100 per-
17 cent”;

18 (B) in paragraph (2), by striking “\$1,250”
19 and inserting “\$2,000 (subject to adjustment
20 under paragraph (4))”; and

21 (C) by adding at the end the following;

22 “(4) **ADJUSTMENT OF MAXIMUM ALLOWANCE**
23 **LIMITATION FOR INFLATION.**—

24 “(A) **IN GENERAL.**—The Secretary of
25 Labor shall adjust the maximum allowance limi-
26 tation under paragraph (2) on the date that is

1 30 days after the date of the enactment of this
2 paragraph, and at the beginning of each fiscal
3 year thereafter, to reflect the percentage (if
4 any) of the increase in the average of the Con-
5 sumer Price Index for the preceding 12-month
6 period compared to the Consumer Price Index
7 for fiscal year 2020.

8 “(B) SPECIAL RULES FOR CALCULATION
9 OF ADJUSTMENT.—In making an adjustment
10 under subparagraph (A), the Secretary—

11 “(i) shall round the amount of any in-
12 crease in the Consumer Price Index to the
13 nearest dollar; and

14 “(ii) may ignore any such increase of
15 less than 1 percent.

16 “(C) CONSUMER PRICE INDEX DEFINED.—
17 For purposes of this paragraph, the term ‘Con-
18 sumer Price Index’ means the Consumer Price
19 Index for All Urban Consumers published by
20 the Bureau of Labor Statistics of the Depart-
21 ment of Labor.”.

22 (b) RELOCATION ALLOWANCES.—Section 238 of the
23 Trade Act of 1974 (19 U.S.C. 2298) is amended—

24 (1) in subsection (a)(1), by striking “may use
25 funds made available to the State to carry out sec-

1 tions 235 through 238” and inserting “shall use,
2 from funds made available to the State to carry out
3 sections 235 through 238A, such amounts as may be
4 necessary”;

5 (2) in subsection (a)(2), in the matter pre-
6 ceding subparagraph (A), by striking “may be grant-
7 ed” and inserting “shall be granted”;

8 (3) in subsection (b)—

9 (A) in paragraph (1), by striking “not
10 more than 90 percent” and inserting “100 per-
11 cent”; and

12 (B) in paragraph (2), by striking “\$1,250”
13 and inserting “\$2,000 (subject to adjustment
14 under subsection (d))”; and

15 (4) by adding at the end the following:

16 “(d) ADJUSTMENT OF MAXIMUM PAYMENT LIMITA-
17 TION FOR INFLATION.—

18 “(1) IN GENERAL.—The Secretary of Labor
19 shall adjust the maximum payment limitation under
20 subsection (b)(2) on the date that is 30 days after
21 the date of the enactment of this subsection, and at
22 the beginning of each fiscal year thereafter, to re-
23 flect the percentage (if any) of the increase in the
24 average of the Consumer Price Index for the pre-

1 ceding 12-month period compared to the Consumer
2 Price Index for fiscal year 2020.

3 “(2) SPECIAL RULES FOR CALCULATION OF AD-
4 JUSTMENT.—In making an adjustment under para-
5 graph (1), the Secretary—

6 “(A) shall round the amount of any in-
7 crease in the Consumer Price Index to the near-
8 est dollar; and

9 “(B) may ignore any such increase of less
10 than 1 percent.

11 “(3) CONSUMER PRICE INDEX DEFINED.—For
12 purposes of this subsection, the term ‘Consumer
13 Price Index’ means the Consumer Price Index for
14 All Urban Consumers published by the Bureau of
15 Labor Statistics of the Department of Labor.”.

16 (c) CHILD CARE ALLOWANCES.—

17 (1) IN GENERAL.—Part II of subchapter B of
18 chapter 2 of title II of the Trade Act of 1974 (19
19 U.S.C. 2295 et seq.) is amended by adding at the
20 end the following:

21 **“SEC. 238A. CHILD CARE ALLOWANCES.**

22 “(a) CHILD CARE ALLOWANCES AUTHORIZED.—

23 “(1) IN GENERAL.—Each State shall use, from
24 funds made available to the State to carry out sec-
25 tions 235 through 238A, such amounts as may be

1 necessary to allow an adversely affected worker cov-
2 ered by a certification issued under subchapter A of
3 this chapter to file an application for a child care al-
4 lowance with the Secretary, and the Secretary may
5 grant the child care allowance, subject to the terms
6 and conditions of this section.

7 “(2) CONDITIONS FOR GRANTING ALLOW-
8 ANCE.—A child care allowance shall be granted if
9 the allowance will assist an adversely affected worker
10 to attend training or seek suitable employment, by
11 providing for the care of one or more of the minor
12 dependents of the worker.

13 “(b) AMOUNT OF ALLOWANCE.—Any child care al-
14 lowance granted to a worker under subsection (a) shall
15 not exceed \$2,000 per minor dependent per year.

16 “(c) ADJUSTMENT OF MAXIMUM ALLOWANCE LIM-
17 TATION FOR INFLATION.—

18 “(1) IN GENERAL.—The Secretary of Labor
19 shall adjust the maximum allowance limitation under
20 subsection (b) on the date that is 30 days after the
21 date of the enactment of this subsection, and at the
22 beginning of each fiscal year thereafter, to reflect
23 the percentage (if any) of the increase in the average
24 of the Consumer Price Index for the preceding 12-

1 month period compared to the Consumer Price
2 Index for fiscal year 2020.

3 “(2) SPECIAL RULES FOR CALCULATION OF AD-
4 JUSTMENT.—In making an adjustment under para-
5 graph (1), the Secretary—

6 “(A) shall round the amount of any in-
7 crease in the Consumer Price Index to the near-
8 est dollar; and

9 “(B) may ignore any such increase of less
10 than 1 percent.

11 “(3) CONSUMER PRICE INDEX DEFINED.—For
12 purposes of this subsection, the term ‘Consumer
13 Price Index’ means the Consumer Price Index for
14 All Urban Consumers published by the Bureau of
15 Labor Statistics of the Department of Labor.”.

16 (2) CONFORMING AMENDMENTS.—

17 (A) LIMITATIONS ON ADMINISTRATIVE EX-
18 PENSES AND EMPLOYMENT AND CASE MANAGE-
19 MENT SERVICES.—Section 235A of the Trade
20 Act of 1974 (19 U.S.C. 2295a) is amended in
21 the matter preceding paragraph (1) by striking
22 “through 238” and inserting “through 238A”.

23 (B) TRAINING.—Section 236(a)(2) of the
24 Trade Act of 1974 (19 U.S.C. 2296(a)(2)) is
25 amended—

1 (i) in subparagraph (A), by striking
2 “and 238” and inserting “238, and
3 238A”;

4 (ii) in subparagraph (B), by striking
5 “and 238” each place it appears and in-
6 serting “238, and 238A”;

7 (iii) in subparagraph (C)(i), by strik-
8 ing “and 238” and inserting “238, and
9 238A”;

10 (iv) in subparagraph (C)(v), by strik-
11 ing “and 238” and inserting “238, and
12 238A”; and

13 (v) in subparagraph (E), by striking
14 “and 238” each place it appears and in-
15 serting “238, and 238A”.

16 (3) CLERICAL AMENDMENT.—The table of con-
17 tents for the Trade Act of 1974 is amended by add-
18 ing after the item relating to section 238 the fol-
19 lowing new item:

“Sec. 238A. Child care allowances.”.

20 **SEC. 133111. AGREEMENTS WITH STATES.**

21 (a) COORDINATION.—Section 239(f) of the Trade Act
22 of 1974 (19 U.S.C. 2311(f)) is amended—

23 (1) by striking “(f) Any agreement” and insert-
24 ing the following:

25 “(f)(1) Any agreement”; and

1 (2) by adding at the end the following:

2 “(2) In arranging for training programs to be
3 carried out under this chapter, each cooperating
4 State agency shall, among other factors, take into
5 account and measure the progress of the extent to
6 which such programs—

7 “(A) achieve a satisfactory rate of comple-
8 tion and placement in jobs that provide a living
9 wage and that increase economic security;

10 “(B) assist workers in developing the
11 skills, networks, and experiences necessary to
12 advance along a career path;

13 “(C) assist workers from underserved com-
14 munities to establish a work history, dem-
15 onstrate success in the workplace, and develop
16 the skills that lead to entry into and retention
17 in unsubsidized employment; and

18 “(D) adequately serve individuals who face
19 the greatest barriers to employment, including
20 people with low incomes, people of color, immi-
21 grants, persons with disabilities, and formerly
22 incarcerated individuals.

23 “(3) Each cooperating State agency shall facili-
24 tate joint cooperation between training programs,
25 representatives of workers, employers, and commu-

1 nities, especially in underserved rural and urban re-
2 gions, to ensure a fair and engaging workplace that
3 balances the priorities and well-being of workers
4 with the needs of businesses.

5 “(4) Each cooperating State agency shall seek,
6 including through agreements and training programs
7 described in this subsection, to ensure the reemploy-
8 ment of adversely affected workers upon completion
9 of training as described in section 236.”

10 (b) ADMINISTRATION.—Section 239(g) of the Trade
11 Act of 1974 (19 U.S.C. 2311(g)) is amended—

12 (1) by redesignating—

13 (A) paragraphs (1) through (4) as para-
14 graphs (3) through (6), respectively; and

15 (B) paragraph (5) as paragraph (8);

16 (2) by inserting before paragraph (3) (as redesi-
17 gnated) the following:

18 “(1) review each layoff of more than 5 workers
19 in a firm to determine whether trade played a role
20 in the layoff and whether workers in such firm are
21 potentially eligible to receive benefits under this
22 chapter,

23 “(2) perform sustained outreach to firms to fa-
24 cilitate and assist with filing petitions under section

1 221 and collecting necessary supporting informa-
2 tion,”;

3 (3) in paragraph (3) (as redesignated), by strik-
4 ing “who applies for unemployment insurance of”
5 and inserting “identified under paragraph (1) of un-
6 employment insurance benefits and”;

7 (4) in paragraph (4) (as redesignated), by in-
8 serting “and assist with” after “facilitate”;

9 (5) in paragraph (6) (as redesignated), by strik-
10 ing “and” at the end;

11 (6) by inserting after paragraph (6) (as redesi-
12 gnated) the following:

13 “(7) perform sustained outreach to workers
14 from underserved communities and to firms that em-
15 ploy a majority or a substantial percentage of work-
16 ers from underserved communities and develop a
17 plan, in consultation with the Secretary, for address-
18 ing common barriers to receiving services that such
19 workers have faced,”;

20 (7) in paragraph (8) (as redesignated), by strik-
21 ing “funds provided to carry out this chapter are in-
22 sufficient to make such services available, make ar-
23 rangements to make such services available through
24 other Federal programs” and inserting “support
25 services are needed beyond what this chapter can

1 provide, make arrangements to coordinate such serv-
2 ices available through other Federal programs” ;
3 and

4 (8) by adding at the end the following:

5 “(9) develop a strategy to engage with local
6 workforce development institutions, including local
7 community colleges and other educational institu-
8 tions, and

9 “(10) develop a comprehensive strategy to pro-
10 vide agency staffing to support the requirements of
11 paragraphs (1) through (9).”.

12 (c) STAFFING.—Section 239 of the Trade Act of
13 1974 (19 U.S.C. 2311) is amended by striking subsection
14 (k) and inserting the following:

15 “(k) STAFFING.—An agreement entered into under
16 this section shall provide that the cooperating State or co-
17 operating State agency shall require that any individual
18 engaged in functions (other than functions that are not
19 inherently governmental) to carry out the trade adjust-
20 ment assistance program under this chapter shall be a
21 State employee covered by a merit system of personnel ad-
22 ministration.”.

1 **SEC. 133112. REEMPLOYMENT TRADE ADJUSTMENT ASSIST-**
2 **ANCE PROGRAM.**

3 Section 246(a) of the Trade Act of 1974 (19 U.S.C.
4 2318(a)) is amended—

5 (1) in paragraph (3)(B)(ii), by striking
6 “\$50,000” and inserting “\$70,000 (subject to ad-
7 justment under paragraph (8))”;

8 (2) in paragraph (5)(B)(i), by striking
9 “\$10,000” and inserting “\$20,000 (subject to ad-
10 justment under paragraph (8))”; and

11 (3) by adding at the end the following:

12 “(8) ADJUSTMENT OF SALARY LIMITATION AND
13 TOTAL AMOUNT OF PAYMENTS FOR INFLATION.—

14 “(A) IN GENERAL.—The Secretary of
15 Labor shall adjust the salary limitation under
16 paragraph (3)(B)(ii) and the amount under
17 paragraph (5)(B)(i) on the date that is 30 days
18 after the date of the enactment of this para-
19 graph, and at the beginning of each fiscal year
20 thereafter, to reflect the percentage (if any) of
21 the increase in the average of the Consumer
22 Price Index for the preceding 12-month period
23 compared to the Consumer Price Index for fis-
24 cal year 2020.

1 “(B) SPECIAL RULES FOR CALCULATION
2 OF ADJUSTMENT.—In making an adjustment
3 under subparagraph (A), the Secretary—

4 “(i) shall round the amount of any in-
5 crease in the Consumer Price Index to the
6 nearest dollar; and

7 “(ii) may ignore any such increase of
8 less than 1 percent.

9 “(C) CONSUMER PRICE INDEX DEFINED.—
10 For purposes of this paragraph, the term ‘Con-
11 sumer Price Index’ means the Consumer Price
12 Index for All Urban Consumers published by
13 the Bureau of Labor Statistics of the Depart-
14 ment of Labor.”.

15 **SEC. 133113. EXTENSION OF TRADE ADJUSTMENT ASSIST-**
16 **ANCE TO PUBLIC AGENCY WORKERS.**

17 (a) DEFINITIONS.—Section 247 of the Trade Act of
18 1974 (19 U.S.C. 2319) is amended—

19 (1) in paragraph (3)—

20 (A) in the matter preceding subparagraph
21 (A), by striking “The” and inserting “Subject
22 to section 222(d)(5), the”; and

23 (B) in subparagraph (A), by striking “or
24 service sector firm” and inserting “, service sec-
25 tor firm, or public agency”; and

1 (2) by adding at the end the following:

2 “(20) The term ‘public agency’ means a depart-
3 ment or agency of a State or local government or of
4 the Federal Government.”.

5 (b) GROUP ELIGIBILITY REQUIREMENTS.—Section
6 222 of the Trade Act of 1974 (19 U.S.C. 2272), as
7 amended by subsections (b) and (c) of section 133102, is
8 further amended—

9 (1) by redesignating subsections (c), (d), (e),
10 and (f) as subsections (d), (e), (f), and (g), respec-
11 tively;

12 (2) by inserting after subsection (b) the fol-
13 lowing:

14 “(c) ADVERSELY AFFECTED WORKERS IN PUBLIC
15 AGENCIES.—A group of workers in a public agency shall
16 be certified by the Secretary as eligible to apply for adjust-
17 ment assistance under this chapter pursuant to a petition
18 filed under section 221 if the Secretary determines that—

19 “(1) a significant number or proportion of the
20 workers in the public agency have become totally or
21 partially separated, or are threatened to become to-
22 tally or partially separated;

23 “(2) the public agency has acquired from a for-
24 eign country services like or directly competitive with
25 services which are supplied by such agency; and

1 “(3) the acquisition of services described in
2 paragraph (2) contributed to such workers’ separa-
3 tion or threat of separation.”;

4 (3) in subsection (d) (as redesignated), by add-
5 ing at the end the following:

6 “(5) REFERENCE TO FIRM.—For purposes of
7 subsections (a) and (b), the term ‘firm’ does not in-
8 clude a public agency.”; and

9 (4) in paragraph (2) of subsection (e) (as redesi-
10 gnated), by striking “subsection (a) or (b)” and in-
11 serting “subsection (a), (b), or (c)”.

12 **SEC. 133114. DEFINITIONS.**

13 (a) EXTENSION OF ADJUSTMENT ASSISTANCE FOR
14 WORKERS TO TERRITORIES.—Section 247(7) of the
15 Trade Act of 1974 (19 U.S.C. 2319(7)) is amended—

16 (1) by inserting “, Guam, the Virgin Islands of
17 the United States, American Samoa, the Common-
18 wealth of the Northern Mariana Islands,” after
19 “District of Columbia”; and

20 (2) by striking “such Commonwealth.” and in-
21 serting “such territories.”.

22 (b) UNDERSERVED COMMUNITY.—Section 247 of the
23 Trade Act of 1974 (19 U.S.C. 2319), as amended by sec-
24 tion 133113(a), is further amended by adding at the end
25 the following:

1 “(21) The term ‘underserved community’
2 means a community with populations sharing a par-
3 ticular characteristic that have been systematically
4 denied a full opportunity to participate in aspects of
5 economic, social, or civic life, such as Black, Latino,
6 and Indigenous and Native American persons, Asian
7 Americans and Pacific Islanders, other persons of
8 color, members of other minority communities, per-
9 sons with disabilities, persons who live in rural
10 areas, and other populations otherwise adversely af-
11 fected by persistent poverty or inequality.”.

12 **SEC. 133115. SUBPOENA POWER.**

13 Section 249 of the Trade Act of 1974 (19 U.S.C.
14 2321) is amended—

15 (1) in subsection (a), by adding at the end the
16 following: “The authority under the preceding sen-
17 tence includes the authority of States to require, by
18 subpoena, a firm to provide information on workers
19 employed by, or totally or partially separated from,
20 the firm that is necessary to make a determination
21 under this chapter or to provide outreach to work-
22 ers, including the names and address of workers.”;
23 and

24 (2) by adding at the end the following:

1 “(ii) that—

2 “(I) sales or production, or both, of the
3 firm have decreased absolutely or failed to in-
4 crease,

5 “(II) sales or production, or both, of an ar-
6 ticle or service that accounted for not less than
7 25 percent of the total sales or production of
8 the firm during the 12-month period preceding
9 the most recent 12-month period for which data
10 are available have decreased absolutely or failed
11 to increase,

12 “(III) sales or production, or both, of the
13 firm during the most recent 12-month period
14 for which data are available have decreased or
15 failed to increase compared to—

16 “(aa) the average annual sales or pro-
17 duction for the firm during the 24-month
18 period preceding that 12-month period, or

19 “(bb) the average annual sales or pro-
20 duction for the firm during the 36-month
21 period preceding that 12-month period,
22 and

23 “(IV) sales or production, or both, of an
24 article or service that accounted for not less
25 than 25 percent of the total sales or production

1 of the firm during the most recent 12-month
2 period for which data are available have de-
3 creased or failed to increase compared to—

4 “(aa) the average annual sales or pro-
5 duction for the article or service during the
6 24-month period preceding that 12-month
7 period, or

8 “(bb) the average annual sales or pro-
9 duction for the article or service during the
10 36-month period preceding that 12-month
11 period, and

12 “(B)(i) increases of imports of articles or serv-
13 ices like or directly competitive with articles which
14 are produced or services which are supplied by such
15 firm contributed to such total or partial separation,
16 or threat thereof, or to such decline or failure to in-
17 crease in sales or production, or

18 “(ii) decreases in exports of articles produced or
19 services supplied by such firm, or imports of articles
20 or services necessary for the production of articles or
21 services supplied by such firm, contributed to such
22 total or partial separation, or threat thereof, or to
23 such decline in sales or production.

24 “(2) For purposes of paragraph (1)(B):

1 “(A) Any firm which engages in exploration or
2 drilling for oil or natural gas shall be considered to
3 be a firm producing oil or natural gas.

4 “(B) Any firm that engages in exploration or
5 drilling for oil or natural gas, or otherwise produces
6 oil or natural gas, shall be considered to be pro-
7 ducing articles directly competitive with imports of
8 oil and with imports of natural gas.”; and

9 (3) in subsection (d)—

10 (A) by striking “this section,” and insert-
11 ing “this section.”; and

12 (B) by striking “but in any event” and all
13 that follows and inserting the following: “If the
14 Secretary does not make a determination with
15 respect to a petition within 55 days after the
16 date on which an investigation is initiated
17 under subsection (a) with respect to the peti-
18 tion, the Secretary shall be deemed to have cer-
19 tified the firm as eligible to apply for adjust-
20 ment assistance under this chapter.”.

21 **SEC. 133202. APPROVAL OF ADJUSTMENT PROPOSALS.**

22 Section 252 of the Trade Act of 1974 (19 U.S.C.
23 2342) is amended—

24 (1) in the second sentence of subsection (a), by
25 adding at the end before the period the following:

1 “and an assessment of the potential employment
2 outcomes of such proposal”;

3 (2) in subsection (b)(1)(B), by striking “gives
4 adequate consideration to” and inserting “is in”;

5 (3) by redesignating subsection (c) as sub-
6 section (d); and

7 (4) by inserting after subsection (b) the fol-
8 lowing:

9 “(c) AMOUNT OF ASSISTANCE.—

10 “(1) IN GENERAL.—A firm may receive adjust-
11 ment assistance under this chapter with respect to
12 the firm’s economic adjustment proposal in an
13 amount not to exceed \$300,000, subject to adjust-
14 ment under paragraph (2) and the matching re-
15 quirement under paragraph (3).

16 “(2) ADJUSTMENT OF ASSISTANCE LIMITATION
17 FOR INFLATION.—

18 “(A) IN GENERAL.—The Secretary of
19 Commerce shall adjust the technical assistance
20 limitation under paragraph (1) on the date that
21 is 30 days after the date of the enactment of
22 this paragraph, and at the beginning of each
23 fiscal year thereafter, to reflect the percentage
24 (if any) of the increase in the average of the
25 Consumer Price Index for the preceding 12-

1 month period compared to the Consumer Price
2 Index for fiscal year 2020.

3 “(B) SPECIAL RULES FOR CALCULATION
4 OF ADJUSTMENT.—In making an adjustment
5 under subparagraph (A), the Secretary—

6 “(i) shall round the amount of any in-
7 crease in the Consumer Price Index to the
8 nearest dollar; and

9 “(ii) may ignore any such increase of
10 less than 1 percent.

11 “(C) CONSUMER PRICE INDEX DEFINED.—
12 For purposes of this paragraph, the term ‘Con-
13 sumer Price Index’ means the Consumer Price
14 Index for All Urban Consumers published by
15 the Bureau of Labor Statistics of the Depart-
16 ment of Labor.

17 “(3) MATCHING REQUIREMENT.—A firm may
18 receive adjustment assistance under this chapter
19 only if the firm provides matching funds in an
20 amount equal to the amount of adjustment assist-
21 ance received under paragraph (1).”.

22 **SEC. 133203. TECHNICAL ASSISTANCE.**

23 Section 253(a)(3) of the Trade Act of 1974 (19
24 U.S.C. 2343(a)(3)) is amended by adding at the end be-

1 fore the period the following: “, including assistance to
2 provide skills training programs to employees of the firm”.

3 **SEC. 133204. DEFINITIONS.**

4 Section 259 of the Trade Act of 1974 (19 U.S.C.
5 2351) is amended by adding at the end the following:

6 “(3) **UNDERSERVED COMMUNITY.**—The term
7 ‘underserved community’ has the meaning given that
8 term in section 247.”.

9 **SEC. 133205. PLAN FOR SUSTAINED OUTREACH TO POTEN-**
10 **TIALY-ELIGIBLE FIRMS.**

11 (a) **IN GENERAL.**—Chapter 3 of title II of the Trade
12 Act of 1974 (19 U.S.C. 2341 et seq.) is amended by add-
13 ing at the end the following:

14 **“SEC. 263. PLAN FOR SUSTAINED OUTREACH TO POTEN-**
15 **TIALY-ELIGIBLE FIRMS.**

16 “(a) **IN GENERAL.**—The Secretary shall develop a
17 plan to provide sustained outreach to firms that may be
18 eligible for adjustment assistance under this chapter.

19 “(b) **MATTERS TO BE INCLUDED.**—The plan re-
20 quired by paragraph (1) shall include the following:

21 “(1) Outreach to the United States Inter-
22 national Trade Commission and to such firms in in-
23 dustries with increased imports identified in the
24 Commission’s annual report regarding the operation

1 of the trade agreements program under section
2 163(c).

3 “(2) Outreach to such firms in the service sec-
4 tor.

5 “(3) Outreach to such firms that are small
6 businesses.

7 “(4) Outreach to such firms that are minority-
8 or women-owned firms.

9 “(5) Outreach to such firms that employ a ma-
10 jority or a substantial percentage of workers from
11 underserved communities.

12 “(c) UPDATES.—The Secretary shall update the plan
13 required under this section on an annual basis.

14 “(d) SUBMISSION TO CONGRESS.—The Secretary
15 shall submit the plan and each update to the plan required
16 under this section to Congress.”.

17 (b) CLERICAL AMENDMENT.—The table of contents
18 for the Trade Act of 1974 is amended by inserting after
19 the item relating to section 262 the following new item:

“Sec. 263. Plan for sustained outreach to potentially-eligible firms.”.

20 **PART 3—TRADE ADJUSTMENT ASSISTANCE FOR**

21 **COMMUNITIES AND COMMUNITY COLLEGES**

22 **SEC. 133301. TRADE ADJUSTMENT ASSISTANCE FOR COM-**
23 **MUNITIES.**

24 (a) IN GENERAL.—Chapter 4 of title II of the Trade
25 Act of 1974 (19 U.S.C. 2371 et seq.) is amended—

1 (1) by inserting after the chapter heading the
2 following:

3 **“Subchapter B—Trade Adjustment Assistance**
4 **for Community Colleges and Career**
5 **Training”;** and

6 (2) by redesignating sections 271 and 272 as
7 sections 279 and 279A, respectively; and

8 (3) by inserting before subchapter B (as des-
9 ignated by paragraph (1)) the following:

10 **“Subchapter A—Trade Adjustment Assistance**
11 **for Communities**

12 **“SEC. 271. DEFINITIONS.**

13 “In this subchapter:

14 “(1) AGRICULTURAL COMMODITY PRODUCER.—

15 The term ‘agricultural commodity producer’ has the
16 meaning given that term in section 291.

17 “(2) COMMUNITY.—The term ‘community’
18 means—

19 “(A) a city or other political subdivision of
20 a State, including a special purpose unit of a
21 State or local government engaged in economic
22 or infrastructure development activities, or a
23 consortium of political subdivisions;

24 “(B) an Economic Development District
25 designated by the Economic Development Ad-

1 ministration of the Department of Commerce;

2 or

3 “(C) an Indian Tribe.

4 “(3) ELIGIBLE COMMUNITY.—The term ‘eligible
5 community’ means a community that is impacted by
6 trade under section 273(a)(2) and is determined to
7 be eligible for assistance under this subchapter.

8 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
9 tity’ means—

10 “(A) an eligible community;

11 “(B) an institution of higher education or
12 a consortium of institutions of higher education;

13 or

14 “(C) a public or private nonprofit organi-
15 zation or association acting in cooperation with
16 officials of a political subdivision of a State.

17 “(4) SECRETARY.—The term ‘Secretary’ means
18 the Secretary of Commerce.

19 “(5) UNDERSERVED COMMUNITY.—The term
20 ‘underserved community’ has the meaning given that
21 term in section 247.

22 **“SEC. 272. ESTABLISHMENT OF TRADE ADJUSTMENT AS-**
23 **SISTANCE FOR COMMUNITIES PROGRAM.**

24 “The Secretary, acting through the Assistant Sec-
25 retary for Economic Development, shall, not later than

1 180 days after the date of enactment of this subchapter,
2 establish a program to provide communities impacted by
3 trade with assistance in accordance with the requirements
4 of this subchapter.

5 **“SEC. 273. ELIGIBILITY; NOTIFICATION OF ELIGIBILITY.**

6 “(a) ELIGIBILITY.—

7 “(1) IN GENERAL.—A community shall be eligi-
8 ble for assistance under this subchapter if the com-
9 munity is a community impacted by trade under
10 paragraph (2).

11 “(2) COMMUNITY IMPACTED BY TRADE.—A
12 community is impacted by trade if it meets each of
13 the following requirements:

14 “(A) One or more of the following certifi-
15 cations are made with respect to the commu-
16 nity:

17 “(i) By the Secretary of Labor, that a
18 group of workers located in the community
19 is eligible to apply for assistance under
20 section 223.

21 “(ii) By the Secretary of Commerce,
22 that a firm located in the community is eli-
23 gible to apply for adjustment assistance
24 under section 251.

1 “(iii) By the Secretary of Agriculture,
2 that a group of agricultural commodity
3 producers located in the community is eli-
4 gible to apply for adjustment assistance
5 under section 293.

6 “(B) The community—

7 “(i) applies for assistance not later
8 than 180 days after the date on which the
9 most recent certification described in sub-
10 paragraph (A) is made; or

11 “(ii) in the case of a community with
12 respect to which one or more such certifi-
13 cations were made on or after January 1,
14 1994, and before the date of the enactment
15 of this subchapter, applies for assistance
16 not later than September 30, 2024.

17 “(C) The community—

18 “(i) has a per capita income of 80
19 percent or less of the national average;

20 “(ii) has an unemployment rate that
21 is, for the most recent 24-month period for
22 which data are available, at least 1 percent
23 greater than the national average unem-
24 ployment rate; or

1 “(iii) is significantly affected by a loss
2 of, or threat to, the jobs associated with
3 any certification described in subparagraph
4 (A), or the community is undergoing tran-
5 sition of its economic base as a result of
6 changing trade patterns, as determined by
7 the Secretary.

8 “(b) NOTIFICATION OF ELIGIBILITY.—If one or more
9 certifications described in subsection (a)(2)(A) are made
10 with respect to a community, the applicable Secretary with
11 respect to such certification shall concurrently, notify the
12 Governor of the State in which the community is located
13 of the ability of the community to apply for assistance
14 under this section.

15 **“SEC. 274. GRANTS TO ELIGIBLE COMMUNITIES.**

16 “(a) IN GENERAL.—The Secretary may—

17 “(1) upon the application of an eligible commu-
18 nity, award a grant under this section to the com-
19 munity to assist in developing or updating a stra-
20 tegic plan that meets the requirements of section
21 275; or

22 “(2) upon the application of an eligible entity,
23 award an implementation grant under this section to
24 the entity to assist in implementing projects included

1 in a strategic plan that meets the requirements of
2 section 275.

3 “(b) SPECIAL PROVISIONS.—

4 “(1) REVOLVING LOAN FUND GRANTS.—

5 “(A) IN GENERAL.—The Secretary shall
6 maintain the proper operation and financial in-
7 tegrity of revolving loan funds established by el-
8 igible entities with assistance under this section.

9 “(B) EFFICIENT ADMINISTRATION.—The
10 Secretary may—

11 “(i) at the request of an eligible enti-
12 ty, amend and consolidate grant agree-
13 ments governing revolving loan funds to
14 provide flexibility with respect to lending
15 areas and borrower criteria; and

16 “(ii) assign or transfer assets of a re-
17 volving loan fund to third party for the
18 purpose of liquidation, and the third party
19 may retain assets of the fund to defray
20 costs related to liquidation.

21 “(C) TREATMENT OF ACTIONS.—An action
22 taken by the Secretary under this subsection
23 with respect to a revolving loan fund shall not
24 constitute a new obligation if all grant funds

1 associated with the original grant award have
2 been disbursed to the recipient.

3 “(2) USE OF FUNDS IN PROJECTS CON-
4 STRUCTED UNDER PROJECT COST.—

5 “(A) IN GENERAL.—In the case of a grant
6 for a construction project under this section, if
7 the Secretary determines, before closeout of the
8 project, that the cost of the project, based on
9 the designs and specifications that were the
10 basis of the grant, has decreased because of de-
11 creases in costs, the Secretary may approve the
12 use of the excess funds (or a portion of the ex-
13 cess funds) to improve the project.

14 “(B) OTHER USES OF EXCESS FUNDS.—
15 Any amount of excess funds remaining after ap-
16 plication of subparagraph (A) may be used by
17 the Secretary for providing assistance under
18 this section.

19 “(c) COORDINATION.—If an eligible institution (as
20 such term is defined in section 279) located in an eligible
21 community is seeking a grant under section 279 at the
22 same time the community is seeking an implementation
23 grant under subsection (a)—

24 “(1) the Secretary, upon receipt of such infor-
25 mation from the Secretary of Labor as required

1 under section 279(e), shall notify the community
2 that the institution is seeking a grant under section
3 279; and

4 “(2) the community shall provide to the Sec-
5 retary, in coordination with the institution, a de-
6 scription of how the community will integrate
7 projects included in the strategic plan with the spe-
8 cific project for which the institution submits the
9 grant proposal under section 279.

10 “(d) LIMITATION.—The total amount of grants
11 awarded with respect to an eligible community under this
12 section for fiscal years 2022 through 2026 may not exceed
13 \$25,000,000.

14 “(e) PRIORITY.—The Secretary shall, in awarding
15 grants under this section, provide higher levels of funding
16 with respect to eligible communities that have a history
17 of economic distress and long-term unemployment, as de-
18 termined by the Secretary.

19 “(f) GEOGRAPHIC DIVERSITY.—

20 “(1) IN GENERAL.—The Secretary shall, in
21 awarding grants under this section, ensure that
22 grants are awarded with respect to eligible commu-
23 nities from geographically diverse areas.

24 “(2) GEOGRAPHIC REGION REQUIREMENT.—
25 The Secretary shall, in meeting the requirement

1 under paragraph (1), award a grant under this sec-
2 tion for each of the fiscal years 2022 through 2026
3 to at least one eligible community located in each ge-
4 ographic region for which regional offices of the
5 Economic Development Administration of the De-
6 partment of Commerce are responsible, to the extent
7 that the Secretary receives an application from at
8 least one eligible community in each such geographic
9 region.

10 **“SEC. 275. STRATEGIC PLANS.**

11 “(a) IN GENERAL.—A strategic plan meets the re-
12 quirements of this section if—

13 “(1) the consultation requirements of sub-
14 section (b) are met with respect to the development
15 of the plan;

16 “(2) the plan meets the requirements of sub-
17 section (c); and

18 “(3) the plan is approved in accordance with
19 the requirements of subsection (d).

20 “(b) CONSULTATION.—

21 “(1) IN GENERAL.—To the extent practicable,
22 an eligible community shall consult with the entities
23 described in paragraph (2) in developing the stra-
24 tegic plan.

1 “(2) ENTITIES DESCRIBED.—The entities de-
2 scribed in this paragraph are public and private en-
3 tities located in or serving the eligible community,
4 including—

5 “(A) local, county, or State government
6 agencies;

7 “(B) firms, including small- and medium-
8 sized firms;

9 “(C) local workforce investment boards;

10 “(D) labor organizations, including State
11 labor federations and labor-management initia-
12 tives, representing workers in the community;

13 “(E) educational institutions, local edu-
14 cational agencies, and other training providers;
15 and

16 “(F) local civil rights organizations and
17 community-based organizations, including orga-
18 nizations representing underserved commu-
19 nities.

20 “(c) CONTENTS.—The strategic plan may contain, as
21 applicable to the community, the following:

22 “(1) A description and analysis of the capacity
23 of the eligible community to achieve economic ad-
24 justment to the impact of trade.

1 “(2) An analysis of the economic development
2 challenges and opportunities facing the community,
3 including the strengths and weaknesses of the econ-
4 omy of the community.

5 “(3) An assessment of—

6 “(A) the commitment of the community to
7 carry out the strategic plan on a long-term
8 basis;

9 “(B) the participation and input of mem-
10 bers of the community who are dislocated from
11 employment due to the impact of trade; and

12 “(C) the extent to which underserved com-
13 munities have been impacted by trade.

14 “(4) A description of how underserved commu-
15 nities will benefit from the strategic plan.

16 “(5) A description of the role of the entities de-
17 scribed in subsection (b)(2) in developing the stra-
18 tegic plan.

19 “(6) A description of projects under the stra-
20 tegic plan to facilitate the community’s economic ad-
21 justment to the impact of trade, including projects
22 to—

23 “(A) develop public facilities, public serv-
24 ices, jobs, and businesses (including establishing
25 a revolving loan fund);

1 “(B) provide for planning and technical as-
2 sistance;

3 “(C) provide for training;

4 “(D) provide for the demolition of vacant
5 or abandoned commercial, industrial, or resi-
6 dential property;

7 “(E) redevelop brownfields;

8 “(F) establish or support land banks;

9 “(G) support energy conservation; and

10 “(H) support historic preservation.

11 “(7) A strategy for continuing the community’s
12 economic adjustment to the impact of trade after the
13 completion of such projects.

14 “(8) A description of the educational and train-
15 ing programs and the potential employment opportu-
16 nities available to workers in the community, includ-
17 ing for workers under the age of 25, and the future
18 employment needs of the community.

19 “(9) An assessment of—

20 “(A) the cost of implementing the strategic
21 plan; and

22 “(B) the timing of funding required by the
23 community to implement the strategic plan.

1 “(10) A description of the methods of financing
2 to be used to implement the strategic plan, includ-
3 ing—

4 “(A) an implementation grant received
5 under section 274 or under other authorities;

6 “(B) a loan, including the establishment of
7 a revolving loan fund; or

8 “(C) other types of financing.

9 “(11) An assessment of how the community will
10 address unemployment among agricultural com-
11 modity producers, if applicable.

12 “(d) APPROVAL; CEDS EQUIVALENT.—

13 “(1) APPROVAL.—The Secretary shall approve
14 the strategic plan developed by an eligible commu-
15 nity under this section if the Secretary determines
16 that the strategic plan meets the requirements of
17 this section.

18 “(2) CEDS OR EQUIVALENT.—The Secretary
19 may deem an eligible community’s Comprehensive
20 Economic Development Strategy that substantially
21 meets the requirements of this section to be an ap-
22 proved strategic plan for purposes of this sub-
23 chapter.

24 “(e) ALLOCATION.—Of the funds appropriated to
25 carry out this chapter for each of the fiscal years 2022

1 through 2026, the Secretary may make available not more
2 than \$50,000,000 to award grants under section
3 274(a)(1).

4 **“SEC. 276. COORDINATION OF FEDERAL RESPONSE AND**
5 **OTHER ADDITIONAL TECHNICAL ASSIST-**
6 **ANCE.**

7 “(a) IN GENERAL.—The Secretary shall coordinate
8 the Federal response with respect to an eligible community
9 that is awarded an implementation grant under section
10 274(a)(2) to implement the community’s strategic plan
11 that meets the requirements of section 275 by—

12 “(1) identifying and consulting, as appropriate,
13 with any other Federal, State, regional, or local gov-
14 ernment agency;

15 “(2) assisting the community to access assist-
16 ance from other available Federal sources as nec-
17 essary to fulfill the community’s strategic plan devel-
18 oped under section 275; and

19 “(3) ensuring that such assistance is provided
20 in a targeted, integrated manner.

21 “(b) TRANSFER OF FUNDS.—

22 “(1) TRANSFER OF FUNDS TO OTHER FEDERAL
23 AGENCIES.—Funds appropriated to carry out this
24 chapter may be transferred between Federal agen-

1 cies, if the funds are used for the purposes for which
2 the funds are specifically appropriated.

3 “(2) TRANSFER OF FUNDS FROM OTHER FED-
4 ERAL AGENCIES.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graph (B), for the purposes of this chapter, the
7 Secretary may accept transfers of funds from
8 other Federal agencies if the funds are used for
9 the purposes for which (and in accordance with
10 the terms under which) the funds are specifi-
11 cally appropriated.

12 “(B) USE OF FUNDS.—The transferred
13 funds—

14 “(i) shall remain available until ex-
15 pended; and

16 “(ii) may, to the extent necessary to
17 carry out this chapter, be transferred to
18 and merged by the Secretary with the ap-
19 propriations for salaries and expenses.

20 “(c) ADDITIONAL TECHNICAL ASSISTANCE.—In ad-
21 dition to the coordination and assistance described in sub-
22 section (a), the Secretary shall provide technical assistance
23 for communities—

24 “(1) to identify significant impediments to eco-
25 nomic development that result from the impact of

1 trade on the community, including in the course of
2 developing a strategic plan under section 275; and
3 “(2) to access assistance under other available
4 sources, including State, local, or private sources, to
5 implement projects that diversify and strengthen the
6 economy in the community.

7 **“SEC. 277. GENERAL PROVISIONS.**

8 “(a) REGULATIONS.—

9 “(1) IN GENERAL.—The Secretary shall, sub-
10 ject to paragraph (3), promulgate such regulations
11 as may be necessary to carry out this subchapter, in-
12 cluding with respect to—

13 “(A) administering the awarding of grants
14 under section 274, including establishing guide-
15 lines for the submission and evaluation of grant
16 applications under such section; and

17 “(B) establishing guidelines for the evalua-
18 tion of strategic plans developed to meet the re-
19 quirements of section 275.

20 “(2) CONSULTATIONS.—The Secretary shall
21 consult with the Committee on Ways and Means of
22 the House of Representatives and the Committee on
23 Finance of the Senate not later than 90 days prior
24 to promulgating any final rule or regulation under
25 this subsection.

1 “(3) RELATIONSHIP TO EXISTING REGULA-
2 TIONS.—The Secretary, to the maximum extent
3 practicable, shall—

4 “(A) rely on and apply regulations promul-
5 gated to carry out other economic development
6 programs of the Department of Commerce in
7 carrying out this subchapter; and

8 “(B) provide guidance regarding the man-
9 ner and extent to which such other economic
10 development programs relate to this subchapter.

11 “(b) RESOURCES.—The Secretary shall allocate such
12 resources as may be necessary to provide sufficiently indi-
13 vidualized assistance to each eligible community that re-
14 ceives a grant under section 274(a) or seeks technical as-
15 sistance under section 276(c) to develop and implement
16 a strategic plan that meets the requirements of section
17 275.”.

18 (b) CLERICAL AMENDMENT.—The table of contents
19 for the Trade Act of 1974 is amended by striking the
20 items relating to chapter 4 of title II and inserting the
21 following:

 “CHAPTER 4—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

 “SUBCHAPTER A—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES

 “Sec. 271. Definitions.

 “Sec. 272. Establishment of trade adjustment assistance for communities pro-
 gram.

 “Sec. 273. Eligibility; notification of eligibility.

 “Sec. 274. Grants to eligible communities.

 “Sec. 275. Strategic plans.

“Sec. 276. Coordination of Federal response and other additional technical assistance.

“Sec. 277. General provisions.

“SUBCHAPTER B—COMMUNITY COLLEGE AND CAREER TRAINING GRANT PROGRAM

“Sec. 279. Community College and Career Training Grant Program.

“Sec. 279A. Authorization of appropriations.”.

1 **SEC. 133302. TRADE ADJUSTMENT ASSISTANCE FOR COM-**
2 **MUNITY COLLEGES AND CAREER TRAINING.**

3 Section 279 of the Trade Act of 1974, as redesign-
4 nated by section 133301(a)(2), is amended as follows:

5 (1) In subsection (a)—

6 (A) in paragraph (1), by striking “eligible
7 institutions” and inserting “eligible entities”;
8 and

9 (B) in paragraph (2)—

10 (i) in the matter preceding subpara-
11 graph (A), by striking “eligible institution”
12 and inserting “eligible entity”; and

13 (ii) in subparagraph (B)—

14 (I) by striking “\$1,000,000” and
15 inserting “\$2,500,000”;

16 (II) by striking “(B)” and insert-
17 ing “(B)(i) in the case of an eligible
18 institution,”;

19 (III) by striking the period at the
20 end and inserting “; or”; and

1 (IV) by adding at the end the fol-
2 lowing:

3 “(ii) in the case of a consortium of eligible
4 institutions, a grant under this section in excess
5 of \$15,000,000.”.

6 (2) In subsection (b), by adding at the end the
7 following:

8 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
9 tity’ means an eligible institution or a consortium of
10 eligible institutions.

11 “(4) UNDERSERVED COMMUNITY.—The term
12 ‘underserved community’ has the meaning given that
13 term in section 247.”.

14 (3) In subsection (c)—

15 (A) by striking “eligible institution” each
16 place it appears and inserting “eligible entity”;
17 and

18 (B) in paragraph (5)(A)(i)—

19 (i) in subclause (I), by striking “and”
20 at the end; and

21 (ii) by adding at the end the fol-
22 lowing:

23 “(III) any opportunities to sup-
24 port industry or sector partnerships to

1 develop or expand quality academic
2 programs and curricula; and”.

3 (4) In subsection (d), by striking “eligible insti-
4 tution” each place it appears and inserting “eligible
5 entity”.

6 (5) By redesignating subsection (e) as sub-
7 section (h) and inserting after subsection (d) the fol-
8 lowing:

9 “(e) USE OF FUNDS.—

10 “(1) IN GENERAL.—An eligible entity shall use
11 a grant awarded under this section to establish and
12 scale career training programs, including career and
13 technical education programs, and career pathways
14 and supports for students participating in such pro-
15 grams.

16 “(2) STUDENT SUPPORT AND EMERGENCY
17 SERVICES.—Not less than 15 percent of the amount
18 of a grant awarded to an eligible entity under this
19 section shall be used to carry out student support
20 services, which may include the following:

21 “(A) Supportive services, including
22 childcare, transportation, mental health serv-
23 ices, or substance use disorder prevention and
24 treatment, assistance in obtaining health insur-

1 ance coverage, housing, and other benefits, as
2 appropriate.

3 “(B) Connecting students to State or Fed-
4 eral means-tested benefits programs.

5 “(C) The provision of direct financial as-
6 sistance to help students facing financial hard-
7 ships that may impact enrollment in or comple-
8 tion of a program supported by such funds.

9 “(D) Navigation, coaching, mentorship,
10 and case management services, including pro-
11 viding information and outreach to the popu-
12 lation described in subparagraph (C) to take
13 part in such a program.

14 “(E) Providing access to necessary sup-
15 plies, materials, technological devices, or re-
16 quired equipment, and other supports necessary
17 to participate in such a program.

18 “(f) PLAN FOR OUTREACH TO UNDERSERVED COM-
19 MUNITIES.—

20 “(1) IN GENERAL.—In awarding grants under
21 this section, the Secretary shall—

22 “(A) ensure that eligible institutions effec-
23 tively serve individuals from underserved com-
24 munities; and

1 “(7) UNDERSERVED COMMUNITY.—The term
2 ‘underserved community’ has the meaning given that
3 term in section 247.”.

4 **SEC. 133402. GROUP ELIGIBILITY REQUIREMENTS.**

5 Section 292 of the Trade Act of 1974 (19 U.S.C.
6 2401a) is amended—

7 (1) in subsection (c)—

8 (A) in paragraph (1)—

9 (i) by striking “85 percent of” each
10 place it appears; and

11 (ii) in subparagraph (D), by adding
12 “and” at the end;

13 (B) in paragraph (2), by striking “(2)”
14 and inserting “(2)(A)(i)”;

15 (C) by redesignating paragraph (3) as
16 clause (ii) of paragraph (2)(A) (as designated
17 by subparagraph (B));

18 (D) in clause (ii) of paragraph (2)(A) (as
19 redesignated by subparagraph (C))—

20 (i) by striking “importantly”; and

21 (ii) by striking the period at the end
22 and inserting “; or” ; and

23 (E) in paragraph (2), by adding at the end
24 the following:

1 “(B)(i) the volume of exports of the agricultural
2 commodity produced by the group in the marketing
3 year with respect to which the group files the peti-
4 tion decreased compared to the average volume of
5 such exports during the 3 marketing years preceding
6 such marketing year; and

7 “(ii) the decrease in such exports contributed to
8 the decrease in the national average price, quantity
9 of production, or value of production of, or cash re-
10 cepts for, the agricultural commodity, as described
11 in paragraph (1).”; and

12 (2) in subsection (e)(3), by adding at the end
13 before the period the following: “or exports”.

14 **SEC. 133403. BENEFIT INFORMATION TO AGRICULTURAL**
15 **COMMODITY PRODUCERS.**

16 Section 295(a) of the Trade Act of 1974 (19 U.S.C.
17 2401d(a)) is amended by adding at the end the following:
18 “The Secretary shall develop a plan to conduct targeted
19 sustained outreach and offer assistance to agricultural
20 commodity producers from underserved communities”.

21 **SEC. 133404. QUALIFYING REQUIREMENTS AND BENEFITS**
22 **FOR AGRICULTURAL COMMODITY PRO-**
23 **DUCERS.**

24 Section 296 of the Trade Act of 1974 (19 U.S.C.
25 2401e) is amended—

1 (1) in subsection (a)(1)(A), by striking “90
2 days” and inserting “120 days”;

3 (2) in subsection (b)—

4 (A) in paragraph (3)(B), by striking
5 “\$4,000” and inserting “\$12,000”; and

6 (B) in paragraph (4)(C), by striking
7 “\$8,000” and inserting “\$24,000”;

8 (3) in subsection (c), by striking “\$12,000” and
9 inserting “\$36,000”; and

10 (4) by adding at the end the following new sub-
11 section:

12 “(e) ADJUSTMENTS FOR INFLATION.—

13 “(1) IN GENERAL.—The Secretary of Agri-
14 culture shall adjust each dollar amount limitation
15 described in this section on the date that is 30 days
16 after the date of the enactment of this subsection,
17 and at the beginning of each fiscal year thereafter,
18 to reflect the percentage (if any) of the increase in
19 the average of the Consumer Price Index for the
20 preceding 12-month period compared to the Con-
21 sumer Price Index for fiscal year 2020.

22 “(2) SPECIAL RULES FOR CALCULATION OF AD-
23 JUSTMENT.—In making an adjustment under para-
24 graph (1), the Secretary—

1 “(A) shall round the amount of any in-
2 crease in the Consumer Price Index to the near-
3 est dollar; and

4 “(B) may ignore any such increase of less
5 than 1 percent.

6 “(3) CONSUMER PRICE INDEX DEFINED.—For
7 purposes of this subsection, the term ‘Consumer
8 Price Index’ means the Consumer Price Index for
9 All Urban Consumers published by the Bureau of
10 Labor Statistics of the Department of Labor.”.

11 **PART 5—APPROPRIATIONS AND OTHER MATTERS**

12 **SEC. 133501. EXTENSION OF AND APPROPRIATIONS FOR**

13 **TRADE ADJUSTMENT ASSISTANCE PROGRAM.**

14 (a) EXTENSION OF TERMINATION PROVISIONS.—
15 Section 285 of the Trade Act of 1974 (19 U.S.C. 2271
16 note) is amended by striking “2021” each place it appears
17 and inserting “2028”.

18 (b) TRAINING FUNDS.—Section 236(a)(2)(A) of the
19 Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) , as amend-
20 ed by section 133110(c)(2)(B), is further amended—

21 (1) by striking “shall not exceed \$450,000,000”
22 and inserting the following: “shall not exceed—

23 “(i) \$450,000,000”;

24 (2) by striking the period at the end and insert-
25 ing “; and”; and

1 (3) by adding at the end the following:

2 “(ii) \$1,000,000,000 for each of the fiscal years 2022
3 through 2028.”.

4 (c) REEMPLOYMENT TRADE ADJUSTMENT ASSIST-
5 ANCE.—Section 246(b)(1) of the Trade Act of 1974 (19
6 U.S.C. 2318(b)(1)) is amended by striking “2021” and
7 inserting “2028”.

8 (d) AUTHORIZATIONS OF APPROPRIATIONS.—

9 (1) TRADE ADJUSTMENT ASSISTANCE FOR
10 WORKERS.—Section 245 of the Trade Act of 1974
11 (19 U.S.C. 2317) is amended—

12 (A) in subsection (a), by striking “2021”
13 and inserting “2028”; and

14 (B) by adding at the end the following:

15 “(d) RESERVATION BY THE SECRETARY.—Of the
16 funds appropriated to carry out this chapter for any fiscal
17 year, the Secretary of Labor may reserve not more than
18 0.5 percent for technical assistance, pilots and demonstra-
19 tions, and the evaluation of activities carried out under
20 this chapter.”.

21 (2) TRADE ADJUSTMENT ASSISTANCE FOR
22 FIRMS.—Section 255(a) of the Trade Act of 1974
23 (19 U.S.C. 2345(a)) is amended in the first sentence
24 by adding at the end before the period the following:

1 “and \$50,000,000 for each of the fiscal years 2022
2 through 2028”.

3 (3) TRADE ADJUSTMENT ASSISTANCE FOR
4 FARMERS.—Section 298 of the Trade Act of 1974
5 (19 U.S.C. 2401g(a)) is amended—

6 (A) in subsection (a)—

7 (i) by striking “\$90,000,000” and in-
8 serting “\$50,000,000”; and

9 (ii) by striking “2021” and inserting
10 “2028”; and

11 (B) by adding at the end the following:

12 “(c) RESERVATION BY THE SECRETARY.—Of the
13 funds appropriated to carry out this chapter for any fiscal
14 year, the Secretary of Agriculture may not reserve more
15 than 5 percent for technical assistance, pilots and dem-
16 onstrations, and the evaluation of activities carried out
17 under this chapter.”.

18 (e) APPROPRIATIONS.—

19 (1) TRADE ADJUSTMENT ASSISTANCE FOR
20 WORKERS.—In addition to amounts otherwise avail-
21 able, there is appropriated for each of fiscal years
22 2022 through 2028, out of any money in the Treas-
23 ury not otherwise appropriated, \$1,000,000,000, to
24 remain available until expended, to carry out the
25 purposes of chapter 2 of title II of the Trade Act

1 of 1974, as authorized by section 245 of the Trade
2 Act of 1974 (19 U.S.C. 2317) (as amended by sub-
3 section (d)).

4 (2) TRADE ADJUSTMENT ASSISTANCE FOR
5 FIRMS.—In addition to amounts otherwise available,
6 there is appropriated for each of fiscal years 2022
7 through 2028, out of any money in the Treasury not
8 otherwise appropriated, \$50,000,000, to remain
9 available until expended, to carry out the provisions
10 of chapter 3 of title II of the Trade Act of 1974,
11 as authorized by section 255 of the Trade Act of
12 1974 (19 U.S.C. 2345) (as amended by subsection
13 (d)).

14 (3) TRADE ADJUSTMENT ASSISTANCE FOR COM-
15 MUNITIES.—

16 (A) IN GENERAL.—In addition to amounts
17 otherwise available, there is appropriated for
18 each of fiscal years 2022 through 2026, out of
19 any money in the Treasury not otherwise ap-
20 propriated, \$1,000,000,000, to remain available
21 until expended, to carry out subchapter A of
22 chapter 4 of title II of the Trade Act of 1974,
23 as added by section 133301 of this Act, as
24 added by subsection (d).

1 (B) SALARIES AND EXPENSES.—Of the
2 amounts appropriated pursuant subparagraph
3 (A) for each of fiscal years 2022 through 2026,
4 not more than \$40,000,000 shall be made avail-
5 able for the salaries and expenses of personnel
6 administering subchapter A of chapter 4 of title
7 II of the Trade Act of 1974.

8 (C) SUPPLEMENT AND NOT SUPPLANT.—
9 Amounts appropriated pursuant to subpara-
10 graph (A) for each of the fiscal years 2022
11 through 2026 shall be used to supplement, and
12 not supplant, other Federal, State, regional,
13 and local government funds made available to
14 provide economic development assistance for
15 communities.

16 (4) TRADE ADJUSTMENT ASSISTANCE FOR COM-
17 MUNITY COLLEGES AND CAREER TRAINING.—

18 (A) IN GENERAL.—In addition to amounts
19 otherwise available, there is appropriated for
20 each of fiscal years 2022 through 2028, out of
21 any money in the Treasury not otherwise ap-
22 propriated, \$1,300,000,000, to remain available
23 until expended, to carry out subchapter B of
24 chapter 4 of title II of the Trade Act of 1974,
25 as designated by section 13301 of this Act, as

1 authorized by section 279A of such subchapter
2 B (as redesignated).

3 (B) RESERVATION BY THE SECRETARY.—

4 Of the funds appropriated to carry out sub-
5 chapter B of chapter 4 of title II of the Trade
6 Act of 1974 for each of fiscal years 2002
7 through 2028, the Secretary of Labor may re-
8 serve not more than 5 percent for administra-
9 tion of the program, including providing tech-
10 nical assistance, sustained outreach to eligible
11 institutions effectively serving underserved com-
12 munities, pilots and demonstrations, and a rig-
13 orous third-party evaluation of the program
14 carried out under such subchapter.

15 (5) TRADE ADJUSTMENT ASSISTANCE FOR
16 FARMERS.—In addition to amounts otherwise avail-
17 able, there is appropriated for each of fiscal years
18 2022 through 2028, out of any money in the Treas-
19 ury not otherwise appropriated, \$50,000,000, to re-
20 main available until expended, to carry out the pur-
21 poses of chapter 6 of title II of the Trade Act of
22 1974, as authorized by section 298 of the Trade Act
23 of 1974 (19 U.S.C. 2401) (as amended by sub-
24 section (d)).

1 **SEC. 133502. APPLICABILITY OF TRADE ADJUSTMENT AS-**
2 **SISTANCE PROVISIONS.**

3 (a) WORKERS CERTIFIED BEFORE DATE OF ENACT-
4 MENT.—

5 (1) IN GENERAL.—Except as provided in para-
6 graphs (2) and (3), a worker certified as eligible for
7 adjustment assistance under section 222 of the
8 Trade Act of 1974 before the date of the enactment
9 of this Act shall be eligible, on and after such date
10 of enactment, to receive benefits only under the pro-
11 visions of chapter 2 of title II of the Trade Act of
12 1974, as in effect on such date of enactment, or as
13 such provisions may be amended after such date of
14 enactment.

15 (2) COMPUTATION OF MAXIMUM BENEFITS.—
16 Benefits received by a worker described in para-
17 graph (1) under chapter 2 of title II of the Trade
18 Act of 1974 before the date of the enactment of this
19 Act shall be included in any determination of the
20 maximum benefits for which the worker is eligible
21 under the provisions of chapter 2 of title II of the
22 Trade Act of 1974, as in effect on the date of the
23 enactment of this Act, or as such provisions may be
24 amended after such date of enactment.

25 (3) AUTHORITY TO MAKE ADJUSTMENTS TO
26 BENEFITS.—For the 90-day period beginning on the

1 date of the enactment of this Act, the Secretary is
2 authorized to make any adjustments to benefits to
3 workers described in paragraph (1) that the Sec-
4 retary determines to be necessary and appropriate in
5 applying and administering the provisions of chapter
6 2 of title II of the Trade Act of 1974, as in effect
7 on the date of the enactment of this Act, or as such
8 provisions may be amended after such date of enact-
9 ment, in a manner that ensures parity of treatment
10 between the benefits of such workers and the bene-
11 fits of workers certified after such date of enact-
12 ment.

13 (b) WORKERS NOT CERTIFIED PURSUANT TO CER-
14 TAIN PETITIONS FILED BEFORE DATE OF ENACT-
15 MENT.—

16 (1) CERTIFICATIONS OF WORKERS NOT CER-
17 TIFIED BEFORE DATE OF ENACTMENT.—

18 (A) CRITERIA IF A DETERMINATION HAS
19 NOT BEEN MADE.—If, as of the date of the en-
20 actment of this Act, the Secretary of Labor has
21 not made a determination with respect to
22 whether to certify a group of workers as eligible
23 to apply for adjustment assistance under sec-
24 tion 222 of the Trade Act of 1974 pursuant to
25 a petition described in subparagraph (C), the

1 Secretary shall make that determination based
2 on the requirements of section 222 of the Trade
3 Act of 1974, as in effect on such date of enact-
4 ment.

5 (B) RECONSIDERATION OF DENIALS OF
6 CERTIFICATIONS.—If, before the date of the en-
7 actment of this Act, the Secretary made a de-
8 termination not to certify a group of workers as
9 eligible to apply for adjustment assistance
10 under section 222 of the Trade Act of 1974
11 pursuant to a petition described in subpara-
12 graph (C), the Secretary shall—

13 (i) reconsider that determination; and
14 (ii) if the group of workers meets the
15 requirements of section 222 of the Trade
16 Act of 1974, as in effect on such date of
17 enactment, certify the group of workers as
18 eligible to apply for adjustment assistance.

19 (C) PETITION DESCRIBED.—A petition de-
20 scribed in this subparagraph is a petition for a
21 certification of eligibility for a group of workers
22 filed under section 221 of the Trade Act of
23 1974 on or after January 1, 2021, and before
24 the date of the enactment of this Act.

25 (2) ELIGIBILITY FOR BENEFITS.—

1 (A) IN GENERAL.—Except as provided in
2 subparagraph (B), a worker certified as eligible
3 to apply for adjustment assistance under sec-
4 tion 222 of the Trade Act of 1974 pursuant to
5 a petition described in paragraph (1)(C) shall
6 be eligible, on and after the date of the enact-
7 ment of this Act, to receive benefits only under
8 the provisions of chapter 2 of title II of the
9 Trade Act of 1974, as in effect on such date of
10 enactment, or as such provisions may be
11 amended after such date of enactment.

12 (B) COMPUTATION OF MAXIMUM BENE-
13 FITS.—Benefits received by a worker described
14 in paragraph (1) under chapter 2 of title II of
15 the Trade Act of 1974 before the date of the
16 enactment of this Act shall be included in any
17 determination of the maximum benefits for
18 which the worker is eligible under the provisions
19 of chapter 2 of title II of the Trade Act of
20 1974, as in effect on the date of the enactment
21 of this Act, or as such provisions may be
22 amended after such date of enactment.

23 (c) CONFORMING AMENDMENTS.—

1 (1) TRADE ACT OF 2002.—Section 151 of the
2 Trade Act of 2002 (19 U.S.C. note prec. 2271) is
3 amended by striking subsections (a), (b), and (c).

4 (2) TRADE AND GLOBALIZATION ADJUSTMENT
5 ASSISTANCE ACT OF 2009.—Section 1891 of the
6 Trade and Globalization Adjustment Assistance Act
7 of 2009 (19 U.S.C. 2271 note) is repealed.

8 (3) TRADE ADJUSTMENT ASSISTANCE EXTEN-
9 SION ACT OF 2011.—The Trade Adjustment Assist-
10 ance Extension Act of 2011 is amended—

11 (A) in section 201 (19 U.S.C. note prec.
12 2271), by striking subsections (b) and (c); and

13 (B) in section 231(a) (19 U.S.C. 2271
14 note), by striking paragraphs (1)(B) and (2).

15 (4) TRADE ADJUSTMENT ASSISTANCE REAU-
16 THORIZATION ACT OF 2015.—The Trade Adjustment
17 Assistance Reauthorization Act of 2015 is amend-
18 ed—

19 (A) in section 402 (19 U.S.C. note prec.
20 2271), by striking subsections (b) and (c); and

21 (B) in section 405(a)(1) (19 U.S.C.
22 2319(a)(1)), by striking subparagraph (B).

23 (d) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—

24 (1) CERTIFICATION OF FIRMS NOT CERTIFIED
25 BEFORE DATE OF ENACTMENT.—

1 (A) CRITERIA IF A DETERMINATION HAS
2 NOT BEEN MADE.—If, as of the date of the en-
3 actment of this Act, the Secretary of Commerce
4 has not made a determination with respect to
5 whether to certify a firm as eligible to apply for
6 adjustment assistance under section 251 of the
7 Trade Act of 1974 pursuant to a petition de-
8 scribed in subparagraph (C), the Secretary shall
9 make that determination based on the require-
10 ments of section 251 of the Trade Act of 1974,
11 as in effect on such date of enactment.

12 (B) RECONSIDERATION OF DENIAL OF
13 CERTAIN PETITIONS.—If, before the date of the
14 enactment of this Act, the Secretary made a de-
15 termination not to certify a firm as eligible to
16 apply for adjustment assistance under section
17 251 of the Trade Act of 1974 pursuant to a pe-
18 tition described in subparagraph (C), the Sec-
19 retary shall—

20 (i) reconsider that determination; and
21 (ii) if the firm meets the requirements
22 of section 251 of the Trade Act of 1974,
23 as in effect on such date of enactment, cer-
24 tify the firm as eligible to apply for adjust-
25 ment assistance.

1 (C) PETITION DESCRIBED.—A petition de-
2 scribed in this subparagraph is a petition for a
3 certification of eligibility filed by a firm or its
4 representative under section 251 of the Trade
5 Act of 1974 on or after January 1, 2021, and
6 before the date of the enactment of this Act.

7 (2) CERTIFICATION OF FIRMS THAT DID NOT
8 SUBMIT PETITIONS BETWEEN JANUARY 1, 2021, AND
9 DATE OF ENACTMENT.—

10 (A) IN GENERAL.—The Secretary of Com-
11 merce shall certify a firm described in subpara-
12 graph (B) as eligible to apply for adjustment
13 assistance under section 251 of the Trade Act
14 of 1974, as in effect on the date of the enact-
15 ment of this Act, if the firm or its representa-
16 tive files a petition for a certification of eligi-
17 bility under section 251 of the Trade Act of
18 1974 not later than 90 days after such date of
19 enactment.

20 (B) FIRM DESCRIBED.—A firm described
21 in this subparagraph is a firm that the Sec-
22 retary determines would have been certified as
23 eligible to apply for adjustment assistance if—

24 (i) the firm or its representative had
25 filed a petition for a certification of eligi-

1 bility under section 251 of the Trade Act
2 of 1974 on a date during the period begin-
3 ning on January 1, 2021, and ending on
4 the day before the date of the enactment
5 of this Act; and

6 (ii) the provisions of chapter 3 of title
7 II of the Trade Act of 1974, as in effect
8 on such date of enactment, had been in ef-
9 fect on that date during the period de-
10 scribed in clause (i).

11 **Subtitle E**

12 **PART 1—PROVISIONS RELATING TO PATHWAYS**

13 **TO HEALTH CAREERS**

14 **SEC. 134101. PATHWAYS TO HEALTH CAREERS ACT.**

15 (a) **TRANSITION FUNDING.**—There is appropriated,
16 out of any funds in the Treasury not otherwise appro-
17 priated, \$15,000,000 to the Secretary of Health and
18 Human Services to provide technical assistance and cover
19 administrative costs associated with implementing section
20 2071 of the Social Security Act (as added by subsection
21 (b)).

22 (b) **CAREER PATHWAYS THROUGH HEALTH PROFES-**
23 **SION OPPORTUNITY GRANTS.**—Effective October 1, 2021,
24 title XX of the Social Security Act (42 U.S.C. 1397-
25 1397n–13) is amended by adding at the end the following:

1 **“Subtitle D—Career Pathways**
2 **Through Health Profession Op-**
3 **portunity Grants**

4 **“SEC. 2071. CAREER PATHWAYS THROUGH HEALTH PRO-**
5 **FESSION OPPORTUNITY GRANTS.**

6 “(a) APPLICATION REQUIREMENTS.—An eligible en-
7 tity desiring a grant under this section for a project shall
8 submit to the Secretary an application for the grant, that
9 includes the following:

10 “(1) A description of how the applicant will use
11 a career pathways approach to train eligible individ-
12 uals for health professions that pay well or will put
13 eligible individuals on a career path to an occupation
14 that pays well, under the project.

15 “(2) A description of the adult basic education
16 and literacy activities, work readiness activities,
17 training activities, and case management and career
18 coaching services that the applicant will use to assist
19 eligible individuals to gain work experience, connec-
20 tion to employers, and job placement, and a descrip-
21 tion of the plan for recruiting, hiring, and training
22 staff to provide the case management, mentoring,
23 and career coaching services, under the project di-
24 rectly or through local governmental, apprenticeship,
25 educational, or charitable institutions.

1 “(3) In the case of an application for a grant
2 under this section for a demonstration project de-
3 scribed in subsection (c)(2)(B)(i)(I)—

4 “(A) a demonstration that the State in
5 which the demonstration project is to be con-
6 ducted has in effect policies or laws that permit
7 certain allied health and behavioral health care
8 credentials to be awarded to people with certain
9 arrest or conviction records (which policies or
10 laws shall include appeals processes, waivers,
11 certificates, and other opportunities to dem-
12 onstrate rehabilitation to obtain credentials, li-
13 censure, and approval to work in the proposed
14 health careers), and a plan described in the ap-
15 plication that will use a career pathway to as-
16 sist participants with such a record in acquiring
17 credentials, licensing, and employment in the
18 specified careers;

19 “(B) a discussion of how the project or fu-
20 ture strategic hiring decisions will demonstrate
21 the experience and expertise of the project in
22 working with job seekers who have arrest or
23 conviction records or employers with experience
24 working with people with arrest or conviction
25 records;

1 “(C) an identification of promising innova-
2 tions or best practices that can be used to pro-
3 vide the training;

4 “(D) a proof of concept or demonstration
5 that the applicant has done sufficient research
6 on workforce shortage or in-demand jobs for
7 which people with certain types of arrest or
8 conviction records can be hired;

9 “(E) a plan for recruiting students who
10 are eligible individuals into the project; and

11 “(F) a plan for providing post-employment
12 support and ongoing training as part of a ca-
13 reer pathway under the project.

14 “(4) In the case of an application for a grant
15 under this section for a demonstration project de-
16 scribed in subsection (c)(2)(B)(i)(II)—

17 “(A) a description of the partnerships,
18 strategic staff hiring decisions, tailored program
19 activities, or other programmatic elements of
20 the project, such as training plans for doulas
21 and other community health workers and train-
22 ing plans for midwives and other allied health
23 professions, that are designed to support a ca-
24 reer pathway in pregnancy, birth, or post-
25 partum services; and

1 “(B) a demonstration that the State in
2 which the demonstration project is to be con-
3 ducted recognizes doulas or midwives, as the
4 case may be.

5 “(5) A demonstration that the applicant has ex-
6 perience working with low-income populations, or a
7 description of the plan of the applicant to work with
8 a partner organization that has the experience.

9 “(6) A plan for providing post-employment sup-
10 port and ongoing training as part of a career path-
11 way under the project.

12 “(7) A description of the support services that
13 the applicant will provide under the project, includ-
14 ing a plan for how child care and transportation
15 support services will be guaranteed and, if the appli-
16 cant will provide a cash stipend or wage supplement,
17 how the stipend or supplement would be calculated
18 and distributed.

19 “(8) A certification by the applicant that the
20 project development included—

21 “(A) consultation with a local workforce
22 development board established under section
23 107 of the Workforce Innovation and Oppor-
24 tunity Act;

1 “(B) consideration of apprenticeship and
2 pre-apprenticeship models registered under the
3 Act of August 16, 1937 (also known as the
4 ‘National Apprenticeship Act’);

5 “(C) consideration of career pathway pro-
6 grams in the State in which the project is to be
7 conducted; and

8 “(D) a review of the State plan under sec-
9 tion 102 or 103 of the Workforce Innovation
10 and Opportunity Act.

11 “(9) A description of the availability and rel-
12 evance of recent labor market information and other
13 pertinent evidence of in-demand jobs or worker
14 shortages.

15 “(10) A certification that the applicant will di-
16 rectly provide or contract for the training services
17 described in the application.

18 “(11) A commitment by the applicant that, if
19 the grant is made to the applicant, the applicant
20 will—

21 “(A) during the planning period for the
22 project, provide the Secretary with any informa-
23 tion needed by the Secretary to establish ade-
24 quate data reporting and administrative struc-
25 ture for the project;

1 “(B) hire a person to direct the project not
2 later than the end of the planning period appli-
3 cable to the project;

4 “(C) accept all technical assistance offered
5 by the Secretary with respect to the grant;

6 “(D) participate in peer technical assist-
7 ance conferences as are regularly scheduled by
8 the Secretary; and

9 “(E) provide all data required by the Sec-
10 retary under subsection (g).

11 “(b) PREFERENCES IN CONSIDERING APPLICA-
12 TIONS.—In considering applications for a grant under this
13 section, the Secretary shall give preference to—

14 “(1) applications submitted by applicants to
15 whom a grant was made under this section or any
16 predecessor to this section;

17 “(2) applications submitted by applicants who
18 have business and community partners in each of
19 the following categories:

20 “(A) State and local government agencies
21 and social service providers, including a State
22 or local entity that administers a State program
23 funded under part A of this title;

24 “(B) institutions of higher education, ap-
25 prenticeship programs, and local workforce de-

1 velopment boards established under section 107
2 of the Workforce Innovation and Opportunity
3 Act; and

4 “(C) health care employers, health care in-
5 dustry or sector partnerships, labor unions, and
6 labor-management partnerships;

7 “(3) applications that include opportunities for
8 mentoring or peer support, and make career coach-
9 ing available, as part of the case management plan;

10 “(4) applications which describe a project that
11 will serve a rural area in which—

12 “(A) the community in which the individ-
13 uals to be enrolled in the project reside is lo-
14 cated;

15 “(B) the project will be conducted; or

16 “(C) an employer partnership that has
17 committed to hiring individuals who successfully
18 complete all activities under the project is lo-
19 cated;

20 “(5) applications that include a commitment to
21 providing project participants with a cash stipend or
22 wage supplement; and

23 “(6) applications which have an emergency cash
24 fund to assist project participants financially in
25 emergency situations.

1 “(c) GRANTS.—

2 “(1) COMPETITIVE GRANTS.—

3 “(A) GRANT AUTHORITY.—

4 “(i) IN GENERAL.—The Secretary
5 may make a grant in accordance with this
6 paragraph to an eligible entity whose appli-
7 cation for the grant is approved by the
8 Secretary, to conduct a project designed to
9 train low-income individuals for allied
10 health professions, health information tech-
11 nology, physicians assistants, nursing as-
12 sistants, registered nurse, advanced prac-
13 tice nurse, and other professions consid-
14 ered part of a health care career pathway
15 model.

16 “(ii) GUARANTEE OF GRANTEES IN
17 EACH STATE AND THE DISTRICT OF CO-
18 LUMBIA.—For each grant cycle, the Sec-
19 retary shall award a grant under this para-
20 graph to at least 2 eligible entities in each
21 State that is not a territory, to the extent
22 there are a sufficient number of applica-
23 tions submitted by the entities that meet
24 the requirements applicable with respect to
25 such a grant. If, for a grant cycle, there

1 are fewer than 2 such eligible entities in a
2 State, the Secretary shall include that in-
3 formation in the report required by sub-
4 section (g)(2) that covers the fiscal year.

5 “(B) GUARANTEE OF GRANTS FOR INDIAN
6 POPULATIONS.—From the amount reserved
7 under subsection (i)(2)(B) for each fiscal year,
8 the Secretary shall award a grant under this
9 paragraph to at least 10 eligible entities that
10 are an Indian tribe, a tribal organization, or a
11 tribal college or university, to the extent there
12 are a sufficient number of applications sub-
13 mitted by the entities that meet the require-
14 ments applicable with respect to such a grant.

15 “(C) GUARANTEE OF GRANTEEES IN THE
16 TERRITORIES.—From the amount reserved
17 under subsection (i)(2)(C) for each fiscal year,
18 the Secretary shall award a grant under this
19 paragraph to at least 2 eligible entities that are
20 located in a territory, to the extent there are a
21 sufficient number of applications submitted by
22 the entities that meet the requirements applica-
23 ble with respect to such a grant.

24 “(2) GRANTS FOR DEMONSTRATION
25 PROJECTS.—

1 “(A) GRANT AUTHORITY.—The Secretary
2 shall make a grant in accordance with this sub-
3 section to an eligible entity whose application
4 for the grant is approved by the Secretary, to
5 conduct a demonstration project that meets the
6 requirements of subparagraph (B).

7 “(B) REQUIREMENTS.—The requirements
8 of this subparagraph are the following:

9 “(i) TYPE OF PROJECT.—The dem-
10 onstration project shall be of 1 of the fol-
11 lowing types:

12 “(I) INDIVIDUALS WITH ARREST
13 OR CONVICTION RECORDS DEM-
14 ONSTRATION.—The demonstration
15 project shall be of a type designed to
16 provide education and training for eli-
17 gible individuals with arrest or convic-
18 tion records to enter and follow a ca-
19 reer pathway in the health professions
20 through occupations that pay well and
21 are expected to experience a labor
22 shortage or be in high demand.

23 “(II) PREGNANCY AND CHILD-
24 BIRTH CAREER PATHWAY DEM-
25 ONSTRATION.—The demonstration

1 project shall be of a type designed to
2 provide education and training for eli-
3 gible individuals to enter and follow a
4 career pathway in the field of preg-
5 nancy, childbirth, post-partum, or
6 childbirth and post-partum, in a State
7 that recognizes doulas or midwives
8 and that provides payment for serv-
9 ices provided by doulas or midwives,
10 as the case may be, under private or
11 public health insurance plans.

12 “(ii) DURATION.—The demonstration
13 project shall be conducted for not less than
14 5 years.

15 “(C) MINIMUM ALLOCATION OF FUNDS
16 FOR EACH TYPE OF DEMONSTRATION
17 PROJECT.—

18 “(i) INDIVIDUALS WITH ARREST OR
19 CONVICTION RECORDS DEMONSTRA-
20 TIONS.—Not less than \$6,375,000 of the
21 amounts made available for grants under
22 this paragraph shall be used to make
23 grants for demonstration projects of the
24 type described in subparagraph (B)(i)(I).

1 “(ii) PREGNANCY AND CHILDBIRTH
2 CAREER PATHWAY DEMONSTRATIONS.—
3 Not less than \$6,375,000 of the amounts
4 made available for grants under this para-
5 graph shall be used to make grants for
6 demonstration projects of the type de-
7 scribed in subparagraph (B)(i)(II).

8 “(3) GRANT CYCLE.—The grant cycle under
9 this section shall be not less than 5 years, with a
10 planning period of not more than the first 12
11 months of the grant cycle. During the planning pe-
12 riod, the amount of the grant shall be in such lesser
13 amount as the Secretary determines appropriate.

14 “(d) USE OF GRANT.—

15 “(1) IN GENERAL.—An entity to which a grant
16 is made under this section shall use the grant in ac-
17 cordance with the approved application for the
18 grant.

19 “(2) SUPPORT TO BE PROVIDED.—

20 “(A) REQUIRED SUPPORT.—A project for
21 which a grant is made under this section shall
22 include the following:

23 “(i) An assessment for adult basic
24 skill competency, and provision of adult
25 basic skills education if necessary for

1 lower-skilled eligible individuals to enroll in
2 the project and go on to enter and com-
3 plete post-secondary training, through
4 means including the following:

5 “(I) Establishing a network of
6 partners that offer pre-training activi-
7 ties for project participants who need
8 to improve basic academic skills or
9 English language proficiency before
10 entering a health occupational train-
11 ing career pathway program.

12 “(II) Offering resources to enable
13 project participants to continue ad-
14 vancing adult basic skill proficiency
15 while enrolled in a career pathway
16 program.

17 “(III) Embedding adult basic
18 skill maintenance as part of ongoing
19 post-graduation career coaching and
20 mentoring.

21 “(ii) A guarantee that child care is an
22 available and affordable support service for
23 project participants through means such as
24 the following:

1 “(I) Referral to, and assistance
2 with, enrollment in a subsidized child
3 care program.

4 “(II) Direct payment to a child
5 care provider if a slot in a subsidized
6 child care program is not available or
7 reasonably accessible.

8 “(III) Payment of co-payments
9 or associated fees for child care.

10 “(iii) Case management plans that in-
11 clude career coaching (with the option to
12 offer appropriate peer support and men-
13 toring opportunities to help develop soft
14 skills and social capital), which may be of-
15 fered on an ongoing basis before, during,
16 and after initial training as part of a ca-
17 reer pathway model.

18 “(iv) A plan to provide project partici-
19 pants with transportation through means
20 such as the following:

21 “(I) Referral to, and assistance
22 with enrollment in, a subsidized trans-
23 portation program.

24 “(II) If a subsidized transpor-
25 tation program is not reasonably

1 available, direct payments to subsidize
2 transportation costs.

3 For purposes of this clause, the term
4 ‘transportation’ includes public transit, or
5 gasoline for a personal vehicle if public
6 transit is not reasonably accessible or
7 available.

8 “(v) In the case of a demonstration
9 project of the type described in subsection
10 (c)(2)(B)(i)(I), access to legal assistance
11 for project participants for the purpose of
12 addressing arrest or conviction records and
13 associated workforce barriers.

14 “(B) ALLOWED SUPPORT.—The goods and
15 services provided under a project for which a
16 grant is made under this section may include
17 the following:

18 “(i) A cash stipend.

19 “(ii) A reserve fund for financial as-
20 sistance to project participants in emer-
21 gency situations.

22 “(iii) Tuition, and training materials
23 such as books, software, uniforms, shoes,
24 and hair nets, and personal protective
25 equipment.

1 “(iv) In-kind resource donations such
2 as interview clothing and conference at-
3 tendance fees.

4 “(v) Assistance with accessing and
5 completing high school equivalency or adult
6 basic education courses as necessary to
7 achieve success in the project and make
8 progress toward career goals.

9 “(vi) Assistance with programs and
10 activities, including legal assistance,
11 deemed necessary to address arrest or con-
12 viction records as an employment barrier.

13 “(vii) Other support services as
14 deemed necessary for family well-being,
15 success in the project, and progress toward
16 career goals.

17 “(3) TRAINING.—The number of hours of train-
18 ing provided to an eligible individual under a project
19 for which a grant is made under this section, for a
20 recognized postsecondary credential (including an in-
21 dustry-recognized credential, and a certificate
22 awarded by a local workforce development board es-
23 tablished under section 107 of the Workforce Inno-
24 vation and Opportunity Act), which is awarded in
25 recognition of attainment of measurable technical or

1 occupational skills necessary to gain employment or
2 advance within an occupation, shall be—

3 “(A) not less than the number of hours of
4 training required for certification in that level
5 of skill by the State in which the project is con-
6 ducted; or

7 “(B) if there is no such requirement, such
8 number of hours of training as the Secretary
9 finds is necessary to achieve that skill level.

10 “(4) INCLUSION OF TANF RECIPIENTS.—In the
11 case of a project for which a grant is made under
12 this section that is conducted in a State that has a
13 program funded under part A of title IV, at least 10
14 percent of the eligible individuals to whom support
15 is provided under the project shall meet the income
16 eligibility requirements under that State program,
17 without regard to whether the individuals receive
18 benefits or services directly under that State pro-
19 gram.

20 “(5) INCOME LIMITATION.—An entity to which
21 a grant is made under this section shall not use the
22 grant to provide support to a person who is not an
23 eligible individual.

24 “(6) PROHIBITION.—An entity to which a grant
25 is made under this section shall not use the grant

1 for purposes of entertainment, except that case man-
2 agement and career coaching services may include
3 celebrations of specific career-based milestones such
4 as completing a semester, graduation, or job place-
5 ment.

6 “(e) TECHNICAL ASSISTANCE.—

7 “(1) IN GENERAL.—The Secretary shall provide
8 technical assistance—

9 “(A) to assist eligible entities in applying
10 for grants under this section;

11 “(B) that is tailored to meet the needs of
12 grantees at each stage of the administration of
13 projects for which grants are made under this
14 section;

15 “(C) that is tailored to meet the specific
16 needs of Indian tribes, tribal organizations, and
17 tribal colleges and universities;

18 “(D) that is tailored to meet the specific
19 needs of the territories;

20 “(E) that is tailored to meet the specific
21 needs of eligible entities in carrying out dem-
22 onstration projects for which a grant is made
23 under this section; and

24 “(F) to facilitate the exchange of informa-
25 tion among eligible entities regarding best prac-

1 tices and promising practices used in the
2 projects.

3 “(2) CONTINUATION OF PEER TECHNICAL AS-
4 SISTANCE CONFERENCES.—The Secretary shall con-
5 tinue to hold peer technical assistance conferences
6 for entities to which a grant is made under this sec-
7 tion or was made under the immediate predecessor
8 of this section. The preceding sentence shall not be
9 interpreted to require any such conference to be held
10 in person.

11 “(f) EVALUATION OF DEMONSTRATION PROJECTS.—

12 “(1) IN GENERAL.—The Secretary shall, by
13 grant, contract, or interagency agreement, conduct
14 rigorous and well-designed evaluations of the dem-
15 onstration projects for which a grant is made under
16 this section.

17 “(2) REQUIREMENT APPLICABLE TO INDIVID-
18 UALS WITH ARREST OR CONVICTION RECORDS DEM-
19 ONSTRATION.—In the case of a project of the type
20 described in subsection (c)(2)(B)(i)(I), the evalua-
21 tion shall include identification of successful activi-
22 ties for creating opportunities for developing and
23 sustaining, particularly with respect to low-income
24 individuals with arrest or conviction records, a
25 health professions workforce that has accessible

1 entry points, that meets high standards for edu-
2 cation, training, certification, and professional devel-
3 opment, and that provides increased wages and af-
4 fordable benefits, including health care coverage,
5 that are responsive to the needs of the workforce.

6 “(3) REQUIREMENT APPLICABLE TO PREG-
7 NANCY AND CHILDBIRTH CAREER PATHWAY DEM-
8 ONSTRATION.—In the case of a project of the type
9 described in subsection (c)(2)(B)(i)(II), the evalua-
10 tion shall include identification of successful activi-
11 ties for creating opportunities for developing and
12 sustaining, particularly with respect to low-income
13 individuals and other entry-level workers, a career
14 pathway that has accessible entry points, that meets
15 high standards for education, training, certification,
16 and professional development, and that provides in-
17 creased wages and affordable benefits, including
18 health care coverage, that are responsive to the
19 needs of the birth, pregnancy, and post-partum
20 workforce.

21 “(4) RULE OF INTERPRETATION.—Evaluations
22 conducted pursuant to this subsection may include a
23 randomized controlled trial, but this subsection shall
24 not be interpreted to require an evaluation to include
25 such a trial.

1 “(g) REPORTS.—

2 “(1) TO THE SECRETARY.—An eligible entity
3 awarded a grant to conduct a project under this sec-
4 tion shall submit interim reports to the Secretary on
5 the activities carried out under the project, and, on
6 the conclusion of the project, a final report on the
7 activities. Each such report shall include data on
8 participant outcomes related to earnings, employ-
9 ment in health professions, graduation rate, gradua-
10 tion timeliness, credential attainment, participant
11 demographics, and other data specified by the Sec-
12 retary.

13 “(2) TO THE CONGRESS.—During each Con-
14 gress, the Secretary shall submit to the Committee
15 on Ways and Means of the House of Representatives
16 and the Committee on Finance of the Senate a re-
17 port—

18 “(A) on the demographics of the partici-
19 pants in the projects for which a grant is made
20 under this section;

21 “(B) on the rate of which project partici-
22 pants completed all activities under the
23 projects;

24 “(C) on the employment credentials ac-
25 quired by project participants;

1 “(D) on the employment of project partici-
2 pants on completion of activities under the
3 projects, and the earnings of project partici-
4 pants at entry into employment;

5 “(E) on best practices and promising prac-
6 tices used in the projects;

7 “(F) on the nature of any technical assist-
8 ance provided to grantees under this section;

9 “(G) on, with respect to the period since
10 the period covered in the most recent prior re-
11 port submitted under this paragraph—

12 “(i) the number of applications sub-
13 mitted under this section, with a separate
14 statement of the number of applications re-
15 ferred to in subsection (b)(5);

16 “(ii) the number of applications that
17 were approved, with a separate statement
18 of the number of such applications referred
19 to in subsection (b)(5); and

20 “(iii) a description of how grants were
21 made in any case described in the last sen-
22 tence of subsection (c)(1)(A)(ii); and

23 “(H) that includes an assessment of the ef-
24 fectiveness of the projects with respect to ad-

1 dressing health professions workforce shortages
2 or in-demand jobs.

3 “(h) DEFINITIONS.—In this section:

4 “(1) ALLIED HEALTH PROFESSION.—The term
5 ‘allied health profession’ has the meaning given in
6 section 799B(5) of the Public Health Service Act.

7 “(2) CAREER PATHWAY.—The term ‘career
8 pathway’ has the meaning given that term in section
9 3(7) of the Workforce Innovation and Opportunity
10 Act.

11 “(3) DOULA.—The term ‘doula’ means an indi-
12 vidual who—

13 “(A) is certified by an organization that
14 has been established for not less than 5 years
15 and that requires the completion of continuing
16 education to maintain the certification, to pro-
17 vide non-medical advice, information, emotional
18 support, and physical comfort to an individual
19 during the individual’s pregnancy, childbirth,
20 and post-partum period; and

21 “(B) maintains the certification by com-
22 pleting the required continuing education.

23 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
24 tity’ means any of the following entities that dem-
25 onstrates in an application submitted under this sec-

1 tion that the entity has the capacity to fully develop
2 and administer the project described in the applica-
3 tion:

4 “(A) A local workforce development board
5 established under section 107 of the Workforce
6 Innovation and Opportunity Act.

7 “(B) A State or territory, a political sub-
8 division of a State or territory, or an agency of
9 a State, territory, or such a political subdivi-
10 sion, including a State or local entity that ad-
11 ministers a State program funded under part A
12 of this title.

13 “(C) An Indian tribe, a tribal organization,
14 or a tribal college or university.

15 “(D) An institution of higher education (as
16 defined in the Higher Education Act of 1965).

17 “(E) A hospital (as defined in section
18 1861(e)).

19 “(F) A high-quality skilled nursing facility.

20 “(G) A Federally qualified health center
21 (as defined in section 1861(aa)(4)).

22 “(H) A nonprofit organization described in
23 section 501(c)(3) of the Internal Revenue Code
24 of 1986, a labor organization, or an entity with
25 shared labor-management oversight, that has a

1 demonstrated history of providing health profes-
2 sion training to eligible individuals.

3 “(I) In the case of a demonstration project
4 of the type provided for in subsection
5 (c)(2)(B)(i)(II) of this section, an entity recog-
6 nized by a State, Indian tribe, or tribal organi-
7 zation as qualified to train doulas or midwives,
8 if midwives or doulas, as the case may be, are
9 permitted to practice in the State involved.

10 “(J) An opioid treatment program (as de-
11 fined in section 1861(jjj)(2)), and other high
12 quality comprehensive addiction care providers.

13 “(5) ELIGIBLE INDIVIDUAL.—The term ‘eligible
14 individual’ means an individual whose family income
15 does not exceed 200 percent of the Federal poverty
16 level.

17 “(6) FEDERAL POVERTY LEVEL.—The term
18 ‘Federal poverty level’ means the poverty line (as de-
19 fined in section 673(2) of the Omnibus Budget Rec-
20 onciliation Act of 1981, including any revision re-
21 quired by such section applicable to a family of the
22 size involved).

23 “(7) INDIAN TRIBE; TRIBAL ORGANIZATION.—
24 The terms ‘Indian tribe’ and ‘tribal organization’
25 have the meaning given the terms in section 4 of the

1 Indian Self-Determination and Education Assistance
2 Act (25 U.S.C. 450b).

3 “(8) INSTITUTION OF HIGHER EDUCATION.—
4 The term ‘institution of higher education’ has the
5 meaning given the term in section 101 or
6 102(a)(1)(B) of the Higher Education Act of 1965.

7 “(9) TERRITORY.—The term ‘territory’ means
8 the Commonwealth of Puerto Rico, the United
9 States Virgin Islands, Guam, the Northern Mariana
10 Islands, and American Samoa.

11 “(10) TRIBAL COLLEGE OR UNIVERSITY.—The
12 term ‘tribal college or university’ has the meaning
13 given the term in section 316(b) of the Higher Edu-
14 cation Act of 1965.

15 “(i) FUNDING.—

16 “(1) IN GENERAL.—Out of any funds in the
17 Treasury of the United States not otherwise appro-
18 priated, there are appropriated to the Secretary to
19 carry out this section \$425,000,000 for each of fis-
20 cal years 2022 through 2026.

21 “(2) ALLOCATION OF FUNDS.—Of the amount
22 appropriated for a fiscal year under paragraph (1)
23 of this subsection—

24 “(A) \$318,750,000 shall be available for
25 grants under subsection (c)(1)(A);

1 “(B) \$17,000,000 shall be reserved for
2 grants under subsection (c)(1)(B);

3 “(C) \$21,250,000 shall be reserved for
4 grants under subsection (c)(1)(C);

5 “(D) \$25,500,000 shall be available for
6 demonstration project grants under subsection
7 (c)(2);

8 “(E) \$25,500,000, plus all amounts re-
9 ferred to in subparagraphs (A) through (D) of
10 this paragraph that remain unused after all
11 grant awards are made for the fiscal year, shall
12 be available for the provision of technical assist-
13 ance and associated staffing; and

14 “(F) \$17,000,000 shall be available for
15 studying the effects of the demonstration and
16 non-demonstration projects for which a grant is
17 made under this section, and for associated
18 staffing, for the purpose of supporting the rig-
19 orous evaluation of the demonstration projects,
20 and supporting the continued study of the
21 short-, medium-, and long-term effects of all
22 such projects, including the effectiveness of new
23 or added elements of the non-demonstration
24 projects.”.

1 **PART 2—PROVISIONS RELATING TO ELDER**

2 **JUSTICE**

3 **SEC. 134201. REAUTHORIZATION OF FUNDING FOR PRO-**
4 **GRAMS TO PREVENT AND INVESTIGATE**
5 **ELDER ABUSE, NEGLECT, AND EXPLOI-**
6 **TATION.**

7 (a) LONG-TERM CARE STAFF TRAINING GRANTS.—

8 Section 2041 of the Social Security Act (42 U.S.C.
9 1397m) is amended to read as follows:

10 **“SEC. 2041. NURSING HOME WORKER TRAINING GRANTS.**

11 “(a) APPROPRIATION.—Out of any funds in the
12 Treasury not otherwise appropriated, there is appro-
13 priated to the Secretary for each of fiscal years 2022
14 through 2025—

15 “(1) \$392,000,000 for grants under subsection

16 (b)(1); and

17 “(2) \$8,000,000 for grants under subsection

18 (b)(2).

19 “(b) GRANTS.—

20 “(1) STATE ENTITLEMENT.—

21 “(A) IN GENERAL.—Each State shall be
22 entitled to receive from the Secretary for each
23 fiscal year specified in subsection (a) a grant in
24 an amount equal to the amount allotted to the
25 State under subparagraph (B) of this para-
26 graph.

1 “(B) STATE ALLOTMENTS.—The amount
2 allotted to a State under this subparagraph for
3 a fiscal year shall be—

4 “(i) the amount made available by
5 subsection (a) for the fiscal year that is
6 not required to be reserved by subsection
7 (a); multiplied by

8 “(ii)(I) the number of State residents
9 who have attained 65 years of age or are
10 individuals with a disability, as determined
11 by the Secretary using the most recent
12 version of the American Community Sur-
13 vey published by the Bureau of the Census
14 or a successor data set; divided by

15 “(II) the total number of such resi-
16 dents of all States.

17 “(2) GRANTS TO INDIAN TRIBES AND TRIBAL
18 ORGANIZATIONS.—

19 “(A) IN GENERAL.—The Secretary, in con-
20 sultation with the Indian tribes and tribal orga-
21 nizations, shall make grants in accordance with
22 this section to Indian tribes and tribal organiza-
23 tions who operate at least 1 eligible setting.

24 “(B) GRANT FORMULA.—The Secretary, in
25 consultation with the Indian tribes and tribal

1 organizations, shall devise a formula for distrib-
2 uting among Indian tribes and tribal organiza-
3 tions the amount required to be reserved by
4 subsection (a) for each fiscal year.

5 “(3) SUB-GRANTS.—A State, Indian tribe, or
6 tribal organization to which an amount is paid under
7 this paragraph may use the amount to make sub-
8 grants to local organizations, including community
9 organizations, local non-profits, elder rights and jus-
10 tice groups, and workforce development boards for
11 any purpose described in paragraph (1) or (2) of
12 subsection (c).

13 “(c) USE OF FUNDS.—

14 “(1) REQUIRED USES.—A State to which an
15 amount is paid under subsection (b) shall use the
16 amount to—

17 “(A) provide wage subsidies to eligible in-
18 dividuals;

19 “(B) provide student loan repayment or
20 tuition assistance to eligible individuals for a
21 degree or certification in a field relevant to
22 their position referred to in subsection
23 (f)(1)(A);

24 “(C) guarantee affordable and accessible
25 child care for eligible individuals, including help

1 with referrals, co-pays, or other direct assist-
2 ance; and

3 “(D) provide assistance where necessary
4 with obtaining appropriate transportation, in-
5 cluding public transportation if available, or gas
6 money or transit vouchers for ride share, taxis,
7 and similar types of transportation if public
8 transportation is unavailable or impractical
9 based on work hours or location.

10 “(2) AUTHORIZED USES.—A State to which an
11 amount is paid under subsection (b) may use the
12 amount to—

13 “(A) establish a reserve fund for financial
14 assistance to eligible individuals in emergency
15 situations;

16 “(B) provide in-kind resource donations,
17 such as interview clothing and conference at-
18 tendance fees;

19 “(C) provide assistance with programs and
20 activities, including legal assistance, deemed
21 necessary to address arrest or conviction
22 records that are an employment barrier;

23 “(D) support employers operating an eligi-
24 ble setting in the State in providing employees

1 with not less than 2 weeks of paid leave per
2 year; or

3 “(E) provide other support services the
4 Secretary deems necessary to allow for success-
5 ful recruitment and retention of workers.

6 “(3) PROVISION OF FUNDS ONLY FOR THE
7 BENEFIT OF ELIGIBLE INDIVIDUALS IN ELIGIBLE
8 SETTINGS.—A State to which an amount is paid
9 under subsection (b) may provide the amount to only
10 an eligible individual or a partner organization serv-
11 ing an eligible individual.

12 “(4) NONSUPPLANTATION.—A State to which
13 an amount is paid under subsection (b) shall not use
14 the amount to supplant the expenditure of any State
15 funds for recruiting or retaining employees in an eli-
16 gible setting.

17 “(d) ADMINISTRATION.—A State to which a grant is
18 made under subsection (b) shall reserve not more than 10
19 percent of the grant to—

20 “(1) administer subgrants in accordance with
21 this section;

22 “(2) provide technical assistance and support
23 for applying for and accessing such a subgrant op-
24 portunity;

25 “(3) publicize the availability of the subgrants;

1 “(4) carry out activities to increase the supply
2 of eligible individuals; and

3 “(5) provide technical assistance to help sub-
4 grantees find and train individuals to provide the
5 services for which they are contracted.

6 “(e) DEFINITIONS.—In this section:

7 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
8 individual’ means an individual who—

9 “(A)(i) is a qualified home health aide, as
10 defined in section 484.80(a) of title 42, Code of
11 Federal Regulations;

12 “(ii) is a nurse aide approved by the State
13 as meeting the requirements of sections
14 483.150 through 483.154 of such title, and is
15 listed in good standing on the State nurse aide
16 registry;

17 “(iii) is a personal care aide approved by
18 the State, and furnishes personal care services,
19 as defined in section 440.167 of such title;

20 “(iv) is a qualified hospice aide, as defined
21 in section 418.76 of such title; or

22 “(v) is a licensed practical nurse or a li-
23 censed or certified social worker; or

1 “(vi) is receiving training to be certified or
2 licensed as such an aide, nurse, or social work-
3 er; and

4 “(B) provides (or, in the case of a trainee,
5 intends to provide) services as such an aide,
6 nurse, or social worker in an eligible setting.

7 “(2) ELIGIBLE SETTING.—The term ‘eligible
8 setting’ means—

9 “(A) a skilled nursing facility, as defined
10 in section 1819;

11 “(B) a nursing facility, as defined in sec-
12 tion 1919;

13 “(C) a home health agency, as defined in
14 section 1891;

15 “(D) a facility provider approved to deliver
16 home or community-based services authorized
17 under State options described in subsection (c)
18 or (i) of section 1915 or, as relevant, dem-
19 onstration projects authorized under section
20 1115;

21 “(E) a hospice, as defined in section 1814;
22 or

23 “(F) a tribal assisted living facility.

24 “(3) TRIBAL ORGANIZATION.—The term ‘tribal
25 organization’ has the meaning given the term in sec-

1 tion 4 of the Indian Self-Determination and Edu-
2 cation Assistance Act.”.

3 (b) ADULT PROTECTIVE SERVICES FUNCTIONS AND
4 GRANT PROGRAMS.—

5 (1) DIRECT FUNDING; STATE ENTITLEMENT.—
6 Section 2042 of the Social Security Act (42 U.S.C.
7 1397m-1) is amended—

8 (A) in subsection (a)—

9 (i) in paragraph (1)(A)—

10 (I) by striking “offices” and in-
11 serting “programs”; and

12 (II) by inserting “and adults who
13 are under a disability (as defined in
14 section 216(i)(1))” before the semi-
15 colon; and

16 (ii) by striking paragraph (2) and in-
17 serting the following:

18 “(2) APPROPRIATION.—Out of any money in
19 the Treasury not otherwise appropriated, there are
20 appropriated to the Secretary \$8,000,000 for each of
21 fiscal years 2023 through 2025 to carry out this
22 subsection.”;

23 (B) in subsection (b)—

24 (i) in paragraph (2)—

1 (I) in subparagraph (A), by strik-
2 ing “the availability of appropriations
3 and”; and

4 (II) in subparagraph (B)—
5 (aa) in the heading for
6 clause (i), by inserting “AND THE
7 DISTRICT OF COLUMBIA” after
8 “STATES”; and

9 (bb) in clause (ii), by insert-
10 ing “or the District of Columbia”
11 after “States”; and

12 (ii) by striking paragraph (5) and in-
13 serting the following:

14 “(5) APPROPRIATION.—Out of any money in
15 the Treasury not otherwise appropriated, there are
16 appropriated to the Secretary for each of fiscal years
17 2023 through 2025—

18 “(A) \$392,000,000 for grants to States
19 under this subsection; and

20 “(B) \$8,000,000 for grants to Indian
21 tribes and tribal organizations under this sub-
22 section.”; and

23 (C) in subsection (c), by striking para-
24 graph (6) and inserting the following:

1 “(6) APPROPRIATION.—Out of any money in
2 the Treasury not otherwise appropriated, there are
3 appropriated to the Secretary \$75,000,000 for each
4 of fiscal years 2023 through 2025 to carry out this
5 subsection.”.

6 (2) STATE ENTITLEMENT; GRANTS TO INDIAN
7 TRIBES AND TRIBAL ORGANIZATIONS.—Section 2042
8 of such Act (42 U.S.C. 1397m–1) is amended—

9 (A) in subsection (a)(1)(A), by striking
10 “State and local” and inserting “State, local,
11 and tribal”;

12 (B) in subsection (b)(1), by striking “the
13 Secretary shall annually award grants to States
14 in the amounts calculated under paragraph (2)”
15 and inserting “each State shall be entitled to
16 annually receive from the Secretary in the
17 amounts calculated under paragraph (2), and
18 the Secretary may annually award to each In-
19 dian tribe and tribal organization in accordance
20 with paragraph (3), grants”;

21 (C) in subsection (b)(2)—

22 (i) in the paragraph heading, by in-
23 serting “FOR A STATE” after “PAYMENT”;

1 (ii) in subparagraph (A), by striking
2 “to carry out” and inserting “for grants to
3 States under”; and

4 (iii) in subparagraph (B)(i), by strik-
5 ing “such year” and inserting “for grants
6 to States under this subsection for the fis-
7 cal year”; and

8 (D) in subsection (b), by redesignating
9 paragraphs (3) through (5) as paragraphs (4)
10 through (6), respectively, and inserting after
11 paragraph (2) the following:

12 “(3) AMOUNT OF PAYMENT TO INDIAN TRIBE
13 OR TRIBAL ORGANIZATION.—The Secretary, in con-
14 sultation with Indian tribes and tribal organizations,
15 shall determine the amount of any grant to be made
16 to each Indian tribe and tribal organization under
17 this subsection. Paragraphs (4) and (5) shall apply
18 to grantees under this paragraph in the same man-
19 ner in which the paragraphs apply to States.”;

20 (E) in subsection (c)—

21 (i) in paragraph (1), by striking “to
22 States” and inserting “to States, Indian
23 tribes, and tribal organizations”;

24 (ii) in paragraph (2)—

1 (I) in the matter preceding sub-
2 paragraph (A), by inserting “and In-
3 dian tribes and tribal organizations”
4 after “government”; and

5 (II) in subparagraph (D), by in-
6 serting “or Indian tribe or tribal orga-
7 nization, as the case may be” after
8 “government”;

9 (iii) in paragraph (4), by inserting “or
10 Indian tribe or tribal organization” after
11 “a State” the 1st place it appears; and

12 (iv) in paragraph (5)—

13 (I) by inserting “or Indian tribe
14 or tribal organization” after “Each
15 State”; and

16 (II) by inserting “or Indian tribe
17 or tribal organization, as the case may
18 be” after “the State”; and

19 (F) by adding at the end the following:

20 “(d) DEFINITIONS OF INDIAN TRIBE AND TRIBAL
21 ORGANIZATION.—In this section, the terms ‘Indian tribe’
22 and ‘tribal organization’ have the meanings given the
23 terms in section 419.”.

24 (3) CONFORMING AMENDMENT.—Section
25 2011(2) of such Act (42 U.S.C. 1397j(2)) is amend-

1 ed by striking “such services provided to adults as
2 the Secretary may specify” and inserting “services
3 provided by an entity authorized by or under State
4 law address neglect, abuse, and exploitation of older
5 adults and people with disabilities”.

6 (c) LONG-TERM CARE OMBUDSMAN PROGRAM
7 GRANTS AND TRAINING.—Section 2043 of the Social Se-
8 curity Act (42 U.S.C. 1397m–2) is amended—

9 (1) in subsection (a), by striking paragraph (2)
10 and inserting the following:

11 “(2) APPROPRIATION.—Out of any money in
12 the Treasury not otherwise appropriated, there are
13 appropriated to the Secretary to carry out this sub-
14 section—

15 “(A) \$22,500,000 for fiscal year 2023; and

16 “(B) \$30,000,000 for each of fiscal years
17 2024 and 2025.”; and

18 (2) in subsection (b), by striking paragraph (2)
19 and inserting the following:

20 “(2) APPROPRIATION.—Out of any money in
21 the Treasury not otherwise appropriated, there are
22 appropriated to the Secretary \$30,000,000 for each
23 of fiscal years 2023 through 2025 to carry out this
24 subsection.”.

1 (d) INCENTIVES FOR DEVELOPING AND SUSTAINING
2 STRUCTURAL COMPETENCY IN PROVIDING HEALTH AND
3 HUMAN SERVICES.—Part II of subtitle B of title XX of
4 the Social Security Act (42 U.S.C. 1397m-1397m-5) is
5 amended by adding at the end the following:

6 **“SEC. 2047. INCENTIVES FOR DEVELOPING AND SUS-**
7 **TAINING STRUCTURAL COMPETENCY IN PRO-**
8 **VIDING HEALTH AND HUMAN SERVICES.**

9 “(a) GRANTS TO STATES TO SUPPORT LINKAGES TO
10 LEGAL SERVICES AND MEDICAL LEGAL PARTNER-
11 SHIPS.—

12 “(1) APPROPRIATION.—Out of any money in
13 the Treasury not otherwise appropriated, there are
14 appropriated to the Secretary \$500,000,000 for fis-
15 cal year 2022, to remain available for the purposes
16 of this subsection through fiscal year 2028.

17 “(2) GRANTS.—Within 2 years after the date of
18 the enactment of this section, the Secretary shall es-
19 tablish and administer a program of grants to States
20 to support the adoption of evidence-based ap-
21 proaches to establishing or improving and maintain-
22 ing real-time linkages between health and social
23 services and supports for vulnerable elders or in con-
24 junction with authorized representatives of vulner-
25 able elders, including through the following:

1 “(A) MEDICAL-LEGAL PARTNERSHIPS.—

2 The establishment and support of medical-legal
3 partnerships, the incorporation of the partner-
4 ships in the elder justice framework and health
5 and human services safety net, and the imple-
6 mentation and operation of such a partnership
7 by an eligible grantee—

8 “(i) at the option of a State, in con-
9 junction with an area agency on aging;

10 “(ii) in a solo provider practice in a
11 health professional shortage area (as de-
12 fined in section 332(a) of the Public
13 Health Service Act), a medically under-
14 served community (as defined in section
15 399V of such Act), or a rural area (as de-
16 fined in section 330J of such Act);

17 “(iii) in a minority-serving institution
18 of higher learning with health, law, and so-
19 cial services professional programs;

20 “(iv) in a federally qualified health
21 center, as described in section 330 of the
22 Public Health Service Act, or look-alike, as
23 described in section 1905(l)(2)(B) of this
24 Act; or

1 “(v) in certain hospitals that are crit-
2 ical access hospitals, Medicare-dependent
3 hospitals, sole community hospitals, rural
4 emergency hospitals, or that serve a high
5 proportion of Medicare or Medicaid pa-
6 tients.

7 “(B) LEGAL HOTLINES DEVELOPMENT OR
8 EXPANSION.—The provision of incentives to de-
9 velop, enhance, and integrate platforms, such as
10 legal assistance hotlines, that help to facilitate
11 the identification of older adults who could ben-
12 efit from linkages to available legal services
13 such as those described in subparagraph (A).

14 “(3) STATE REPORTS.—Each State to which a
15 grant is made under this subsection shall submit to
16 the Secretary biannual reports on the activities car-
17 ried out by the State pursuant to this subsection,
18 which shall include assessments of the effectiveness
19 of the activities with respect to—

20 “(A) the number of unique individuals
21 identified through the mechanism outlined in
22 paragraph (2)(B) who are referred to services
23 described in paragraph (2)(A), and the average
24 time period associated with resolving issues;

1 “(B) the success rate for referrals to com-
2 munity-based resources; and

3 “(C) other factors determined relevant by
4 the Secretary.

5 “(4) EVALUATION.—The Secretary shall, by
6 grant, contract, or interagency agreement, evaluate
7 the activities conducted pursuant to this subsection,
8 which shall include a comparison among the States.

9 “(5) SUPPLEMENT NOT SUPPLANT.—Support
10 provided to area agencies on aging, State units on
11 aging, eligible entities, or other community-based or-
12 ganizations pursuant to this subsection shall be used
13 to supplement and not supplant any other Federal,
14 State, or local funds expended to provide the same
15 or comparable services described in this subsection.

16 “(b) GRANTS AND TRAINING TO SUPPORT AREA
17 AGENCIES ON AGING OR OTHER COMMUNITY-BASED OR-
18 GANIZATIONS TO ADDRESS SOCIAL ISOLATION AMONG
19 VULNERABLE OLDER ADULTS AND PEOPLE WITH DIS-
20 ABILITIES.—

21 “(1) APPROPRIATION.—Out of any money in
22 the Treasury not otherwise appropriated, there are
23 appropriated to the Secretary \$250,000,000, to re-
24 main available for the purposes of this subsection
25 through fiscal year 2028.

1 “(2) GRANTS.—The Secretary shall make
2 grants to eligible area agencies on aging or other
3 community-based organizations for the purpose of—

4 “(A) conducting outreach to individuals at
5 risk for, or already experiencing, social isolation
6 or loneliness, through established screening
7 tools or other methods identified by the Sec-
8 retary;

9 “(B) developing community-based interven-
10 tions for the purposes of mitigating loneliness
11 or social isolation (including evidence-based pro-
12 grams, as defined by the Secretary, developed
13 with multi-stakeholder input for the purposes of
14 promoting social connection, mitigating social
15 isolation or loneliness, or preventing social iso-
16 lation or loneliness) among at-risk individuals;

17 “(C) connecting at-risk individuals with
18 community social and clinical supports; and

19 “(D) evaluating the effect of programs de-
20 veloped and implemented under subparagraphs
21 (B) and (C).

22 “(3) TRAINING.—The Secretary shall establish
23 programs to provide and improve training for area
24 agencies on aging or community-based organizations
25 with respect to addressing and preventing social iso-

1 lation and loneliness among older adults and people
2 with disabilities.

3 “(4) EVALUATION.—Not later than 3 years
4 after the date of the enactment of this section and
5 at least once after fiscal year 2025, the Secretary
6 shall submit to the Congress a written report which
7 assesses the extent to which the programs estab-
8 lished under this subsection address social isolation
9 and loneliness among older adults and people with
10 disabilities.

11 “(5) COORDINATION.—The Secretary shall co-
12 ordinate with resource centers, grant programs, or
13 other funding mechanisms established under section
14 411(a)(18) of the Older Americans Act (42 U.S.C.
15 3032(a)(18)), section 417(a)(1) of such Act (42
16 U.S.C. 3032F(a)(1)), or other programs as deter-
17 mined by the Secretary.

18 “(c) DEFINITIONS.—In this section:

19 “(1) AREA AGENCY ON AGING.—The term ‘area
20 agency on aging’ means an area agency on aging
21 designated under section 305 of the Older Ameri-
22 cans Act of 1965.

23 “(2) SOCIAL ISOLATION.—The term ‘social iso-
24 lation’ means objectively being alone, or having few
25 relationships or infrequent social contact.

1 “(3) LONELINESS.—The term ‘loneliness’
2 means subjectively feeling alone, or the discrepancy
3 between one’s desired level of social connection and
4 one’s actual level of social connection.

5 “(4) SOCIAL CONNECTION.—The term ‘social
6 connection’ means the variety of ways one can con-
7 nect to others socially, through physical, behavioral,
8 social–cognitive, and emotional channels.

9 “(5) COMMUNITY-BASED ORGANIZATION.—The
10 term ‘community-based organization’ includes, ex-
11 cept as otherwise provided by the Secretary, a non-
12 profit community-based organization, a consortium
13 of nonprofit community-based organizations, a na-
14 tional nonprofit organization acting as an inter-
15 mediary for a community-based organization, or a
16 community-based organization that has a fiscal
17 sponsor that allows the organization to function as
18 an organization described in section 501(c)(3) of the
19 Internal Revenue Code of 1986 and exempt from
20 taxation under section 501(a) of such Code.”.

21 (e) TECHNICAL AMENDMENT.—Section 2011(12)(A)
22 of the Social Security Act (42 U.S.C. 1397j(12)(A)) is
23 amended by striking “450b” and inserting “5304”.

1 **SEC. 134202. APPROPRIATION FOR ASSESSMENTS.**

2 Out of any money in the Treasury not otherwise ap-
3 propriated, there are appropriated to the Secretary of
4 Health and Human Services \$5,000,000 for each of fiscal
5 years 2022 through 2025 to prepare and submit to the
6 Committee on Ways and Means of the House of Rep-
7 resentatives and the Committee on Finance of the Senate,
8 not later than 3 years after the date of enactment of this
9 Act, and at least once after fiscal year 2025, reports on
10 the programs, coordinating bodies, registries, and activi-
11 ties established or authorized under subtitle B of title XX
12 of the Social Security Act (42 U.S.C. 13971 et seq.) or
13 section 6703(b) of the Patient Protection and Affordable
14 Care Act (42 U.S.C. 1395i–3a), which shall assess the ex-
15 tent to which such programs, coordinating bodies, reg-
16 istries, and activities have improved access to, and the
17 quality of, resources available to aging Americans and
18 their caregivers to ultimately prevent, detect, and treat
19 abuse, neglect, and exploitation, and shall include, as ap-
20 propriate, recommendations to Congress on funding levels
21 and policy changes to help these programs, coordinating
22 bodies, registries, and activities better prevent, detect, and
23 treat abuse, neglect, and exploitation of aging Americans.

1 **PART 3—SKILLED NURSING FACILITIES**
2 **SEC. 134301. FUNDING TO IMPROVE THE ACCURACY AND**
3 **RELIABILITY OF CERTAIN SKILLED NURSING**
4 **FACILITY DATA.**

5 Section 1888 of the Social Security Act (42 U.S.C.
6 1395yy) is amended—

7 (1) in subsection (h)(12)—

8 (A) in subparagraph (A), by striking “and
9 the data submitted under subsection (e)(6)”
10 and inserting “, the data submitted under sub-
11 section (e)(6), and, during the period beginning
12 with fiscal year 2024 and ending with fiscal
13 year 2031, the resident assessment data de-
14 scribed in section 1819(b)(3) and the direct
15 care staffing information described in section
16 1128I(g)”; and

17 (B) in subparagraph (B)—

18 (i) by striking “FUNDING.—For pur-
19 poses” and inserting “FUNDING.—

20 “(i) FISCAL YEARS 2023 THROUGH
21 2025.—For purposes”; and

22 (ii) by adding at the end the following
23 new clause:

24 “(ii) FISCAL YEARS 2026 THROUGH
25 2031.—There is appropriated to the Sec-
26 retary, out of any monies in the Treasury

1 not otherwise appropriated, \$50,000,000
2 for the period of fiscal years 2026 through
3 2031 for purposes of carrying out this
4 paragraph.”; and

5 (2) in subsection (e)(6)(A)—

6 (A) in the header, by striking “FOR FAIL-
7 URE TO REPORT”; and

8 (B) in clause (i)—

9 (i) by striking “For fiscal years” and
10 inserting the following:

11 “(I) FAILURE TO REPORT.—For
12 fiscal years”; and

13 (ii) by adding at the end the following
14 new subclause:

15 “(II) REPORTING OF INAC-
16 CURATE INFORMATION.—For fiscal
17 years during the period beginning
18 with fiscal year 2025 and ending with
19 fiscal year 2031, in the case of a
20 skilled nursing facility that submits
21 data under this paragraph, measures
22 under subsection (h), resident assess-
23 ment data described in section
24 1819(b)(3), or direct care staffing in-
25 formation described in section

1 1128I(g) with respect to such fiscal
2 year that is inaccurate (as determined
3 by the Secretary through the valida-
4 tion process described in section
5 1888(h)(12) or otherwise), after de-
6 termining the percentage described in
7 paragraph (5)(B)(i), and after appli-
8 cation of clauses (ii) and (iii) of para-
9 graph (5)(B) and of subclause (I) of
10 this clause (if applicable), the Sec-
11 retary shall reduce such percentage
12 for payment rates during such fiscal
13 year by 2 percentage points.”.

14 **SEC. 134302. ENSURING ACCURATE INFORMATION ON COST**
15 **REPORTS.**

16 Section 1888(f) of the Social Security Act (42 U.S.C.
17 1395yy(f)) is amended by adding at the end the following
18 new paragraph:

19 “(5) AUDIT OF COST REPORTS.—There is ap-
20 propriated to the Secretary, out of any monies in the
21 Treasury not otherwise appropriated, \$250,000,000
22 for fiscal year 2023 to remain available until ex-
23 pended, for purposes of conducting an annual audit
24 (beginning with 2022 and ending with 2031) of cost

1 reports submitted under this title for a representa-
2 tive sample of skilled nursing facilities.”.

3 **SEC. 134303. SURVEY IMPROVEMENTS.**

4 Section 1819 of the Social Security Act (42 U.S.C.
5 1395i-3) is amended by adding at the end the following
6 new subsection:

7 “(1) SURVEY IMPROVEMENTS.—

8 “(1) IN GENERAL.—There is appropriated to
9 the Secretary, out of any monies in the Treasury not
10 otherwise appropriated, \$325,000,000, for the period
11 of fiscal years 2022 through 2031, for purposes of—

12 “(A) conducting reviews and identifying
13 plans under paragraph (2); and

14 “(B) providing training, tools, technical as-
15 sistance, and financial support in accordance
16 with paragraph (3).

17 “(2) REVIEW.—The Secretary shall conduct re-
18 views, during the period specified in paragraph (1),
19 of (and, as appropriate, identify plans to improve)
20 the following:

21 “(A) The extent to which surveys con-
22 ducted under subsection (g) and the enforce-
23 ment process under subsection (h) result in in-
24 creased compliance with requirements under
25 this section and subpart B of part 483 of title

1 42, Code of Federal Regulations, with respect
2 to skilled nursing facilities (in this subsection
3 referred to as ‘facilities’).

4 “(B) The timeliness and thoroughness of
5 State agency verification of deficiency correc-
6 tions at facilities.

7 “(C) The appropriateness of the scoping
8 and substantiation of cited deficiencies at facili-
9 ties.

10 “(D) The accuracy of the identification
11 and appropriateness of the scoping of life safe-
12 ty, infection control, and emergency prepared-
13 ness deficiencies at facilities.

14 “(E) The timeliness of State agency inves-
15 tigations of—

16 “(i) complaints at facilities; and

17 “(ii) reported allegations of abuse, ne-
18 glect, and exploitation at facilities.

19 “(F) The consistency of facility reporting
20 of substantiated complaints to law enforcement.

21 “(G) The ability of the State agency to
22 sufficiently hire, train, and retain individuals
23 who conduct surveys.

24 “(H) Any other area related to surveys of
25 facilities, or the individuals conducting such

1 surveys, determined appropriate by the Sec-
2 retary.

3 “(3) SUPPORT.—Based on the review under
4 paragraph (2), the Secretary shall, during the period
5 specified in paragraph (1), provide training, tools,
6 technical assistance, and financial support to State
7 agencies that perform surveys of facilities for the
8 purpose of improving the surveys conducted under
9 subsection (g) and the enforcement process under
10 subsection (h) with respect to the areas reviewed
11 under paragraph (2).”.

12 **SEC. 134304. NURSE STAFFING REQUIREMENTS.**

13 Section 1819(d) of the Social Security Act (42 U.S.C.
14 1395i–3(d)) is amended—

15 (1) in paragraph (4)(A), by inserting “and any
16 regulations promulgated under paragraph (5)(C)”
17 after “section 1124”; and

18 (2) by adding at the end the following new
19 paragraph:

20 “(5) NURSE STAFFING REQUIREMENTS.—

21 “(A) FUNDING.—There is appropriated to
22 the Secretary, out of any monies in the Treas-
23 ury not otherwise appropriated, \$50,000,000
24 for the period of fiscal years 2022 through

1 2031 for purposes of carrying out this para-
2 graph.

3 “(B) STUDY.—Not later than 3 years after
4 the date of the enactment of this paragraph,
5 and not less frequently than once every 5 years
6 thereafter, the Secretary shall, out of funds ap-
7 propriated under subparagraph (A), conduct a
8 study and submit to Congress a report on the
9 appropriateness of establishing minimum staff
10 to resident ratios for nursing staff for skilled
11 nursing facilities. Each such report shall in-
12 clude—

13 “(i) with respect to the first such re-
14 port, recommendations regarding appro-
15 priate minimum ratios of registered nurses
16 (and, if practicable, licensed practical
17 nurses (or licensed vocational nurses) and
18 certified nursing assistants) to residents at
19 such skilled nursing facilities; and

20 “(ii) with respect to each subsequent
21 such report, recommendations regarding
22 appropriate minimum ratios of registered
23 nurses, licensed practical nurses (or li-
24 censed vocational nurses), and certified

1 nursing assistants to residents at such
2 skilled nursing facilities.

3 “(C) PROMULGATION OF REGULATIONS.—

4 “(i) IN GENERAL.—Not later than 2
5 years after the Secretary first submits a
6 report under subparagraph (B), the Sec-
7 retary shall, out of funds appropriated
8 under subparagraph (A)—

9 “(I) specify through regulations,
10 consistent with such report, appro-
11 priate minimum ratios (if any) of reg-
12 istered nurses (and, if practicable, li-
13 censed practical nurses (or licensed
14 vocational nurses) and certified nurs-
15 ing assistants) to residents at skilled
16 nursing facilities; and

17 “(II) except as provided in clause
18 (ii), require such skilled nursing facili-
19 ties to comply with such ratios.

20 “(ii) EXCEPTION.—

21 “(I) IN GENERAL.—In addition
22 to the authority to waive the applica-
23 tion of clause (i)(II) under section
24 1135, the Secretary may waive the
25 application of such clause with respect

1 to a skilled nursing facility if the Sec-
2 retary finds that—

3 “(aa) the facility is located
4 in a rural area and the supply of
5 skilled nursing facility services in
6 such area is not sufficient to
7 meet the needs of individuals re-
8 siding therein;

9 “(bb) the Secretary provides
10 notice of the waiver to the State
11 long-term care ombudsman (es-
12 tablished under section
13 307(a)(12) of the Older Ameri-
14 cans Act of 1965) and the pro-
15 tection and advocacy system in
16 the State for the mentally ill; and

17 “(cc) the facility that is
18 granted such a waiver notifies
19 residents of the facility (or,
20 where appropriate, the guardians
21 or legal representatives of such
22 residents) and members of their
23 immediate families of the waiver.

1 (2) in subparagraph (HH), by striking the pe-
2 riod at the end and adding “; and”; and

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

5 “(II) dental and oral health services (as defined
6 in subsection (III));”.

7 (b) DENTAL AND ORAL HEALTH SERVICES DE-
8 FINED.—Section 1861 of the Social Security Act (42
9 U.S.C. 1395x) is amended by adding at the end the fol-
10 lowing new subsection:

11 “(III) DENTAL AND ORAL HEALTH SERVICES.—

12 “(1) IN GENERAL.—The term ‘dental and oral
13 health services’ means items and services (other
14 than such items and services for which payment may
15 be made under part A as inpatient hospital services)
16 that are furnished during 2028 or a subsequent
17 year, for which coverage was not provided under
18 part B as of the date of the enactment of this sub-
19 section, and that are—

20 “(A) the preventive and screening services
21 described in paragraph (2) furnished by a doc-
22 tor of dental surgery or of dental medicine (as
23 described in subsection (r)(2)) or an oral health
24 professional (as defined in paragraph (4)); or

1 “(B) the basic treatments specified for
2 such year by the Secretary pursuant to para-
3 graph (3)(A) and the major treatments speci-
4 fied for such year by the Secretary pursuant to
5 paragraph (3)(B) furnished by such a doctor or
6 such a professional.

7 “(2) PREVENTIVE AND SCREENING SERV-
8 ICES.—The preventive and screening services de-
9 scribed in this paragraph are the following:

10 “(A) Oral exams.

11 “(B) Dental cleanings.

12 “(C) Dental x-rays performed in the office
13 of a doctor or professional described in para-
14 graph (1)(A).

15 “(D) Fluoride treatments.

16 “(3) BASIC AND MAJOR TREATMENTS.—For
17 2028 and each subsequent year, the Secretary shall
18 specify—

19 “(A) basic treatments (which may include
20 basic tooth restorations, basic periodontal serv-
21 ices, tooth extractions, and oral disease man-
22 agement services); and

23 “(B) major treatments (which may include
24 major tooth restorations, major periodontal
25 services, bridges, crowns, and root canals);

1 that shall be included as dental and oral health serv-
2 ices for such year.

3 “(4) ORAL HEALTH PROFESSIONAL.—The term
4 ‘oral health professional’ means, with respect to den-
5 tal and oral health services, a health professional
6 (other than a doctor of dental surgery or of dental
7 medicine (as described in subsection (r)(2))) who is
8 licensed to furnish such services, acting within the
9 scope of such license, by the State in which such
10 services are furnished.”.

11 (c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

12 (1) IN GENERAL.—Section 1833(a)(1) of the
13 Social Security Act (42 U.S.C. 1395l(a)(1)) is
14 amended—

15 (A) in subparagraph (N), by inserting
16 “and dental and oral health services (as defined
17 in section 1861(III))” after “section
18 1861(hhh)(1)”;.

19 (B) by striking “and” before “(DD)”; and

20 (C) by inserting before the semicolon at
21 the end the following: “and (EE) with respect
22 to dental and oral health services (as defined in
23 section 1861(III)), the amount paid shall be the
24 payment amount specified under section
25 1834(z)”.

1 (2) PAYMENT AND LIMITS SPECIFIED.—Section
2 1834 of the Social Security Act (42 U.S.C. 1395m)
3 is amended by adding at the end the following new
4 subsection:

5 “(z) PAYMENT AND LIMITS FOR DENTAL AND ORAL
6 HEALTH SERVICES.—

7 “(1) IN GENERAL.—The payment amount
8 under this part for dental and oral health services
9 (as defined in section 1861(l)) shall be, subject to
10 paragraph (3), the applicable percent (specified in
11 paragraph (2)) of the lesser of—

12 “(A) the actual charge for the service; or

13 “(B) the amount determined under the
14 payment basis determined under section 1848
15 for the service, or, in lieu of such amount, if de-
16 termined appropriate by the Secretary, an
17 amount specified by the Secretary for such
18 service under a fee schedule determined appro-
19 priate by the Secretary, taking into account fee
20 schedules for such services—

21 “(i) under the TRICARE program
22 under chapter 55 of title 10 of the United
23 States Code;

1 “(ii) under the health insurance pro-
2 gram under chapter 89 of title 5 of such
3 Code;

4 “(iii) under State plans (or waivers of
5 such plans) under title XIX;

6 “(iv) under Medicare Advantage plans
7 under part C;

8 “(v) established by the Secretary of
9 Veterans Affairs; and

10 “(vi) established by other health care
11 payers.

12 “(2) APPLICABLE PERCENT.—For purposes of
13 paragraph (1), the applicable percent specified in
14 this paragraph is, with respect to dental and oral
15 health services (as defined in section 1861(III)) fur-
16 nished in a year—

17 “(A) that are preventive and screening
18 services described in paragraph (2) or basic
19 treatments specified for such year pursuant to
20 paragraph (3)(A) of such section, 80 percent;
21 and

22 “(B) that are major treatments specified
23 for such year pursuant to paragraph (3)(B) of
24 such section—

1 “(i) in the case such services are fur-
2 nished during 2028, 10 percent;

3 “(ii) in the case such services are fur-
4 nished during 2029 or a subsequent year
5 before 2032, the applicable percent speci-
6 fied under this subparagraph for the pre-
7 vious year, increased by 10 percentage
8 points; and

9 “(iii) in the case such services are fur-
10 nished during 2032 or a subsequent year,
11 50 percent.

12 “(3) LIMITATIONS.—With respect to dental and
13 oral health services that are—

14 “(A) preventive and screening oral exams,
15 payment may be made under this part for not
16 more than two such exams during a 12-month
17 period;

18 “(B) dental cleanings, payment may be
19 made under this part for not more than two
20 such cleanings during a 12-month period; and

21 “(C) not described in subparagraph (A) or
22 (B), payment may be made under this part only
23 at such frequencies and under such cir-
24 cumstances determined appropriate by the Sec-
25 retary.

1 “(4) USE OF BUNDLED PAYMENTS.—The Sec-
2 retary may make payment for dentures and associ-
3 ated professional services, and for any other dental
4 and oral health services, as bundled payments as the
5 Secretary determines appropriate.

6 “(5) LIMITATION ON JUDICIAL REVIEW.—There
7 shall be no administrative or judicial review under
8 section 1869 or otherwise of—

9 “(A) the determination of payment
10 amounts under this subsection for dental and
11 oral health services and under subsection (h)(6)
12 or subsection (z)(4) for dentures;

13 “(B) the determination of what services
14 are basic and major services under subpara-
15 graphs (A) and (B) of section 1861(l)(3); or

16 “(C) the determination of the frequency
17 and circumstance limitations for dental and oral
18 health services under paragraph (3)(C).”.

19 (d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—

20 (1) IN GENERAL.—Section 1848(j)(3) of the
21 Social Security Act (42 U.S.C. 1395w-4(j)(3)) is
22 amended by inserting “(2)(II),” before “(3)”.

23 (2) EXCLUSION FROM MIPS.—Section
24 1848(q)(1)(C)(ii) of the Social Security Act (42
25 U.S.C. 1395w-4(q)(1)(C)(ii)) is amended—

1 (A) in subclause (II), by striking “or” at
2 the end;

3 (B) in subclause (III), by striking the pe-
4 riod at the end and inserting “; or”; and

5 (C) by adding at the end the following new
6 subclause:

7 “(IV) with respect to 2028 and
8 each subsequent year, is a doctor of
9 dental surgery or of dental medicine
10 (as described in section 1861(r)(2)) or
11 is an oral health professional (as de-
12 fined in section 1861(lll)(4)).”.

13 (3) INCLUSION OF ORAL HEALTH PROFES-
14 SIONALS AS CERTAIN PRACTITIONERS.—Section
15 1842(b)(18)(C) of the Social Security Act (42
16 U.S.C. 1395u(b)(18)(C)) is amended by adding at
17 the end the following new clause:

18 “(vii) With respect to 2028 and each subse-
19 quent year, an oral health professional (as defined in
20 section 1861(lll)(4)).”.

21 (e) DENTURES.—

22 (1) IN GENERAL.—Section 1861(s)(8) of the
23 Social Security Act (42 U.S.C. 1395x(s)(8)) is
24 amended—

25 (A) by striking “(other than dental)”; and

1 (B) by inserting “and excluding dental, ex-
2 cept for a full or partial set of dentures (as de-
3 scribed in section 1834(h)(6)) furnished on or
4 after January 1, 2028” after “colostomy care”.

5 (2) SPECIAL PAYMENT RULES.—

6 (A) LIMITATIONS.—Section 1834(h) of the
7 Social Security Act (42 U.S.C. 1395m(h)) is
8 amended by adding at the end the following
9 new paragraph:

10 “(6) SPECIAL PAYMENT RULE FOR DEN-
11 TURES.—Payment may be made under this part
12 with respect to an individual for dentures—

13 “(A) not more than once during any 5-year
14 period (except in the case that a doctor de-
15 scribed in section 1861(l)(1)(A) determines
16 such dentures do not fit the individual); and

17 “(B) only to the extent that such dentures
18 are furnished pursuant to a written order of
19 such a doctor or professional.”.

20 (B) APPLICATION OF COMPETITIVE ACQUI-
21 SITION.—

22 (i) IN GENERAL.—Section
23 1834(h)(1)(H) of the Social Security Act
24 (42 U.S.C. 1395m(h)(1)(H)) is amended—

1 (I) in the subparagraph heading,
2 by inserting “, DENTURES” after
3 “ORTHOTICS”;

4 (II) by inserting “, of dentures
5 described in paragraph (2)(D) of such
6 section,” after “2011,”; and

7 (III) in clause (i), by inserting “,
8 such dentures” after “orthotics”.

9 (ii) CONFORMING AMENDMENT.—Sec-
10 tion 1847(a)(2) of the Social Security Act
11 (42 U.S.C. 1395w-3(a)(2)) is amended by
12 adding at the end the following new sub-
13 paragraph:

14 “(D) DENTURES.—Dentures described in
15 section 1861(s)(8) for which payment would
16 otherwise be made under section 1834(h).”.

17 (iii) EXEMPTION OF CERTAIN ITEMS
18 FROM COMPETITIVE ACQUISITION.—Sec-
19 tion 1847(a)(7) of the Social Security Act
20 (42 U.S.C. 1395w-3(a)(7)) is amended by
21 adding at the end the following new sub-
22 paragraph:

23 “(C) CERTAIN DENTURES.—Those items
24 and services described in paragraph (2)(D) if
25 furnished by a physician or other practitioner

1 (as defined by the Secretary) to the physician’s
2 or practitioner’s own patients as part of the
3 physician’s or practitioner’s professional serv-
4 ice.”.

5 (f) EXCLUSION MODIFICATIONS.—Section 1862(a) of
6 the Social Security Act (42 U.S.C. 1395y(a)) is amend-
7 ed—

8 (1) in paragraph (1)—

9 (A) in subparagraph (O), by striking
10 “and” at the end;

11 (B) in subparagraph (P), by striking the
12 semicolon at the end and inserting “, and”; and

13 (C) by adding at the end the following new
14 subparagraph:

15 “(Q) in the case of dental and oral health serv-
16 ices (as defined in section 1861(III)) that are preven-
17 tive and screening services described in paragraph
18 (2) of such section, which are furnished more fre-
19 quently than provided under section 1834(z)(3) or
20 under circumstances other than circumstances deter-
21 mined appropriate under subparagraph (C) of such
22 section;”; and

23 (2) in paragraph (12), by inserting before the
24 semicolon at the end the following: “and except that
25 payment may be made under part B for dental and

1 oral health services that are covered under section
2 1861(s)(2)(II) and for dentures under section
3 1861(s)(8)”.

4 (g) CERTAIN NON-APPLICATION.—

5 (1) IN GENERAL.—Paragraphs (1) and (4) of
6 section 1839(a) of the Social Security Act (42
7 U.S.C. 1395r(a)) are amended by adding at the end
8 of each such paragraphs the following: “In applying
9 this paragraph there shall not be taken into account
10 benefits and administrative costs attributable to the
11 amendments made by section 134401 (other than
12 subsection (g)) of An Act to provide for reconcili-
13 ation pursuant to title II of S. Con. Res. 14 and the
14 Government contribution under section 1844(a)(5)”.

15 (2) PAYMENT.—Section 1844(a) of such Act
16 (42 U.S.C. 1395w(a)) is amended—

17 (A) in paragraph (4), by striking the pe-
18 riod at the end and inserting “; plus”;

19 (B) by adding at the end the following new
20 paragraph:

21 “(5) a Government contribution equal to the
22 amount that is estimated to be payable for benefits
23 and related administrative costs incurred that are
24 attributable to the amendments made by section
25 134401 (other than subsection (g)) of the An Act to

1 provide for reconciliation pursuant to title II of S.
2 Con. Res. 14.”; and

3 (C) in the flush matter at the end, by
4 striking “paragraph (4)” and inserting “para-
5 graphs (4) and (5)”.

6 (h) IMPLEMENTATION.—

7 (1) FUNDING.—

8 (A) IN GENERAL.—In addition to amounts
9 otherwise available, the Secretary of Health and
10 Human Services (in this subsection referred to
11 as the “Secretary”) shall provide for the trans-
12 fer from the Federal Supplementary Medical
13 Insurance Trust Fund under section 1841 of
14 the Social Security Act (42 U.S.C. 1395t) to
15 the Centers for Medicare & Medicaid Services
16 Program Management Account of—

17 (i) \$20,000,000 for each of fiscal
18 years 2022 through 2028 for purposes of
19 implementing the amendments made by
20 this section; and

21 (ii) such sums as determined appro-
22 priate by the Secretary for each subse-
23 quent fiscal year for purposes of admin-
24 istering the provisions of such amend-
25 ments.

1 (B) AVAILABILITY AND ADDITIONAL USE
2 OF FUNDS.—Funds transferred pursuant to
3 subparagraph (A) shall remain available until
4 expended and may be used, in addition to the
5 purpose specified in subparagraph (A)(i), to im-
6 plement the amendments made by sections
7 134402 and 134403.

8 (2) ADMINISTRATION.—Notwithstanding any
9 other provision of law, the Secretary may implement,
10 by program instruction or otherwise, any of the pro-
11 visions of, or amendments made by, this section.

12 (3) PAPERWORK REDUCTION ACT.—Chapter 35
13 of title 44, United States Code, shall not apply to
14 the provisions of, or the amendments made by, this
15 section.

16 **SEC. 134402. PROVIDING COVERAGE FOR HEARING CARE**
17 **UNDER THE MEDICARE PROGRAM.**

18 (a) PROVISION OF AURAL REHABILITATION AND
19 TREATMENT SERVICES BY QUALIFIED AUDIOLOGISTS.—
20 Section 1861(l)(3) of the Social Security Act (42 U.S.C.
21 1395x(l)(3)) is amended by inserting “(and, beginning
22 October 1, 2023, such aural rehabilitation and treatment
23 services)” after “assessment services”.

24 (b) COVERAGE OF HEARING AIDS.—

1 (1) INCLUSION OF HEARING AIDS AS PROS-
2 THETIC DEVICES.—Section 1861(s)(8) of the Social
3 Security Act (42 U.S.C. 1395x(s)(8)) is amended by
4 inserting “, and including hearing aids (as described
5 in section 1834(h)(7)) furnished on or after October
6 1, 2023, to individuals diagnosed with profound or
7 severe hearing loss” before the semicolon at the end.

8 (2) PAYMENT LIMITATIONS FOR HEARING
9 AIDS.—Section 1834(h) of the Social Security Act
10 (42 U.S.C. 1395m(h)), as amended by section
11 134401(e)(2)(A), is further amended by adding at
12 the end the following new paragraph:

13 “(7) LIMITATIONS FOR HEARING AIDS.—

14 “(A) IN GENERAL.—Payment may be
15 made under this part with respect to an indi-
16 vidual, with respect to hearing aids furnished
17 on or after October 1, 2023—

18 “(i) not more than once during a 5-
19 year period;

20 “(ii) only for types of such hearing
21 aids that are not over-the-counter hearing
22 aids (as defined in section 520(q)(1) of the
23 Federal Food, Drug, and Cosmetic Act)
24 and that are determined appropriate by
25 the Secretary; and

1 “(iii) only if furnished pursuant to a
2 written order of a physician or qualified
3 audiologist (as defined in section
4 1861(l)(4)(B)).

5 “(B) LIMITATION ON JUDICIAL REVIEW.—
6 There shall be no administrative or judicial re-
7 view under section 1869 or otherwise of—

8 “(i) the determination of the types of
9 hearing aids paid for under subparagraph
10 (A)(ii); or

11 “(ii) the determination of fee schedule
12 rates for hearing aids described in this
13 paragraph.”.

14 (3) APPLICATION OF COMPETITIVE ACQUISI-
15 TION.—

16 (A) IN GENERAL.—Section 1834(h)(1)(H)
17 of the Social Security Act (42 U.S.C.
18 1395m(h)(1)(H)), as amended by section
19 134401(e)(2)(B)(i), is further amended—

20 (i) in the header, by inserting “,
21 HEARING AIDS” after “DENTURES”;

22 (ii) by inserting “, of hearing aids de-
23 scribed in paragraph (2)(E) of such sec-
24 tion,” after “paragraph (2)(D) of such sec-
25 tion”; and

1 (iii) in clause (i), by inserting “, such
2 hearing aids” after “such dentures”.

3 (B) CONFORMING AMENDMENT.—

4 (i) IN GENERAL.—Section 1847(a)(2)
5 of the Social Security Act (42 U.S.C.
6 1395w-3(a)(2)), as amended by section
7 134401(e)(2)(B)(ii), is further amended by
8 adding at the end the following new sub-
9 paragraph:

10 “(E) HEARING AIDS.—Hearing aids de-
11 scribed in section 1861(s)(8) for which payment
12 would otherwise be made under section
13 1834(h).”.

14 (ii) EXEMPTION OF CERTAIN ITEMS
15 FROM COMPETITIVE ACQUISITION.—Sec-
16 tion 1847(a)(7) of the Social Security Act
17 (42 U.S.C. 1395w-3(a)(7)), as amended
18 by section 134401(e)(2)(B)(iii), is further
19 amended by adding at the end the fol-
20 lowing new subparagraph:

21 “(D) CERTAIN HEARING AIDS.—Those
22 items and services described in paragraph
23 (2)(E) if furnished by a physician or other
24 practitioner (as defined by the Secretary) to the
25 physician’s or practitioner’s own patients as

1 part of the physician’s or practitioner’s profes-
2 sional service.”.

3 (4) INCLUSION OF AUDIOLOGISTS AS CERTAIN
4 PRACTITIONERS TO RECEIVE PAYMENT ON AN AS-
5 SIGNMENT-RELATED BASIS.—Section
6 1842(b)(18)(C) of the Social Security Act (42
7 U.S.C. 1395u(b)(18)(C)), as amended by section
8 134401(d)(4), is further amended by adding at the
9 end the following new clause:

10 “(viii) Beginning October 1, 2023, a
11 qualified audiologist (as defined in section
12 1861(l)(4)(B)).”.

13 (c) EXCLUSION MODIFICATION.—Section 1862(a)(7)
14 of the Social Security Act (42 U.S.C. 1395y(a)(7)) is
15 amended by inserting “(except such hearing aids or exami-
16 nations therefor as described in and otherwise allowed
17 under section 1861(s)(8))” after “hearing aids or exami-
18 nations therefor”.

19 (d) CERTAIN NON-APPLICATION.—

20 (1) IN GENERAL.—The last sentence of section
21 1839(a)(1) of the Social Security Act (42 U.S.C.
22 1395r(a)(1)), as added by section 134401(g)(1), is
23 amended by striking “section 134401 (other than
24 subsection (g))” and inserting “sections 134401

1 (other than subsection (g)), 134402 (other than sub-
2 section (d))”.

3 (2) PAYMENT.—Paragraph (4) of section
4 1844(a) of such Act (42 U.S.C. 1395w(a)), as added
5 by section 134401(g)(2), is amended by striking
6 “section 134401 (other than subsection (g))” and
7 inserting “sections 134401 (other than subsection
8 (g)), 134402 (other than subsection (d))”.

9 (e) IMPLEMENTATION.—

10 (1) FUNDING.—

11 (A) IN GENERAL.—In addition to amounts
12 otherwise available, the Secretary of Health and
13 Human Services (in this subsection referred to
14 as the “Secretary”) shall provide for the trans-
15 fer from the Federal Supplementary Medical
16 Insurance Trust Fund under section 1841 of
17 the Social Security Act (42 U.S.C. 1395t) to
18 the Centers for Medicare & Medicaid Services
19 Program Management Account of—

20 (i) \$20,000,000 for each of fiscal
21 years 2022 through 2023 for purposes of
22 implementing the amendments made by
23 this section; and

24 (ii) such sums as determined appro-
25 priate by the Secretary for each subse-

1 quent fiscal year for purposes of admin-
2 istering the provisions of such amend-
3 ments.

4 (B) AVAILABILITY AND ADDITIONAL USE
5 OF FUNDS.—Funds transferred pursuant to
6 subparagraph (A) shall remain available until
7 expended and may be used, in addition to the
8 purpose specified in subparagraph (A)(i), to im-
9 plement the amendments made by sections
10 134401 and 134403.

11 (2) ADMINISTRATION.—Notwithstanding any
12 other provision of law, the Secretary may implement,
13 by program instruction or otherwise, any of the pro-
14 visions of, or amendments made by, this section.

15 (3) PAPERWORK REDUCTION ACT.—Chapter 35
16 of title 44, United States Code, shall not apply to
17 the provisions of, or the amendments made by, this
18 section.

19 **SEC. 134403. PROVIDING COVERAGE FOR VISION CARE**
20 **UNDER THE MEDICARE PROGRAM.**

21 (a) COVERAGE.—Section 1861(s)(2) of the Social Se-
22 curity Act (42 U.S.C. 1395x(s)(2)), as amended by section
23 134401(a), is further amended—

24 (1) in subparagraph (HH), by striking “and”
25 after the semicolon at the end;

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

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

5 “(JJ) vision services (as defined in subsection
6 (mmm));”.

7 (b) VISION SERVICES DEFINED.—Section 1861 of
8 the Social Security Act (42 U.S.C. 1395x), as amended
9 by section 134401(b), is further amended by adding at
10 the end the following new subsection:

11 “(mmm) VISION SERVICES.—The term ‘vision serv-
12 ices’ means—

13 “(1) routine eye examinations to determine the
14 refractive state of the eyes, including procedures per-
15 formed during the course of such examination; and

16 “(2) contact lens fitting services;
17 furnished on or after October 1, 2022, by or under the
18 direct supervision of an ophthalmologist or optometrist
19 who is legally authorized to furnish such examinations,
20 procedures, or fitting services (as applicable) under State
21 law (or the State regulatory mechanism provided by State
22 law) of the State in which the examinations, procedures,
23 or fitting services are furnished.”.

24 (c) PAYMENT LIMITATIONS.—Section 1834 of the
25 Social Security Act (42 U.S.C. 1395m), as amended by

1 section 134401(e)(2), is further amended by adding at the
2 end the following new subsection:

3 “(aa) **LIMITATION FOR VISION SERVICES.**—With re-
4 spect to vision services (as defined in section 1861(mmm))
5 and an individual, payment may be made under this part
6 for only 1 routine eye examination described in paragraph
7 (1) of such section and 1 contact lens fitting service de-
8 scribed in paragraph (2) of such section during a 2-year
9 period.”.

10 (d) **PAYMENT UNDER PHYSICIAN FEE SCHEDULE.**—
11 Section 1848(j)(3) of the Social Security Act (42 U.S.C.
12 1395w-4(j)(3)), as amended by section 134401(d)(1), is
13 further amended by inserting “(2)(JJ),” before “(3)”.

14 (e) **COVERAGE OF CONVENTIONAL EYEGLASSES AND**
15 **CONTACT LENSES.**—

16 (1) **IN GENERAL.**—Section 1861(s)(8) of the
17 Social Security Act (42 U.S.C. 1395x(s)(8)), as
18 amended by section 134402(b)(1), is further amend-
19 ed by striking “, and including one pair of conven-
20 tional eyeglasses or contact lenses furnished subse-
21 quent to each cataract surgery with insertion of an
22 intraocular lens” and inserting “, including one pair
23 of conventional eyeglasses or contact lenses fur-
24 nished subsequent to each cataract surgery with in-
25 sertion of an intraocular lens, if furnished before Oc-

1 tober 1, 2022, and including conventional eyeglasses
2 or contact lenses (as described in section
3 1834(h)(8)), whether or not furnished subsequent to
4 such a surgery, if furnished on or after October 1,
5 2022”.

6 (2) CONFORMING AMENDMENT.—Section
7 1842(b)(11)(A) of the Social Security Act (42
8 U.S.C. 1395u(b)(11)(A)) is amended by inserting
9 “furnished prior to October 1, 2022,” after “relating
10 to them,”.

11 (f) SPECIAL PAYMENT RULES FOR EYEGLASSES AND
12 CONTACT LENSES.—

13 (1) LIMITATIONS.—Section 1834(h) of the So-
14 cial Security Act (42 U.S.C. 1395m(h)), as amended
15 by section 134401(e)(2)(A) and section
16 134402(b)(2), is further amended by adding at the
17 end the following new paragraph:

18 “(8) PAYMENT LIMITATIONS FOR EYEGLASSES
19 AND CONTACT LENSES.—

20 “(A) IN GENERAL.—With respect to eye-
21 glasses and contact lenses furnished to an indi-
22 vidual on or after October 1, 2022, subject to
23 subparagraph (B), payment may be made under
24 this part only—

1 “(i) during a 2-year period, for either
2 1 pair of eyeglasses (including lenses and
3 frames) or not more than a 2-year supply
4 of contact lenses;

5 “(ii) with respect to amounts attrib-
6 utable to the lenses and frames of such a
7 pair of eyeglasses or amounts attributable
8 to such a 2-year supply of contact lenses,
9 in an amount not greater than—

10 “(I) for a pair of eyeglasses fur-
11 nished in, or a 2-year supply of con-
12 tact lenses beginning in, 2022—

13 “(aa) \$85 for the lenses of
14 such pair of eyeglasses and \$85
15 for the frames of such pair of
16 eyeglasses; or

17 “(bb) \$85 for such 2-year
18 supply of contact lenses; and

19 “(II) for the lenses and frames of
20 a pair of eyeglasses furnished in, or a
21 2-year supply of contact lenses begin-
22 ning in, a subsequent year, the dollar
23 amounts specified under this subpara-
24 graph for the previous year, increased
25 by the percentage change in the con-

1 consumer price index for all urban con-
2 sumers (United States city average)
3 for the 12-month period ending with
4 June of the previous year;

5 “(iii) if furnished pursuant to a writ-
6 ten order of a physician described in sec-
7 tion 1861(lll); and

8 “(iv) if during the 2-year period de-
9 scribed in clause (i), the individual did not
10 already receive (as described in subpara-
11 graph (B)) one pair of conventional eye-
12 glasses or contact lenses subsequent to a
13 cataract surgery with insertion of an intra-
14 ocular lens furnished during such period.

15 “(B) EXCEPTION.—With respect to a 2-
16 year period described in subparagraph (A)(i), in
17 the case of an individual who receives cataract
18 surgery with insertion of an intraocular lens,
19 notwithstanding subparagraph (A), payment
20 may be made under this part for one pair of
21 conventional eyeglasses or contact lenses fur-
22 nished subsequent to such cataract surgery dur-
23 ing such period.

1 “(C) LIMITATION ON JUDICIAL REVIEW.—
2 There shall be no administrative or judicial re-
3 view under section 1869 or otherwise of—

4 “(i) the determination of the types of
5 eyeglasses and contact lenses covered
6 under this paragraph; or

7 “(ii) the determination of fee schedule
8 rates under this subsection for eyeglasses
9 and contact lenses.”.

10 (2) APPLICATION OF COMPETITIVE ACQUISI-
11 TION.—

12 (A) IN GENERAL.—Section 1834(h)(1)(H)
13 of the Social Security Act (42 U.S.C.
14 1395m(h)(1)(H)), as amended by section
15 134401(e)(2)(B)(i) and section
16 134402(b)(3)(A), is further amended—

17 (i) in the header by inserting “, EYE-
18 GLASSES, AND CONTACT LENSES” after
19 “HEARING AIDS”;

20 (ii) by inserting “and of eyeglasses
21 and contact lenses described in paragraph
22 (2)(F) of such section,” after “paragraph
23 (2)(E) of such section,”; and

1 (iii) in clause (i), by inserting “, or
2 such eyeglasses and contact lenses” after
3 “such hearing aids”.

4 (B) CONFORMING AMENDMENT.—

5 (i) IN GENERAL.—Section 1847(a)(2)
6 of the Social Security Act (42 U.S.C.
7 1395w–3(a)(2)), as amended by section
8 134401(e)(2)(B)(ii) and section
9 134402(b)(3)(B)(i), is further amended by
10 adding at the end the following new sub-
11 paragraph:

12 “(F) EYEGLASSES AND CONTACT
13 LENSES.—Eyeglasses and contact lenses de-
14 scribed in section 1861(s)(8) for which payment
15 would otherwise be made under section
16 1834(h).”.

17 (ii) EXEMPTION OF CERTAIN ITEMS
18 FROM COMPETITIVE ACQUISITION.—Sec-
19 tion 1847(a)(7) of the Social Security Act
20 (42 U.S.C. 1395w–3(a)(7)), as amended
21 by section 134401(e)(2)(B)(iii) and section
22 134402(b)(3)(B)(ii), is further amended by
23 adding at the end the following new sub-
24 paragraph:

1 “(E) CERTAIN EYEGLASSES AND CONTACT
2 LENSES.—Those items and services described in
3 paragraph (2)(F) if furnished by a physician or
4 other practitioner (as defined by the Secretary)
5 to the physician’s or practitioner’s own patients
6 as part of the physician’s or practitioner’s pro-
7 fessional service.”.

8 (g) EXCLUSION MODIFICATIONS.—Section 1862(a)
9 of the Social Security Act (42 U.S.C. 1395y(a)), as
10 amended by section 134401(f), is further amended—

11 (1) in paragraph (1)—

12 (A) in subparagraph (P), by striking
13 “and” at the end;

14 (B) in subparagraph (Q), by striking the
15 semicolon at the end and inserting “, and”; and

16 (C) by adding at the end the following new
17 subparagraph:

18 “(R) in the case of vision services (as defined
19 in section 1861(mmm)) that are routine eye exami-
20 nations and contact lens fitting services (as de-
21 scribed in paragraph (1) or (2), respectively, of such
22 section), which are furnished more frequently than
23 once during a 2-year period;”; and

24 (2) in paragraph (7)—

1 (A) by inserting “(other than such an ex-
2 amination that is a vision service that is cov-
3 ered under section 1861(s)(2)(JJ))” after “eye
4 examinations”; and

5 (B) by inserting “(other than such a proce-
6 dure that is a vision service that is covered
7 under section 1861(s)(2)(JJ))” after “refractive
8 state of the eyes”.

9 (h) CERTAIN NON-APPLICATION.—

10 (1) IN GENERAL.—The last sentence of section
11 1839(a)(1) of the Social Security Act (42 U.S.C.
12 1395r(a)(1)), as added by section 134401(g)(1) and
13 amended by section 134402(d)(1), is further amend-
14 ed by inserting “, and 134403 (other than sub-
15 section (h))” after “134402 (other than subsection
16 (d))”.

17 (2) PAYMENT.—Paragraph (4) of section
18 1844(a) of such Act (42 U.S.C. 1395w(a)), as added
19 by section 134401(g)(2) and amended by section
20 134402(d)(2), is further amended by inserting “,
21 and 134403 (other than subsection (h))” after
22 “134402 (other than subsection (d))”.

23 (i) IMPLEMENTATION.—

24 (1) FUNDING.—

1 (A) IN GENERAL.—In addition to amounts
2 otherwise available, the Secretary of Health and
3 Human Services (in this subsection referred to
4 as the “Secretary”) shall provide for the trans-
5 fer from the Federal Supplementary Medical
6 Insurance Trust Fund under section 1841 of
7 the Social Security Act (42 U.S.C. 1395t) to
8 the Centers for Medicare & Medicaid Services
9 Program Management Account of—

10 (i) \$20,000,000 for each of fiscal
11 years 2022 and 2023 for purposes of im-
12 plementing the amendments made by this
13 section; and

14 (ii) such sums as determined appro-
15 priate by the Secretary for each subse-
16 quent fiscal year for purposes of admin-
17 istering the provisions of such amend-
18 ments.

19 (B) AVAILABILITY AND ADDITIONAL USE
20 OF FUNDS.—Funds transferred pursuant to
21 subparagraph (A) shall remain available until
22 expended and may be used, in addition to the
23 purpose specified in subparagraph (A)(i), to im-
24 plement the amendments made by sections
25 134401 and 134402.

1 (2) ADMINISTRATION.—Notwithstanding any
2 other provision of law, the Secretary may implement,
3 by program instruction or otherwise, any of the pro-
4 visions of, or amendments made by, this section.

5 (3) PAPERWORK REDUCTION ACT.—Chapter 35
6 of title 44, United States Code, shall not apply to
7 the provisions of, or the amendments made by, this
8 section.

9 **Subtitle F—Infrastructure Financ-**
10 **ing and Community Develop-**
11 **ment**

12 **SEC. 135001. AMENDMENT OF 1986 CODE.**

13 Except as otherwise expressly provided, whenever in
14 this subtitle an amendment or repeal is expressed in terms
15 of an amendment to, or repeal of, a section or other provi-
16 sion, the reference shall be considered to be made to a
17 section or other provision of the Internal Revenue Code
18 of 1986.

19 **PART 1—INFRASTRUCTURE FINANCING**

20 **Subpart A—Bond Financing**

21 **SEC. 135101. CREDIT TO ISSUER FOR CERTAIN INFRA-**
22 **STRUCTURE BONDS.**

23 (a) IN GENERAL.—Subchapter B of chapter 65 is
24 amended by inserting before section 6432 the following
25 new section:

1 **“SEC. 6431A. CREDIT ALLOWED TO ISSUER FOR QUALIFIED**
 2 **INFRASTRUCTURE BONDS.**

3 “(a) IN GENERAL.—In the case of a qualified infra-
 4 structure bond, the issuer of such bond shall be allowed
 5 a credit with respect to each interest payment under such
 6 bond which shall be payable by the Secretary as provided
 7 in subsection (b).

8 “(b) PAYMENT OF CREDIT.—

9 “(1) IN GENERAL.—The Secretary shall pay
 10 (contemporaneously with each date on which interest
 11 is paid, including any interest paid after the origi-
 12 nally scheduled payment date) to the issuer of such
 13 bond (or, at the direction of the issuer, to any per-
 14 son who makes such interest payments on behalf of
 15 such issuer) an amount equal to the applicable per-
 16 centage of such interest so paid.

17 “(2) APPLICABLE PERCENTAGE.—For purposes
 18 of this subsection, except as provided in subsection
 19 (d), the applicable percentage with respect to any
 20 bond shall be determined under the following table:

| “In the case of a bond issued The applicable percentage is: | |
|--|-----|
| during calendar year: | |
| 2022 through 2024 | 35% |
| 2025 | 32% |
| 2026 | 30% |
| 2027 and thereafter | 28% |

21 “(3) LIMITATION.—

22 “(A) IN GENERAL.—The amount of any
 23 interest payment taken into account under

1 paragraph (1) with respect to a bond for any
2 payment date shall not exceed the amount of
3 interest which would have been payable under
4 such bond for such payment date if interest
5 were determined at the applicable credit rate
6 multiplied by the applicable amount for such
7 bond for such payment date.

8 “(B) APPLICABLE CREDIT RATE.—For
9 purposes of subparagraph (A)—

10 “(i) IN GENERAL.—The applicable
11 credit rate is the rate which the Secretary
12 estimates will permit the issuance of quali-
13 fied infrastructure bonds with a specified
14 maturity or redemption date without dis-
15 count and without additional interest cost
16 to the issuer.

17 “(ii) DATE OF DETERMINATION.—The
18 applicable credit rate with respect to any
19 qualified infrastructure bond shall be de-
20 termined as of the first day on which there
21 is a binding, written contract for the sale
22 or exchange of the bond.

23 “(C) APPLICABLE AMOUNT.—

24 “(i) BONDS WITH MORE THAN DE
25 MINIMIS ORIGINAL ISSUE DISCOUNT.—In

1 the case of any bond that has more than
2 a de minimis amount of original issue dis-
3 count (determined under the rules of sec-
4 tion 1273(a)(3)), the applicable amount for
5 a payment date is the issue price of such
6 bond (within the meaning of section 148),
7 as adjusted for any principal payments
8 made prior to such date.

9 “(ii) OTHER BONDS.—In the case of
10 any other bond, the applicable amount for
11 a payment date is the outstanding prin-
12 cipal amount of such bond on such pay-
13 ment date (determined without taking into
14 account any principal payment on such
15 bond on such date).

16 “(c) QUALIFIED INFRASTRUCTURE BOND.—

17 “(1) IN GENERAL.—For purposes of this sec-
18 tion, the term ‘qualified infrastructure bond’ means
19 any bond (other than a private activity bond) issued
20 as part of an issue if—

21 “(A) 100 percent of the excess of available
22 project proceeds of such issue over the amounts
23 in a reasonably required reserve (within the
24 meaning of section 150(a)(3)) with respect to
25 such issue are to be used for—

1 “(i) capital expenditures or operations
2 and maintenance expenditures in connec-
3 tion with property the acquisition, con-
4 struction, or improvement of which would
5 be a capital expenditure, or

6 “(ii) payments made by a State or po-
7 litical subdivision of a State to a custodian
8 of a rail corridor for purposes of the trans-
9 fer, lease, sale, or acquisition of an estab-
10 lished railroad right-of-way consistent with
11 section 8(d) of the National Trails Act of
12 1968, but only if the Surface Transpor-
13 tation Board has issued a certificate of in-
14 terim trail use or notice of interim trail use
15 for purposes of authorizing such transfer,
16 lease, sale, or acquisition,

17 “(B) the interest on such bond would (but
18 for this section) be excludable from gross in-
19 come under section 103,

20 “(C) the issue price has not more than a
21 de minimis amount (determined under rules
22 similar to the rules of section 1273(a)(3)) of
23 premium over the stated principal amount of
24 the bond, and

1 “(D) prior to the issuance of such bond,
2 the issuer makes an irrevocable election to have
3 this section apply.

4 “(2) APPLICABLE RULES.—For purposes of ap-
5 plying paragraph (1)—

6 “(A) NOT TREATED AS FEDERALLY GUAR-
7 ANTEED.—For purposes of section 149(b), a
8 qualified infrastructure bond shall not be treat-
9 ed as federally guaranteed by reason of the
10 credit allowed under this section.

11 “(B) APPLICATION OF ARBITRAGE
12 RULES.—For purposes of section 148, the yield
13 on a qualified infrastructure bond shall be re-
14 duced by the credit allowed under this section,
15 except that no such reduction shall apply in de-
16 termining the amount of gross proceeds of an
17 issue that qualifies as a reasonably required re-
18 serve or replacement fund.

19 “(d) DEFINITION AND SPECIAL RULES.—For pur-
20 poses of this section—

21 “(1) INTEREST INCLUDIBLE IN GROSS IN-
22 COME.—For purposes of this title, interest on any
23 qualified infrastructure bond shall be includible in
24 gross income.

1 “(2) AVAILABLE PROJECT PROCEEDS.—The
2 term ‘available project proceeds’ means—

3 “(A) the excess of—

4 “(i) the proceeds from the sale of an
5 issue, over

6 “(ii) issuance costs financed by the
7 issue (to the extent that such costs do not
8 exceed 2 percent of such proceeds), and

9 “(B) the proceeds from any investment of
10 the excess described in subparagraph (A).

11 “(3) CURRENT REFUNDINGS ALLOWED.—

12 “(A) IN GENERAL.—In the case of a bond
13 issued to refund a qualified infrastructure bond,
14 such refunding bond shall not be treated as a
15 qualified infrastructure bond for purposes of
16 this section unless—

17 “(i) the average maturity date of the
18 issue of which the refunding bond is a part
19 is not later than the average maturity date
20 of the bonds to be refunded by such issue,

21 “(ii) the amount of the refunding
22 bond does not exceed the outstanding
23 amount of the refunded bond,

1 “(iii) the refunded bond is redeemed
2 not later than 90 days after the date of the
3 issuance of the refunding bond, and

4 “(iv) the refunded bond was issued
5 more than 30 days after the date of the
6 enactment of this section.

7 “(B) APPLICABLE PERCENTAGE LIMITA-
8 TION.—The applicable percentage with respect
9 to any bond to which subparagraph (A) applies
10 shall be 28 percent.

11 “(C) DETERMINATION OF AVERAGE MATU-
12 RITY.—For purposes of subparagraph (A)(i),
13 average maturity shall be determined in accord-
14 ance with section 147(b)(2)(A).

15 “(4) APPLICATION OF DAVIS-BACON ACT RE-
16 QUIREMENTS WITH RESPECT TO QUALIFIED INFRA-
17 STRUCTURE BONDS.—Subchapter IV of chapter 31
18 of title 40, United States Code, shall apply to
19 projects financed with the proceeds of qualified in-
20 frastructure bonds.

21 “(e) REGULATIONS.—The Secretary may prescribe
22 such regulations and other guidance as may be necessary
23 or appropriate to carry out this section.”.

24 (b) GROSS-UP OF PAYMENT TO ISSUERS IN CASE OF
25 SEQUESTRATION.—In the case of any payment under sec-

1 tion 6431A of the Internal Revenue Code of 1986 made
2 after the date of the enactment of this Act to which se-
3 questration applies, the amount of such payment shall be
4 increased to an amount equal to—

5 (1) such payment (determined before such se-
6 questration), multiplied by

7 (2) the quotient obtained by dividing 1 by the
8 amount by which 1 exceeds the percentage reduction
9 in such payment pursuant to such sequestration.

10 For purposes of this subsection, the term “sequestration”
11 means any reduction in direct spending ordered in accord-
12 ance with a sequestration report prepared by the Director
13 of the Office and Management and Budget pursuant to
14 the Balanced Budget and Emergency Deficit Control Act
15 of 1985 or the Statutory Pay-As-You-Go Act of 2010.

16 (c) CONFORMING AMENDMENTS.—

17 (1) Section 1324(b)(2) of title 31, United
18 States Code, is amended by striking “or 6431” and
19 inserting “6431, or 6431A”.

20 (2) The table of sections for subchapter B of
21 chapter 65 is amended by inserting before the item
22 relating to section 6432 the following new item:

“Sec. 6431A. Credit allowed to issuer for qualified infrastructure bonds.”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to bonds issued after December
25 31, 2021.

1 **SEC. 135102. ADVANCE REFUNDING BONDS.**

2 (a) IN GENERAL.—Section 149(d) is amended—

3 (1) by striking “to advance refund another
4 bond.” in paragraph (1) and inserting “as part of
5 an issue described in paragraph (2), (3), or (4).”,

6 (2) by redesignating paragraphs (2) and (3) as
7 paragraphs (5) and (7), respectively,

8 (3) by inserting after paragraph (1) the fol-
9 lowing new paragraphs:

10 “(2) CERTAIN PRIVATE ACTIVITY BONDS.—An
11 issue is described in this paragraph if any bond
12 (issued as part of such issue) is issued to advance
13 refund a private activity bond (other than a qualified
14 501(c)(3) bond).

15 “(3) OTHER BONDS.—

16 “(A) IN GENERAL.—An issue is described
17 in this paragraph if any bond (issued as part of
18 such issue), hereinafter in this paragraph re-
19 ferred to as the ‘refunding bond’, is issued to
20 advance refund a bond unless—

21 “(i) the refunding bond is only—

22 “(I) the first advance refunding
23 of the original bond if the original
24 bond is issued after 1985, or

1 “(II) the first or second advance
2 refunding of the original bond if the
3 original bond was issued before 1986,
4 “(ii) in the case of refunded bonds
5 issued before 1986, the refunded bond is
6 redeemed not later than the earliest date
7 on which such bond may be redeemed at
8 par or at a premium of 3 percent or less,
9 “(iii) in the case of refunded bonds
10 issued after 1985, the refunded bond is re-
11 deemed not later than the earliest date on
12 which such bond may be redeemed,
13 “(iv) the initial temporary period
14 under section 148(c) ends—
15 “(I) with respect to the proceeds
16 of the refunding bond not later than
17 30 days after the date of issue of such
18 bond, and
19 “(II) with respect to the proceeds
20 of the refunded bond on the date of
21 issue of the refunding bond, and
22 “(v) in the case of refunded bonds to
23 which section 148(e) did not apply, on and
24 after the date of issue of the refunding
25 bond, the amount of proceeds of the re-

1 funded bond invested in higher yielding in-
2 vestments (as defined in section 148(b))
3 which are nonpurpose investments (as de-
4 fined in section 148(f)(6)(A)) does not ex-
5 ceed—

6 “(I) the amount so invested as
7 part of a reasonably required reserve
8 or replacement fund or during an al-
9 lowable temporary period, and

10 “(II) the amount which is equal
11 to the lesser of 5 percent of the pro-
12 ceeds of the issue of which the re-
13 funded bond is a part or \$100,000 (to
14 the extent such amount is allocable to
15 the refunded bond).

16 “(B) SPECIAL RULES FOR REDEMP-
17 TIONS.—

18 “(i) ISSUER MUST REDEEM ONLY IF
19 DEBT SERVICE SAVINGS.—Clause (ii) and
20 (iii) of subparagraph (A) shall apply only
21 if the issuer may realize present value debt
22 service savings (determined without regard
23 to administrative expenses) in connection
24 with the issue of which the refunding bond
25 is a part.

1 “(ii) REDEMPTIONS NOT REQUIRED
2 BEFORE 90TH DAY.—For purposes of
3 clauses (ii) and (iii) of subparagraph (A),
4 the earliest date referred to in such clauses
5 shall not be earlier than the 90th day after
6 the date of issuance of the refunding bond.

7 “(4) ABUSIVE TRANSACTIONS PROHIBITED.—
8 An issue is described in this paragraph if any bond
9 (issued as part of such issue) is issued to advance
10 refund another bond and a device is employed in
11 connection with the issuance of such issue to obtain
12 a material financial advantage (based on arbitrage)
13 apart from savings attributable to lower interest
14 rates.”, and

15 (4) by inserting after paragraph (5) (as so re-
16 designated) the following new paragraph:

17 “(6) SPECIAL RULES FOR PURPOSES OF PARA-
18 GRAPH (3).—For purposes of paragraph (3), bonds
19 issued before October 22, 1986, shall be taken into
20 account under subparagraph (A)(i) thereof except—

21 “(A) a refunding which occurred before
22 1986 shall be treated as an advance refunding
23 only if the refunding bond was issued more
24 than 180 days before the redemption of the re-
25 funded bond, and

1 “(B) a bond issued before 1986, shall be
2 treated as advance refunded no more than once
3 before March 15, 1986.”.

4 (b) CONFORMING AMENDMENT.—Section
5 148(f)(4)(C) is amended by redesignating clauses (xiv)
6 through (xvi) as clauses (xv) to (xvii), respectively, and
7 by inserting after clause (xiii) the following new clause:

8 “(xiv) DETERMINATION OF INITIAL
9 TEMPORARY PERIOD.—For purposes of
10 this subparagraph, the end of the initial
11 section temporary period shall be deter-
12 mined without regard to section
13 149(d)(3)(A)(iv).”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to advance refunding bonds issued
16 more than 30 days after the date of the enactment of this
17 Act.

18 **SEC. 135103. PERMANENT MODIFICATION OF SMALL**
19 **ISSUER EXCEPTION TO TAX-EXEMPT INTER-**
20 **EST EXPENSE ALLOCATION RULES FOR FI-**
21 **NANCIAL INSTITUTIONS.**

22 (a) PERMANENT INCREASE IN LIMITATION.—Sub-
23 paragraphs (C)(i), (D)(i), and (D)(iii)(II) of section
24 265(b)(3) are each amended by striking “\$10,000,000”
25 and inserting “\$30,000,000”.

1 (b) PERMANENT MODIFICATION OF OTHER SPECIAL
2 RULES.—Section 265(b)(3) is amended—

3 (1) by redesignating clauses (iv), (v), and (vi)
4 of subparagraph (G) as clauses (ii), (iii), and (iv),
5 respectively, and moving such clauses to the end of
6 subparagraph (H) (as added by paragraph (2)), and

7 (2) by striking so much of subparagraph (G) as
8 precedes such clauses and inserting the following:

9 “(G) QUALIFIED 501(c)(3) BONDS TREATED
10 AS ISSUED BY EXEMPT ORGANIZATION.—In the
11 case of a qualified 501(c)(3) bond (as defined
12 in section 145), this paragraph shall be applied
13 by treating the 501(c)(3) organization for
14 whose benefit such bond was issued as the
15 issuer.

16 “(H) SPECIAL RULE FOR QUALIFIED
17 FINANCINGS.—

18 “(i) IN GENERAL.—In the case of a
19 qualified financing issue—

20 “(I) subparagraph (F) shall not
21 apply, and

22 “(II) any obligation issued as a
23 part of such issue shall be treated as
24 a qualified tax-exempt obligation if
25 the requirements of this paragraph

1 are met with respect to each qualified
2 portion of the issue (determined by
3 treating each qualified portion as a
4 separate issue which is issued by the
5 qualified borrower with respect to
6 which such portion relates).”.

7 (c) INFLATION ADJUSTMENT.—Section 265(b)(3), as
8 amended by subsection (b), is amended by adding at the
9 end the following new subparagraph:

10 “(I) INFLATION ADJUSTMENT.—In the
11 case of any calendar year after 2021, the
12 \$30,000,000 amounts contained in subpara-
13 graphs (C)(i), (D)(i), and (D)(iii)(II) shall each
14 be increased by an amount equal to—

15 “(i) such dollar amount, multiplied by
16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for such
18 calendar year, determined by substituting
19 ‘calendar year 2020’ for ‘calendar year
20 2016’ in subparagraph (A)(ii) thereof.

21 Any increase determined under the preceding
22 sentence shall be rounded to the nearest mul-
23 tiple of \$100,000.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to obligations issued after the date
3 of the enactment of this Act.

4 **SEC. 135104. MODIFICATIONS TO QUALIFIED SMALL ISSUE**
5 **BONDS.**

6 (a) MANUFACTURING FACILITIES TO INCLUDE PRO-
7 Duction OF INTANGIBLE PROPERTY AND FUNCTIONALLY
8 RELATED FACILITIES.—Subparagraph (C) of section
9 144(a)(12) is amended to read as follows:

10 “(C) MANUFACTURING FACILITY.—For
11 purposes of this paragraph—

12 “(i) IN GENERAL.—The term ‘manu-
13 facturing facility’ means any facility
14 which—

15 “(I) is used in the manufacturing
16 or production of tangible personal
17 property (including the processing re-
18 sulting in a change in the condition of
19 such property),

20 “(II) is used in the creation or
21 production of intangible property
22 which is described in section
23 197(d)(1)(C)(iii), or

24 “(III) is functionally related and
25 subordinate to a facility described in

1 subclause (I) or (II) if such facility is
2 located on the same site as the facility
3 described in subclause (I) or (II).

4 “(ii) CERTAIN FACILITIES IN-
5 CLUDED.—The term ‘manufacturing facil-
6 ity’ includes facilities that are directly re-
7 lated and ancillary to a manufacturing fa-
8 cility (determined without regard to this
9 clause) if—

10 “(I) those facilities are located on
11 the same site as the manufacturing
12 facility, and

13 “(II) not more than 25 percent
14 of the net proceeds of the issue are
15 used to provide those facilities.

16 “(iii) LIMITATION ON OFFICE
17 SPACE.—A rule similar to the rule of sec-
18 tion 142(b)(2) shall apply for purposes of
19 clause (i).

20 “(iv) LIMITATION ON REFUNDINGS
21 FOR CERTAIN PROPERTY.—Subclauses (II)
22 and (III) of clause (i) shall not apply to
23 any bond issued on or before the date of
24 the enactment of the Act to provide for
25 reconciliation pursuant to title II of S.

1 Con. Res. 14, or to any bond issued to re-
2 fund a bond issued on or before such date
3 (other than a bond to which clause (iii) of
4 this subparagraph (as in effect before the
5 date of the enactment of such Act) ap-
6 plies), either directly or in a series of
7 refundings.”.

8 (b) INCREASE IN LIMITATIONS.—Section 144(a)(4) is
9 amended—

10 (1) in subparagraph (A)(i), by striking
11 “\$10,000,000” and inserting “\$30,000,000”, and

12 (2) in the heading, by striking “\$10,000,000” and
13 inserting “\$30,000,000”.

14 (c) ADJUSTMENT FOR INFLATION.—Section
15 144(a)(4) is amended by adding at the end the following
16 new subparagraph:

17 “(H) ADJUSTMENT FOR INFLATION.—In
18 the case of any calendar year after 2021, the
19 \$30,000,000 amount in subparagraph (A) shall
20 be increased by an amount equal to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year, determined by substituting

1 ‘calendar year 2020’ for ‘calendar year
2 2016’ in subparagraph (A)(ii) thereof.

3 If any amount as increased under the preceding
4 sentence is not a multiple of \$100,000, such
5 amount shall be rounded to the nearest multiple
6 of \$100,000.”.

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

10 **SEC. 135105. EXPANSION OF CERTAIN EXCEPTIONS TO THE**
11 **PRIVATE ACTIVITY BOND RULES FOR FIRST-**
12 **TIME FARMERS.**

13 (a) INCREASE IN DOLLAR LIMITATION.—

14 (1) IN GENERAL.—Section 147(c)(2)(A) is
15 amended by striking “\$450,000” and inserting
16 “\$552,500”.

17 (2) REPEAL OF SEPARATE LOWER DOLLAR LIM-
18 ITATION ON USED FARM EQUIPMENT.—Section
19 147(c)(2) is amended by striking subparagraph (F)
20 and by redesignating subparagraphs (G) and (H) as
21 subparagraphs (F) and (G), respectively.

22 (3) QUALIFIED SMALL ISSUE BOND LIMITATION
23 CONFORMED TO INCREASED DOLLAR LIMITATION.—
24 Section 144(a)(11)(A) is amended by striking
25 “\$250,000” and inserting “\$552,500”.

1 (4) INFLATION ADJUSTMENT.—

2 (A) IN GENERAL.—Section 147(c)(2)(G),
3 as redesignated by paragraph (2), is amended—

4 (i) by striking “after 2008, the dollar
5 amount in subparagraph (A) shall be in-
6 creased” and inserting “after 2021, the
7 dollar amounts in subparagraph (A) and
8 section 144(a)(11)(A) shall each be in-
9 creased”, and

10 (ii) in clause (ii), by striking “2007”
11 and inserting “2020”.

12 (B) CROSS-REFERENCE.—Section
13 144(a)(11) is amended by adding at the end the
14 following new subparagraph:

15 “(D) INFLATION ADJUSTMENT.—For infla-
16 tion adjustment of dollar amount contained in
17 subparagraph (A), see section 147(c)(2)(G).”.

18 (b) SUBSTANTIAL FARMLAND DETERMINED ON
19 BASIS OF AVERAGE RATHER THAN MEDIAN FARM
20 SIZE.—Section 147(c)(2)(E) is amended by striking “me-
21 dian” and inserting “average”.

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

1 **SEC. 135106. CERTAIN WATER AND SEWAGE FACILITY**
2 **BONDS EXEMPT FROM VOLUME CAP ON PRI-**
3 **VATE ACTIVITY BONDS.**

4 (a) IN GENERAL.—Section 146(g) is amended by
5 striking “and” at the end of paragraph (3), striking the
6 period at the end of paragraph (4) and inserting “, and”,
7 and inserting after paragraph (4) the following new para-
8 graph:

9 “(5) any exempt facility bond issued as part of
10 an issue described in paragraph (4) or (5) of section
11 142(a) if 95 percent or more of the net proceeds of
12 such issue are to be used to provide facilities
13 which—

14 “(A) will be used—

15 “(i) by a person who was, as of July
16 1, 2020, engaged in operation of a facility
17 described in such paragraph, and

18 “(ii) to provide service within the area
19 served by such person on such date (or
20 within a county or city any portion of
21 which is within such area), or

22 “(B) will be used by a successor in interest
23 to such person for the same use and within the
24 same service area as described in subparagraph
25 (A).”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to bonds issued after the date of
3 the enactment of this Act.

4 **SEC. 135107. EXEMPT FACILITY BONDS FOR ZERO-EMISSION**
5 **VEHICLE INFRASTRUCTURE.**

6 (a) IN GENERAL.—Section 142 is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (14), by striking “or” at
9 the end,

10 (B) in paragraph (15), by striking the pe-
11 riod at the end and inserting “, or”, and

12 (C) by adding at the end the following new
13 paragraph:

14 “(16) zero-emission vehicle infrastructure.”,

15 and

16 (2) by adding at the end the following new sub-
17 section:

18 “(n) ZERO-EMISSION VEHICLE INFRASTRUCTURE.—

19 “(1) IN GENERAL.—For purposes of subsection
20 (a)(16), the term ‘zero-emission vehicle infrastruc-
21 ture’ means any property (not including a building
22 and its structural components) if such property is
23 part of a unit which—

24 “(A) is used to charge or fuel zero-emis-
25 sions vehicles,

1 “(B) is located where the vehicles are
2 charged or fueled,

3 “(C) is of a character subject to the allow-
4 ance for depreciation (or amortization in lieu of
5 depreciation),

6 “(D) is made available for use by members
7 of the general public,

8 “(E) accepts payment via a credit card
9 reader, including a credit card reader that uses
10 contactless technology, and

11 “(F) is capable of charging or fueling vehi-
12 cles produced by more than one manufacturer
13 (within the meaning of section 30D(d)(3)).

14 “(2) INCLUSION OF UTILITY SERVICE CONNEC-
15 TIONS, ETC.—The term ‘zero-emission vehicle infra-
16 structure’ shall include any utility service connec-
17 tions, utility panel upgrades, line extensions and
18 conduit, transformer upgrades, or similar property,
19 in connection with property meeting the require-
20 ments of paragraph (1).

21 “(3) ZERO-EMISSIONS VEHICLE.—The term
22 ‘zero-emissions vehicle’ means—

23 “(A) a zero-emission vehicle as defined in
24 section 88.102–94 of title 40, Code of Federal
25 Regulations, or

1 “(B) a vehicle that produces zero exhaust
2 emissions of any criteria pollutant (or precursor
3 pollutant) or greenhouse gas under any possible
4 operational modes and conditions.

5 “(4) ZERO-EMISSIONS VEHICLE INFRASTRUC-
6 TURE LOCATED WITHIN OTHER FACILITIES OR
7 PROJECTS.—For purposes of subsection (a), any
8 zero-emission vehicle infrastructure located within—

9 “(A) a facility or project described in sub-
10 section (a), or

11 “(B) an area adjacent to a facility or
12 project described in subsection (a) that pri-
13 marily serves vehicles traveling to or from such
14 facility or project,

15 shall be treated as described in the paragraph in
16 which such facility or project is described.

17 “(5) EXCEPTION FOR REFUELING PROPERTY
18 FOR FLEET VEHICLES.—Subparagraphs (D), (E),
19 and (F) of paragraph (1) shall not apply to property
20 which is part of a unit which is used exclusively by
21 fleets of commercial or governmental vehicles.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to obligations issued after Decem-
24 ber 31, 2021.

1 **SEC. 135108. APPLICATION OF DAVIS-BACON ACT REQUIRE-**
2 **MENTS WITH RESPECT TO CERTAIN EXEMPT**
3 **FACILITY BONDS.**

4 (a) IN GENERAL.—Section 142(b) is amended by
5 adding at the end the following new paragraph:

6 “(3) APPLICATION OF DAVIS-BACON ACT RE-
7 QUIREMENTS WITH RESPECT TO CERTAIN EXEMPT
8 FACILITY BONDS.—If any proceeds of any issue are
9 used for construction, alteration, or repair of any fa-
10 cility otherwise described in paragraph (4), (5), (15),
11 or (16) of subsection (a), such facility shall be treat-
12 ed for purposes of subsection (a) as described in
13 such paragraph only if each entity that receives such
14 proceeds to conduct such construction, alteration, or
15 repair agrees to comply with the provisions of sub-
16 chapter IV of chapter 31 of title 40, United States
17 Code with respect to such construction, alteration, or
18 repair.”.

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

1 **Subpart B—Other Provisions Related to**
2 **Infrastructure Financing**
3 **SEC. 135111. CREDIT FOR OPERATIONS AND MAINTENANCE**
4 **COSTS OF GOVERNMENT-OWNED**
5 **BROADBAND.**

6 (a) IN GENERAL.—Subchapter B of chapter 65, as
7 amended by the preceding provisions of this Act, is amend-
8 ed by inserting before section 6432 the following new sec-
9 tion:

10 **“SEC. 6431B. CREDIT FOR OPERATIONS AND MAINTENANCE**
11 **COSTS OF GOVERNMENT-OWNED**
12 **BROADBAND.**

13 “(a) IN GENERAL.—In the case of any eligible gov-
14 ernmental entity, there shall be allowed a credit equal to
15 the applicable percentage of the qualified broadband ex-
16 penses paid or incurred by such entity during the taxable
17 year which credit shall be payable by the Secretary as pro-
18 vided in subsection (b).

19 “(b) PAYMENT OF CREDIT.—Upon receipt from an
20 eligible governmental entity of such information as the
21 Secretary may require for purposes of carrying out this
22 section, the Secretary shall pay to such entity the amount
23 of the credit determined under subsection (a) for the tax-
24 able year.

25 “(c) LIMITATION.—The amount of qualified
26 broadband expenses taken into account under this section

1 for any taxable year with respect to any qualified
2 broadband network shall not exceed the product of \$400
3 multiplied by the number of qualified households sub-
4 scribed to the qualified broadband service provided by
5 such network (determined as of any time during such tax-
6 able year).

7 “(d) DEFINITIONS.—For purposes of this section—

8 “(1) APPLICABLE PERCENTAGE.—The term
9 ‘applicable percentage’ means—

10 “(A) in the case of any taxable year begin-
11 ning in 2021 through 2026, 30 percent,

12 “(B) in the case of any taxable year begin-
13 ning in 2027, 26 percent, and

14 “(C) in the case of any taxable year begin-
15 ning in 2028, 24 percent.

16 “(2) ELIGIBLE GOVERNMENTAL ENTITY.—The
17 term ‘eligible governmental entity’ means—

18 “(A) any State, local, or Indian tribal gov-
19 ernment,

20 “(B) any political subdivision or instru-
21 mentality of any government described in sub-
22 paragraph (A), and

23 “(C) any entity wholly owned by one or
24 more entities described in subparagraph (A) or
25 (B).

1 For purposes of this paragraph, the term ‘State’ in-
2 cludes any possession of the United States.

3 “(3) QUALIFIED BROADBAND EXPENSES.—The
4 term ‘qualified broadband expenses’ means so much
5 of the amounts paid or incurred for the operation
6 and maintenance of a qualified broadband network
7 as are properly allocable to qualified households sub-
8 scribed to the qualified broadband service provided
9 by such network.

10 “(4) QUALIFIED HOUSEHOLD.—The term
11 ‘qualified household’ means a personal residence
12 which—

13 “(A) is located in a low-income community
14 (as defined in section 45D(e)), and

15 “(B) did not have access to qualified
16 broadband service from the eligible govern-
17 mental entity (determined as of the beginning
18 of the taxable year of such entity).

19 “(5) QUALIFIED BROADBAND NETWORK.—The
20 term ‘qualified broadband network’ means property
21 owned by an eligible governmental entity and used
22 for the purpose of providing qualified broadband
23 service.

24 “(6) QUALIFIED BROADBAND SERVICE.—The
25 term ‘qualified broadband service’ means fixed, ter-

1 restrial broadband service providing downloads at a
2 speed of at least 25 megabits per second and
3 uploads at a speed of at least 3 megabits per second.

4 “(7) TAXABLE YEAR.—Except as otherwise pro-
5 vided by the Secretary, the term ‘taxable year’
6 means, with respect to any eligible governmental en-
7 tity, the fiscal year of such entity.

8 “(e) SPECIAL RULES.—

9 “(1) ALLOCATIONS.—For purposes of sub-
10 section (d)(3), amounts shall be treated as properly
11 allocated if allocated ratably among the subscribers
12 of the qualified broadband service.

13 “(2) DENIAL OF DOUBLE BENEFIT.—Qualified
14 broadband expenses shall not include any amount
15 which is paid or reimbursed (directly or indirectly)
16 by any grant from the Federal Government.

17 “(f) REGULATIONS.—The Secretary may prescribe
18 such regulations and other guidance as may be necessary
19 or appropriate to carry out this section.

20 “(g) TERMINATION.—No credit shall be allowed
21 under this section for any taxable year beginning after De-
22 cember 31, 2028.”.

23 (b) PAYMENTS MADE UNDER SECTION 6431B(b) OF
24 INTERNAL REVENUE CODE OF 1986.—Section 255(h) of
25 the Balanced Budget and Emergency Deficit Control Act

1 of 1985 (2 U.S.C. 905(h)) is amended by inserting: “Pay-
2 ments made under section 6431B(b) of the Internal Rev-
3 enue Code of 1986” after the item related to Payments
4 for Foster Care and Permanency.

5 (c) CONFORMING AMENDMENTS.—

6 (1) Section 1324(b)(2) of title 31, United
7 States Code, as amended by the preceding provisions
8 of this Act, is amended by striking “or 6431A” and
9 inserting “6431A, or 6431B”.

10 (2) The table of sections for subchapter B of
11 chapter 65, as amended by the preceding provisions
12 of this Act, is amended by inserting before the item
13 relating to section 6432 the following new item:

“Sec. 6431B. Credit for operations and maintenance costs of government-
owned broadband.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2020.

17 **PART 2—NEW MARKETS TAX CREDIT**

18 **SEC. 135201. PERMANENT EXTENSION OF NEW MARKETS**
19 **TAX CREDIT.**

20 (a) TEMPORARY LIMIT INCREASE AND PERMANENT
21 EXTENSION.—Section 45D(f)(1) is amended by striking
22 “and” at the end of subparagraph (G) and by striking
23 subparagraph (H) and inserting the following new sub-
24 paragraphs:

1 “(H) \$5,000,000,000 for each of calendar
2 years 2020 and 2021,

3 “(I) \$7,000,000,000 for calendar year
4 2022,

5 “(J) \$6,000,000,000 for calendar year
6 2023, and

7 “(K) \$5,000,000,000 for calendar year
8 2024 and each calendar year thereafter.”.

9 (b) ALTERNATIVE MINIMUM TAX RELIEF.—Section
10 38(c)(4)(B) is amended—

11 (1) by redesignating clauses (v) through (xii) as
12 clauses (vi) through (xiii), respectively, and

13 (2) by inserting after clause (iv) the following
14 new clause:

15 “(v) the credit determined under sec-
16 tion 45D, but only with respect to credits
17 determined with respect to qualified equity
18 investments (as defined in section 45D(b))
19 initially made after December 31, 2021.”.

20 (c) INFLATION ADJUSTMENT.—Section 45D(f) is
21 amended by adding at the end the following new para-
22 graph:

23 “(4) INFLATION ADJUSTMENT.—

24 “(A) IN GENERAL.—In the case of any cal-
25 endar year beginning after 2024, the dollar

1 amount paragraph (1)(H) shall be increased by
2 an amount equal to—

3 “(i) such dollar amount, multiplied by

4 “(ii) the cost-of-living adjustment de-
5 termined under section 1(f)(3) for the cal-
6 endar year, determined by substituting
7 ‘calendar year 2023’ for ‘calendar year
8 2016’ in subparagraph (A)(ii) thereof.

9 “(B) ROUNDING RULE.—Any increase
10 under subparagraph (A) which is not a multiple
11 of \$1,000,000 shall be rounded to the nearest
12 multiple of \$1,000,000.”.

13 (d) CONFORMING AMENDMENT.—Section 45D(f)(3)
14 is amended by striking the last sentence.

15 (e) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as otherwise pro-
17 vided in this subsection, the amendments made by
18 this section shall apply to new markets tax credit
19 limitation determined for calendar years after 2021.

20 (2) ALTERNATIVE MINIMUM TAX RELIEF.—The
21 amendments made by subsection (b) shall apply to
22 credits determined with respect to qualified equity
23 investments (as defined in section 45D(b) of the In-
24 ternal Revenue Code of 1986) initially made after
25 December 31, 2021.

1 **PART 3—REHABILITATION TAX CREDIT**

2 **SEC. 135301. DETERMINATION OF CREDIT PERCENTAGE.**

3 (a) IN GENERAL.—Section 47(a)(2) is amended by
4 striking “20 percent” and inserting “the applicable per-
5 centage”.

6 (b) APPLICABLE PERCENTAGE.—Section 47(a) is
7 amended by adding at the end the following new para-
8 graph:

9 “(3) APPLICABLE PERCENTAGE.—For purposes
10 of this subsection, the term ‘applicable percentage’
11 means the percentage determined in accordance with
12 the following table:

| “In the case of taxable years begin- ning: | The applicable percentage is: |
|---|-------------------------------|
| Before 2020 | 20 percent |
| In 2020 through 2025 | 30 percent |
| In 2026 | 26 percent |
| In 2027 | 23 percent |
| After 2027 | 20 percent |

13 “(4) APPLICATION OF PERCENTAGES TO YEAR
14 OF EXPENDITURE.—In the case of qualified rehabili-
15 tation expenditures with respect to the qualified re-
16 habilitated building that are paid or incurred in 2 or
17 more taxable years for which there is a different ap-
18 plicable percentage under paragraph (3), the ratable
19 share shall be determined by applying to such ex-
20 penditures the applicable percentage corresponding

1 to the taxable year in which such expenditures were
2 paid or incurred.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service after
5 March 31, 2021.

6 **SEC. 135302. INCREASE IN THE REHABILITATION CREDIT**
7 **FOR CERTAIN SMALL PROJECTS.**

8 (a) IN GENERAL.—Section 47 is amended by adding
9 at the end the following new subsection:

10 “(e) SPECIAL RULE REGARDING CERTAIN SMALLER
11 PROJECTS.—

12 “(1) IN GENERAL.—In the case of any smaller
13 project—

14 “(A) the applicable percentage determined
15 under subsection (a)(3) shall be 30 percent, and

16 “(B) the qualified rehabilitation expendi-
17 tures taken into account under this section with
18 respect to such project shall not exceed
19 \$2,500,000.

20 “(2) SMALLER PROJECT.—For purposes of this
21 subsection, the term ‘smaller project’ means the re-
22 habilitation of any qualified rehabilitated building
23 if—

24 “(A) the qualified rehabilitation expendi-
25 tures taken into account under this section (or

1 which would be so taken into account but for
2 paragraph (1)(B)) with respect to such rehabili-
3 tation do not exceed \$3,750,000,

4 “(B) no credit was allowed under this sec-
5 tion with respect to such building to any tax-
6 payer for either of the 2 taxable years imme-
7 diately preceding the first taxable year in which
8 expenditures described in subparagraph (A)
9 were paid or incurred, and

10 “(C) the taxpayer elects (at such time and
11 manner as the Secretary may provide) to have
12 this subsection apply with respect to such reha-
13 bilitation.”.

14 (b) **EFFECTIVE DATE.**—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 135303. MODIFICATION OF DEFINITION OF SUBSTAN-**
18 **TIALLY REHABILITATED.**

19 (a) **IN GENERAL.**—Section 47(c)(1)(B)(i)(I) is
20 amended by inserting “50 percent of” before “the ad-
21 justed basis”.

22 (b) **EFFECTIVE DATE.**—The amendment made by
23 subsection (a) shall apply to determinations with respect
24 to 24-month periods (referred to in clause (i) of section
25 47(c)(1)(B) of the Internal Revenue Code of 1986) and

1 60-month periods (referred to in clause (ii) of such sec-
2 tion) which end after December 31, 2021.

3 **SEC. 135304. ELIMINATION OF REHABILITATION CREDIT**
4 **BASIS ADJUSTMENT.**

5 (a) IN GENERAL.—Section 50(c) is amended by add-
6 ing at the end the following new paragraph:

7 “(6) EXCEPTION FOR REHABILITATION CRED-
8 IT.—In the case of the rehabilitation credit, para-
9 graph (1) shall not apply.”

10 (b) TREATMENT IN CASE OF CREDIT ALLOWED TO
11 LESSEE.—Section 50(d) is amended by adding at the end
12 the following: “In the case of the rehabilitation credit,
13 paragraph (5)(B) of the section 48(d) referred to in para-
14 graph (5) of this subsection shall not apply.”

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service after
17 December 31, 2022.

18 **SEC. 135305. MODIFICATIONS REGARDING CERTAIN TAX-EX-**
19 **EMPT USE PROPERTY.**

20 (a) IN GENERAL.—Section 47(c)(2)(B)(v) is amend-
21 ed by adding at the end the following new subclause:

22 “(III) DISQUALIFIED LEASE
23 RULES TO APPLY ONLY IN CASE OF
24 GOVERNMENT ENTITY.—For purposes
25 of subclause (I), except in the case of

1 a tax-exempt entity described in sec-
2 tion 168(h)(2)(A)(i) (determined with-
3 out regard to the last sentence of sec-
4 tion 168(h)(2)(A)), the determination
5 of whether property is tax-exempt use
6 property shall be made under section
7 168(h) without regard to whether the
8 property is leased in a disqualified
9 lease (as defined in section
10 168(h)(1)(B)(ii)).”.

11 (b) **EFFECTIVE DATE.**—The amendments made by
12 this section shall apply to leases entered into after Decem-
13 ber 31, 2021.

14 **SEC. 135306. QUALIFICATION OF REHABILITATION EXPEND-**
15 **ITURES FOR PUBLIC SCHOOL BUILDINGS**
16 **FOR REHABILITATION CREDIT.**

17 (a) **IN GENERAL.**—Section 47(c)(2)(B)(v), as amend-
18 ed by the preceding provisions of this Act, is amended by
19 adding at the end the following new subclause:

20 “(IV) **CLAUSE NOT TO APPLY TO**
21 **PUBLIC SCHOOLS.**—This clause shall
22 not apply in the case of the rehabilita-
23 tion of any building which was used
24 as a qualified public educational facil-
25 ity (as defined in section 142(k)(1),

1 determined without regard to sub-
2 paragraph (B) thereof) at any time
3 during the 5-year period ending on
4 the date that such rehabilitation be-
5 gins and which is used as such a facil-
6 ity immediately after such rehabilita-
7 tion.”.

8 (b) REPORT.—Not later than the date which is 5
9 years after the date of the enactment of this Act, the Sec-
10 retary of the Treasury, after consultation with the heads
11 of appropriate Federal agencies, shall report to Congress
12 on the effects resulting from the amendment made by sub-
13 section (a), including—

14 (1) the number of qualified public education fa-
15 cilities rehabilitated (stated separately with respect
16 to each State) and the number of students using
17 such facilities (stated separately with respect to each
18 such State),

19 (2) the number of qualified public education fa-
20 cilities rehabilitated in low income communities (as
21 section 45D(e)(1) of the Internal Revenue Code of
22 1986) and the number of students using such facili-
23 ties,

1 (3) the amount of qualified rehabilitation ex-
2 penditures for each qualified public education facility
3 rehabilitated, and

4 (4) and any other data determined by the Sec-
5 retary to be useful in evaluating the impact of such
6 amendment.

7 (c) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to property placed in service after
9 December 31, 2021.

10 **PART 4—DISASTER AND RESILIENCY**

11 **SEC. 135401. EXCLUSION OF AMOUNTS RECEIVED FROM**
12 **STATE-BASED CATASTROPHE LOSS MITIGA-**
13 **TION PROGRAMS.**

14 (a) IN GENERAL.—Section 139 is amended by redess-
15 ignating subsection (h) as subsection (i) and by inserting
16 after subsection (g) the following new subsection:

17 “(h) STATE-BASED CATASTROPHE LOSS MITIGATION
18 PROGRAMS.—

19 “(1) IN GENERAL.—Gross income shall not in-
20 clude any amount received by an individual as a
21 qualified catastrophe mitigation payment under a
22 program established by a State, or a political sub-
23 division or instrumentality thereof, for the purpose
24 of making such payments.

1 “(2) QUALIFIED CATASTROPHE MITIGATION
2 PAYMENT.—For purposes of this section, the term
3 ‘qualified catastrophe mitigation payment’ means
4 any amount which is received by an individual to
5 make improvements to such individual’s residence
6 for the sole purpose of reducing the damage that
7 would be done to such residence by a windstorm,
8 earthquake, or wildfire.

9 “(3) NO INCREASE IN BASIS.—Rules similar to
10 the rules of subsection (g)(3) shall apply in the case
11 of this subsection.”.

12 (b) CONFORMING AMENDMENTS.—

13 (1) Section 139(d) is amended by striking “and
14 qualified” and inserting “, qualified catastrophe
15 mitigation payments, and qualified”.

16 (2) Section 139(i) (as redesignated by sub-
17 section (a)) is amended by striking “or qualified”
18 and inserting “, qualified catastrophe mitigation
19 payment, or qualified”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2020.

1 **SEC. 135402. REPEAL OF TEMPORARY LIMITATION ON PER-**
2 **SONAL CASUALTY LOSSES.**

3 (a) **IN GENERAL.**—Section 165(h) is amended by
4 striking paragraph (5).

5 (b) **EXTENSION OF PERIOD OF LIMITATION ON FIL-**
6 **ING CLAIM IN CERTAIN CIRCUMSTANCES.**—In the case of
7 a claim for credit or refund which is properly allocable
8 to a loss which is—

9 (1) deductible under section 165(a) of the In-
10 ternal Revenue Code of 1986,

11 (2) described in Revenue Procedure 2017-60
12 (as modified by Revenue Procedure 2018-14), and

13 (3) claimed for a taxable year beginning after
14 December 31, 2016,

15 the period of limitation prescribed in section 6511 of the
16 Internal Revenue Code of 1986 for the filing of such claim
17 shall be treated as not expiring earlier than the date that
18 is 1 year after the date of the enactment of this Act.

19 (c) **EFFECTIVE DATE.**—The amendment made by
20 subsection (a) shall apply to losses incurred in taxable
21 years beginning after December 31, 2017.

22 (d) **REGULATIONS.**—The Secretary of the Treasury
23 (or the Secretary's delegate) shall issue such regulations
24 or other guidance as are necessary to implement the
25 amendment made by this section, including regulations or

1 guidance consistent with Revenue Procedure 2017–60 (as
2 so modified).

3 **SEC. 135403. CREDIT FOR QUALIFIED WILDFIRE MITIGA-**
4 **TION EXPENDITURES.**

5 (a) IN GENERAL.—Subpart B of part IV of sub-
6 chapter A of chapter 1 is amended by inserting after sec-
7 tion 27 the following new section:

8 **“SEC. 28. QUALIFIED WILDFIRE MITIGATION EXPENDI-**
9 **TURES.**

10 “(a) IN GENERAL.—There shall be allowed as a cred-
11 it against the tax imposed by this chapter for the taxable
12 year an amount equal to 30 percent of the qualified wild-
13 fire mitigation expenditures paid or incurred by the tax-
14 payer during such taxable year with respect to real prop-
15 erty owned or leased by the taxpayer.

16 “(b) QUALIFIED WILDFIRE MITIGATION EXPENDI-
17 TURES.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualified wildfire
19 mitigation expenditures’ means any specified wildfire
20 mitigation expenditure made pursuant to a qualified
21 State wildfire mitigation program of a State which
22 requires expenditures for wildfire mitigation to be
23 paid both by the taxpayer and such State. Such
24 term shall not include any item of expenditure un-
25 less the ratio of the State’s expenditure for such

1 item to the sum of the State's and taxpayer's ex-
2 penditures for such item is not less than 25 percent.

3 “(2) SPECIFIED WILDFIRE MITIGATION EX-
4 PENDITURE.—The term ‘specified wildfire mitigation
5 expenditure’ means, with respect to any real prop-
6 erty owned or leased by the taxpayer, any amount
7 paid or incurred to reduce the risk of wildfire by re-
8 moving accumulations of vegetation (including estab-
9 lishing, expanding, or maintaining fuel breaks to
10 serve as fire breaks) on such real property.

11 “(3) QUALIFIED STATE WILDFIRE MITIGATION
12 PROGRAM.—The term ‘qualified State wildfire miti-
13 gation program’ means any program of a State the
14 primary purpose of which is to mitigate the risk of
15 wildfires in such State.

16 “(4) TREATMENT OF REIMBURSEMENTS.—Any
17 amount originally paid or incurred by the taxpayer
18 which is reimbursed by a State under a qualified
19 wildfire mitigation program of such State shall be
20 treated as paid by such State (and not by such tax-
21 payer).

22 “(c) APPLICATION WITH OTHER CREDITS.—

23 “(1) BUSINESS CREDIT TREATED AS PART OF
24 GENERAL BUSINESS CREDIT.—So much of the credit
25 which would be allowed under subsection (a) for any

1 taxable year (determined without regard to this sub-
2 section) that is attributable to expenditures made in
3 the ordinary course of the taxpayer's trade or busi-
4 ness (or, in the case of expenditures made by a
5 State, would have been expenditures made in the or-
6 dinary course of the taxpayer's trade or business if
7 made by the taxpayer) shall be treated as a credit
8 listed in section 38(b) for taxable year (and not al-
9 lowed under subsection (a)).

10 “(2) PERSONAL CREDIT.—For purposes of this
11 title, the credit allowed under subsection (a) for any
12 taxable year (determined after application of para-
13 graph (1)) shall be treated as a credit allowable
14 under subpart A for such taxable year.

15 “(d) REDUCTION OF CREDIT PERCENTAGE WHERE
16 TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

17 “(1) IN GENERAL.—If the expenditure percent-
18 age with respect to any item of qualified wildfire
19 mitigation expenditure is less than 30 percent, sub-
20 section (a) shall be applied by substituting ‘the ex-
21 penditure percentage’ for ‘30 percent’ with respect
22 to such item of expenditure.

23 “(2) EXPENDITURE PERCENTAGE.—For pur-
24 poses of this section, the term ‘expenditure percent-
25 age’ means, with respect to any item of qualified

1 wildfire mitigation expenditure any portion of which
2 is paid or incurred by a State, the ratio (expressed
3 as a percentage) of—

4 “(A) the taxpayer’s expenditure for such
5 item, divided by

6 “(B) the sum of the taxpayer’s and such
7 State’s expenditures for such item.

8 “(e) SPECIAL RULES.—

9 “(1) TREATMENT OF EXPENDITURES RELATED
10 TO MARKETABLE TIMBER.—An expenditure shall not
11 be taken into account for purposes of this section
12 (whether made by the taxpayer or a State pursuant
13 to a qualified State wildfire mitigation program of
14 such State) if such expenditure is properly allocable
15 to timber which is sold or exchanged by the tax-
16 payer. The preceding sentence shall not apply to the
17 extent that such amount exceeds the gain on such
18 sale or exchange.

19 “(2) BASIS REDUCTION.—For purposes of this
20 subtitle, if the basis of any property would (but for
21 this paragraph) be determined by taking into ac-
22 count any qualified wildfire mitigation expenditure,
23 the basis of such property shall be reduced by the
24 amount of the credit allowed under subsection (a)

1 with respect to such expenditure (determined with-
2 out regard to subsection (c)).

3 “(3) DENIAL OF DOUBLE BENEFIT.—The
4 amount of any deduction or other credit allowable
5 under this chapter for any expenditure for which a
6 credit is allowable under subsection (a) shall be re-
7 duced by the amount of credit allowed under such
8 subsection for such expenditure (determined without
9 regard to subsection (c)).”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 38(b), as amended by the preceding
12 provisions of this Act, is amended by striking “plus”
13 at the end of paragraph (33), by striking the period
14 at the end of paragraph (34) and inserting “, plus”,
15 and by adding at the end the following new para-
16 graph:

17 “(35) the portion of the qualified wildfire miti-
18 gation expenditures credit to which section 28(c)(1)
19 applies.”.

20 (2) Section 1016(a) is amended by redesignig-
21 nating paragraphs (35) through (38) as paragraphs
22 (36) through (39), respectively, and by inserting
23 after paragraph (34) the following new paragraph:

24 “(35) to the extent provided in section
25 28(e)(2),”.

| “In the case of calendar year: | The sub- clause (I) amount shall be: | The sub- clause (II) amount shall be: |
|--------------------------------|---|--|
| 2024 | \$4.25 | \$4,901,620 |
| 2025 | \$4.88 | \$5,632,880 |

1 “(ii) INFLATION ADJUSTMENT FOR
2 2026, 2027, AND 2028.—In the case of
3 calendar years 2026, 2027, and 2028, the
4 subclause (I) and (II) dollar amounts shall
5 be the respective dollar amounts cor-
6 responding to calendar year 2025 in the
7 table under clause (i) each increased by an
8 amount equal to—
9 “(I) such dollar amount, multi-
10 plied by
11 “(II) the cost-of-living adjust-
12 ment determined under section 1(f)(3)
13 for such calendar year by substituting
14 ‘calendar year 2025’ for ‘calendar
15 year 2016’ in paragraph (A)(ii) there-
16 of.
17 Any increase under this clause shall be
18 rounded to the nearest cent in the case of
19 the subclause (I) amount and the nearest
20 dollar in the case of the subclause (II)
21 amount.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to calendar years beginning after
3 December 31, 2021.

4 **SEC. 135502. TAX-EXEMPT BOND FINANCING REQUIRE-**
5 **MENT.**

6 (a) IN GENERAL.—Section 42(h)(4)(B) is amended
7 by adding at the end the following: “The preceding sen-
8 tence shall be applied by substituting ‘25 percent’ for ‘50
9 percent’ in the case of any building which is financed by
10 any obligation issued in calendar year 2022, 2023, 2024,
11 2025, 2026, 2027, or 2028 (and not by any obligation on
12 which the application of this subparagraph is based during
13 any taxable year beginning during calendar year 2019,
14 2020, or 2021).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to buildings placed in service in
17 taxable years beginning after December 31, 2021.

18 **SEC. 135503. BUILDINGS DESIGNATED TO SERVE EX-**
19 **TREMELY LOW-INCOME HOUSEHOLDS.**

20 (a) RESERVED STATE ALLOCATION.—

21 (1) IN GENERAL.—Section 42(h) is amended—
22 (A) by redesignating paragraphs (6), (7),
23 and (8) as paragraphs (7), (8), and (9), respec-
24 tively, and

1 (B) by inserting after paragraph (5) the
2 following new paragraph:

3 “(6) PORTION OF STATE CEILING SET-ASIDE
4 FOR PROJECTS DESIGNATED TO SERVE EXTREMELY
5 LOW-INCOME HOUSEHOLDS.—

6 “(A) IN GENERAL.—Not more than 90
7 percent of the portion of the State housing
8 credit ceiling amount described in paragraph
9 (3)(C)(ii) for any State for any calendar year
10 shall be allocated to buildings other than build-
11 ings described in subparagraph (B).

12 “(B) BUILDINGS DESCRIBED.—A building
13 is described in this subparagraph if 20 percent
14 or more of the residential units in such building
15 are rent-restricted (determined as if the im-
16 puted income limitation applicable to such units
17 were 30 percent of area median gross income)
18 and are designated by the taxpayer for occu-
19 pancy by households the aggregate household
20 income of which does not exceed the greater
21 of—

22 “(i) 30 percent of area median gross
23 income, or

1 “(ii) 100 percent of an amount equal
2 to the Federal poverty line (within the
3 meaning of section 36B(d)(3)).

4 “(C) STATE MAY NOT OVERRIDE SET-
5 ASIDE.—Nothing in subparagraph (F) of para-
6 graph (3) shall be construed to permit a State
7 not to comply with subparagraph (A) of this
8 paragraph.

9 “(D) TERMINATION.—This paragraph
10 shall not apply to allocations after December
11 31, 2031.”.

12 (2) CONFORMING AMENDMENT.—Section
13 42(b)(4)(C) is amended by striking “(h)(7)” and in-
14 serting “(h)(8)”.

15 (b) INCREASE IN CREDIT.—Paragraph (5) of section
16 42(d) is amended by adding at the end the following new
17 subparagraph:

18 “(C) INCREASE IN CREDIT FOR PROJECTS
19 DESIGNATED TO SERVE EXTREMELY LOW-IN-
20 COME HOUSEHOLDS.—

21 “(i) IN GENERAL.—In the case of any
22 building—

23 “(I) which is described in sub-
24 section (h)(6)(B), and

1 “(II) which is designated by the
2 housing credit agency as requiring the
3 increase in credit under this subpara-
4 graph in order for such building to be
5 financially feasible as part of a quali-
6 fied low-income housing project,
7 subparagraph (B) shall not apply to the
8 portion of such building which is comprised
9 of such units, and the eligible basis of such
10 portion of the building shall be 150 per-
11 cent of such basis determined without re-
12 gard to this subparagraph.

13 “(ii) ALLOCATION RULES APPLICABLE
14 TO PROJECTS TO WHICH CLAUSE (i) AP-
15 PLIES.—

16 “(I) STATE HOUSING CREDIT
17 CEILING.—For any calendar year, the
18 housing credit agency shall not allo-
19 cate more than 15 percent of the por-
20 tion of the State housing credit ceiling
21 amount described in subsection
22 (h)(3)(C)(ii) to buildings to which
23 clause (i) applies, and

24 “(II) PRIVATE ACTIVITY BOND
25 VOLUME CAP.—In the case of projects

1 financed by tax-exempt bonds as de-
2 scribed in subsection (h)(4), for any
3 calendar year, the State shall not
4 issue more than 10 percent of the pri-
5 vate activity bond volume cap as de-
6 scribed in section 146(d)(1) to build-
7 ings to which clause (i) applies.

8 “(iii) TERMINATION.—This subpara-
9 graph shall not apply to allocations after
10 December 31, 2031.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to allocations, and determinations,
13 of housing credit dollar amount after December 31, 2021.

14 **SEC. 135504. INCLUSION OF RURAL AREAS AS DIFFICULT**
15 **DEVELOPMENT AREAS.**

16 (a) IN GENERAL.—Subclause (I) of section
17 42(d)(5)(B)(iii) is amended by inserting before the period
18 the following: “, and any rural area”.

19 (b) RURAL AREA.—Clause (iii) of section
20 42(d)(5)(B) is amended by redesignating subclause (II)
21 as subclause (III) and by inserting after subclause (I) the
22 following new subclause:

23 “(II) RURAL AREA.—For pur-
24 poses of subclause (I), the term ‘rural
25 area’ means any non-metropolitan

1 area, or any rural area as defined by
2 section 520 of the Housing Act of
3 1949, which is identified by the quali-
4 fied allocation plan under subsection
5 (m)(1)(B).”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to buildings placed in service after
8 December 31, 2021.

9 **SEC. 135505. REPEAL OF QUALIFIED CONTRACT OPTION.**

10 (a) TERMINATION OF OPTION FOR CERTAIN BUILD-
11 INGS.—

12 (1) IN GENERAL.—Subclause (II) of section
13 42(h)(7)(E)(i), as redesignated by section 135503, is
14 amended by inserting “in the case of a building de-
15 scribed in clause (iii),” before “on the last day”.

16 (2) BUILDINGS DESCRIBED.—Subparagraph
17 (E) of section 42(h)(7), as so redesignated, is
18 amended by adding at the end the following new
19 clause:

20 “(iii) BUILDINGS DESCRIBED.—A
21 building described in this clause is a build-
22 ing—

23 “(I) which received its allocation
24 of housing credit dollar amount before
25 January 1, 2022, or

1 “(II) in the case of a building
2 any portion of which is financed as
3 described in paragraph (4), which re-
4 ceived before January 1, 2022, a de-
5 termination from the issuer of the
6 tax-exempt bonds or the housing cred-
7 it agency that the building is eligible
8 to receive an allocation of housing
9 credit dollar amount under the rules
10 of paragraphs (1) and (2) of sub-
11 section (m).”.

12 (b) RULES RELATING TO EXISTING PROJECTS.—
13 Subparagraph (F) of section 42(h)(7), as redesignated by
14 section 135503, is amended by striking “the nonlow-in-
15 come portion” and all that follows and inserting “the
16 nonlow-income portion and the low-income portion of the
17 building for fair market value (determined by the housing
18 credit agency by taking into account the rent restrictions
19 required for the low-income portion of the building to con-
20 tinue to meet the standards of paragraphs (1) and (2) of
21 subsection (g)). The Secretary shall prescribe such regula-
22 tions as may be necessary or appropriate to carry out this
23 paragraph.”.

24 (c) CONFORMING AMENDMENTS.—

1 (1) IN GENERAL.—Subparagraph (A) of section
2 42(i)(7) is amended by striking “a right of 1st re-
3 fusal” and inserting “an option”.

4 (2) CONFORMING AMENDMENT.—The heading
5 of paragraph (7) of section 42(i) is amended by
6 striking “RIGHT OF 1ST REFUSAL” and inserting
7 “OPTION”.

8 (b) CLARIFICATION WITH RESPECT TO RIGHT OF
9 FIRST REFUSAL AND PURCHASE OPTIONS.—

10 (1) PURCHASE OF PARTNERSHIP INTEREST.—
11 Subparagraph (A) of section 42(i)(7), as amended
12 by subsection (a), is amended by striking “the prop-
13 erty” and inserting “the property or all of the part-
14 nership interests (other than interests of the person
15 exercising such option or a related party thereto
16 (within the meaning of section 267(b) or 707(b)(1)))
17 relating to the property”.

18 (2) PROPERTY INCLUDES ASSETS RELATING TO
19 THE BUILDING.—Paragraph (7) of section 42(i) is
20 amended by adding at the end the following new
21 subparagraph:

22 “(C) PROPERTY.—For purposes of sub-
23 paragraph (A), the term ‘property’ may include
24 all or any of the assets held for the develop-

1 ment, operation, or maintenance of a build-
2 ing.”.

3 (3) EXERCISE OF RIGHT OF FIRST REFUSAL
4 AND PURCHASE OPTIONS.—Subparagraph (A) of
5 section 42(i)(7), as amended by subsection (a) and
6 paragraph (1)(A), is amended by adding at the end
7 the following: “For purposes of determining whether
8 an option, including a right of first refusal, to pur-
9 chase property or partnership interests holding (di-
10 rectly or indirectly) such property is described in the
11 preceding sentence—

12 “(i) such option or right of first re-
13 fusal shall be exercisable with or without
14 the approval of any owner of the project
15 (including any partner, member, or affili-
16 ated organization of such an owner), and

17 “(ii) a right of first refusal shall be
18 exercisable in response to any offer to pur-
19 chase the property or partnership interests,
20 including an offer by a related party.”.

21 (c) CONFORMING AMENDMENTS.—Subparagraph (B)
22 of section 42(i)(7) is amended by striking “the sum of”
23 and all that follows and inserting “the principal amount
24 of outstanding indebtedness secured by the building (other
25 than indebtedness incurred within the 5-year period end-

1 ing on the date of the sale to the tenants). In the case
2 of a purchase of a partnership interest, the minimum pur-
3 chase price is an amount not less than such interest's rat-
4 able share of the amount determined under the first sen-
5 tence of this subparagraph.”.

6 (d) EFFECTIVE DATES.—

7 (1) MODIFICATION OF RIGHT OF FIRST RE-
8 FUSAL.—The amendments made by subsections (a)
9 and (c) shall apply to agreements entered into or
10 amended after the date of the enactment of this Act.

11 (2) CLARIFICATION.—The amendments made
12 by subsection (b) shall apply to agreements among
13 the owners of the project (including partners, mem-
14 bers, and their affiliated organizations) and persons
15 described in section 42(i)(7)(A) of the Internal Rev-
16 enue Code of 1986 entered into before, on, or after
17 the date of the enactment of this Act.

18 (3) NO EFFECT ON AGREEMENTS.—None of the
19 amendments made by this section is intended to su-
20 persede express language in any agreement with re-
21 spect to the terms of a right of first refusal or op-
22 tion permitted by section 42(i)(7) of the Internal
23 Revenue Code of 1986 in effect on the date of the
24 enactment of this Act.

1 **SEC. 135507. INCREASE IN CREDIT FOR BOND-FINANCED**
2 **PROJECTS DESIGNATED BY HOUSING CREDIT**
3 **AGENCY.**

4 (a) **IN GENERAL.**—Section 42(d)(5)(B)(v) is amend-
5 ed by striking “The preceding sentence” and inserting “In
6 the case of determinations of housing credit dollar amount
7 after December 31, 2028, the preceding sentence”.

8 (b) **EFFECTIVE DATE.**—The amendments made by
9 this section shall apply to buildings which receive a deter-
10 mination of housing credit dollar amount pursuant to sec-
11 tion 42(m)(2)(D) of the Internal Revenue Code of 1986
12 after the date of the enactment of this Act.

13 **Subpart B—Neighborhood Homes Investment Act**

14 **SEC. 135511. NEIGHBORHOOD HOMES CREDIT.**

15 (a) **IN GENERAL.**—Subpart D of part IV of sub-
16 chapter A of chapter 1 is amended by inserting after sec-
17 tion 42 the following new section:

18 **“SEC. 42A. NEIGHBORHOOD HOMES CREDIT.**

19 “(a) **ALLOWANCE OF CREDIT.**—For purposes of sec-
20 tion 38, the neighborhood homes credit determined under
21 this section for the taxable year is, with respect to each
22 qualified residence sold by the taxpayer during such tax-
23 able year in an affordable sale, the lesser of—

24 “(1) the excess (if any) of—

1 “(A) the reasonable development costs paid
2 or incurred by the taxpayer with respect to such
3 qualified residence, over

4 “(B) the sale price of such qualified resi-
5 dence (reduced by any reasonable expenses paid
6 or incurred by the taxpayer in connection with
7 such sale), or

8 “(2) 35 percent of the lesser of—

9 “(A) the eligible development costs paid or
10 incurred by the taxpayer with respect to such
11 qualified residence, or

12 “(B) 80 percent of the national median
13 sale price for new homes (as determined pursu-
14 ant to the most recent census data available as
15 of the date on which the neighborhood homes
16 credit agency makes an allocation for the quali-
17 fied project).

18 “(b) DEVELOPMENT COSTS.—For purposes of this
19 section—

20 “(1) REASONABLE DEVELOPMENT COSTS.—

21 “(A) IN GENERAL.—The term ‘reasonable
22 development costs’ means amounts paid or in-
23 curred for the acquisition of buildings and land,
24 construction, substantial rehabilitation, demoli-
25 tion of structures, or environmental remedi-

1 ation, to the extent that the neighborhood
2 homes credit agency determines that such
3 amounts meet the standards specified pursuant
4 to subsection (f)(1)(C) (as of the date on which
5 construction or substantial rehabilitation is sub-
6 stantially complete, as determined by such
7 agency) and are necessary to ensure the finan-
8 cial feasibility of such qualified residence.

9 “(B) CONSIDERATIONS IN MAKING DETER-
10 MINATION.—In making the determination under
11 subparagraph (A), the neighborhood homes
12 credit agency shall consider—

13 “(i) the sources and uses of funds and
14 the total financing,

15 “(ii) any proceeds or receipts gen-
16 erated or expected to be generated by rea-
17 son of tax benefits, and

18 “(iii) the reasonableness of the devel-
19 opmental costs and fees.

20 “(2) ELIGIBLE DEVELOPMENT COSTS.—The
21 term ‘eligible development costs’ means the amount
22 which would be reasonable development costs if the
23 amounts taken into account as paid or incurred for
24 the acquisition of buildings and land did not exceed
25 75 percent of such costs determined without regard

1 to any amount paid or incurred for the acquisition
2 of buildings and land.

3 “(3) SUBSTANTIAL REHABILITATION.—The
4 term ‘substantial rehabilitation’ means amounts paid
5 or incurred for rehabilitation of a qualified residence
6 if such amounts exceed the greater of—

7 “(A) \$20,000, or

8 “(B) 20 percent of the amounts paid or in-
9 curred by the taxpayer for the acquisition of
10 buildings and land with respect to such quali-
11 fied residence.

12 “(4) CONSTRUCTION AND REHABILITATION
13 ONLY AFTER ALLOCATION TAKEN INTO ACCOUNT.—

14 “(A) IN GENERAL.—The terms ‘reasonable
15 development costs’ and ‘eligible development
16 costs’ shall not include any amount paid or in-
17 curred before the date on which an allocation is
18 made to the taxpayer under subsection (e) with
19 respect to the qualified project of which the
20 qualified residence is part unless such amount
21 is paid or incurred for the acquisition of build-
22 ings or land.

23 “(B) LAND AND BUILDING ACQUISITION
24 COSTS.—Amounts paid or incurred for the ac-
25 quisition of buildings or land shall be included

1 under paragraph (A) only if paid or incurred
2 not more than 3 years before the date on which
3 the allocation referred to in subparagraph (A)
4 is made. If the taxpayer acquired any building
5 or land from an entity (or any related party to
6 such entity) that holds an ownership interest in
7 the taxpayer, then such entity must also have
8 acquired such property within such 3-year pe-
9 riod, and the acquisition cost included under
10 subparagraph (A) with respect to the taxpayer
11 shall not exceed the amount such entity paid or
12 incurred to acquire such property.

13 “(c) QUALIFIED RESIDENCE.—For purposes of this
14 section—

15 “(1) IN GENERAL.—The term ‘qualified resi-
16 dence’ means a residence that—

17 “(A) is real property affixed on a perma-
18 nent foundation,

19 “(B) is—

20 “(i) a house which is comprised of 4
21 or fewer residential units,

22 “(ii) a condominium unit, or

23 “(iii) a house or an apartment owned
24 by a cooperative housing corporation (as
25 defined in section 216(b)),

1 “(C) is part of a qualified project with re-
2 spect to the neighborhood homes credit agency
3 has made an allocation under subsection (e),
4 and

5 “(D) is located in a qualified census tract
6 (determined as of the date of such allocation).

7 “(2) QUALIFIED CENSUS TRACT.—

8 “(A) IN GENERAL.—The term ‘qualified
9 census tract’ means a census tract—

10 “(i) which—

11 “(I) has a median family income
12 which does not exceed 80 percent of
13 the median family income for the ap-
14 plicable area,

15 “(II) has a poverty rate that is
16 not less than 130 percent of the pov-
17 erty rate of the applicable area, and

18 “(III) has a median value for
19 owner-occupied homes that does not
20 exceed the median value for owner-oc-
21 cupied homes in the applicable area,

22 “(ii) which—

23 “(I) is located in a city which has
24 a population of not less than 50,000
25 and such city has a poverty rate that

1 is not less than 150 percent of the
2 poverty rate of the applicable area,

3 “(II) has a median family income
4 which does not exceed the median
5 family income for the applicable area,
6 and

7 “(III) has a median value for
8 owner-occupied homes that does not
9 exceed 80 percent of the median value
10 for owner-occupied homes in the ap-
11 plicable area,

12 “(iii) which—

13 “(I) is located in a nonmetropoli-
14 tan county,

15 “(II) has a median family income
16 which does not exceed the median
17 family income for the applicable area,
18 and

19 “(III) has been designated by a
20 neighborhood homes credit agency
21 under this clause, or

22 “(iv) which is not otherwise a quali-
23 fied census tract and is located in a dis-
24 aster area (as defined in section
25 7508A(d)(3)), but only with respect to

1 credits allocated in any period during
2 which the President of the United States
3 has determined that such area warrants in-
4 dividual or individual and public assistance
5 by the Federal Government under the Rob-
6 ert T. Stafford Disaster Relief and Emer-
7 gency Assistance Act.

8 “(B) APPLICABLE AREA.—The term ‘appli-
9 cable area’ means—

10 “(i) in the case of a metropolitan cen-
11 sus tract, the metropolitan area in which
12 such census tract is located, and

13 “(ii) in the case of a census tract
14 other than a census tract described in
15 clause (i), the State.

16 “(d) AFFORDABLE SALE.—For purposes of this sec-
17 tion—

18 “(1) IN GENERAL.—The term ‘affordable sale’
19 means a sale to a qualified homeowner of a qualified
20 residence that the neighborhood homes credit agency
21 certifies as meeting the standards promulgated
22 under subsection (f)(1)(D) for a price that does not
23 exceed—

24 “(A) in the case of any qualified residence
25 not described in subparagraph (B), (C), or (D),

1 the amount equal to the product of 4 multiplied
2 by the median family income for the applicable
3 area (as determined pursuant to the most re-
4 cent census data available as of the date of the
5 contract for such sale),

6 “(B) in the case of a house comprised of
7 2 residential units, 125 percent of the amount
8 described in subparagraph (A),

9 “(C) in the case of a house comprised of
10 3 residential units, 150 percent of the amount
11 described in subparagraph (A), or

12 “(D) in the case of a house comprised of
13 4 residential units, 175 percent of the amount
14 described in subparagraph (A).

15 “(2) QUALIFIED HOMEOWNER.—The term
16 ‘qualified homeowner’ means, with respect to a
17 qualified residence, an individual—

18 “(A) who owns and uses such qualified res-
19 idence as the principal residence of such indi-
20 vidual, and

21 “(B) whose family income (determined as
22 of the date that a binding contract for the af-
23 fordable sale of such residence is entered into)
24 is 140 percent or less of the median family in-

1 come for the applicable area in which the quali-
2 fied residence is located.

3 “(e) CREDIT CEILING AND ALLOCATIONS.—

4 “(1) CREDIT LIMITED BASED ON ALLOCATIONS
5 TO QUALIFIED PROJECTS.—

6 “(A) IN GENERAL.—The credit allowed
7 under subsection (a) to any taxpayer for any
8 taxable year with respect to one or more quali-
9 fied residences which are part of the same
10 qualified project shall not exceed the excess (if
11 any) of—

12 “(i) the amount allocated by the
13 neighborhood homes credit agency under
14 this paragraph to such taxpayer with re-
15 spect to such qualified project, over

16 “(ii) the aggregate amount of credit
17 allowed under subsection (a) to such tax-
18 payer with respect to qualified residences
19 which are a part of such qualified project
20 for all prior taxable years.

21 “(B) DEADLINE FOR COMPLETION.—No
22 credit shall be allowed under subsection (a)
23 with respect to any qualified residence unless
24 the affordable sale of such residence is during
25 the 5-year period beginning on the date of the

1 allocation to the qualified project of which such
2 residence is a part (or, in the case of a qualified
3 residence to which subsection (i) applies, the re-
4 habilitation of such residence is completed dur-
5 ing such 5-year period).

6 “(2) LIMITATIONS ON ALLOCATIONS TO QUALI-
7 FIED PROJECTS.—

8 “(A) ALLOCATIONS LIMITED BY STATE
9 NEIGHBORHOOD HOMES CREDIT CEILING.—The
10 aggregate amount allocated to taxpayers with
11 respect to qualified projects by the neighbor-
12 hood homes credit agency of any State for any
13 calendar year shall not exceed the State neigh-
14 borhood homes credit amount of such State for
15 such calendar year.

16 “(B) SET-ASIDE FOR CERTAIN PROJECTS
17 INVOLVING QUALIFIED NONPROFIT ORGANIZA-
18 TIONS.—Rules similar to the rules of section
19 42(h)(5) shall apply for purposes of this sec-
20 tion.

21 “(3) DETERMINATION OF STATE NEIGHBOR-
22 HOOD HOMES CREDIT CEILING.—

23 “(A) IN GENERAL.—The State neighbor-
24 hood homes credit amount for a State for a cal-
25 endar year is an amount equal to the sum of—

1 “(i) the greater of—

2 “(I) the product of \$6, multiplied
3 by the State population (determined
4 in accordance with section 146(j)), or

5 “(II) \$8,000,000, and

6 “(ii) any amount previously allocated
7 to any taxpayer with respect to any quali-
8 fied project by the neighborhood homes
9 credit agency of such State which can no
10 longer be allocated to any qualified resi-
11 dence because the 5-year period described
12 in paragraph (1)(B) expires during cal-
13 endar year.

14 “(B) 3-YEAR CARRYFORWARD OF UNUSED
15 LIMITATION.—The State neighborhood homes
16 credit amount for a State for a calendar year
17 shall be increased by the excess (if any) of the
18 State neighborhood homes credit amount for
19 such State for the preceding calendar year over
20 the aggregate amount allocated by the neigh-
21 borhood homes credit agency of such State dur-
22 ing such preceding calendar year. Any amount
23 carried forward under the preceding sentence
24 shall not be carried past the third calendar year
25 after the calendar year in which such credit

1 amount originally arose, determined on a first-
2 in, first-out basis.

3 “(f) RESPONSIBILITIES OF NEIGHBORHOOD HOMES
4 CREDIT AGENCIES.—

5 “(1) IN GENERAL.—Notwithstanding subsection
6 (e), the State neighborhood homes credit dollar
7 amount shall be zero for a calendar year unless the
8 neighborhood homes credit agency of the State—

9 “(A) allocates such amount pursuant to a
10 qualified allocation plan of the neighborhood
11 homes credit agency,

12 “(B) allocates not more than 20 percent of
13 amounts allocated in the previous year (or for
14 allocations made in 2022, not more than 20
15 percent of the neighborhood homes credit ceil-
16 ing for such year) to projects with respect to
17 qualified residences which—

18 “(i) are located in census tracts de-
19 scribed in subsection (c)(2)(A)(iii),
20 (c)(2)(A)(iv), (i)(5), or

21 “(ii) are not located in a qualified
22 census tract but meet the requirements of
23 (i)(8),

1 “(C) promulgates standards with respect
2 to reasonable qualified development costs and
3 fees,

4 “(D) promulgates standards with respect
5 to construction quality,

6 “(E) in the case of any neighborhood
7 homes credit agency which makes an allocation
8 to a qualified project which includes any quali-
9 fied residence to which subsection (i) applies,
10 promulgates standards with respect to pro-
11 tecting the owners of such residences, including
12 the capacity of such owners to pay rehabilita-
13 tion costs not covered by the credit provided by
14 this section and providing for the disclosure to
15 such owners of their rights and responsibilities
16 with respect to the rehabilitation of such resi-
17 dences, and

18 “(F) submits to the Secretary (at such
19 time and in such manner as the Secretary may
20 prescribe) an annual report specifying—

21 “(i) the amount of the neighborhood
22 homes credits allocated to each qualified
23 project for the previous year,

1 “(ii) with respect to each qualified
2 residence completed in the preceding cal-
3 endar year—

4 “(I) the census tract in which
5 such qualified residence is located,

6 “(II) with respect to the qualified
7 project that includes such qualified
8 residence, the year in which such
9 project received an allocation under
10 this section,

11 “(III) whether such qualified res-
12 idence was new, substantially rehabili-
13 tated and sold to a qualified home-
14 owner, or substantially rehabilitated
15 pursuant to subsection (i),

16 “(IV) the eligible development
17 costs of such qualified residence,

18 “(V) the amount of the neighbor-
19 hood homes credit with respect to
20 such qualified residence,

21 “(VI) the sales price of such
22 qualified residence, if applicable, and

23 “(VII) the family income of the
24 qualified homeowner (expressed as a
25 percentage of the applicable area me-

1 dian family income for the location of
2 the qualified residence), and

3 “(iii) such other information as the
4 Secretary may require.

5 “(2) QUALIFIED ALLOCATION PLAN.—For pur-
6 poses of this subsection, the term ‘qualified alloca-
7 tion plan’ means any plan which—

8 “(A) sets forth the selection criteria to be
9 used to prioritize qualified projects for alloca-
10 tions of State neighborhood homes credit dollar
11 amounts, including—

12 “(i) the need for new or substantially
13 rehabilitated owner-occupied homes in the
14 area addressed by the project,

15 “(ii) the expected contribution of the
16 project to neighborhood stability and revi-
17 talization, including the impact on neigh-
18 borhood residents,

19 “(iii) the capability and prior perform-
20 ance of the project sponsor, and

21 “(iv) the likelihood the project will re-
22 sult in long-term homeownership,

23 “(B) has been made available for public
24 comment, and

1 “(C) provides a procedure that the neigh-
2 borhood homes credit agency (or any agent or
3 contractor of such agency) shall follow for pur-
4 poses of—

5 “(i) identifying noncompliance with
6 any provisions of this section, and

7 “(ii) notifying the Internal Revenue
8 Service of any such noncompliance of
9 which the agency becomes aware.

10 “(g) REPAYMENT.—

11 “(1) IN GENERAL.—

12 “(A) SOLD DURING 5-YEAR PERIOD.—If a
13 qualified residence is sold during the 5-year pe-
14 riod beginning immediately after the affordable
15 sale of such qualified residence referred to in
16 subsection (a), the seller (with respect to the
17 sale during such 5-year period) shall transfer
18 an amount equal to the repayment amount to
19 the relevant neighborhood homes credit agency.

20 “(B) USE OF REPAYMENTS.—A neighbor-
21 hood homes credit agency shall use any amount
22 received pursuant to subparagraph (A) only for
23 purposes of qualified projects.

24 “(2) REPAYMENT AMOUNT.—For purposes of
25 paragraph (1)(A), the repayment amount is an

1 amount equal to 50 percent of the gain from the
2 sale to which the repayment relates, reduced by 20
3 percent for each year of the 5-year period referred
4 to in paragraph (1)(A) which ends before the date
5 of such sale.

6 “(3) LIEN FOR REPAYMENT AMOUNT.—A
7 neighborhood homes credit agency receiving an allo-
8 cation under this section shall place a lien on each
9 qualified residence that is built or rehabilitated as
10 part of a qualified project for an amount such agen-
11 cy deems necessary to ensure potential repayment
12 pursuant to paragraph (1)(A).

13 “(4) DENIAL OF DEDUCTIONS IF CONVERTED
14 TO RENTAL HOUSING.—If, during the 5-year period
15 described in paragraph (1), an individual who owns
16 a qualified residence fails to use such qualified resi-
17 dence as such individual’s principal residence for any
18 period of time, no deduction shall be allowed for ex-
19 penses paid or incurred by such individual with re-
20 spect to renting, during such period of time, such
21 qualified residence.

22 “(5) WAIVER.—The neighborhood homes credit
23 agency may waive the repayment required under
24 paragraph (1)(A) in the case of homeowner experi-
25 encing a hardship.

1 “(h) OTHER DEFINITIONS AND SPECIAL RULES.—

2 For purposes of this section—

3 “(1) NEIGHBORHOOD HOMES CREDIT AGEN-

4 CY.—The term ‘neighborhood homes credit agency’

5 means the agency designated by the governor of a

6 State as the neighborhood homes credit agency of

7 the State.

8 “(2) QUALIFIED PROJECT.—The term ‘qualified

9 project’ means a project that a neighborhood homes

10 credit agency certifies will build or substantially re-

11 habilitate one or more qualified residences.

12 “(3) DETERMINATIONS OF FAMILY INCOME.—

13 Rules similar to the rules of section 143(f)(2) shall

14 apply for purposes of this section.

15 “(4) POSSESSIONS TREATED AS STATES.—The

16 term ‘State’ includes the District of Columbia and

17 the possessions of the United States.

18 “(5) SPECIAL RULES RELATED TO CONDOMIN-

19 IUMS AND COOPERATIVE HOUSING CORPORATIONS.—

20 “(A) DETERMINATION OF DEVELOPMENT

21 COSTS.—In the case of a qualified residence de-

22 scribed in clause (ii) or (iii) of subsection

23 (c)(1)(A), the reasonable development costs and

24 eligible development costs of such qualified resi-

25 dence shall be an amount equal to such costs,

1 respectively, of the entire condominium or coop-
2 erative housing property in which such qualified
3 residence is located, multiplied by a fraction—

4 “(i) the numerator of which is the
5 total floor space of such qualified resi-
6 dence, and

7 “(ii) the denominator of which is the
8 total floor space of all residences within
9 such property.

10 “(B) TENANT-STOCKHOLDERS OF COOPER-
11 ATIVE HOUSING CORPORATIONS TREATED AS
12 OWNERS.—In the case of a cooperative housing
13 corporation (as such term is defined in section
14 216(b)), a tenant-stockholder shall be treated
15 as owning the house or apartment which such
16 person is entitled to occupy.

17 “(6) RELATED PARTY SALES NOT TREATED AS
18 AFFORDABLE SALES.—

19 “(A) IN GENERAL.—A sale between related
20 persons shall not be treated as an affordable
21 sale.

22 “(B) RELATED PERSONS.—For purposes
23 of this paragraph, a person (in this subpara-
24 graph referred to as the ‘related person’) is re-
25 lated to any person if the related person bears

1 a relationship to such person specified in sec-
2 tion 267(b) or 707(b)(1), or the related person
3 and such person are engaged in trades or busi-
4 nesses under common control (within the mean-
5 ing of subsections (a) and (b) of section 52).
6 For purposes of the preceding sentence, in ap-
7 plying section 267(b) or 707(b)(1), ‘10 percent’
8 shall be substituted for ‘50 percent’.

9 “(7) INFLATION ADJUSTMENT.—

10 “(A) IN GENERAL.—In the case of a cal-
11 endar year after 2022, the dollar amounts in
12 subsections (b)(3)(A), (e)(3)(A)(i)(I),
13 (e)(3)(A)(i)(II), and (i)(2)(C) shall each be in-
14 creased by an amount equal to—

15 “(i) such dollar amount, multiplied by
16 “(ii) the cost-of-living adjustment de-
17 termined under section 1(f)(3) for such
18 calendar year by substituting ‘calendar
19 year 2021’ for ‘calendar year 2016’ in sub-
20 paragraph (A)(ii) thereof.

21 “(B) ROUNDING.—

22 “(i) In the case of the dollar amounts
23 in subsection (b)(3)(A) and (i)(2)(C), any
24 increase under paragraph (1) which is not

1 a multiple of \$1,000 shall be rounded to
2 the nearest multiple of \$1,000.

3 “(ii) In the case of the dollar amount
4 in subsection (e)(3)(A)(i)(I), any increase
5 under paragraph (1) which is not a mul-
6 tiple of \$0.01 shall be rounded to the near-
7 est multiple of \$0.01.

8 “(iii) In the case of the dollar amount
9 in subsection (e)(3)(A)(i)(II), any increase
10 under paragraph (1) which is not a mul-
11 tiple of \$100,000 shall be rounded to the
12 nearest multiple of \$100,000.

13 “(8) REPORT.—

14 “(A) IN GENERAL.—The Secretary shall
15 annually issue a report, to be made available to
16 the public, which contains the information sub-
17 mitted pursuant to subsection (f)(1)(F).

18 “(B) DE-IDENTIFICATION.—The Secretary
19 shall ensure that any information made public
20 pursuant to paragraph (1) excludes any infor-
21 mation that would allow for the identification of
22 qualified homeowners.

23 “(9) LIST OF QUALIFIED CENSUS TRACTS.—
24 The Secretary of Housing and Urban Development

1 shall, for each year, make publicly available a list of
2 qualified census tracts under—

3 “(A) on a combined basis, clauses (i) and
4 (ii) of subsection (c)(2)(A),
5 “(B) clause (iii) of such subsection, and
6 “(C) subsection (i)(5)(A).

7 “(i) APPLICATION OF CREDIT WITH RESPECT TO
8 OWNER-OCCUPIED REHABILITATIONS.—

9 “(1) IN GENERAL.—In the case of a qualified
10 rehabilitation by the taxpayer of any qualified resi-
11 dence which is owned (as of the date that the writ-
12 ten binding contract referred to in paragraph (3) is
13 entered into) by a specified homeowner, the rules of
14 paragraphs (2) through (7) shall apply.

15 “(2) ALTERNATIVE CREDIT DETERMINATION.—
16 In the case of any qualified residence described in
17 paragraph (1), the neighborhood homes credit deter-
18 mined under subsection (a) with respect to such resi-
19 dence shall (in lieu of any credit otherwise deter-
20 mined under subsection (a) with respect to such resi-
21 dence) be allowed in the taxable year during which
22 the qualified rehabilitation is completed (as deter-
23 mined by the neighborhood homes credit agency)
24 and shall be equal to the least of—

25 “(A) the excess (if any) of—

1 “(i) the amounts paid or incurred by
2 the taxpayer for the qualified rehabilitation
3 of the qualified residence to the extent that
4 such amounts are certified by the neigh-
5 borhood homes credit agency (at the time
6 of the completion of such rehabilitation) as
7 meeting the standards specified pursuant
8 to subsection (f)(1)(C), over

9 “(ii) any amounts paid to such tax-
10 payer for such rehabilitation,

11 “(B) 50 percent of the amounts described
12 in subparagraph (A)(i), or

13 “(C) \$50,000.

14 “(3) QUALIFIED REHABILITATION.—

15 “(A) IN GENERAL.—For purposes of this
16 subsection, the term ‘qualified rehabilitation’
17 means a rehabilitation or reconstruction per-
18 formed pursuant to a written binding contract
19 between the taxpayer and the qualified home-
20 owner if the amount paid or incurred by the
21 taxpayer in the performance of such rehabilita-
22 tion or reconstruction exceeds the dollar
23 amount in effect under subsection (b)(3)(A).

24 “(B) APPLICATION OF LIMITATION TO EX-
25 PENSES PAID OR INCURRED AFTER ALLOCA-

1 TION.—A rule similar to the rule of section
2 (b)(4) shall apply for purposes of this sub-
3 section.

4 “(4) SPECIFIED HOMEOWNER.—For purposes
5 of this subsection, the term ‘qualified homeowner’
6 means, with respect to a qualified residence, an indi-
7 vidual—

8 “(A) who owns and uses such qualified res-
9 idence as the principal residence of such indi-
10 vidual as of the date that the written binding
11 contract referred to in paragraph (3) is entered
12 into, and

13 “(B) whose family income (determined as
14 of such date) does not exceed the median family
15 income for the applicable area (with respect to
16 the census tract in which the qualified residence
17 is located).

18 “(5) ADDITIONAL CENSUS TRACTS IN WHICH
19 OWNER-OCCUPIED RESIDENCES MAY BE LOCATED.—
20 In the case of any qualified residence described in
21 paragraph (1), the term ‘qualified census tract’ in-
22 cludes any census tract which—

23 “(A) meets the requirements of subsection
24 (c)(2)(A)(i) without regard to subclause (III)
25 thereof, and

1 “(B) is designated by the neighborhood
2 homes credit agency for purposes of this para-
3 graph.

4 “(6) MODIFICATION OF REPAYMENT REQUIRE-
5 MENT.—In the case of any qualified residence de-
6 scribed in paragraph (1), subsection (g) shall be ap-
7 plied by beginning the 5-year period otherwise de-
8 scribed therein on the date on which the qualified
9 owner acquired the residence.

10 “(7) RELATED PARTIES.—Paragraph (1) shall
11 not apply if the taxpayer is the owner of the quali-
12 fied residence described in paragraph (1) or is re-
13 lated (within the meaning of subsection (h)(6)(B))
14 to such owner.

15 “(8) PYRRHOTITE REMEDIATION.—The require-
16 ment of subsection (c)(1)(C) shall not apply to a
17 qualified rehabilitation under this subsection of a
18 qualified residence that is documented by an engi-
19 neer’s report and core testing to have a foundation
20 that is adversely impacted by pyrrhotite or other
21 iron sulfide minerals.

22 “(j) REGULATIONS.—The Secretary shall prescribe
23 such regulations as may be necessary or appropriate to
24 carry out the purposes of this section, including regula-

1 tions that prevent avoidance of the rules, and abuse of
2 the purposes, of this section.”.

3 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
4 NESS CREDIT.—Section 38(b), as amended by the pre-
5 ceding provisions of this Act, is amended by striking
6 “plus” at the end of paragraph (34), by striking the period
7 at the end of paragraph (35) and inserting “, plus”, and
8 by adding at the end the following new paragraph:

9 “(36) the neighborhood homes credit deter-
10 mined under section 42A(a),”.

11 (c) CREDIT ALLOWED AGAINST ALTERNATIVE MIN-
12 IMUM TAX.—Section 38(c)(4)(B), as amended by the pre-
13 ceding provisions of this Act, is amended by redesignating
14 clauses (iv) through (xiii) as clauses (v) through (xiv), re-
15 spectively, and by inserting after clause (iii) the following
16 new clause:

17 “(iv) the credit determined under sec-
18 tion 42A,”.

19 (d) CONFORMING AMENDMENTS.—

20 (1) Subsections (i)(3)(C), (i)(6)(B)(i), and
21 (k)(1) of section 469 are each amended by inserting
22 “or 42A” after “section 42”.

23 (2) The table of sections for subpart D of part
24 IV of subchapter A of chapter 1 is amended by in-

1 serting after the item relating to section 42 the fol-
2 lowing new item:

“Sec. 42A. Neighborhood homes credit.”.

3 (e) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2021.

6 **PART 6—INVESTMENTS IN TRIBAL**
7 **INFRASTRUCTURE**

8 **SEC. 135601. TREATMENT OF INDIAN TRIBES AS STATES**
9 **WITH RESPECT TO BOND ISSUANCE.**

10 (a) **IN GENERAL.**—Section 7871(c) is amended to
11 read as follows:

12 “(c) **SPECIAL RULES FOR TAX-EXEMPT BONDS.**—

13 “(1) **IN GENERAL.**—In applying section 146 to
14 bonds issued by Indian Tribal Governments the Sec-
15 retary shall annually—

16 “(A) establish a national bond volume cap
17 based on the greater of—

18 “(i) the State population formula ap-
19 proach in section 146(d)(1)(A) (using na-
20 tional Tribal population estimates supplied
21 annually by the Department of the Interior
22 in consultation with the Census Bureau),
23 and

24 “(ii) the minimum State ceiling
25 amount in section 146(d)(1)(B) (as ad-

1 justed in accordance with the cost of living
2 provision in section 146(d)(2)),

3 “(B) allocate such national bond volume
4 cap among all Indian Tribal Governments seek-
5 ing such an allocation in a particular year
6 under regulations prescribed by the Secretary.

7 “(2) APPLICATION OF GEOGRAPHIC RESTRIC-
8 TION.—In the case of national bond volume cap allo-
9 cated under paragraph (1), section 146(k)(1) shall
10 not apply to the extent that such cap is used with
11 respect to financing for a facility located on qualified
12 Indian lands.

13 “(3) RESTRICTION ON FINANCING OF CERTAIN
14 GAMING FACILITIES.—No portion of the volume cap
15 allocated under this subsection may be used with re-
16 spect to the financing of any portion of a building
17 in which class II or class III gaming (as defined in
18 section 4 of the Indian Gaming Regulatory Act) is
19 conducted or housed or any property actually used
20 in the conduct of such gaming.

21 “(4) DEFINITIONS AND SPECIAL RULES.—For
22 purposes of this subsection—

23 “(A) INDIAN TRIBAL GOVERNMENT.—The
24 term ‘Indian Tribal Government’ means the
25 governing body of an Indian Tribe, band, na-

1 tion, or other organized group or community, or
2 of Alaska Natives, which is recognized as eligi-
3 ble for the special programs and services pro-
4 vided by the United States to Indians because
5 of their status as Indians, and also includes any
6 agencies, instrumentalities or political subdivi-
7 sions thereof.

8 “(B) INTERTRIBAL CONSORTIUMS, ETC.—
9 In any case in which an Indian Tribal Govern-
10 ment has authorized an intertribal consortium,
11 a Tribal organization, or an Alaska Native re-
12 gional or village corporation, as defined in, or
13 established pursuant to, the Alaska Native
14 Claims Settlement Act, to plan for, coordinate
15 or otherwise administer services, finances, func-
16 tions, or activities on its behalf under this sub-
17 section, the authorized entity shall have the
18 rights and responsibilities of the authorizing In-
19 dian Tribal Government only to the extent pro-
20 vided in the Authorizing resolution.

21 “(C) QUALIFIED INDIAN LANDS.—The
22 term ‘qualified Indian lands’ shall mean an In-
23 dian reservation as defined in section 3(d) of
24 the Indian Financing Act of 1974 (25 U.S.C.
25 1452(d)), including lands which are within the

1 jurisdictional area of an Oklahoma Indian Tribe
2 (as determined by the Secretary of the Interior)
3 and shall include lands outside a reservation
4 where the facility is to be placed in service in
5 connection with—

6 “(i) the active conduct of a trade or
7 business by an Indian Tribe on, contiguous
8 to, within reasonable proximity of, or with
9 a substantial connection to, an Indian res-
10 ervation or Alaska Native village, or

11 “(ii) infrastructure (including roads,
12 power lines, water systems, railroad spurs,
13 and communication facilities) serving an
14 Indian reservation or Alaska Native vil-
15 lage.”.

16 (b) CONFORMING AMENDMENT.—Subparagraph (B)
17 of section 45(c)(9) is amended to read as follows:

18 “(B) INDIAN TRIBE.—For purposes of this
19 paragraph, the term ‘Indian tribe’ has the
20 meaning given the term ‘Indian Tribal Govern-
21 ment’ by section 7871(c)(3)(A).”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to obligations issued in calendar
24 years beginning after the date of the enactment of this
25 Act.

1 **SEC. 135602. NEW MARKETS TAX CREDIT FOR TRIBAL STA-**
2 **TISTICAL AREAS.**

3 (a) ADDITIONAL ALLOCATIONS FOR TRIBAL STATIS-
4 TICAL AREAS.—Section 45D(f), as amended by the pre-
5 ceding provisions of this Act, is amended by adding at the
6 end the following new paragraph:

7 “(5) ADDITIONAL ALLOCATIONS FOR TRIBAL
8 STATISTICAL AREAS.—

9 “(A) IN GENERAL.—In the case of each
10 calendar year after 2021, there is (in addition
11 to any limitation under any other paragraph of
12 this subsection) a new markets tax credit limi-
13 tation of \$175,000,000 which shall be allocated
14 by the Secretary as provided in paragraph (2)
15 except that such limitation may only be allo-
16 cated with respect to Tribal Statistical Areas.

17 “(B) CARRYOVER OF UNUSED TRIBAL STA-
18 TISTICAL AREA LIMITATION.—

19 “(i) IN GENERAL.—If the credit limi-
20 tation under subparagraph (A) for any cal-
21 endar year exceeds the amount of such
22 limitation allocated by the Secretary for
23 such calendar year, such limitation for the
24 succeeding calendar year shall be increased
25 by the amount of such excess.

1 “(ii) LIMITATION ON CARRYOVER.—

2 No amount of credit limitation may be car-
3 ried under clause (i) past the 5th calendar
4 year following the calendar year in which
5 such amount of credit limitation arose.

6 “(iii) TRANSFER OF EXPIRED TRIBAL

7 STATISTICAL AREA LIMITATION TO GEN-
8 ERAL LIMITATION.—In the case of any
9 amount of credit limitation which would
10 (but for clause (ii)) be carried under clause
11 (i) to the 6th calendar year following the
12 calendar year in which such amount of
13 credit limitation arose, the new market tax
14 credit limitation under paragraph (1) for
15 such 6th calendar year shall be increased
16 by the amount of such credit limitation.

17 “(C) TRIBAL STATISTICAL AREA.—For
18 purposes of this paragraph, the term ‘Tribal
19 Statistical Area’ means—

20 “(i) any low-income community which
21 is located in any Tribal Census Tract,
22 Oklahoma Tribal Statistical Area, Tribal-
23 Designated Statistical Area, Alaska Native
24 Village Statistical Area, or Hawaiian
25 Home Land, and

1 “(ii) any low-income community de-
2 scribed in subsection (e)(1)(B).”.

3 (b) ELIGIBILITY OF CERTAIN PROJECTS SERVING
4 TRIBAL MEMBERS.—Section 45D(e)(1) is amended to
5 read as follows:

6 “(1) IN GENERAL.—The term ‘low-income com-
7 munity’ means any area—

8 “(A) comprising a population census tract
9 if—

10 “(i) the poverty rate for such tract is
11 at least 20 percent, or

12 “(ii)(I) in the case of a tract not lo-
13 cated within a metropolitan area, the me-
14 dian family income for such tract does not
15 exceed 80 percent of statewide median
16 family income, or

17 “(II) in the case of a tract located
18 within a metropolitan area, the median
19 family income for such tract does not ex-
20 ceed 80 percent of the greater of statewide
21 median family income or the metropolitan
22 area median family income,

23 “(B) which is used for a qualified active
24 low-income community business which—

1 “(i) services a significant population
2 of Tribal or Alaska Native Village mem-
3 bers who are residents of a low-income
4 community described in subsection
5 (f)(5)(C)(i), and

6 “(ii) obtains a written statement from
7 the relevant Indian Tribal Government
8 (within the meaning of section 7871(e))
9 that documents the eligibility such project
10 with respect to the requirement of clause
11 (i).

12 Subparagraph (A)(ii) shall be applied using posses-
13 sion wide median family income in the case of cen-
14 sus tracts located within a possession of the United
15 States.”.

16 (c) APPLICATION OF INFLATION ADJUSTMENT.—
17 Section 45D(f)(4), as added by the preceding provisions
18 of this Act, is amended by striking “the dollar amount
19 paragraph (1)(H) shall be increased” and inserting “the
20 dollar amounts in paragraphs (1)(H) and (5)(A) shall
21 each be increased”.

22 (d) COORDINATION WITH EXISTING CARRYOVER.—
23 Section 45D(f)(3), as amended by the preceding provisions
24 of this Act, is amended to read as follows:

1 “(3) CARRYOVER OF UNUSED LIMITATION.—If
2 the new markets tax credit limitation under para-
3 graph (1) for any calendar year exceeds the amount
4 of such limitation allocated by the Secretary under
5 paragraph (2) for such year, such limitation for the
6 succeeding calendar year shall be increased by the
7 amount of such excess.”.

8 (e) REGULATORY AUTHORITY.—Section 45D(i) is
9 amended by striking “and” at the end of paragraph (5),
10 by striking the period at the end of paragraph (6) and
11 inserting “, and”, and by adding at the end the following
12 new paragraph:

13 “(7) which provide documentation requirements
14 for the written statement required under subsection
15 (e)(1)(B)(ii), and

16 “(8) which provide procedures for determining
17 which projects under subsection (e)(1)(B) are quali-
18 fied active low-income community businesses with re-
19 spect to the populations described in such sub-
20 section. Such procedures shall take into account the
21 location needs of such projects, especially with re-
22 spect to projects that serve multiple tribal or Alaska
23 Native Village communities.”.

24 (f) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to new markets tax credit limita-

1 tion determined for calendar years after December 31,
2 2021.

3 **SEC. 135603. INCLUSION OF INDIAN AREAS AS DIFFICULT**
4 **DEVELOPMENT AREAS FOR PURPOSES OF**
5 **CERTAIN BUILDINGS.**

6 (a) IN GENERAL.—Subclause (I) of section
7 42(d)(5)(B)(iii), as amended by the preceding provisions
8 of this Act, is amended by inserting “, any Indian area”
9 after “median gross income”.

10 (b) INDIAN AREA.—Clause (iii) of section
11 42(d)(5)(B), as amended by the preceding provisions of
12 this Act is amended by redesignating subclause (III) as
13 subclause (V) and by inserting after subclause (II) the fol-
14 lowing new subclauses:

15 “(III) INDIAN AREA.—For pur-
16 poses of subclause (I), the term ‘In-
17 dian area’ means any Indian area (as
18 defined in section 4(11) of the Native
19 American Housing Assistance and
20 Self Determination Act of 1996 (25
21 U.S.C. 4103(11))).

22 “(IV) SPECIAL RULE FOR BUILD-
23 INGS IN INDIAN AREAS.—In the case
24 of an area which is a difficult develop-
25 ment area solely because it is an In-

1 dian area, a building shall not be
2 treated as located in such area unless
3 such building is assisted or financed
4 under the Native American Housing
5 Assistance and Self Determination
6 Act of 1996 (25 U.S.C. 4101 et seq.)
7 or the project sponsor is an Indian
8 tribe (as defined in section
9 45A(c)(6)), a tribally designated hous-
10 ing entity (as defined in section 4(22)
11 of such Act (25 U.S.C. 4103(22))), or
12 wholly owned or controlled by such an
13 Indian tribe or tribally designated
14 housing entity.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to buildings placed in service after
17 December 31, 2021.

18 **PART 7—INVESTMENTS IN THE TERRITORIES**

19 **SEC. 135701. POSSESSIONS ECONOMIC ACTIVITY CREDIT.**

20 (a) IN GENERAL.—Subpart D of part IV of sub-
21 chapter A of chapter 1, as amended by the preceding pro-
22 visions of this Act, is amended by adding at the end the
23 following new section:

1 **“SEC. 45V. POSSESSIONS ECONOMIC ACTIVITY CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
3 tion 38, in the case of a qualified domestic corporation
4 the possessions economic activity credit determined under
5 this section for a taxable year is an amount equal to 20
6 percent of the sum of the qualified possession wages and
7 allocable employee fringe benefit expenses paid or incurred
8 by the taxpayer for the taxable year.

9 “(b) QUALIFIED DOMESTIC CORPORATION; QUALI-
10 FIED CORPORATION.—For purposes of this section—

11 “(1) IN GENERAL.—The term ‘qualified domes-
12 tic corporation’ means any domestic corporation
13 which is—

14 “(A) a qualified corporation, or

15 “(B) a United States shareholder of a for-
16 eign corporation which—

17 “(i) is a qualified corporation, and

18 “(ii) is wholly owned by the United
19 States shareholder together with any cor-
20 porations which are members of the same
21 affiliated group (within the meaning of sec-
22 tion 1504(a)) as such United States share-
23 holder.

24 “(2) QUALIFIED CORPORATION.—The term
25 ‘qualified corporation’ means any corporation if such
26 corporation meets the following requirements:

1 “(A) SOURCE QUALIFICATION.—80 percent
2 or more of the gross income of the corporation
3 for the 3-year period immediately preceding the
4 close of the taxable year (or for such part of
5 such period immediately preceding the close of
6 such taxable year as may be applicable) was de-
7 rived from sources within a possession of the
8 United States (determined without regard to
9 section 904(f)).

10 “(B) TRADE OR BUSINESS QUALIFICA-
11 TION.—75 percent or more of the gross income
12 of the corporation for such period or such part
13 thereof was derived from the active conduct of
14 a trade or business within a possession of the
15 United States.

16 “(3) SPECIAL RULE FOR SEPARATE AND
17 CLEARLY IDENTIFIED UNITS OF FOREIGN CORPORA-
18 TIONS.—

19 “(A) IN GENERAL.—In the case of a
20 United States shareholder of a foreign corpora-
21 tion which—

22 “(i) is not a qualified corporation but
23 with respect to which the ownership re-
24 quirements of paragraph (1)(B)(ii) are
25 met, and

1 “(ii) has an eligible foreign business
2 unit which, if such unit were a corporation,
3 would be a qualified corporation with re-
4 spect to which such ownership require-
5 ments would be met,
6 then, for purposes of this section, the United
7 States shareholder may elect to treat such unit
8 as a separate foreign corporation which meets
9 the requirements of paragraph (1)(B) and with
10 respect to which such shareholder is a United
11 States shareholder.

12 “(B) ELIGIBLE FOREIGN BUSINESS
13 UNIT.—For purposes of this paragraph, the
14 term ‘eligible foreign business unit’ means a
15 separate and clearly identified foreign unit of a
16 trade or business, including a partnership or an
17 entity treated as disregarded as a separate enti-
18 ty from its owner (under section 7701 or other
19 provision under this title), which maintains sep-
20 arate books and records.

21 “(C) SPECIAL ELECTION FOR AFFILIATED
22 GROUPS.—In the case of an affiliated group de-
23 scribed in paragraph (1)(B)(ii), the election
24 under subparagraph (A) with respect to any eli-
25 gible foreign business unit shall be made by the

1 common parent of such group and shall apply
2 uniformly to all members of such group which
3 are United States shareholders with respect to
4 the foreign corporation which has such unit.

5 “(c) QUALIFIED POSSESSION WAGES.—For purposes
6 of this section—

7 “(1) IN GENERAL.—The term ‘qualified posses-
8 sion wages’ means wages paid or incurred by the
9 qualified corporation during the taxable year in con-
10 nection with the active conduct of a trade or busi-
11 ness within a possession of the United States to any
12 employee for services performed in such possession,
13 but only if such services are performed while the
14 principal place of employment of such employee is
15 within such possession.

16 “(2) LIMITATION ON AMOUNT OF WAGES
17 TAKEN INTO ACCOUNT.—

18 “(A) IN GENERAL.—The amount of wages
19 which may be taken into account under para-
20 graph (1) with respect to any employee for any
21 taxable year shall not exceed \$50,000.

22 “(B) TREATMENT OF PART-TIME EMPLOY-
23 EES, ETC.—If—

24 “(i) any employee is not employed by
25 the qualified corporation on a substantially

1 full-time basis at all times during the tax-
2 able year, or

3 “(ii) the principal place of employ-
4 ment of any employee with the qualified
5 corporation is not within a possession at
6 all times during the taxable year,

7 the limitation applicable under paragraph (1)
8 with respect to such employee shall be the ap-
9 propriate portion (as determined by the Sec-
10 retary) of the limitation which would otherwise
11 be in effect under paragraph (1).

12 “(C) WAGES.—

13 “(i) IN GENERAL.—Except as pro-
14 vided in clause (ii), the term ‘wages’ has
15 the meaning given to such term by sub-
16 section (b) of section 3306 (determined
17 without regard to any dollar limitation
18 contained in such section). For purposes of
19 the preceding sentence, such subsection (b)
20 shall be applied as if the term ‘United
21 States’ included all possessions of the
22 United States.

23 “(ii) SPECIAL RULE FOR AGRICUL-
24 TURAL LABOR AND RAILWAY LABOR.—In
25 any case to which subparagraph (A) or (B)

1 of paragraph (1) of section 51(h) applies,
2 the term ‘wages’ has the meaning given to
3 such term by section 51(h)(2).

4 “(3) ALLOCABLE EMPLOYEE FRINGE BENEFIT
5 EXPENSES.—

6 “(A) IN GENERAL.—The allocable em-
7 ployee fringe benefit expenses of any qualified
8 corporation for any taxable year is an amount
9 which bears the same ratio to the amount de-
10 termined under subparagraph (B) for such tax-
11 able year as—

12 “(i) the aggregate amount of the
13 qualified corporation’s qualified possession
14 wages for such taxable year, bears to

15 “(ii) the aggregate amount of the
16 wages paid or incurred by such qualified
17 corporation during such taxable year.

18 In no event shall the amount determined under
19 the preceding sentence exceed 15 percent of the
20 amount referred to in clause (i).

21 “(B) EXPENSES TAKEN INTO ACCOUNT.—

22 For purposes of subparagraph (A), the amount
23 determined under this subparagraph for any
24 taxable year is the aggregate amount allowable
25 (or, in the case of a foreign corporation, which

1 would be allowable if such foreign corporation
2 were a domestic corporation) as a deduction
3 under this chapter to the qualified corporation
4 for such taxable year with respect to—

5 “(i) employer contributions under a
6 stock bonus, pension, profit-sharing, or an-
7 nuity plan,

8 “(ii) employer-provided coverage
9 under any accident or health plan for em-
10 ployees, and

11 “(iii) the cost of life or disability in-
12 surance provided to employees.

13 Any amount treated as wages under paragraph
14 (2)(C) shall not be taken into account under
15 this subparagraph.

16 “(d) SPECIAL RULE FOR QUALIFIED SMALL DOMES-
17 TIC CORPORATION.—For purposes of this section—

18 “(1) INCREASED CREDIT PERCENTAGE.—In the
19 case of a qualified small domestic corporation, sub-
20 section (a) shall be applied by substituting ‘50 per-
21 cent’ for ‘20 percent’.

22 “(2) QUALIFIED SMALL DOMESTIC CORPORA-
23 TION.—

24 “(A) IN GENERAL.—The term ‘qualified
25 small domestic corporation’ means a qualified

1 domestic corporation that meets the require-
2 ments of subparagraphs (B) and (C).

3 “(B) FULL-TIME EMPLOYMENT.—A quali-
4 fied domestic corporation meets the require-
5 ments of this subparagraph if the qualified cor-
6 poration which is the qualified domestic cor-
7 poration under subsection (b)(1)(A) or the for-
8 eign corporation under subsection
9 (b)(1)(B)(i)—

10 “(i) has at least 5 full-time employees
11 in a possession of the United States for
12 each year in the 3-year period immediately
13 preceding the close of the taxable year (or
14 for such part of such period immediately
15 preceding the close of such taxable year as
16 may be applicable), and

17 “(ii) has not more than a total of 30
18 full-time employees for each year in such
19 3-year period.

20 “(C) GROSS RECEIPTS.—A qualified do-
21 mestic corporation meets the requirements of
22 this subparagraph if the annual gross receipts
23 of the qualified domestic corporation (and all
24 persons related thereto) for each year in such
25 3-year period is not more than \$50,000,000.

1 “(3) RELATED PERSONS.—In determining
2 whether the limitations under subparagraphs (B)(ii)
3 and (C) of paragraph (2) are met, all persons who
4 are treated as related to the qualified domestic cor-
5 poration for purposes of subsection (a) or (b) of sec-
6 tion 52 shall be taken into account.

7 “(4) AMOUNT OF WAGES TAKEN INTO AC-
8 COUNT.—Subsection (c)(2)(A) shall be applied by
9 substituting ‘\$139,500’ for ‘\$50,000’.

10 “(e) POSSESSION OF THE UNITED STATES.—

11 “(1) IN GENERAL.—The term ‘possession of the
12 United States’ means American Samoa, the Com-
13 monwealth of the Northern Mariana Islands, the
14 Commonwealth of Puerto Rico, Guam, and the Vir-
15 gin Islands.

16 “(2) MIRROR CODE POSSESSIONS.—In the case
17 of any possession of the United States with a mirror
18 code tax system (as defined in section 24(k)), this
19 section shall not be treated as part of the income tax
20 laws of the United States for purposes of deter-
21 mining the income tax law of such possession unless
22 such possession elects to have this section be so
23 treated.

24 “(f) SEPARATE APPLICATION TO EACH POSSES-
25 SION.—For purposes of determining the amount of the

1 credit allowed under this section, this section shall be ap-
2 plied separately with respect to each possession of the
3 United States.

4 “(g) TERMINATION.—No credit shall be allowed
5 under this section for any taxable year beginning after De-
6 cember 31, 2031.”.

7 (b) CREDIT MADE PART OF GENERAL BUSINESS
8 CREDIT.—Subsection (b) of section 38, as amended by the
9 preceding provisions of this Act, is amended by striking
10 “plus” at the end of paragraph (35), by striking the period
11 at the end of paragraph (36) and inserting “, plus”, and
12 by adding at the end the following new paragraph:

13 “(37) the possessions economic activity credit
14 determined under section 45V.”.

15 (c) CLERICAL AMENDMENT.—The table of sections
16 for subpart B of part IV of subchapter A of chapter 1
17 is amended by adding at the end the following:

“Sec. 45V. Possessions Economic Activity Credit.”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 the date of the enactment of this Act, and in the case
21 of a qualified corporation that is a foreign corporation,
22 to taxable years beginning after the date of enactment and
23 to taxable years of United States shareholders in which
24 or with which such taxable years of foreign corporations
25 end.

1 **SEC. 135702. ADDITIONAL NEW MARKETS TAX CREDIT AL-**
2 **LOCATIONS FOR THE TERRITORIES.**

3 (a) IN GENERAL.—Section 45D(f), as amended by
4 the preceding provisions of this Act, is amended by adding
5 at the end the following new paragraph:

6 “(6) ADDITIONAL ALLOCATIONS FOR POSSES-
7 SIONS OF THE UNITED STATES.—

8 “(A) IN GENERAL.—In the case of each
9 calendar year after 2021, there is (in addition
10 to the limitation under paragraph (1)—

11 “(i) a new markets tax credit limita-
12 tion of \$80,000,000 which shall be allo-
13 cated by the Secretary as provided in para-
14 graph (2) except that such limitation may
15 only be allocated with respect to low-in-
16 come communities located in Puerto Rico,
17 and

18 “(ii) a new markets tax credit limita-
19 tion of \$20,000,000 which shall be allo-
20 cated by the Secretary as provided in para-
21 graph (2) except that such limitation may
22 only be allocated with respect to low-in-
23 come communities located in possessions of
24 the United States other than Puerto Rico.

25 “(B) CARRYOVER OF UNUSED LIMITA-
26 TION.—

1 “(i) IN GENERAL.—If the credit limi-
2 tation under clause (i) or clause (ii) of sub-
3 paragraph (A) for any calendar year ex-
4 ceeds the amount of such limitation allo-
5 cated by the Secretary for such calendar
6 year, such limitation for the succeeding
7 calendar year shall be increased by the
8 amount of such excess.

9 “(ii) LIMITATION ON CARRYOVER.—
10 No amount of credit limitation may be car-
11 ried under clause (i) past the 5th calendar
12 year following the calendar year in which
13 such amount of credit limitation arose.

14 “(iii) TRANSFER OF EXPIRED POSSES-
15 SION LIMITATION TO GENERAL LIMITA-
16 TION.—In the case of any amount of credit
17 limitation which would (but for clause (ii))
18 be carried under clause (i) to the 6th cal-
19 endar year following the calendar year in
20 which such amount of credit limitation
21 arose, the new market tax credit limitation
22 under paragraph (1) for such 6th calendar
23 year shall be increased by the amount of
24 such credit limitation.”.

1 (b) APPLICATION OF INFLATION ADJUSTMENT.—
2 Section 45D(f)(4), as added and amended by the pre-
3 ceding provisions of this Act, is amended by striking
4 “paragraphs (1)(H) and (5)(A)” and inserting “para-
5 graphs (1)(H), (5)(A), (6)(A)(i), and (6)(A)(ii)”.

6 (c) EFFECTIVE DATES.—The amendments made by
7 this section shall apply to new markets tax credit limita-
8 tion determined for calendar years after December 31,
9 2021.

10 **Subtitle G—Green Energy**

11 **SEC. 136001. AMENDMENT OF 1986 CODE.**

12 Except as otherwise expressly provided, whenever in
13 this subtitle an amendment or repeal is expressed in terms
14 of an amendment to, or repeal of, a section or other provi-
15 sion, the reference shall be considered to be made to a
16 section or other provision of the Internal Revenue Code
17 of 1986.

18 **PART 1—RENEWABLE ELECTRICITY AND**

19 **REDUCING CARBON EMISSIONS**

20 **SEC. 136101. EXTENSION AND MODIFICATION OF CREDIT**

21 **FOR ELECTRICITY PRODUCED FROM CER-**

22 **TAIN RENEWABLE RESOURCES.**

23 (a) IN GENERAL.—The following provisions of sec-
24 tion 45(d) are each amended by striking “January 1,

1 2022” each place it appears and inserting “January 1,
2 2034”:

3 (1) Paragraph (2)(A).

4 (2) Paragraph (3)(A).

5 (3) Paragraph (4)(B).

6 (4) Paragraph (6).

7 (5) Paragraph (7).

8 (6) Paragraph (9).

9 (7) Paragraph (11)(B).

10 (b) APPLICATION OF EXTENSION TO SOLAR.—Sec-
11 tion 45(d)(4)(A) is amended by striking “is placed in serv-
12 ice before January 1, 2006” and inserting “the construc-
13 tion of which begins before January 1, 2034.”.

14 (c) EXTENSION OF ELECTION TO TREAT QUALIFIED
15 FACILITIES AS ENERGY PROPERTY.—Section
16 48(a)(5)(C)(ii) is amended by striking “January 1, 2022”
17 and inserting “January 1, 2034”.

18 (d) APPLICATION OF EXTENSION TO WIND FACILI-
19 TIES.—

20 (1) IN GENERAL.—Section 45(d)(1) is amended
21 by striking “January 1, 2022” and inserting “Janu-
22 ary 1, 2034”.

23 (2) APPLICATION OF PHASEOUT PERCENT-
24 AGE.—

1 (A) RENEWABLE ELECTRICITY PRODUC-
2 TION CREDIT.—Section 45(b)(5)(D) is amended
3 by inserting “placed in service before January
4 1, 2022” after “In the case of any facility”.

5 (B) ENERGY CREDIT.—Section
6 48(a)(5)(E)(iv) is amended by inserting “placed
7 in service before January 1, 2022” after “In
8 the case of any facility”.

9 (3) QUALIFIED OFFSHORE WIND FACILITIES
10 UNDER ENERGY CREDIT.—Section 48(a)(5)(F)(i) is
11 amended by striking “offshore wind facility—” and
12 all that follows and inserting the following: “offshore
13 wind facility, subparagraph (E) shall not apply.”.

14 (e) PERCENTAGE PHASEOUT OF CREDIT.—Section
15 45(b) is amended by adding at the end the following new
16 paragraph:

17 “(6) PERCENTAGE PHASEOUT OF CREDIT.—In
18 the case of any facility, the amount of the credit de-
19 termined under subsection (a) shall be reduced by—

20 “(A) in the case of any facility the con-
21 struction of which begins after December 31,
22 2031 and before January 1, 2033, 20 percent,

23 “(B) in the case of any facility the con-
24 struction of which begins after December 31,

1 2032 and before January 1, 2034, 40 percent,
2 and

3 “(C) in the case of any facility the con-
4 struction of which begins after December 31,
5 2033, 100 percent.”.

6 (f) WAGE AND APPRENTICESHIP REQUIREMENTS.—
7 Section 45(b) is amended by adding at the end the fol-
8 lowing new paragraphs:

9 “(7) BASE CREDIT AMOUNT AND INCREASED
10 CREDIT AMOUNT FOR QUALIFIED FACILITIES.—

11 “(A) IN GENERAL.—In the case of any
12 qualified facility which does not satisfy the re-
13 quirements of subparagraph (B), the amount of
14 the credit determined under subsection (a) (de-
15 termined after the application of paragraphs (1)
16 through (6)) shall be 20 percent of such
17 amount (determined without regard to this sen-
18 tence).

19 “(B) INCREASED CREDIT FOR CERTAIN FA-
20 CILITIES MEETING PROJECT REQUIREMENTS.—

21 “(i) IN GENERAL.—In the case of any
22 qualified facility which meets the project
23 requirements of this subparagraph, sub-
24 paragraph (A) shall not apply.

1 “(ii) PROJECT REQUIREMENTS.—A
2 project meets the requirements of this sub-
3 paragraph if it is one of the following:

4 “(I) A project with a maximum
5 net output of less than 1 megawatt.

6 “(II) A project which commences
7 construction prior to the date of the
8 enactment of this paragraph.

9 “(III) A project which satisfies
10 the requirements of paragraphs (8)
11 and (9).

12 “(8) PREVAILING WAGE REQUIREMENTS.—

13 “(A) IN GENERAL.—The requirements de-
14 scribed in this subparagraph with respect to
15 any qualified facility are that the taxpayer shall
16 ensure that any laborers and mechanics em-
17 ployed by contractors and subcontractors in—

18 “(i) the construction of such facility,
19 and

20 “(ii) for the 10-year period beginning
21 on the date the facility was originally
22 placed in service, the alteration or repair of
23 such facility,

24 shall be paid wages at rates not less than the
25 prevailing rates for construction, alteration, or

1 repair of a similar character in the locality as
2 most recently determined by the Secretary of
3 Labor, in accordance with subchapter IV of
4 chapter 31 of title 40, United States Code.

5 “(B) CORRECTION AND PENALTY RELATED
6 TO FAILURE TO SATISFY WAGE REQUIRE-
7 MENTS.—

8 “(i) IN GENERAL.—In the case of any
9 taxpayer which fails to satisfy the require-
10 ment under subparagraph (A) with respect
11 to the construction of any qualified facility
12 or with respect to the alteration or repair
13 of a facility in any year during the period
14 described in subparagraph (A)(ii), such
15 taxpayer shall be deemed to have satisfied
16 such requirement under such subparagraph
17 with respect to such facility for any year if,
18 with respect to any laborer or mechanic
19 who was paid wages at a rate below the
20 rate described in such subparagraph for
21 any period during such year, such tax-
22 payer—

23 “(I) makes payment to such la-
24 borer or mechanic in an amount equal
25 to the sum of—

1 “(aa) an amount equal to
2 the difference between the
3 amount of wages paid to such la-
4 borer or mechanic during such
5 period, and—

6 “(AA) the amount of
7 wages required to be paid to
8 such laborer or mechanic
9 pursuant to such subpara-
10 graph during such period,
11 plus

12 “(BB) interest on the
13 amount determined under
14 item (aa) at the under-
15 payment rate established
16 under section 6621 for the
17 period described in such
18 item, and

19 “(II) makes payment to the Sec-
20 retary of a penalty in an amount
21 equal to the product of—

22 “(aa) \$5,000, multiplied by

23 “(bb) the total number of la-
24 borers and mechanics who were
25 paid wages at a rate below the

1 rate described in subparagraph
2 (A) for any period during such
3 year.

4 “(ii) PENALTY ASSESSED AS TAX.—
5 The penalty described in clause (i)(II)
6 shall be treated in the same manner as a
7 penalty imposed under subchapter B of
8 chapter 68.

9 “(9) APPRENTICESHIP REQUIREMENTS.—The
10 requirements described in this subparagraph with re-
11 spect to the construction of any qualified facility are
12 as follows:

13 “(A) LABOR HOURS.—

14 “(i) PERCENTAGE OF TOTAL LABOR
15 HOURS.—All contractors and subcontrac-
16 tors engaged in the performance of con-
17 struction, alteration, or repair work on any
18 project shall, subject to subparagraph (B),
19 ensure that not less than the applicable
20 percentage of the total labor hours of such
21 work be performed by qualified appren-
22 tices.

23 “(ii) APPLICABLE PERCENTAGE.—For
24 purposes of paragraph (1), the applicable
25 percentage shall be—

1 “(I) in the case of any applicable
2 project the construction of which be-
3 gins before January 1, 2023, 5 per-
4 cent,

5 “(II) in the case of any applica-
6 ble project the construction of which
7 begins after December 31, 2022, and
8 before January 1, 2024, 10 percent,
9 and

10 “(III) in the case of any applica-
11 ble project the construction of which
12 begins after December 31, 2023, 15
13 percent.

14 “(B) APPRENTICE TO JOURNEYWORKER
15 RATIO.—The requirement under subparagraph
16 (A)(i) shall be subject to any applicable require-
17 ments for apprentice-to-journeyworker ratios of
18 the Department of Labor or the applicable
19 State apprenticeship agency.

20 “(C) PARTICIPATION.—Each contractor
21 and subcontractor who employs 4 or more indi-
22 viduals to perform construction, alteration, or
23 repair work on an applicable project shall em-
24 ploy 1 or more qualified apprentices to perform
25 such work.

1 “(D) EXCEPTION.—

2 “(i) IN GENERAL.—Notwithstanding
3 any other provision of this paragraph, this
4 paragraph shall not apply in the case of a
5 taxpayer who—

6 “(I) demonstrates a lack of avail-
7 ability of qualified apprentices in the
8 geographic area of the construction,
9 alteration, or repair work, and

10 “(II) makes a good faith effort to
11 comply with the requirements of this
12 paragraph, or

13 “(ii) GOOD FAITH EFFORT.—For pur-
14 poses of clause (i), a taxpayer shall be
15 deemed to have satisfied the requirements
16 under such paragraph with respect to an
17 applicable project if such taxpayer has re-
18 quested qualified apprentices from a reg-
19 istered apprenticeship program, as defined
20 in section 3131(e)(3)(B), and such request
21 has been denied, provided that such denial
22 is not the result of a refusal by the con-
23 tractors or subcontractors engaged in the
24 performance of construction, alteration, or
25 repair work on such applicable project to

1 comply with the established standards and
2 requirements of such apprenticeship pro-
3 gram.

4 “(E) DEFINITIONS.—For purposes of this
5 paragraph—

6 “(i) LABOR HOURS.—The term ‘labor
7 hours’—

8 “(I) means the total number of
9 hours devoted to the performance of
10 construction, alteration, or repair
11 work by employees of the contractor
12 or subcontractor, and

13 “(II) excludes any hours worked
14 by—

15 “(aa) foremen,

16 “(bb) superintendents,

17 “(cc) owners, or

18 “(dd) persons employed in a
19 bona fide executive, administra-
20 tive, or professional capacity
21 (within the meaning of those
22 terms in part 541 of title 29,
23 Code of Federal Regulations).

24 “(ii) QUALIFIED APPRENTICE.—The
25 term ‘qualified apprentice’ means an indi-

1 vidual who is an employee of the con-
2 tractor or subcontractor and who is par-
3 ticipating in a registered apprenticeship
4 program, as defined in section
5 3131(e)(3)(B).

6 “(10) DOMESTIC CONTENT BONUS CREDIT
7 AMOUNT.—

8 “(A) IN GENERAL.—In the case of any
9 qualified facility which satisfies the requirement
10 under subparagraph (B), the amount of the
11 credit determined under subsection (a) (deter-
12 mined after the application of paragraphs (1)
13 through (9)) shall be increased by an amount
14 equal to 10 percent of the amount otherwise in
15 effect under such subsection.

16 “(B) REQUIREMENT.—

17 “(i) IN GENERAL.—Subject to clause
18 (iii), the requirement described in this sub-
19 clause with respect to any qualified facility
20 is that, prior to the end of the taxable year
21 in which such facility is placed in service,
22 the taxpayer shall certify to the Secretary
23 that, any steel, iron, or manufactured
24 product used in the construction of such
25 facility was produced in the United States.

1 “(ii) STEEL AND IRON.—In the case
2 of steel or iron, clause (i) shall be applied
3 in a manner consistent with section
4 661.5(b) of title 49, Code of Federal Regu-
5 lations.

6 “(iii) MANUFACTURED PRODUCT.—
7 For purposes of clause (i), a manufactured
8 product shall be deemed to have been man-
9 ufactured in the United States if not less
10 than 55 percent of the total cost of the
11 components of such product is attributable
12 to components which are mined, produced,
13 or manufactured in the United States.

14 “(C) INTERNATIONAL AGREEMENTS.—This
15 paragraph shall be applied in a manner which
16 is consistent with the obligations of the United
17 States under international agreements.

18 “(11) PENALTY FOR DIRECT PAY.—

19 “(A) IN GENERAL.—In the case of a tax-
20 payer making an election under section 6417
21 with respect to a credit under this section, the
22 amount of such credit shall be replaced with—

23 “(i) the value of such credit (deter-
24 mined without regard to this paragraph),
25 multiplied by

1 “(ii) the applicable percentage.

2 “(B) 100 PERCENT APPLICABLE PERCENT-
3 AGE FOR CERTAIN QUALIFIED FACILITIES.—In
4 the case of any qualified facility—

5 “(i) which satisfies the requirements
6 under paragraph (10) with respect to the
7 construction of such facility, or

8 “(ii) with a maximum net output of
9 less than 1 megawatt,
10 the applicable percentage shall be 100 percent.

11 “(C) PHASED DOMESTIC CONTENT RE-
12 QUIREMENT.—Subject to subparagraph (D), in
13 the case of any qualified facility which is not
14 described in subparagraph (B), the applicable
15 percentage shall be—

16 “(i) if construction of such facility
17 began before January 1, 2024, 100 per-
18 cent,

19 “(ii) if construction of such facility
20 began in calendar year 2024, 90 percent,

21 “(iii) if construction of such facility
22 began in calendar year 2025, 85 percent,
23 and

24 “(iv) if construction of such facility
25 began after December 31, 2025, 0 percent.

1 “(D) EXCEPTIONS.—In order to facilitate
2 the use of amounts made available in this sec-
3 tion, increase the tax incentives for investment
4 in clean energy, and grow the domestic supply
5 chains, the Secretary shall provide appropriate
6 exceptions to the domestic content requirements
7 for products under subparagraph (C) for the
8 construction of qualified facilities if either the
9 inclusion of domestic products increases the
10 overall costs of projects by more than 25 per-
11 cent or relevant manufactured products are not
12 produced in the United States in sufficient and
13 reasonably available quantities or of a satisfac-
14 tory quality.

15 “(12) REGULATIONS AND GUIDANCE.—The
16 Secretary shall issue such regulations or other guid-
17 ance as the Secretary determines necessary or ap-
18 propriate to carry out the purposes of this sub-
19 section.”.

20 (g) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to facilities placed in service after
22 December 31, 2021.

1 **SEC. 136102. EXTENSION AND MODIFICATION OF ENERGY**
2 **CREDIT.**

3 (a) **EXTENSION OF CREDIT.**—The following provi-
4 sions of section 48 are each amended by striking “January
5 1, 2024” each place it appears and inserting “January
6 1, 2034”:

7 (1) Subsection (a)(3)(A)(ii).

8 (2) Subsection (a)(3)(A)(vii).

9 (3) Subsection (c)(1)(D).

10 (4) Subsection (c)(2)(D).

11 (5) Subsection (c)(3)(A)(iv).

12 (6) Subsection (c)(4)(C).

13 (b) **PHASEOUT OF CREDIT.**—Section 48(a) is amend-
14 ed by striking paragraphs (6) and (7) and inserting the
15 following new paragraphs:

16 “(6) **PHASEOUT FOR SOLAR ENERGY PROP-**
17 **ERTY.**—

18 “(A) **IN GENERAL.**—Subject to subpara-
19 graph (B), in the case of any energy property
20 described in paragraph (3)(A)(i) the construc-
21 tion of which begins before January 1, 2034,
22 the energy percentage determined under para-
23 graph (2) shall be equal to—

24 “(i) in the case of any property the
25 construction of which begins after Decem-

1 ber 31, 2019, and which is placed in serv-
2 ice before January 1, 2022, 26 percent,

3 “(ii) in the case of any property the
4 construction of which begins before Janu-
5 ary 1, 2032, and which is placed in service
6 after December 31, 2021, 30 percent,

7 “(iii) in the case of any property the
8 construction of which begins after Decem-
9 ber 31, 2031 and before January 1, 2033,
10 26 percent, and

11 “(iv) in the case of any property the
12 construction of which begins after Decem-
13 ber 31, 2032 and before January 1, 2034,
14 22 percent.

15 “(B) PLACED IN SERVICE DEADLINE.—In
16 the case of any energy property described in
17 paragraph (3)(A)(i) the construction of which
18 begins before January 1, 2034, and which is
19 not placed in service before January 1, 2036,
20 the energy percentage determined under para-
21 graph (2) shall be equal to 10 percent.

22 “(7) PHASEOUT FOR CERTAIN OTHER ENERGY
23 PROPERTY.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), in the case of any qualified fuel cell

1 property, qualified small wind property, waste
2 energy recovery property, or energy property
3 described in paragraph (3)(A)(ii), the energy
4 percentage determined under paragraph (2)
5 shall be equal to—

6 “(i) in the case of any property the
7 construction of which begins after Decem-
8 ber 31, 2019, and which is placed in serv-
9 ice before January 1, 2022, 26 percent,

10 “(ii) in the case of any property the
11 construction of which begins before Janu-
12 ary 1, 2032, and which is placed in service
13 after December 31, 2021, 30 percent,

14 “(iii) in the case of any property the
15 construction of which begins after Decem-
16 ber 31, 2031 and before January 1, 2033,
17 26 percent, and

18 “(iv) in the case of any property the
19 construction of which begins after Decem-
20 ber 31, 2032 and before January 1, 2034,
21 22 percent.

22 “(B) PLACED IN SERVICE DEADLINE.—In
23 the case of any energy property described in
24 subparagraph (A) which is not placed in service
25 before January 1, 2036, the energy percentage

1 determined under paragraph (2) shall be equal
2 to 0 percent.”.

3 (c) 30 PERCENT CREDIT FOR SOLAR AND GEO-
4 THERMAL.—

5 (1) EXTENSION FOR SOLAR.—Section
6 48(a)(2)(A)(i)(II) is amended by striking “January
7 1, 2024” and inserting “January 1, 2034”.

8 (2) APPLICATION TO GEOTHERMAL.—

9 (A) IN GENERAL.—Paragraphs
10 (2)(A)(i)(II), (6)(A), and (6)(B) of section
11 48(a) are each amended by striking “paragraph
12 (3)(A)(i)” and inserting “clause (i), (iii), or
13 (vii) of paragraph (3)(A)”.

14 (B) CONFORMING AMENDMENT.—The
15 heading of section 48(a)(6) is amended by in-
16 serting “AND GEOTHERMAL” after “SOLAR EN-
17 ERGY”.

18 (d) ENERGY STORAGE TECHNOLOGIES; QUALIFIED
19 BIOGAS PROPERTY; MICROGRID CONTROLLERS; EXTEN-
20 SION OF WASTE ENERGY RECOVERY PROPERTY.—

21 (1) IN GENERAL.—Section 48(a)(3)(A) is
22 amended by striking “or” at the end of clause (vii),
23 and by adding at the end the following new clauses:

24 “(viii) energy storage technology,

25 “(ix) qualified biogas property, or

1 “(x) microgrid controllers,”.

2 (2) APPLICATION OF 30 PERCENT CREDIT.—
3 Section 48(a)(2)(A)(i) is amended by striking “and”
4 at the end of subclauses (IV) and (V) and adding at
5 the end the following new subclauses:

6 “(VI) energy storage technology,

7 “(VII) qualified biogas property,

8 and

9 “(VIII) microgrid controllers,
10 and”.

11 (3) APPLICATION OF PHASEOUT.—Section
12 48(a)(7) is amended by inserting “energy storage
13 technology, qualified biogas property, microgrid
14 contollers,” after “waste energy recovery property,”.

15 (4) DEFINITIONS.—Section 48(c) is amended
16 by adding at the end the following new paragraphs:

17 “(6) ENERGY STORAGE TECHNOLOGY.—

18 “(A) IN GENERAL.—The term ‘energy
19 storage technology’ means equipment (other
20 than equipment primarily used in the transpor-
21 tation of goods or individuals and not for the
22 production of electricity) which uses batteries,
23 compressed air, pumped hydropower, hydrogen
24 storage, thermal energy storage, regenerative
25 fuel cells, flywheels, capacitors, superconducting

1 magnets, or other technologies identified by the
2 Secretary, after consultation with the Secretary
3 of Energy, to store energy for conversion to
4 electricity (or, in the case of hydrogen storage,
5 to store energy), and has a capacity of not less
6 than 5 kilowatt hours.

7 “(B) MODIFICATIONS OF CERTAIN PROP-
8 ERTY.—In the case of any equipment which ei-
9 ther—

10 “(i) would be described in subpara-
11 graph (A) except that such equipment has
12 a capacity of less than 5 kilowatt hours is
13 modified such that such equipment (after
14 such modification) has a capacity of not
15 less than 5 kilowatt hours, or

16 “(ii) is described in subparagraph (A)
17 and which has a capacity of not less than
18 5 kilowatt hours and is modified such that
19 such equipment (after such modification)
20 has an increased capacity,

21 such equipment shall be treated as described in
22 subparagraph (A) except that the basis of any
23 property which was part of such equipment be-
24 fore such modification shall not be taken into
25 account for purposes of this section. In the case

1 of any property to which this subparagraph ap-
2 plies, subparagraph (C) shall be applied by sub-
3 stituting ‘modification’ for ‘construction’.

4 “(C) TERMINATION.—The term ‘energy
5 storage technology’ shall not include any prop-
6 erty the construction of which does not begin
7 before January 1, 2034.

8 “(7) QUALIFIED BIOGAS PROPERTY.—

9 “(A) IN GENERAL.—The term ‘qualified
10 biogas property’ means property comprising a
11 system which—

12 “(i) converts biomass (as defined in
13 section 45K(c)(3), as in effect on the date
14 of enactment of this paragraph) into a gas
15 which—

16 “(I) consists of not less than 52
17 percent methane, or

18 “(II) is concentrated by such sys-
19 tem into a gas which consists of not
20 less than 52 percent methane, and

21 “(ii) captures such gas for productive
22 use.

23 “(B) INCLUSION OF CLEANING AND CON-
24 DITIONING PROPERTY.—The term ‘qualified
25 biogas property’ includes any property which is

1 part of such system which cleans or conditions
2 such gas.

3 “(C) TERMINATION.—The term ‘qualified
4 biogas property’ shall not include any property
5 the construction of which does not begin before
6 January 1, 2034.

7 “(8) MICROGRID CONTROLLER.—

8 “(A) IN GENERAL.—The term ‘microgrid
9 controller’ means equipment which is—

10 “(i) part of a qualified microgrid, and

11 “(ii) designed and used to monitor
12 and control the energy resources and loads
13 on such microgrid to maintain acceptable
14 frequency, voltage, or economic dispatch.

15 “(B) QUALIFIED MICROGRID.—The term
16 ‘qualified microgrid’ means an electrical system
17 which—

18 “(i) includes equipment which is capa-
19 ble of generating not less than 4 kilowatts
20 and not greater than 20 megawatts of elec-
21 tricity,

22 “(ii) is capable of operating—

23 “(I) in connection with the elec-
24 trical grid and as a single controllable
25 entity with respect to such grid, and

1 “(II) independently (and discon-
2 nected) from such grid, and

3 “(iii) is not part of a bulk-power sys-
4 tem (as defined in section 215 of the Fed-
5 eral Power Act (16 U.S.C. 24o)).

6 “(C) TERMINATION.—The term ‘microgrid
7 controller’ shall not include any property the
8 construction of which does not begin before
9 January 1, 2034.”.

10 (5) DENIAL OF DOUBLE BENEFIT FOR QUALI-
11 FIED BIOGAS PROPERTY.—Section 45(e) is amended
12 by adding at the end the following new paragraph:

13 “(12) COORDINATION WITH ENERGY CREDIT
14 FOR QUALIFIED BIOGAS PROPERTY.—The term
15 ‘qualified facility’ shall not include any facility which
16 produces electricity from gas produced by qualified
17 biogas property (as defined in section 48(c)(7)) if a
18 credit is determined under section 48 with respect to
19 such property for the taxable year or any prior tax-
20 able year.”.

21 (6) EXTENSION OF WASTE ENERGY RECOVERY
22 PROPERTY.—Section 48(c)(5)(D) is amended by
23 striking “January 1, 2024” and inserting “January
24 1, 2034”.

1 (e) FUEL CELLS USING ELECTROMECHANICAL
2 PROCESSES.—

3 (1) IN GENERAL.—Section 48(c)(1) is amend-
4 ed—

5 (A) in subparagraph (A)(i)—

6 (i) by inserting “or electromechanical”
7 after “electrochemical”, and

8 (ii) by inserting “(1 kilowatts in the
9 case of a fuel cell power plant with a linear
10 generator assembly)” after “0.5 kilowatt”,
11 and

12 (B) in subparagraph (C)—

13 (i) by inserting “, or linear generator
14 assembly,” after “a fuel cell stack assem-
15 bly”, and

16 (ii) by inserting “or
17 electromechanical” after “electrochemical”.

18 (2) LINEAR GENERATOR ASSEMBLY LIMITA-
19 TION.—Section 48(c)(1) is amended by redesign-
20 ating subparagraph (D) as subparagraph (E) and
21 by inserting after subparagraph (C) the following
22 new subparagraph:

23 “(D) LINEAR GENERATOR ASSEMBLY.—

24 The term ‘linear generator assembly’ does not

1 include any assembly which contains rotating
2 parts.”.

3 (f) DYNAMIC GLASS.—Section 48(a)(3)(A)(ii) is
4 amended by inserting “, or electrochromic glass which
5 uses electricity to change its light transmittance properties
6 in order to heat or cool a structure,” after “sunlight”.

7 (g) COORDINATION WITH LOW INCOME HOUSING
8 TAX CREDIT.—Paragraph (3) of section 50(c) of the In-
9 ternal Revenue Code of 1986 is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (A),

12 (2) by striking the period at the end of sub-
13 paragraph (B) and inserting “, and”, and

14 (3) by adding at the end the following new sub-
15 paragraph:

16 “(C) paragraph (1) shall not apply for pur-
17 poses of determining eligible basis under section
18 42.”.

19 (h) WAGE AND APPRENTICESHIP REQUIREMENTS.—
20 Section 48(a) is amended by adding at the end the fol-
21 lowing new paragraphs:

22 “(8) BASE CREDIT AMOUNT AND INCREASED
23 CREDIT AMOUNT FOR ENERGY PROJECTS.—

24 “(A) IN GENERAL.—

1 “(i) RULE.—In the case of any energy
2 project which does not satisfy the require-
3 ments of subparagraph (B), the amount of
4 the credit determined under this subsection
5 (determined after the application of para-
6 graphs (1) through (7)) shall be 20 per-
7 cent of such amount (determined without
8 regard to this sentence).

9 “(ii) ENERGY PROJECT DEFINED.—
10 For purposes of this subsection the term
11 ‘energy project’ means a project consisting
12 of multiple energy properties that are part
13 of a single project. The requirements of
14 this paragraph shall be applied to such
15 project.

16 “(B) INCREASED CREDIT FOR ENERGY
17 PROJECTS MEETING PROJECT REQUIRE-
18 MENTS.—

19 “(i) IN GENERAL.—In the case of any
20 energy project which meets the project re-
21 quirements of this subparagraph, subpara-
22 graph (A) shall not apply.

23 “(ii) PROJECT REQUIREMENTS.—A
24 project meets the requirements of this sub-
25 paragraph if it is one of the following:

1 “(I) A project with a maximum
2 net output of less than 1 megawatt.

3 “(II) A project which commences
4 construction prior to the date of the
5 enactment of this paragraph.

6 “(III) A project which satisfies
7 the requirements of paragraphs (9)
8 and (10).

9 “(9) PREVAILING WAGE REQUIREMENTS.—

10 “(A) IN GENERAL.—The requirements de-
11 scribed in this subparagraph with respect to
12 any energy project are that the taxpayer shall
13 ensure that any laborers and mechanics em-
14 ployed by contractors and subcontractors in—

15 “(i) the construction of such energy
16 project , and

17 “(ii) for any year during the period
18 beginning on the date any energy property
19 of such project is originally placed in serv-
20 ice, the alteration or repair of such prop-
21 erty,

22 shall be paid wages at rates not less than the
23 prevailing rates for construction, alteration, or
24 repair of a similar character in the locality as
25 most recently determined by the Secretary of

1 Labor, in accordance with subchapter IV of
2 chapter 31 of title 40, United States Code.

3 “(B) CORRECTION AND PENALTY RELATED
4 TO FAILURE TO SATISFY WAGE REQUIRE-
5 MENTS.—A taxpayer shall not be treated as
6 failing to satisfy the requirements of this para-
7 graph if such taxpayer meets requirements
8 similar to the requirements of section
9 45(b)(8)(B).

10 “(10) APPRENTICESHIP REQUIREMENTS.—The
11 requirements described in this subparagraph with re-
12 spect to the construction of any applicable facility
13 are as follows:

14 “(A) LABOR HOURS.—

15 “(i) PERCENTAGE OF TOTAL LABOR
16 HOURS.—All contractors and subcontractors
17 engaged in the performance of con-
18 struction, alteration, or repair work on any
19 applicable facility prior to such facility
20 being placed into service shall, subject to
21 subparagraph (B), ensure that not less
22 than the applicable percentage of the total
23 labor hours of such work be performed by
24 qualified apprentices.

1 “(ii) APPLICABLE PERCENTAGE.—For
2 purposes of paragraph (1), the applicable
3 percentage shall be—

4 “(I) in the case of any applicable
5 project the construction of which be-
6 gins before January 1, 2023, 5 per-
7 cent,

8 “(II) in the case of any applica-
9 ble project the construction of which
10 begins after December 31, 2022, and
11 before January 1, 2024, 10 percent,
12 and

13 “(III) in the case of any applica-
14 ble project the construction of which
15 begins after December 31, 2023, 15
16 percent.

17 “(B) APPRENTICE TO JOURNEYWORKER
18 RATIO.—The requirement under subparagraph
19 (A)(i) shall be subject to any applicable require-
20 ments for apprentice-to-journeyworker ratios of
21 the Department of Labor or the applicable
22 State apprenticeship agency.

23 “(C) PARTICIPATION.—Each contractor
24 and subcontractor who employs 4 or more indi-
25 viduals to perform construction, alteration, or

1 repair work on an applicable project shall em-
2 ploy 1 or more qualified apprentices to perform
3 such work.

4 “(D) EXCEPTION.—

5 “(i) IN GENERAL.—Notwithstanding
6 any other provision of this paragraph, this
7 paragraph shall not apply in the case of a
8 taxpayer who—

9 “(I) demonstrates a lack of avail-
10 ability of qualified apprentices in the
11 geographic area of the construction,
12 alteration, or repair work, and

13 “(II) makes a good faith effort to
14 comply with the requirements of this
15 paragraph.

16 “(ii) GOOD FAITH EFFORT.—For pur-
17 poses of clause (i), a taxpayer shall be
18 deemed to have satisfied the requirements
19 under such paragraph with respect to an
20 applicable project if such taxpayer has re-
21 quested qualified apprentices from a reg-
22 istered apprenticeship program, as defined
23 in section 3131(e)(3)(B), and such request
24 has been denied, provided that such denial
25 is not the result of a refusal by the con-

1 tractors or subcontractors engaged in the
2 performance of construction, alteration, or
3 repair work on such applicable project to
4 comply with the established standards and
5 requirements of such apprenticeship pro-
6 gram.

7 “(E) DEFINITIONS.—For purposes of this
8 paragraph—

9 “(i) LABOR HOURS.—The term ‘labor
10 hours’ has the meaning given such term in
11 section 45(b)(9)(E)(i).

12 “(ii) QUALIFIED APPRENTICE.—The
13 term ‘qualified apprentice’ has the mean-
14 ing given such term in section
15 45(b)(9)(E)(ii).

16 “(11) DOMESTIC CONTENT BONUS CREDIT
17 AMOUNT.—

18 “(A) IN GENERAL.—In the case of any en-
19 ergy project which satisfies the requirements
20 under subparagraph (B), the energy percentage
21 in subsection (a)(2) shall be increased by the
22 applicable rate in subparagraph (C).

23 “(B) REQUIREMENTS.—

24 “(i) IN GENERAL.—The requirement
25 described in this subclause with respect to

1 any energy project is satisfied if the tax-
2 payer certifies to the Secretary (at such
3 time, and in such form and manner, as the
4 Secretary may prescribe) that the facility
5 is composed of steel, iron, or manufactured
6 products which were produced in the
7 United States.

8 “(ii) STEEL AND IRON.—In the case
9 of steel or iron, clause (i) shall be applied
10 in a manner consistent with section
11 661.5(b) of title 49, Code of Federal Regu-
12 lations.

13 “(iii) MANUFACTURED PRODUCT.—
14 For purposes of clause (i), a manufactured
15 product shall be deemed to have been man-
16 ufactured in the United States if not less
17 than 55 percent of the total cost of the
18 components of such product is attributable
19 to components which are mined, produced,
20 or manufactured in the United States.

21 “(C) APPLICABLE RATE INCREASE.—For
22 purposes of subparagraph (A), the applicable
23 credit rate increase shall be an amount equal
24 to—

1 “(i) in the case of energy project that
2 does not meet the requirements of sub-
3 clause (I) or (III) of paragraph (8)(B)(ii),
4 2 percentage points, and

5 “(ii) in the case of energy property
6 that meets the requirements of subclause
7 (I) or (III) of paragraph (8)(B)(ii), 10 per-
8 centage points.

9 “(D) INTERNATIONAL AGREEMENTS.—
10 This paragraph shall be applied in a manner
11 which is consistent with the obligations of the
12 United States under international agreements.

13 “(12) PENALTY FOR DIRECT PAY.—

14 “(A) IN GENERAL.—In the case of a tax-
15 payer making an election under section 6417
16 with respect to a credit under this section, the
17 amount of such credit shall be replaced with—

18 “(i) the value of such credit (deter-
19 mined without regard to this paragraph),
20 multiplied by

21 “(ii) the applicable percentage.

22 “(B) 100 PERCENT APPLICABLE PERCENT-
23 AGE FOR CERTAIN ENERGY PROJECTS.—In the
24 case of any energy project—

1 “(i) which satisfies the requirements
2 under paragraph (11) with respect to the
3 construction of such project, or

4 “(ii) with a maximum net output of
5 less than 1 megawatt

6 the applicable percentage shall be 100 percent.

7 “(C) PHASED DOMESTIC CONTENT RE-
8 QUIREMENT.—Subject to subparagraph (D), in
9 the case of any energy project which is not de-
10 scribed in subparagraph (B), the applicable per-
11 centage shall be—

12 “(i) if construction of such project
13 began before January 1, 2024, 100 per-
14 cent,

15 “(ii) if construction of such project
16 began in calendar year 2024, 90 percent,

17 “(iii) if construction of such project
18 began in calendar year 2025, 85 percent,

19 and

20 “(iv) if construction of such project
21 began after December 31, 2025, 0 percent.

22 “(D) EXCEPTIONS.—In order to facilitate
23 the use of amounts made available in this sec-
24 tion, increase the tax incentives for investment
25 in clean energy, and grow the domestic supply

1 chains, the Secretary shall provide appropriate
2 exceptions to the domestic content requirements
3 for products under subparagraph (C) for the
4 construction of qualified facilities if either the
5 inclusion of domestic products increases the
6 overall costs of projects by more than 25 per-
7 cent or relevant manufactured products are not
8 produced in the United States in sufficient and
9 reasonably available quantities or of a satisfac-
10 tory quality.

11 “(13) REGULATIONS AND GUIDANCE.—The
12 Secretary shall issue such regulations or other guid-
13 ance as the Secretary determines necessary or ap-
14 propriate to carry out the purposes of this sub-
15 section.”.

16 (i) EFFECTIVE DATES.—

17 (1) The amendments made by subsections (a),
18 (b), (c), (e), (f), (g), and (h) of this section shall
19 apply to property placed in service after December
20 31, 2021.

21 (2) The amendment made by subsection (d)
22 shall apply to periods after December 31, 2021,
23 under rules similar to the rules of section 48(m) of
24 the Internal Revenue Code of 1986 (as in effect on

1 the day before the date of the enactment of the Rev-
2 enue Reconciliation Act of 1990).

3 **SEC. 136103. INCREASE IN ENERGY CREDIT FOR SOLAR FA-**
4 **CILITIES PLACED IN SERVICE IN CONNEX-**
5 **TION WITH LOW-INCOME COMMUNITIES.**

6 (a) IN GENERAL.—Section 48 is amended by adding
7 at the end the following new subsection:

8 “(e) SPECIAL RULES FOR CERTAIN SOLAR FACILI-
9 TIES PLACED IN SERVICE IN CONNECTION WITH LOW-
10 INCOME COMMUNITIES.—

11 “(1) IN GENERAL.—In the case of any qualified
12 solar facility with respect to which the Secretary,
13 after consultation with the Secretary of Energy and
14 the Administrator of the Environmental Protection
15 Agency, makes an allocation of environmental justice
16 solar capacity limitation under paragraph (4)—

17 “(A) equipment described in paragraph
18 (3)(B) shall be treated for purposes of this sec-
19 tion as energy property described in subsection
20 (a)(2)(A)(i),

21 “(B) the energy percentage otherwise de-
22 termined under subsection (a)(2) with respect
23 to any eligible property which is part of such
24 facility shall be increased by—

1 “(i) in the case of a facility described
2 in subclause (I) of paragraph (2)(A)(iii)
3 and not described in subclause (II) of such
4 paragraph, 10 percentage points, and

5 “(ii) in the case of a facility described
6 in subclause (II) of paragraph (2)(A)(iii),
7 20 percentage points, and

8 “(C) the increase in the credit determined
9 under subsection (a) by reason of this sub-
10 section for any taxable year with respect to all
11 property which is part of such facility shall not
12 exceed the amount which bears the same ratio
13 to the amount of such increase (determined
14 without regard to this subparagraph) as—

15 “(i) the environmental justice solar
16 capacity limitation allocated to such facil-
17 ity, bears to

18 “(ii) the total megawatt nameplate ca-
19 pacity of such facility, as measured in di-
20 rect current.

21 “(2) QUALIFIED SOLAR FACILITY.—For pur-
22 poses of this subsection—

23 “(A) IN GENERAL.—The term ‘qualified
24 solar facility’ means any facility—

1 “(i) which generates electricity solely
2 from property described in subsection
3 (a)(3)(A)(i),

4 “(ii) which has a nameplate capacity
5 of 5 megawatts or less, and

6 “(iii) which—

7 “(I) is located in a low-income
8 community (as defined in section
9 45D(e)), or

10 “(II) is part of a qualified low-in-
11 come residential building project or a
12 qualified low-income economic benefit
13 project.

14 “(B) QUALIFIED LOW-INCOME RESIDEN-
15 TIAL BUILDING PROJECT.—A facility shall be
16 treated as part of a qualified low-income resi-
17 dential building project if—

18 “(i) such facility is installed on a resi-
19 dential rental building which participates
20 in a covered housing program (as defined
21 in section 41411(a) of the Violence Against
22 Women Act of 1994 (34 U.S.C.
23 12491(a)(3)), a Housing Development
24 Fund Corporation cooperative under Arti-
25 cle XI of the New York State Private

1 Housing Finance Law, a housing assist-
2 ance program administered by the Depart-
3 ment of Agriculture under title V of the
4 Housing Act of 1949, or such other afford-
5 able housing programs as the Secretary
6 may provide, and

7 “(ii) the financial benefits of the elec-
8 tricity produced by such facility are allo-
9 cated equitably among the occupants of the
10 dwelling units of such building.

11 “(C) QUALIFIED LOW-INCOME ECONOMIC
12 BENEFIT PROJECT.—A facility shall be treated
13 as part of a qualified low-income economic ben-
14 efit project if at least 50 percent of the finan-
15 cial benefits of the electricity produced by such
16 facility are provided to households with income
17 of—

18 “(i) less than 200 percent of the pov-
19 erty line applicable to a family of the size
20 involved, or

21 “(ii) less than 80 percent of area me-
22 dian gross income (as determined under
23 section 142(d)(2)(B)).

24 “(D) FINANCIAL BENEFIT.—For purposes
25 of subparagraphs (B) and (C), electricity ac-

1 required at a below-market rate shall not fail to
2 be taken into account as a financial benefit.

3 “(3) ELIGIBLE PROPERTY.—

4 “(A) IN GENERAL.—For purposes of this
5 section, the term ‘eligible property’ means—

6 “(i) energy property which is de-
7 scribed in subsection (a)(3)(A)(i), includ-
8 ing energy storage property (described in
9 subsection (a)(3)(A)(viii)) installed in con-
10 nection with such energy property, and

11 “(ii) the amount of any expenditures
12 which are paid or incurred by the taxpayer
13 for qualified interconnection property in-
14 stalled in connection with the installation
15 of property described in subparagraph (A)
16 to provide for the transmission or distribu-
17 tion of the electricity produced or stored by
18 such property, and which are properly
19 chargeable to the capital account of the
20 taxpayer.

21 “(B) DEFINITIONS.—For purposes of sub-
22 paragraph (A)—

23 “(i) QUALIFIED INTERCONNECTION
24 PROPERTY.—The term ‘qualified inter-
25 connection property’ means, with respect

1 to a qualified facility which is not a
2 microgrid, any tangible property—

3 “(I) which is part of an addition,
4 modification, or upgrade to a trans-
5 mission or distribution system which
6 is required at or beyond the point at
7 which the qualified facility intercon-
8 nects to such transmission or distribu-
9 tion system in order to accommodate
10 such interconnection,

11 “(II) either—

12 “(aa) which is constructed,
13 reconstructed, or erected by the
14 taxpayer, or

15 “(bb) for which the cost
16 with respect to the construction,
17 reconstruction, or erection of
18 such property is paid or incurred
19 by such taxpayer, and

20 “(III) the original use of which,
21 pursuant to an interconnection agree-
22 ment, commences with the utility.

23 “(ii) INTERCONNECTION AGREE-
24 MENT.—The term ‘interconnection agree-
25 ment’ means an agreement with a utility

1 for the purposes of interconnecting the
2 qualified facility owned by such taxpayer to
3 the transmission or distribution system of
4 such utility.

5 “(iii) UTILITY.—The term ‘utility’
6 means the owner or operator of an elec-
7 trical transmission or distribution system
8 which is subject to the regulatory authority
9 of—

10 “(I) the Federal Energy Regu-
11 latory Commission, or

12 “(II) a State or political subdivi-
13 sion thereof, any agency or instrumen-
14 tality of the United States, a public
15 service or public utility commission or
16 other similar body of any State or po-
17 litical subdivision thereof, or the gov-
18 erning or ratemaking body of an elec-
19 tric cooperative.

20 “(C) SPECIAL RULE FOR INTERCONNEC-
21 TION PROPERTY.—In the case of expenses paid
22 or incurred for interconnection property,
23 amounts otherwise chargeable to capital ac-
24 count with respect to such expenses shall be re-

1 duced under rules similar to the rules of section
2 50(c).

3 “(4) ALLOCATIONS.—

4 “(A) IN GENERAL.—Not later than 180
5 days after the date of enactment of this sub-
6 section, the Secretary shall establish a program
7 to allocate amounts of environmental justice
8 solar capacity limitation to qualified solar facili-
9 ties.

10 “(B) LIMITATION.—The amount of envi-
11 ronmental justice solar capacity limitation allo-
12 cated by the Secretary under subparagraph (A)
13 during any calendar year shall not exceed the
14 annual capacity limitation with respect to such
15 year.

16 “(C) ANNUAL CAPACITY LIMITATION.—For
17 purposes of this paragraph, the term ‘annual
18 capacity limitation’ means 1.8 gigawatts of di-
19 rect current capacity for each of calendar years
20 2022 through 2031, and zero thereafter.

21 “(D) CARRYOVER OF UNUSED LIMITA-
22 TION.—If the annual capacity limitation for any
23 calendar year exceeds the aggregate amount al-
24 located for such year under this paragraph,
25 such limitation for the succeeding calendar year

1 shall be increased by the amount of such excess.
2 No amount may be carried under the preceding
3 sentence to any calendar year after 2033.

4 “(E) PLACED IN SERVICE DEADLINE.—

5 “(i) IN GENERAL.—Paragraph (1)
6 shall not apply with respect to any prop-
7 erty which is placed in service after the
8 date that is 4 years after the date of the
9 allocation with respect to the facility of
10 which such property is a part.

11 “(ii) APPLICATION OF CARRYOVER.—
12 Any amount of environmental justice solar
13 capacity limitation which expires under
14 clause (i) during any calendar year shall be
15 taken into account as an excess described
16 in subparagraph (D) (or as an increase in
17 such excess) for such calendar year, sub-
18 ject to the limitation imposed by the last
19 sentence of such subparagraph.

20 “(F) SELECTION CRITERIA.—In deter-
21 mining to which qualified solar facilities to allo-
22 cate environmental justice solar capacity limita-
23 tion under this paragraph, the Secretary shall
24 take into consideration which facilities will re-
25 sult in—

1 “(i) the greatest health and economic
2 benefits, including the ability to withstand
3 extreme weather events, for individuals de-
4 scribed in section 45D(e)(2),

5 “(ii) the greatest employment and
6 wages for such individuals, and

7 “(iii) the greatest engagement with,
8 outreach to, or ownership by, such individ-
9 uals, including through partnerships with
10 local governments and community-based
11 organizations.

12 “(G) DISCLOSURE OF ALLOCATIONS.—The
13 Secretary shall, upon making an allocation of
14 environmental justice solar capacity limitation
15 under this paragraph, publicly disclose the iden-
16 tity of the applicant, the amount of the environ-
17 mental justice solar capacity limitation allocated
18 to such applicant, and the location of the facil-
19 ity for which such allocation is made.

20 “(5) RECAPTURE.—The Secretary shall, by reg-
21 ulations or other guidance, provide for recapturing
22 the benefit of any increase in the credit allowed
23 under subsection (a) by reason of this subsection
24 with respect to any property which ceases to be
25 property eligible for such increase (but which does

1 not cease to be investment credit property within the
2 meaning of section 50(a)). The period and percent-
3 age of such recapture shall be determined under
4 rules similar to the rules of section 50(a). To the ex-
5 tent provided by the Secretary, such recapture may
6 not apply with respect to any property if, within 12
7 months after the date the taxpayer becomes aware
8 (or reasonably should have become aware) of such
9 property ceasing to be property eligible for such in-
10 crease, the eligibility of such property for such in-
11 crease is restored. The preceding sentence shall not
12 apply more than once with respect to any facility.”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to periods after December 31,
15 2021, under rules similar to the rules of section 48(m)
16 of the Internal Revenue Code of 1986 (as in effect on the
17 day before the date of the enactment of the Revenue Rec-
18 onciliation Act of 1990).

19 **SEC. 136104. ELECTIVE PAYMENT FOR ENERGY PROPERTY**
20 **AND ELECTRICITY PRODUCED FROM CER-**
21 **TAIN RENEWABLE RESOURCES, ETC.**

22 (a) IN GENERAL.—Subchapter B of chapter 65 is
23 amended by inserting after section 6416 the following new
24 section:

1 **“SEC. 6417. ELECTIVE PAYMENT OF APPLICABLE CREDITS.**

2 “(a) IN GENERAL.—In the case of a taxpayer making
3 an election (at such time and in such manner as the Sec-
4 retary may provide) under this section with respect to any
5 applicable credit determined with respect to such taxpayer,
6 such taxpayer shall be treated as making a payment
7 against the tax imposed by subtitle A (for the taxable year
8 with respect to which such credit was determined) equal
9 to the amount of such credit.

10 “(b) APPLICABLE CREDIT.—The term ‘applicable
11 credit’ means each of the following:

12 “(1) The renewable electricity production credit
13 determined under section 45.

14 “(2) The energy credit determined under sec-
15 tion 48.

16 “(3) The credit for carbon oxide sequestration
17 determined under section 45Q.

18 “(4) The credit for alternative fuel vehicle re-
19 fueling property allowed under section 30C.

20 “(5) The qualifying advanced energy project
21 credit determined under section 48C.

22 “(c) SPECIAL RULES.—For purposes of this sec-
23 tion—

24 “(1) APPLICATION TO TAX-EXEMPT AND GOV-
25 ERNMENTAL ENTITIES.—In the case of any organi-
26 zation exempt from the tax imposed by subtitle A,

1 any State or local government (or political subdivi-
2 sion thereof), or any Indian tribal government (with-
3 in the meaning of section 139E), which makes the
4 election described in subsection (a), any applicable
5 credit shall be determined—

6 “(A) without regard to paragraphs (3) and
7 (4)(A)(i) of section 50(b), and

8 “(B) by treating any property with respect
9 to which such credit is determined as used in
10 a trade or business of the taxpayer.

11 “(2) APPLICATION TO PARTNERSHIPS AND S
12 CORPORATIONS.—

13 “(A) IN GENERAL.—In the case of any ap-
14 plicable credit determined with respect to any
15 qualified resources, qualified facility, or energy
16 property held directly by a partnership or S
17 corporation, if such partnership or S corpora-
18 tion makes an election under this subsection (in
19 such manner as the Secretary may provide)
20 with respect to such credit—

21 “(i) the Secretary shall make a pay-
22 ment to such partnership or S corporation
23 equal to the amount of such credit,

24 “(ii) subsection (d) shall be applied
25 with respect to such credit before deter-

1 mining any partner's distributive share, or
2 shareholder's pro rata share, of such cred-
3 it,

4 “(iii) any amount with respect to
5 which the election in subsection (a) is
6 made shall be treated as tax exempt in-
7 come for purposes of sections 705 and
8 1366, and

9 “(iv) a partner's distributive share of
10 such tax exempt income shall be based on
11 such partner's distributive share of the
12 otherwise applicable credit for each taxable
13 year.

14 “(B) COORDINATION WITH APPLICATION
15 AT PARTNER OR SHAREHOLDER LEVEL.—In the
16 case of any partnership or S corporation, sub-
17 section (a) shall be applied at the partner or
18 shareholder level after application of paragraph
19 (2)(A)(ii).

20 “(3) IRREVOCABLE ELECTION.—Any election
21 under this subsection shall be made not later than
22 the due date (including extensions of time) for the
23 return of tax for the taxable year for which the ap-
24 plicable credit is determined, but in no event earlier
25 than 180 days after the date of the enactment of

1 this section. Any such election, once made, shall be
2 irrevocable.

3 “(4) TIMING.—The payment described in sub-
4 section (a) shall be treated as made on—

5 “(A) in the case of any government, or po-
6 litical subdivision, described in paragraph (1)
7 and for which no return is required under sec-
8 tion 6011 or 6033(a), the later of the date that
9 a return would be due under section 6033(a) if
10 such government or subdivision were described
11 in that section or the date on which such gov-
12 ernment or subdivision submits a claim for
13 credit or refund (at such time and in such man-
14 ner as the Secretary shall provide), and

15 “(B) in any other case, the later of the due
16 date of the return of tax for the taxable year
17 or the date on which such return is filed.

18 “(5) TREATMENT OF PAYMENTS TO PARTNER-
19 SHIPS AND S CORPORATIONS.—For purposes of sec-
20 tion 1324 of title 31, United States Code, the pay-
21 ments under subparagraph (A)(ii) of paragraph (2)
22 shall be treated in the same manner as a refund due
23 from a credit provision referred to in subparagraph
24 (B) of such paragraph.

1 “(6) ADDITIONAL INFORMATION.—As a condi-
2 tion of, and prior to, a payment under this section,
3 the Secretary may require such information or reg-
4 istration as the Secretary deems necessary or appro-
5 priate for purposes of preventing duplication, fraud,
6 improper payments, or excessive payments under
7 this section.

8 “(7) EXCESSIVE PAYMENT.—

9 “(A) IN GENERAL.—In the case of a pay-
10 ment made to a taxpayer under this subsection
11 or any amount treated as a payment which is
12 made by the taxpayer under subsection (a)
13 which the Secretary determines constitutes an
14 excessive payment, the tax imposed on such tax-
15 payer by chapter 1 for the taxable year in
16 which such determination is made shall be in-
17 creased by an amount equal to the sum of—

18 “(i) the amount of such excessive pay-
19 ment, plus

20 “(ii) an amount equal to 20 percent of
21 such excessive payment.

22 “(B) REASONABLE CAUSE.—Subparagraph
23 (A)(ii) shall not apply if the taxpayer dem-
24 onstrates to the satisfaction of the Secretary

1 that the excessive payment resulted from rea-
2 sonable cause.

3 “(C) EXCESSIVE PAYMENT DEFINED.—For
4 purposes of this paragraph, the term ‘excessive
5 payment’ means, with respect to a facility for
6 which an election is made under this section for
7 any taxable year, an amount equal to the excess
8 of—

9 “(i) the amount of the payment made
10 to the taxpayer under this subsection with
11 respect to such facility for such taxable
12 year, over

13 “(ii) the amount of the credit which,
14 without application of this subsection,
15 would be otherwise allowable under this
16 section with respect to such facility for
17 such taxable year.

18 “(d) DENIAL OF DOUBLE BENEFIT.—In the case of
19 a taxpayer making an election under this section with re-
20 spect to an applicable credit, such credit shall be reduced
21 to zero and such taxpayer shall be deemed to have taken
22 such credit.

23 “(e) MIRROR CODE POSSESSIONS.—In the case of
24 any possession of the United States with a mirror code
25 tax system (as defined in section 24(k)), this section shall

1 not be treated as part of the income tax laws of the United
2 States for purposes of determining the income tax law of
3 such possession unless such possession elects to have this
4 section be so treated.

5 “(f) BASIS REDUCTION AND RECAPTURE.—Rules
6 similar to the rules of subsections (a) and (c) of section
7 50 shall apply for purposes of this section.

8 “(g) REGULATIONS.—The Secretary shall issue such
9 regulations or other guidance as may be necessary or ap-
10 propriate to carry out the purposes of this section, includ-
11 ing—

12 “(1) regulations or other guidance providing
13 rules for determining a partner’s distributive share
14 of the tax exempt income described in subsection
15 (c)(2)(A)(iii), and

16 “(2) guidance to ensure that the amount of the
17 payment or deemed payment made under this sec-
18 tion is commensurate with the amount of the credit
19 that would be otherwise allowable.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for subchapter B of chapter 65 is amended by inserting
22 after the item relating to section 6416 the following new
23 item:

“Sec. 6417. Elective payment of applicable credits.”.

1 (c) IN GENERAL.—The amendments made by this
2 section shall apply to property placed in service after the
3 December 31, 2021.

4 **SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC TRANS-**
5 **MISSION PROPERTY.**

6 (a) IN GENERAL.—Subpart E of part IV of sub-
7 chapter A of chapter 1 is amended by inserting after sec-
8 tion 48C the following new section:

9 **“SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION PROP-**
10 **ERTY.**

11 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
12 tion 46, the qualifying electric transmission property cred-
13 it for any taxable year is an amount equal to 30 percent
14 of the basis of qualifying electric transmission property
15 placed in service by the taxpayer during such taxable year.

16 “(b) QUALIFYING ELECTRIC TRANSMISSION PROP-
17 ERTY.—For purposes of this section—

18 “(1) IN GENERAL.—The term ‘qualifying elec-
19 tric transmission property’ means tangible prop-
20 erty—

21 “(A) which is a qualifying electric trans-
22 mission line or related transmission property,

23 “(B)(i) the construction, reconstruction, or
24 erection of which is completed by the taxpayer,
25 or

1 “(ii) which is acquired by the taxpayer if
2 the original use of such property commences
3 with the taxpayer, and

4 “(C) with respect to which depreciation (or
5 amortization in lieu of depreciation) is allow-
6 able.

7 “(2) QUALIFYING ELECTRIC TRANSMISSION
8 LINE.—The term ‘qualifying electric transmission
9 line’ means an electric transmission line which—

10 “(A) is capable of transmitting electricity
11 at a voltage of not less than 275 kilovolts, and

12 “(B) has a transmission capacity of not
13 less than 500 megawatts.

14 “(3) RELATED TRANSMISSION PROPERTY.—

15 “(A) IN GENERAL.—The term ‘related
16 transmission property’ means, with respect to
17 any electric transmission line, any property
18 which—

19 “(i) is listed as ‘transmission plant’ in
20 the Uniform System of Accounts for the
21 Federal Energy Regulatory Commission
22 under part 101 of subchapter C of chapter
23 I of title 18, Code of Federal Regulations,
24 and

1 “(ii) is necessary for the operation of
2 such electric transmission line.

3 “(B) CREDIT NOT ALLOWED SEPARATELY
4 WITH RESPECT TO RELATED PROPERTY.—No
5 credit shall be allowed to any taxpayer under
6 this section with respect to any related trans-
7 mission property unless such taxpayer is al-
8 lowed a credit under this section with respect to
9 the qualifying electric transmission line to
10 which such related transmission property re-
11 lates.

12 “(c) APPLICATION TO REPLACEMENT AND UP-
13 GRADED SYSTEMS.—

14 “(1) IN GENERAL.—In the case of any quali-
15 fying electric transmission line (determined without
16 regard to this subsection) which replaces any exist-
17 ing electric transmission line—

18 “(A) the 500 megawatts referred to in sub-
19 section (b)(2)(B) shall be increased by the
20 transmission capacity of such existing electric
21 transmission line, and

22 “(B) in no event shall the basis of such ex-
23 isting electric transmission line (or related
24 transmission property with respect to such ex-
25 isting electric transmission line) be taken into

1 account in determining the credit allowed under
2 this section.

3 “(2) UPGRADES TREATED AS REPLACEMENTS.—For purposes of this subsection, any upgrade of an existing electric transmission line shall
4 be treated as a replacement of such line.
5

6 “(d) EXCEPTION FOR CERTAIN PROPERTY AND
7 PROJECTS ALREADY IN PROCESS.—No credit shall be allowed under this section with respect to—
8

9
10 “(1) any property if a State or political subdivision thereof, any agency or instrumentality of the
11 United States, a public service or public utility commission or other similar body of any State or political
12 subdivision thereof, or the governing or rate-making body of an electric cooperative has, before
13 the date of the enactment of this section, selected for cost allocation such property for cost recovery, or
14
15
16
17

18 “(2) any property if—

19 “(A) construction of such property begins
20 before January 1, 2022, or

21 “(B) construction of any portion of the
22 qualifying electric transmission line to which
23 such property relates begins before such date.

24 “(e) CERTAIN QUALIFIED PROGRESS EXPENDITURES
25 RULES MADE APPLICABLE.—Rules similar to the rules of

1 subsections (c)(4) and (d) of section 46 (as in effect on
2 the day before the enactment of the Revenue Reconcili-
3 ation Act of 1990) shall apply for purposes of this section.

4 “(f) CREDIT ADJUSTMENTS; WAGE AND APPREN-
5 TICESHIP REQUIREMENTS.—

6 “(1) BASE CREDIT AMOUNT AND INCREASED
7 CREDIT AMOUNT FOR APPLICABLE FACILITIES.—

8 “(A) IN GENERAL.—

9 “(i) RULE.—In the case of any appli-
10 cable facility which does not satisfy the re-
11 quirements of subparagraph (B), the
12 amount of the credit determined under this
13 subsection shall be 20 percent of such
14 amount (determined without regard to this
15 sentence).

16 “(ii) APPLICABLE FACILITY DE-
17 FINED.—For purposes of this subsection,
18 the term ‘applicable facility’ means a quali-
19 fying electric transmission line and related
20 transmission property to which such quali-
21 fying electric transmission line relates.

22 “(B) INCREASED CREDIT FOR APPLICABLE
23 FACILITY MEETING PROJECT REQUIREMENTS.—

24 “(i) IN GENERAL.—In the case of any
25 applicable facility which meets the project

1 requirements of this subparagraph, sub-
2 paragraph (A) shall not apply.

3 “(ii) PROJECT REQUIREMENTS.—A
4 project meets the requirements of this sub-
5 paragraph if it is one of the following:

6 “(I) A project with a maximum
7 net output of less than 1 megawatt.

8 “(II) A project which commences
9 construction prior to the date of the
10 enactment of this paragraph.

11 “(III) A project which satisfies
12 the requirements of paragraphs (2)
13 and (3).

14 “(2) PREVAILING WAGE REQUIREMENTS.—

15 “(A) IN GENERAL.—The requirements de-
16 scribed in this subparagraph with respect to
17 any applicable facility are that the taxpayer
18 shall ensure that any laborers and mechanics
19 employed by contractors and subcontractors
20 in—

21 “(i) the construction of such facility,
22 and

23 “(ii) for any year during the 5-year
24 period beginning on the date the facility or
25 property is originally placed in service, the

1 alteration or repair of such facility or prop-
2 erty,
3 shall be paid wages at rates not less than the
4 prevailing rates for construction, alteration, or
5 repair of a similar character in the locality as
6 most recently determined by the Secretary of
7 Labor, in accordance with subchapter IV of
8 chapter 31 of title 40, United States Code.

9 “(B) CORRECTION AND PENALTY RELATED
10 TO FAILURE TO SATISFY WAGE REQUIRE-
11 MENTS.—A taxpayer shall not be treated as
12 failing to satisfy the requirements of this para-
13 graph if such taxpayer meets requirements
14 similar to the requirements of section
15 45(b)(8)(B).

16 “(3) APPRENTICESHIP REQUIREMENTS.—The
17 requirements described in this subparagraph with re-
18 spect to the construction of any applicable facility
19 are as follows:

20 “(A) LABOR HOURS.—

21 “(i) PERCENTAGE OF TOTAL LABOR
22 HOURS.—All contractors and subcontractors
23 engaged in the performance of con-
24 struction, alteration, or repair work on any
25 applicable facility prior to such facility

1 being placed into service shall, subject to
2 subparagraph (B), ensure that not less
3 than the applicable percentage of the total
4 labor hours of such work be performed by
5 qualified apprentices.

6 “(ii) APPLICABLE PERCENTAGE.—For
7 purposes of paragraph (1), the applicable
8 percentage shall be—

9 “(I) in the case of any applicable
10 project the construction of which be-
11 gins before January 1, 2023, 5 per-
12 cent,

13 “(II) in the case of any applica-
14 ble project the construction of which
15 begins after December 31, 2022, and
16 before January 1, 2024, 10 percent,
17 and

18 “(III) in the case of any applica-
19 ble project the construction of which
20 begins after December 31, 2023, 15
21 percent.

22 “(B) APPRENTICE TO JOURNEYWORKER
23 RATIO.—The requirement under subparagraph
24 (A)(i) shall be subject to any applicable require-
25 ments for apprentice-to-journeyworker ratios of

1 the Department of Labor or the applicable
2 State apprenticeship agency.

3 “(C) PARTICIPATION.—Each contractor
4 and subcontractor who employs 4 or more indi-
5 viduals to perform construction, alteration, or
6 repair work on an applicable project shall em-
7 ploy 1 or more qualified apprentices to perform
8 such work.

9 “(D) EXCEPTION.—

10 “(i) IN GENERAL.—Notwithstanding
11 any other provision of this paragraph, this
12 paragraph shall not apply in the case of a
13 taxpayer who—

14 “(I) demonstrates a lack of avail-
15 ability of qualified apprentices in the
16 geographic area of the construction,
17 alteration, or repair work, and

18 “(II) makes a good faith effort to
19 comply with the requirements of this
20 paragraph.

21 “(ii) GOOD FAITH EFFORT.—For pur-
22 poses of clause (i), a taxpayer shall be
23 deemed to have satisfied the requirements
24 under such paragraph with respect to an
25 applicable project if such taxpayer has re-

1 requested qualified apprentices from a reg-
2 istered apprenticeship program, as defined
3 in section 3131(e)(3)(B), and such request
4 has been denied, provided that such denial
5 is not the result of a refusal by the con-
6 tractors or subcontractors engaged in the
7 performance of construction, alteration, or
8 repair work on such applicable project to
9 comply with the established standards and
10 requirements of such apprenticeship pro-
11 gram.

12 “(E) DEFINITIONS.—For purposes of this
13 paragraph—

14 “(i) LABOR HOURS.—The term ‘labor
15 hours’ has the meaning given such term in
16 section 45(b)(9)(E)(i).

17 “(ii) QUALIFIED APPRENTICE.—The
18 term ‘qualified apprentice’ has the mean-
19 ing given such term in section
20 45(b)(9)(E)(ii).

21 “(4) DOMESTIC CONTENT BONUS CREDIT
22 AMOUNT.—

23 “(A) IN GENERAL.—In the case of any ap-
24 plicable facility which satisfies the requirements
25 under subparagraph (B), the credit determined

1 under subsection (a) shall be increased by the
2 applicable rate in subparagraph (C).

3 “(B) REQUIREMENTS.—

4 “(i) IN GENERAL.—The requirement
5 described in this subclause with respect to
6 any applicable facility is satisfied if the
7 taxpayer certifies to the Secretary (at such
8 time, and in such form and manner, as the
9 Secretary may prescribe) that the facility
10 is composed of steel, iron, or manufactured
11 products which were produced in the
12 United States.

13 “(ii) STEEL AND IRON.—In the case
14 of steel or iron, clause (i) shall be applied
15 in a manner consistent with section
16 661.5(b) of title 49, Code of Federal Regu-
17 lations.

18 “(iii) MANUFACTURED PRODUCT.—
19 For purposes of clause (i), a manufactured
20 product shall be deemed to have been man-
21 ufactured in the United States if not less
22 than 55 percent of the total cost of the
23 components of such product is attributable
24 to components which are mined, produced,
25 or manufactured in the United States.

1 “(C) APPLICABLE RATE INCREASE.—For
2 purposes of subparagraph (A), the applicable
3 credit rate increase shall be an amount equal
4 to—

5 “(i) in the case of applicable facility
6 that does not meet the requirements of
7 subclause (I) or (III) of paragraph
8 (1)(B)(ii), 2 percentage points, and

9 “(ii) in the case of applicable facility
10 that meets the requirements of subclause
11 (I) or (III) of paragraph (1)(B)(ii), 10 per-
12 centage points.

13 “(D) INTERNATIONAL AGREEMENTS.—
14 This paragraph shall be applied in a manner
15 which is consistent with the obligations of the
16 United States under international agreements.

17 “(5) PENALTY FOR DIRECT PAY.—

18 “(A) IN GENERAL.—In the case of a tax-
19 payer making an election under section 6417
20 with respect to a credit under this section, the
21 amount of such credit shall be replaced with—

22 “(i) the value of such credit (deter-
23 mined without regard to this paragraph),
24 multiplied by

25 “(ii) the applicable percentage.

1 “(B) 100 PERCENT APPLICABLE PERCENT-
2 AGE FOR CERTAIN APPLICABLE FACILITY.—In
3 the case of any applicable facility—

4 “(i) which satisfies the requirements
5 under paragraph (11) with respect to the
6 construction of such property, or

7 “(ii) with a maximum net output of
8 less than 1 megawatt,
9 the applicable percentage shall be 100 percent.

10 “(C) PHASED DOMESTIC CONTENT RE-
11 QUIREMENT.—Subject to subparagraph (D), in
12 the case of any qualified facility which is not
13 described in subparagraph (B), the applicable
14 percentage shall be—

15 “(i) if construction of such facility
16 began before January 1, 2024, 100 per-
17 cent,

18 “(ii) if construction of such facility
19 began in calendar year 2024, 90 percent,

20 “(iii) if construction of such facility
21 began in calendar year 2025, 85 percent,
22 and

23 “(iv) if construction of such facility
24 began after December 31, 2025, 0 percent.

1 “(D) EXCEPTIONS.—In order to facilitate
2 the use of amounts made available in this sec-
3 tion, increase the tax incentives for investment
4 in clean energy, and grow the domestic supply
5 chains, the Secretary shall provide appropriate
6 exceptions to the domestic content requirements
7 for products under subparagraph (C) for the
8 construction of qualified facilities if either the
9 inclusion of domestic products increases the
10 overall costs of projects by more than 25 per-
11 cent or relevant manufactured products are not
12 produced in the United States in sufficient and
13 reasonably available quantities or of a satisfac-
14 tory quality.

15 “(g) TERMINATION.—This section shall not apply to
16 any property unless—

17 “(1) such property is placed in service before
18 January 1, 2032, and

19 “(2) the qualifying electric transmission line
20 with respect to which such property relates is placed
21 in service before such date.

22 “(h) REGULATIONS AND GUIDANCE.—The Secretary,
23 after consultation with the Chairman of the Federal En-
24 ergy Regulatory Commission, shall issue such regulations

1 or other guidance as the Secretary determines necessary
2 or appropriate to carry out the purposes of this section.”.

3 (b) ELECTIVE PAYMENT OF CREDIT.—Section
4 6417(b), as added by the preceding provisions of this Act,
5 is amended by adding at the end the following new para-
6 graph:

7 “(6) The qualifying electric transmission prop-
8 erty credit determined under section 48D.”.

9 (c) CONFORMING AMENDMENTS.—

10 (1) Section 46 is amended—

11 (A) by striking “and” at the end of para-
12 graph (5),

13 (B) by striking the period at the end of
14 paragraph (6) and inserting “, and”, and

15 (C) by adding at the end the following new
16 paragraph:

17 “(7) the qualifying electric transmission prop-
18 erty credit.”.

19 (2) Section 49(a)(1)(C) is amended—

20 (A) by striking “and” at the end of clause
21 (iv),

22 (B) by striking the period at the end of
23 clause (v) and inserting “, and”, and

24 (C) by adding at the end the following new
25 clause:

1 “(vi) the basis of any qualifying elec-
2 tric transmission property under section
3 48D.”.

4 (3) Section 50(a)(2)(E) is amended by striking
5 “or 48C(b)(2)” and inserting “48C(b)(2), or 48D”.

6 (4) The table of sections for subpart E of part
7 IV of subchapter A of chapter 1 of such Code is
8 amended by inserting after the item relating to sec-
9 tion 48C the following new item:

“Sec. 48D. Qualifying electric transmission property.”.

10 (d) EFFECTIVE DATE.—

11 (1) IN GENERAL.—The amendments made by
12 this section shall apply to property placed in service
13 after December 31, 2021.

14 (2) EXCEPTION FOR CERTAIN PROPERTY AND
15 PROJECTS ALREADY IN PROCESS.—For exclusion of
16 certain property and projects already in process, see
17 section 48D(d) of the Internal Revenue Code of
18 1986 (as added by this section).

19 **SEC. 136106. ZERO EMISSIONS FACILITY CREDIT.**

20 (a) IN GENERAL.—Subpart E of part IV of sub-
21 chapter A of chapter 1 is amended by inserting after sec-
22 tion 48C the following new section:

23 **“SEC. 48E. ZERO EMISSIONS FACILITY CREDIT.**

24 “(a) IN GENERAL.—For purposes of section 46, the
25 zero emissions facility credit for any taxable year is an

1 amount equal to 30 percent of the qualified investment
2 for such taxable year with respect to any zero emissions
3 facility of the taxpayer.

4 “(b) QUALIFIED INVESTMENT.—

5 “(1) IN GENERAL.—For purposes of subsection
6 (a), the qualified investment for any taxable year is
7 the basis of eligible property placed in service by the
8 taxpayer during such taxable year which is part of
9 a zero emissions facility.

10 “(2) CERTAIN QUALIFIED PROGRESS EXPENDI-
11 TURES RULES MADE APPLICABLE.—Rules similar to
12 the rules of subsections (c)(4) and (d) of section 46
13 (as in effect on the day before the enactment of the
14 Revenue Reconciliation Act of 1990) shall apply for
15 purposes of this section.

16 “(3) LIMITATION.—The amount which is treat-
17 ed as the qualified investment for all taxable years
18 with respect to any zero emissions facility shall not
19 exceed the amount designated by the Secretary as el-
20 ible for the credit under this section.

21 “(c) ZERO EMISSIONS FACILITY.—

22 “(1) IN GENERAL.—For purposes of this sec-
23 tion, the term ‘zero emissions facility’ means any fa-
24 cility—

25 “(A) which generates electricity,

1 “(B) which does not generate any green-
2 house gases (within the meaning of section
3 211(o)(1)(G) of the Clean Air Act (42 U.S.C.
4 7545(o)(1)(G)), as in effect on the date of the
5 enactment of this section),

6 “(C) which uses a technology or process
7 which, in the calendar year in which an amount
8 of credit is designated with respect to such fa-
9 cility, achieved a market penetration level of
10 less than 3 percent,

11 “(D) no portion of which is—

12 “(i) a qualified facility (as defined in
13 section 45(d)),

14 “(ii) an advanced nuclear power facil-
15 ity (as defined in section 45J(d)),

16 “(iii) a qualified facility (as defined in
17 section 45Q), or

18 “(iv) energy property (as defined in
19 section 48(a)(3)).

20 “(2) MARKET PENETRATION LEVEL.—For pur-
21 poses of this subsection, the term ‘market penetra-
22 tion level’ means, with respect to any calendar year,
23 the amount equal to the greater of—

24 “(A) the amount (expressed as a percent-
25 age) equal to the quotient of—

1 “(i) the sum of all electricity produced
2 (expressed in terawatt hours) from the
3 technology or method used for the produc-
4 tion of electricity by all electricity gener-
5 ating facilities in the United States during
6 such calendar year (as determined by the
7 Secretary on the basis of data reported by
8 the Energy Information Administration),
9 divided by the total domestic power sector
10 electricity production (expressed in
11 terawatt hours) for such calendar year, or

12 “(ii) the amount determined under
13 this subparagraph for the preceding cal-
14 endar year with respect to such technology
15 or method.

16 “(d) ELIGIBLE PROPERTY.—For purposes of this
17 section, the term ‘eligible property’ means any property—

18 “(1) which is necessary for the generation of
19 electricity,

20 “(2) which is—

21 “(A) tangible personal property, or

22 “(B) other tangible property (not including
23 a building or its structural components), but
24 only if such property is used as an integral part
25 of the zero emissions facility, and

1 “(3) with respect to which depreciation (or am-
2 ortization in lieu of depreciation) is allowable.

3 “(e) ALLOCATIONS.—

4 “(1) IN GENERAL.—Not later than 180 days
5 after the date of enactment of this section, the Sec-
6 retary, after consultation with the Secretary of En-
7 ergy and the Administrator of the Environmental
8 Protection Agency, shall establish a program to con-
9 sider and award certification amounts of zero emis-
10 sions facility credit limitation to zero emissions fa-
11 cilities.

12 “(2) ANNUAL LIMITATION.—

13 “(A) IN GENERAL.—The amount of zero
14 emissions facility credit limitation that may be
15 designated under this subsection during any
16 calendar year shall not exceed the annual credit
17 limitation with respect to such year.

18 “(B) ANNUAL CREDIT LIMITATION.—For
19 purposes of this subsection, the term ‘annual
20 credit limitation’ means \$250,000,000 for each
21 of calendar years 2022 through 2031, and zero
22 thereafter.

23 “(C) CARRYOVER OF UNUSED LIMITA-
24 TION.—If the annual credit limitation for any
25 calendar year exceeds the aggregate amount

1 designated for such year under this subsection,
2 such limitation for the succeeding calendar year
3 shall be increased by the amount of such excess.
4 No amount may be carried under the preceding
5 sentence to any calendar year after 2031.

6 “(3) PLACED IN SERVICE DEADLINE.—

7 “(A) IN GENERAL.—No credit shall be de-
8 termined under subsection (a) with respect to
9 any zero emissions facility which is placed in
10 service after the date that is 4 years after the
11 date of the designation under this subsection
12 relating to such zero emissions facility.

13 “(B) APPLICATION OF CARRYOVER.—Any
14 amount of credit which expires under subpara-
15 graph (A) during any calendar year shall be
16 taken into account as an excess described in
17 paragraph (2)(C) (or as an increase in such ex-
18 cess) for such calendar, subject to the limitation
19 imposed by the last sentence of such paragraph.

20 “(4) SELECTION CRITERIA.—In determining
21 which zero emissions facilities to certify under this
22 section, the Secretary, after consultation with the
23 Secretary of Energy and the Administrator of the
24 Environmental Protection Agency, shall—

1 “(A) take into consideration which facili-
2 ties—

3 “(i) will result in the greatest reduc-
4 tion of greenhouse gas emissions,

5 “(ii) have the greatest potential for
6 technological innovation and commercial
7 deployment, and

8 “(iii) will result in the greatest reduc-
9 tion of local environmental effects that are
10 harmful to human health, and

11 “(B) require that applicants provide writ-
12 ten assurances to the Secretary that all laborers
13 and mechanics employed by contractors and
14 subcontractors in the performance of construc-
15 tion, alteration or repair work on a zero emis-
16 sions facility shall be paid wages at rates not
17 less than those prevailing on projects of a simi-
18 lar character in the locality as determined by
19 the Secretary of Labor in accordance with sub-
20 chapter IV of chapter 31 of title 40, United
21 States Code.

22 “(5) DISCLOSURE OF CERTIFICATIONS.—The
23 Secretary shall, upon making a certification under
24 this subsection, publicly disclose the identity of the
25 applicant, the amount of the credit awarded with re-

1 spect to such applicant, and the location of the zero-
2 emissions facility for which such credit is awarded.

3 “(f) CREDIT CONDITIONED UPON WAGE AND AP-
4 PRENTICESHIP REQUIREMENTS.—

5 “(1) IN GENERAL.—No credit shall be allocated
6 for a zero emissions facility under this section unless
7 the zero emissions facility meets the prevailing wage
8 requirements of paragraph (2) and the apprentice-
9 ship requirements of paragraph (3).

10 “(2) PREVAILING WAGE REQUIREMENTS.—

11 “(A) IN GENERAL.—The requirements de-
12 scribed in this paragraph with respect to a zero
13 emissions facility are that the taxpayer shall en-
14 sure that any laborers and mechanics employed
15 by contractors and subcontractors in—

16 “(i) the construction of such zero
17 emissions facility, and

18 “(ii) for any year during the 5-year
19 period beginning on the date the facility is
20 originally placed in service, the alteration
21 or repair of such zero emissions facility,
22 shall be paid wages at rates not less than the
23 prevailing rates for construction, alteration, or
24 repair of a similar character in the locality as
25 most recently determined by the Secretary of

1 Labor, in accordance with subchapter IV of
2 chapter 31 of title 40, United States Code.

3 “(B) CORRECTION AND PENALTY RELATED
4 TO FAILURE TO SATISFY WAGE REQUIRE-
5 MENTS.—

6 “(i) IN GENERAL.—In the case of any
7 taxpayer which fails to satisfy the require-
8 ment under subparagraph (A) with respect
9 to the construction of any qualified facility
10 or with respect to the alteration or repair
11 of a facility in any year during the period
12 described in subparagraph (A)(ii), such
13 taxpayer shall be deemed to have satisfied
14 such requirement under such subparagraph
15 with respect to such zero emissions facility
16 for any year if, with respect to any laborer
17 or mechanic who was paid wages at a rate
18 below the rate described in such subpara-
19 graph for any period during such year,
20 such taxpayer—

21 “(I) makes payment to such la-
22 borer or mechanic in an amount equal
23 to the sum of—

24 “(aa) an amount equal to
25 the difference between the

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1 amount of wages paid to such la-
2 borer or mechanic during such
3 period, and—

4 “(bb) the amount of wages
5 required to be paid to such la-
6 borer or mechanic pursuant to
7 such subparagraph during such
8 period, plus

9 “(AA) interest on the
10 amount determined under
11 item (aa) at the under-
12 payment rate established
13 under section 6621 for the
14 period described in such
15 item, and

16 “(II) makes payment to the Sec-
17 retary of a penalty in an amount
18 equal to the product of—

19 “(aa) \$5,000, multiplied by

20 “(bb) the total number of la-
21 borers and mechanics who were
22 paid wages at a rate below the
23 rate described in subparagraph
24 (A) for any period during such
25 year.

1 “(ii) PENALTY ASSESSED AS TAX.—
2 The penalty described in clause (i)(II)
3 shall be treated in the same manner as a
4 penalty imposed under subchapter B of
5 chapter 68.

6 “(3) APPRENTICESHIP REQUIREMENTS.—The
7 requirements described in this subparagraph with re-
8 spect to a zero emissions facility are as follows:

9 “(A) LABOR HOURS.—

10 “(i) PERCENTAGE OF TOTAL LABOR
11 HOURS.—All contractors and subcontrac-
12 tors engaged in the performance of con-
13 struction, alteration, or repair work on any
14 facility prior to such facility being placed
15 into service shall, subject to subparagraph
16 (B), ensure that not less than the applica-
17 ble percentage of the total labor hours of
18 such work be performed by qualified ap-
19 prentices.

20 “(ii) APPLICABLE PERCENTAGE.—For
21 purposes of paragraph (1), the applicable
22 percentage shall be—

23 “(I) in the case of any applicable
24 zero emissions facility the construc-

1 tion of which begins before January 1,
2 2023, 5 percent,

3 “**(II)** in the case of any applica-
4 ble zero emissions facility the con-
5 struction of which begins after De-
6 cember 31, 2022, and before January
7 1, 2024, 10 percent, and

8 “**(III)** in the case of any applica-
9 ble zero emissions facility the con-
10 struction of which begins after De-
11 cember 31, 2023, 15 percent.

12 “**(B) APPRENTICE TO JOURNEYWORKER**
13 **RATIO.**—The requirement under subparagraph
14 **(A)(i)** shall be subject to any applicable require-
15 ments for apprentice-to-journeyworker ratios of
16 the Department of Labor or the applicable
17 State apprenticeship agency.

18 “**(C) PARTICIPATION.**—Each contractor
19 and subcontractor who employs 4 or more indi-
20 viduals to perform construction, alteration, or
21 repair work on an applicable zero emissions fa-
22 cility shall employ 1 or more qualified appren-
23 tices to perform such work.

24 “**(D) EXCEPTION.**—

1 “(i) IN GENERAL.—Notwithstanding
2 any other provision of this paragraph, this
3 paragraph shall not apply in the case of a
4 taxpayer who—

5 “(I) demonstrates a lack of avail-
6 ability of qualified apprentices in the
7 geographic area of the construction,
8 alteration, or repair work, and

9 “(II) makes a good faith effort to
10 comply with the requirements of this
11 paragraph.

12 “(ii) GOOD FAITH EFFORT.—For pur-
13 poses of clause (i), a taxpayer shall be
14 deemed to have satisfied the requirements
15 under such paragraph with respect to an
16 applicable project if such taxpayer has re-
17 quested qualified apprentices from a reg-
18 istered apprenticeship program, as defined
19 in section 3131(e)(3)(B), and such request
20 has been denied, provided that such denial
21 is not the result of a refusal by the con-
22 tractors or subcontractors engaged in the
23 performance of construction, alteration, or
24 repair work on such applicable project to
25 comply with the established standards and

1 requirements of such apprenticeship pro-
2 gram.

3 “(E) DEFINITIONS.—For purposes of this
4 paragraph—

5 “(i) LABOR HOURS.—The term ‘labor
6 hours’—

7 “(I) means the total number of
8 hours devoted to the performance of
9 construction, alteration, or repair
10 work by employees of the contractor
11 or subcontractor prior to a facility
12 being placed into service, and

13 “(II) excludes any hours worked
14 by—

15 “(aa) foremen,

16 “(bb) superintendents,

17 “(cc) owners, or

18 “(dd) persons employed in a
19 bona fide executive, administra-
20 tive, or professional capacity
21 (within the meaning of those
22 terms in part 541 of title 29,
23 Code of Federal Regulations).

24 “(ii) QUALIFIED APPRENTICE.—The
25 term ‘qualified apprentice’ has the mean-

1 ing given such term in section
2 45(b)(9)(E)(ii).

3 “(4) REGULATIONS AND GUIDANCE.—The Sec-
4 retary shall issue such regulations or other guidance
5 as the Secretary determines necessary or appropriate
6 to carry out the purposes of this subsection.

7 “(5) PENALTY FOR DIRECT PAY.—

8 “(A) IN GENERAL.—In the case of a tax-
9 payer making an election under section 6417
10 with respect to a credit under this section, the
11 amount of such credit shall be replaced with—

12 “(i) the value of such credit (deter-
13 mined without regard to this paragraph),
14 multiplied by

15 “(ii) the applicable percentage.

16 “(B) 100 PERCENT APPLICABLE PERCENT-
17 AGE FOR CERTAIN QUALIFIED FACILITIES.—In
18 the case of any qualified facility—

19 “(i) which satisfies the requirements
20 under paragraph (5) with respect to the
21 construction of such facility, or

22 “(ii) with a maximum net output of
23 less than 1 megawatt,
24 the applicable percentage shall be 100 percent.

1 “(C) PHASED DOMESTIC CONTENT RE-
2 QUIREMENT.—Subject to subparagraph (D), in
3 the case of any qualified facility which is not
4 described in subparagraph (B), the applicable
5 percentage shall be—

6 “(i) if construction of such facility
7 began before January 1, 2024, 100 per-
8 cent,

9 “(ii) if construction of such facility
10 began in calendar year 2024, 90 percent,

11 “(iii) if construction of such facility
12 began in calendar year 2025, 85 percent,
13 and

14 “(iv) if construction of such facility
15 began after December 31, 2025, 0 percent.

16 “(D) EXCEPTION.—If the Secretary, after
17 consultation with the Secretary of Commerce
18 and the United States Trade Representative,
19 determines that, for purposes of application of
20 the requirements under paragraph (5) with re-
21 spect to the construction of the qualified facil-
22 ity—

23 “(i) their application would be incon-
24 sistent with the public interest,

1 “(ii) such materials and products are
2 not produced in the United States in suffi-
3 cient and reasonably available quantities
4 and of a satisfactory quality, or

5 “(iii) inclusion of domestic material
6 will increase the cost of the construction of
7 the qualified facility by more than 25 per-
8 cent,

9 the applicable percentage shall be 100 per-
10 cent.”.

11 (b) ELECTIVE PAYMENT OF CREDIT.—Section
12 6417(b), as added and amended by the preceding provi-
13 sions of this Act, is amended by adding at the end the
14 following new paragraph:

15 “(7) The zero emissions facility credit deter-
16 mined under section 48E.”.

17 (c) CONFORMING AMENDMENTS.—

18 (1) Section 46 is amended by striking “and” at
19 the end of paragraph (6), by striking the period at
20 the end of paragraph (7) and inserting “, and”, and
21 by adding at the end the following new paragraph:

22 “(8) the zero emissions facility credit.”.

23 (2) Section 49(a)(1)(C) is amended by striking
24 “and” at the end of clause (v), by striking the pe-

1 riod at the end of clause (vi) and inserting a comma,
2 and by adding at the end the following new clause:

3 “(vii) the basis of any eligible prop-
4 erty which is part of a zero emissions facil-
5 ity under section 48D.”.

6 (3) Section 50(a)(2)(E) is amended by striking
7 “ or 48D” and inserting “48D, or 48E(b)(2)”.

8 (4) The table of sections for subpart E of part
9 IV of subchapter A of chapter 1 is amended by in-
10 sserting after the item relating to section 48D the
11 following new item:

Sec. 48E. Zero emissions facility credit.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to periods after December 31,
14 2021, under rules similar to the rules of section 48(m)
15 of the Internal Revenue Code of 1986 (as in effect on the
16 day before the date of the enactment of the Revenue Rec-
17 onciliation Act of 1990)

18 **SEC. 136107. EXTENSION AND MODIFICATION OF CREDIT**
19 **FOR CARBON OXIDE SEQUESTRATION.**

20 (a) EXTENSION.—Section 45Q(d)(1) is amended by
21 striking “January 1, 2026” and inserting “January 1,
22 2032”.

23 (b) MODIFICATION OF CARBON OXIDE CAPTURE RE-
24 QUIREMENTS.—Section 45Q(d)(2) is amended to read as
25 follows:

1 “(2) which captures—

2 “(A) in the case of a direct air capture fa-
3 cility, not less than 1,000 metric tons of quali-
4 fied carbon oxide during the taxable year,

5 “(B) in the case of an electricity gener-
6 ating facility, not less than 18,750 metric tons
7 of qualified carbon oxide during the taxable
8 year and not less than 75 percent of the carbon
9 oxide that would otherwise be released into the
10 atmosphere by such facility during such taxable
11 year, and

12 “(C) in the case of any other facility, not
13 less than 12,500 metric tons of qualified carbon
14 oxide during the taxable year and not less than
15 50 percent of the carbon oxide that would oth-
16 erwise be released into the atmosphere by such
17 facility during such taxable year.”.

18 (c) DETERMINATION OF APPLICABLE DOLLAR
19 AMOUNT.—

20 (1) IN GENERAL.—Section 45Q(b)(1) is amend-
21 ed by redesignating subparagraph (B) as subpara-
22 graph (C) and by inserting after subparagraph (A)
23 the following new subparagraph:

24 “(B) SPECIAL RULE FOR DIRECT AIR CAP-
25 TURE FACILITIES.—For any taxable year begin-

1 ning after December 31, 2021, in the case of
2 any qualified facility described in subsection
3 (d)(2)(C), the applicable dollar amount shall be
4 an amount equal to—

5 “(i) for purposes of paragraph (3) of
6 subsection (a), an amount equal to the
7 product of \$180 and the inflation adjust-
8 ment factor for such calendar year deter-
9 mined under section 43(b)(3)(B) for such
10 calendar year, determined by substituting
11 ‘2020’ for ‘1990’, and

12 “(ii) for purposes of paragraph (4) of
13 such subsection, an amount equal to the
14 product of \$130 and the inflation adjust-
15 ment factor for such calendar year deter-
16 mined under section 43(b)(3)(B) for such
17 calendar year, determined by substituting
18 ‘2020’ for ‘1990’.”.

19 (2) CONFORMING AMENDMENTS.—

20 (A) Section 45Q(b)(1)(A) is amended by
21 striking “The applicable dollar amount” and in-
22 serting “Except as provided in subparagraph
23 (B), the applicable dollar amount”.

24 (B) Section 45Q(b)(1)(C), as redesignated
25 by subparagraph (A), is amended by striking

1 “subparagraph (A)” and inserting “subpara-
2 graph (A) or (B)”.

3 (d) WAGE AND APPRENTICESHIP REQUIREMENTS.—
4 Section 45Q is amended by redesignating subsection (h)
5 as subsection (i) and inserting after subsection (g) fol-
6 lowing new subsection:

7 “(h) BASE CREDIT AMOUNT AND INCREASED CRED-
8 IT AMOUNT FOR QUALIFIED FACILITIES AND CARBON
9 CAPTURE EQUIPMENT.—

10 “(1) IN GENERAL.—In the case of any qualified
11 facility and any carbon capture equipment which
12 does not satisfy the requirements of paragraph (2),
13 the amount of the credit determined under sub-
14 section (a) shall be 20 percent of such amount (de-
15 termined without regard to this sentence).

16 “(2) INCREASED CREDIT FOR CERTAIN FACILI-
17 TIES AND CARBON CAPTURE EQUIPMENT MEETING
18 PROJECT REQUIREMENTS.—

19 “(A) IN GENERAL.—In the case of any
20 qualified facility and any carbon capture equip-
21 ment placed in service at such facility which
22 meets the project requirements of this subpara-
23 graph, subparagraph (A) shall not apply.

1 “(B) PROJECT REQUIREMENTS.—A project
2 meets the requirements of this subparagraph if
3 it is one of the following:

4 “(i) A qualified facility with a max-
5 imum net output of less than 1 megawatt.

6 “(ii) A qualified facility or any carbon
7 capture equipment placed in service at
8 such facility which commences construction
9 prior to the date of the enactment of this
10 paragraph.

11 “(iii) A project which satisfies the re-
12 quirements of paragraphs (3) and (4).

13 “(3) PREVAILING WAGE REQUIREMENTS.—

14 “(A) IN GENERAL.—The requirements de-
15 scribed in this subparagraph with respect to
16 any qualified facility and any carbon capture
17 equipment placed in service at such facility are
18 that the taxpayer shall ensure that any laborers
19 and mechanics employed by contractors and
20 subcontractors in—

21 “(i) the construction of such facility
22 and carbon capture equipment,

23 “(ii) the alteration or repair of such
24 facility and carbon capture equipment dur-
25 ing the 12 year-period after being placed

1 into service, or for carbon capture equip-
2 ment placed in service prior to 2018, until
3 the date determined by the Secretary
4 under subsection (g),
5 shall be paid wages at rates not less than the
6 prevailing rates for construction, alteration, or
7 repair of a similar character in the locality as
8 most recently determined by the Secretary of
9 Labor, in accordance with subchapter IV of
10 chapter 31 of title 40, United States Code.

11 “(B) CORRECTION AND PENALTY RELATED
12 TO FAILURE TO SATISFY WAGE REQUIRE-
13 MENTS.—

14 “(i) IN GENERAL.—In the case of any
15 taxpayer which fails to satisfy the require-
16 ment under subparagraph (A) with respect
17 to the construction of any qualified facility
18 or with respect to the alteration or repair
19 of a facility in any year during the period
20 described in subparagraph (A)(ii), such
21 taxpayer shall be deemed to have satisfied
22 such requirement under such subparagraph
23 with respect to such facility and carbon
24 capture equipment for any year if, with re-
25 spect to any laborer or mechanic who was

1 paid wages at a rate below the rate de-
2 scribed in such subparagraph for any pe-
3 riod during such year, such taxpayer—

4 “(I) makes payment to such la-
5 borer or mechanic in an amount equal
6 to the sum of an amount equal to the
7 difference between the amount of
8 wages paid to such laborer or me-
9 chanic during such period, and—

10 “(aa) the amount of wages
11 required to be paid to such la-
12 borer or mechanic pursuant to
13 such subparagraph during such
14 period, plus

15 “(bb) interest on the
16 amount determined under item
17 (aa) at the underpayment rate
18 established under section 6621
19 for the period described in such
20 item, and

21 “(II) makes payment to the Sec-
22 retary of a penalty in an amount
23 equal to the product of—

24 “(aa) \$5,000, multiplied by

1 “(bb) the total number of la-
2 borers and mechanics who were
3 paid wages at a rate below the
4 rate described in subparagraph
5 (A) for any period during such
6 year.

7 “(ii) PENALTY ASSESSED AS TAX.—
8 The penalty described in clause (i)(II)
9 shall be treated in the same manner as a
10 penalty imposed under subchapter B of
11 chapter 68.

12 “(4) APPRENTICESHIP REQUIREMENTS.—The
13 requirements described in this paragraph with re-
14 spect to any qualified facility and carbon capture
15 equipment are as follows:

16 “(A) LABOR HOURS.—

17 “(i) PERCENTAGE OF TOTAL LABOR
18 HOURS.—All contractors and subcontrac-
19 tors engaged in the performance of con-
20 struction, alteration, or repair work on any
21 facility and carbon capture equipment
22 prior to such facility being placed into
23 service shall, subject to subparagraph (B),
24 ensure that not less than the applicable
25 percentage of the total labor hours of such

1 work be performed by qualified appren-
2 tices.

3 “(ii) APPLICABLE PERCENTAGE.—For
4 purposes of paragraph (1), the applicable
5 percentage shall be—

6 “(I) in the case of any applicable
7 project the construction of which be-
8 gins before January 1, 2023, 5 per-
9 cent,

10 “(II) in the case of any applica-
11 ble project the construction of which
12 begins after December 31, 2022, and
13 before January 1, 2024, 10 percent,
14 and

15 “(III) in the case of any applica-
16 ble project the construction of which
17 begins after December 31, 2023, 15
18 percent.

19 “(B) APPRENTICE TO JOURNEYWORKER
20 RATIO.—The requirement under subparagraph
21 (A)(i) shall be subject to any applicable require-
22 ments for apprentice-to-journeyworker ratios of
23 the Department of Labor or the applicable
24 State apprenticeship agency.

1 “(C) PARTICIPATION.—Each contractor
2 and subcontractor who employs 4 or more indi-
3 viduals to perform construction, alteration, or
4 repair work on an applicable project shall em-
5 ploy 1 or more qualified apprentices to perform
6 such work.

7 “(D) EXCEPTION.—

8 “(i) IN GENERAL.—Notwithstanding
9 any other provision of this paragraph, this
10 paragraph shall not apply in the case of a
11 taxpayer who—

12 “(I) demonstrates a lack of avail-
13 ability of qualified apprentices in the
14 geographic area of the construction,
15 alteration, or repair work, and

16 “(II) makes a good faith effort to
17 comply with the requirements of this
18 paragraph.

19 “(ii) GOOD FAITH EFFORT.—For pur-
20 poses of clause (i), a taxpayer shall be
21 deemed to have satisfied the requirements
22 under such paragraph with respect to an
23 applicable project if such taxpayer has re-
24 quested qualified apprentices from a reg-
25 istered apprenticeship program, as defined

1 in section 3131(e)(3)(B), and such request
2 has been denied, provided that such denial
3 is not the result of a refusal by the con-
4 tractors or subcontractors engaged in the
5 performance of construction, alteration, or
6 repair work on such applicable project to
7 comply with the established standards and
8 requirements of such apprenticeship pro-
9 gram.

10 “(E) DEFINITIONS.—For purposes of this
11 paragraph—

12 “(i) LABOR HOURS.—The term ‘labor
13 hours’ has the meaning given such term in
14 section 45(b)(9)(E)(i).

15 “(ii) QUALIFIED APPRENTICE.—The
16 term ‘qualified apprentice’ has the mean-
17 ing given such term in section
18 45(b)(9)(E)(ii).

19 “(5) REGULATIONS AND GUIDANCE.—The Sec-
20 retary shall issue such regulations or other guidance
21 as the Secretary determines necessary or appropriate
22 to carry out the purposes of this subsection.”.

23 (e) INCREASED APPLICABLE DOLLAR AMOUNT.—

24 (1) IN GENERAL.—Section 45Q(b)(1) is amend-
25 ed—

1 (A) by amending clause (i) of subpara-
2 graph (A) to read as follows:

3 “(i) for any taxable year beginning in
4 a calendar year after 2016 and before
5 2027—

6 “(I) for purposes of paragraph
7 (3) of subsection (a), \$50 for each
8 calendar year during such period, and

9 “(II) for purposes of paragraph
10 (4) of such subsection, \$35 for each
11 calendar year during such period,
12 and”,

13 (B) by redesignating subparagraphs (B)
14 and (C) as subparagraphs (C) and (D), and

15 (C) by inserting after subparagraph (A)
16 the following new subparagraph:

17 “(B) INFLATION ADJUSTMENT.—In the
18 case of any taxable year beginning in a calendar
19 year after 2025, each of the dollar amounts in
20 subparagraph (A)(i) shall be increased by an
21 amount equal to—

22 “(i) such dollar amount, multiplied by

23 “(ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) for the cal-
25 endar year in which the taxable year be-

1 gins, determined by substituting ‘calendar
2 year 2024’ for ‘calendar year 2016’ in sub-
3 paragraph (A)(ii) thereof.

4 Any increase determined under the preceding
5 sentence shall be rounded to the nearest cent.”.

6 (f) EFFECTIVE DATES.—

7 (1) EXTENSION.—The amendment made by
8 subsection (a) shall apply to facilities the construc-
9 tion of which begins after December 31, 2025.

10 (2) OTHER AMENDMENTS.—The amendments
11 made by subsections (b), (c), (d), and (e) shall apply
12 to taxable years beginning after December 31, 2021.

13 **SEC. 136108. GREEN ENERGY PUBLICLY TRADED PARTNER-**
14 **SHIPS.**

15 (a) IN GENERAL.—Section 7704(d)(1)(E) is amend-
16 ed—

17 (1) by striking “income and gains derived from
18 the exploration” and inserting “income and gains
19 derived from—

20 “(i) the exploration”,

21 (2) by inserting “or” before “industrial
22 source”, and

23 (3) by striking “, or the transportation or stor-
24 age” and all that follows and inserting the following:

1 “(ii) the generation of electric power
2 or thermal energy exclusively using any
3 qualified energy resource (as defined in
4 section 45(c)(1)),

5 “(iii) the operation of energy property
6 (as defined in section 48(a)(3), determined
7 without regard to any date by which the
8 construction of the facility is required to
9 begin),

10 “(iv) in the case of a facility described
11 in paragraph (3) or (7) of section 45(d)
12 (determined without regard to any placed
13 in service date or date by which construc-
14 tion of the facility is required to begin),
15 the accepting or processing of open-loop
16 biomass or municipal solid waste,

17 “(v) the transportation or storage of
18 any fuel described in subsection (b), (c),
19 (d), or (e) of section 6426,

20 “(vi) the conversion of renewable bio-
21 mass (as defined in subparagraph (I) of
22 section 211(o)(1) of the Clean Air Act (as
23 in effect on the date of the enactment of
24 this clause)) into renewable fuel (as de-
25 fined in subparagraph (J) of such section

1 as so in effect), or the storage or transpor-
2 tation of such fuel,

3 “(vii) the production, storage, or
4 transportation of any fuel which—

5 “(I) uses as its primary feedstock
6 carbon oxides captured from an an-
7 thropogenic source or the atmosphere,

8 “(II) does not use as its primary
9 feedstock carbon oxide which is delib-
10 erately released from naturally occur-
11 ring subsurface springs, and

12 “(III) is determined by the Sec-
13 retary, after consultation with the
14 Secretary of Energy and the Adminis-
15 trator of the Environmental Protec-
16 tion Agency, to achieve a reduction of
17 not less than a 60 percent in lifecycle
18 greenhouse gas emissions (as defined
19 in section 211(o)(1)(H) of the Clean
20 Air Act, as in effect on the date of the
21 enactment of this clause) compared to
22 baseline lifecycle greenhouse gas emis-
23 sions (as defined in section
24 211(o)(1)(C) of such Act, as so in ef-
25 fect), or

1 “(viii) a qualified facility (as defined
2 in section 45Q(d), without regard to any
3 date by which construction of the facility is
4 required to begin).”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
6 this section apply to taxable years beginning after Decem-
7 ber 31, 2021.

8 **SEC. 136109. ZERO-EMISSION NUCLEAR POWER PRODUC-**
9 **TION CREDIT.**

10 (a) **IN GENERAL.**—Subpart D of part IV of sub-
11 chapter A of chapter 1 of the Internal Revenue Code of
12 1986 is amended by adding at the end the following new
13 section:

14 **“SEC. 45W. ZERO-EMISSION NUCLEAR POWER PRODUCTION**
15 **CREDIT.**

16 “(a) **AMOUNT OF CREDIT.**—For purposes of section
17 38, the zero-emission nuclear power production credit for
18 any taxable year is an amount equal to the amount by
19 which—

20 “(1) the product of—

21 “(A) 1.5 cents, multiplied by

22 “(B) the kilowatt hours of electricity—

23 “(i) produced by the taxpayer at a
24 qualified nuclear power facility, and

1 “(ii) sold by the taxpayer to an unre-
2 lated person during the taxable year, ex-
3 ceeds

4 “(2) the reduction amount for such taxable
5 year.

6 “(b) DEFINITIONS.—

7 “(1) QUALIFIED NUCLEAR POWER FACILITY.—
8 For purposes of this section, the term ‘qualified nu-
9 clear power facility’ means any nuclear facility—

10 “(A) which is owned by the taxpayer and
11 which uses nuclear energy to produce elec-
12 tricity,

13 “(B) which has not received an allocation
14 under section 45J(b), and

15 “(C) which is placed in service before the
16 date of the enactment of this section.

17 “(2) REDUCTION AMOUNT.—

18 “(A) IN GENERAL.—For purposes of this
19 section, the term ‘reduction amount’ means,
20 with respect to any qualified nuclear power fa-
21 cility for any taxable year, the amount equal to
22 the lesser of—

23 “(i) the amount determined under
24 subsection (a)(1), or

1 “(ii) the amount equal to 80 percent
2 of the excess of—

3 “(I) subject to subparagraph (B),
4 the gross receipts from any electricity
5 produced by such facility (including
6 any electricity services or products
7 provided in conjunction with the elec-
8 tricity produced by such facility) and
9 sold to an unrelated person during
10 such taxable year, over

11 “(II) the amount equal to the
12 product of—

13 “(aa) 2.5 cents, multiplied
14 by

15 “(bb) the amount deter-
16 mined under subsection
17 (a)(1)(B).

18 “(B) TREATMENT OF CERTAIN RE-
19 CEIPTS.—

20 “(i) IN GENERAL.—The amount de-
21 termined under subparagraph (A)(ii)(I)
22 shall include any amount received by the
23 taxpayer during the taxable year with re-
24 spect to the qualified nuclear power facility
25 from a zero-emission credit program unless

1 the amount received by the taxpayer is
2 subject to reduction—

3 “(I) by the full amount of the
4 credit determined under this section,
5 or

6 “(II) by any lesser amount if
7 such amount entirely offsets the
8 amount received from a zero-emission
9 credit program.

10 “(ii) ZERO-EMISSION CREDIT PRO-
11 GRAM.—For purposes of this subpara-
12 graph, the term ‘zero-emission credit pro-
13 gram’ means any payments to a qualified
14 nuclear power facility as a result of any
15 Federal, State or local government pro-
16 gram for, in whole or in part, the zero-
17 emission, zero-carbon, or air quality at-
18 tributes of any portion of the electricity
19 produced by such facility.

20 “(3) ELECTRICITY.—For purposes of this sec-
21 tion, the term ‘electricity’ means the energy pro-
22 duced by a qualified nuclear power facility from the
23 conversion of nuclear fuel into electric power.

24 “(c) OTHER RULES.—

1 “(1) INFLATION ADJUSTMENT.—The 1.5 cent
2 amount in subsection (a)(1)(A) and the 2.5 cent
3 amount in subsection (b)(2)(A)(ii)(II)(aa) shall each
4 be adjusted by multiplying such amount by the infla-
5 tion adjustment factor (as determined under section
6 45(e)(2), as applied by substituting ‘calendar year
7 2022’ for ‘calendar year 1992’ in subparagraph (B)
8 thereof) for the calendar year in which the sale oc-
9 curs. If any amount as increased under the pre-
10 ceding sentence is not a multiple of 0.1 cent, such
11 amount shall be rounded to the nearest multiple of
12 0.1 cent.

13 “(2) SPECIAL RULES.—Rules similar to the
14 rules of paragraphs (1), (3), (4), and (5) of section
15 45(e) shall apply for purposes of this section.

16 “(3) DENIAL OF DOUBLE BENEFIT.—No credit
17 shall be allowed under section 48E for any power
18 production for which a credit is taken under this
19 section.

20 “(d) WAGE AND APPRENTICESHIP REQUIRE-
21 MENTS.—

22 “(1) BASE CREDIT AMOUNT AND INCREASED
23 CREDIT AMOUNT FOR QUALIFIED NUCLEAR POWER
24 FACILITIES.—

1 “(A) IN GENERAL.—In the case of any
2 qualified nuclear power facility which does not
3 satisfy the requirements of subparagraph (B),
4 the amount of the credit determined under sub-
5 section (a) and the 2.5 cent amount in sub-
6 section (b)(2)(A)(ii)(II)(aa) shall be 20 percent
7 of such amount (determined without regard to
8 this sentence).

9 “(B) INCREASED CREDIT FOR CERTAIN FA-
10 CILITIES MEETING PROJECT REQUIREMENTS.—

11 “(i) IN GENERAL.—In the case of any
12 qualified nuclear power facility which
13 meets the project requirements of this sub-
14 paragraph, subparagraph (A) shall not
15 apply.

16 “(ii) PROJECT REQUIREMENTS.—A
17 project meets the requirements of this sub-
18 paragraph if it is one of the following:

19 “(I) A project with a maximum
20 net output of less than 1 megawatt.

21 “(II) A project which satisfies
22 the requirements of paragraphs (2)
23 and (3).

24 “(2) PREVAILING WAGE REQUIREMENTS.—

1 “(A) IN GENERAL.—The taxpayer shall en-
2 sure that any laborers and mechanics employed
3 by contractors and subcontractors in the alter-
4 ation or repair of a facility shall be paid wages
5 at rates not less than the prevailing rates for
6 construction, alteration, or repair of a similar
7 character in the locality as most recently deter-
8 mined by the Secretary of Labor, in accordance
9 with subchapter IV of chapter 31 of title 40,
10 United States Code.

11 “(B) CORRECTION AND PENALTY RELATED
12 TO FAILURE TO SATISFY WAGE REQUIRE-
13 MENTS.—

14 “(i) IN GENERAL.—In the case of any
15 taxpayer which fails to satisfy the require-
16 ment under subparagraph (A), such tax-
17 payer shall be deemed to have satisfied
18 such requirement under such subparagraph
19 with respect to such facility for any year if,
20 with respect to any laborer or mechanic
21 who was paid wages at a rate below the
22 rate described in such subparagraph for
23 any period during such year, such tax-
24 payer—

1 “(I) makes payment to such la-
2 borer or mechanic in an amount equal
3 to the sum of—

4 “(aa) an amount equal to
5 the difference between the
6 amount of wages paid to such la-
7 borer or mechanic during such
8 period, and—

9 “(AA) the amount of
10 wages required to be paid to
11 such laborer or mechanic
12 pursuant to such subpara-
13 graph during such period,
14 plus

15 “(BB) interest on the
16 amount determined under
17 item (aa) at the under-
18 payment rate established
19 under section 6621 for the
20 period described in such
21 item, and

22 “(II) makes payment to the Sec-
23 retary of a penalty in an amount
24 equal to the product of—

25 “(aa) \$5,000, multiplied by

1 “(bb) the total number of la-
2 borers and mechanics who were
3 paid wages at a rate below the
4 rate described in subparagraph
5 (A) for any period during such
6 year.

7 “(ii) PENALTY ASSESSED AS TAX.—
8 The penalty described in clause (i)(II)
9 shall be treated in the same manner as a
10 penalty imposed under subchapter B of
11 chapter 68.

12 “(3) APPRENTICESHIP REQUIREMENTS.—The
13 requirements described in this subparagraph with re-
14 spect to any qualified nuclear power facility are as
15 follows:

16 “(A) LABOR HOURS.—

17 “(i) PERCENTAGE OF TOTAL LABOR
18 HOURS.—All contractors and subcontractors
19 engaged in the performance of alter-
20 ation or repair work on any qualified nu-
21 clear power facility shall, subject to sub-
22 paragraph (B), ensure that not less than
23 the applicable percentage of the total labor
24 hours of such work be performed by quali-
25 fied apprentices.

1 “(ii) APPLICABLE PERCENTAGE.—For
2 purposes of paragraph (1), the applicable
3 percentage shall be—

4 “(I) in the case of any applicable
5 project the construction of which be-
6 gins before January 1, 2023, 5 per-
7 cent,

8 “(II) in the case of any applica-
9 ble project the construction of which
10 begins after December 31, 2022, and
11 before January 1, 2024, 10 percent,
12 and

13 “(III) in the case of any applica-
14 ble project the construction of which
15 begins after December 31, 2023, 15
16 percent.

17 “(B) APPRENTICE TO JOURNEYWORKER
18 RATIO.—The requirement under subparagraph
19 (A)(i) shall be subject to any applicable require-
20 ments for apprentice-to-journeyworker ratios of
21 the Department of Labor or the applicable
22 State apprenticeship agency.

23 “(C) PARTICIPATION.—Each contractor
24 and subcontractor who employs 4 or more indi-
25 viduals to perform construction, alteration, or

1 repair work on an applicable project shall em-
2 ploy 1 or more qualified apprentices to perform
3 such work.

4 “(D) EXCEPTION.—

5 “(i) IN GENERAL.—Notwithstanding
6 any other provision of this paragraph, this
7 paragraph shall not apply in the case of a
8 taxpayer who—

9 “(I) demonstrates a lack of avail-
10 ability of qualified apprentices in the
11 geographic area of the construction,
12 alteration, or repair work, and

13 “(II) makes a good faith effort to
14 comply with the requirements of this
15 paragraph.

16 “(ii) GOOD FAITH EFFORT.—For pur-
17 poses of clause (i), a taxpayer shall be
18 deemed to have satisfied the requirements
19 under such paragraph with respect to an
20 applicable project if such taxpayer has re-
21 quested qualified apprentices from a reg-
22 istered apprenticeship program, as defined
23 in section 3131(e)(3)(B), and such request
24 has been denied, provided that such denial
25 is not the result of a refusal by the con-

1 tractors or subcontractors engaged in the
2 performance of construction, alteration, or
3 repair work on such applicable project to
4 comply with the established standards and
5 requirements of such apprenticeship pro-
6 gram.

7 “(E) DEFINITIONS.—For purposes of this
8 paragraph—

9 “(i) LABOR HOURS.—The term ‘labor
10 hours’ has the meaning given such term in
11 section 45(b)(9)(E)(i).

12 “(ii) QUALIFIED APPRENTICE.—The
13 term ‘qualified apprentice’ has the mean-
14 ing given such term in section
15 45(b)(9)(E)(ii).

16 “(4) REGULATIONS AND GUIDANCE.—The Sec-
17 retary shall issue such regulations or other guidance
18 as the Secretary determines necessary or appropriate
19 to carry out the purposes of this subsection.

20 “(e) TERMINATION.—This section shall not apply to
21 taxable years beginning after December 31, 2026.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 38(b) of the Internal Revenue Code
24 of 1986 is amended—

1 (A) in paragraph (36), by striking “plus”
2 at the end,

3 (B) in paragraph (37), by striking the pe-
4 riod at the end and inserting “, plus”, and

5 (C) by adding at the end the following new
6 paragraph:

7 “(38) the zero-emission nuclear power produc-
8 tion credit determined under section 45W(a).”.

9 (2) The table of sections for subpart D of part
10 IV of subchapter A of chapter 1 of such Code is
11 amended by adding at the end the following new
12 item:

“Sec. 45W. Zero-emission nuclear power production credit.”.

13 (c) ELECTIVE PAYMENT OF CREDIT.—Section
14 6417(b), as added by the preceding provisions of this Act,
15 is amended by adding at the end the following new para-
16 graph:

17 “(8) The zero-emission nuclear power produc-
18 tion credit determined under section 45W.”.

19 (d) EFFECTIVE DATE.—This section shall apply to
20 electricity produced and sold after December 31, 2021, in
21 taxable years beginning after such date.

1 **PART 2—RENEWABLE FUELS**
2 **SEC. 136201. EXTENSION OF INCENTIVES FOR BIODIESEL,**
3 **RENEWABLE DIESEL AND ALTERNATIVE**
4 **FUELS.**

5 (a) BIODIESEL AND RENEWABLE DIESEL CREDIT.—
6 Section 40A(g) is amended by striking “December 31,
7 2022” and inserting “December 31, 2031”.

8 (b) BIODIESEL MIXTURE CREDIT.—

9 (1) IN GENERAL.—Section 6426(c)(6) is
10 amended by striking “December 31, 2022” and in-
11 sserting “December 31, 2031”.

12 (2) FUELS NOT USED FOR TAXABLE PUR-
13 POSES.—Section 6427(e)(6)(B) is amended by strik-
14 ing “December 31, 2022” and inserting “December
15 31, 2031”.

16 (c) ALTERNATIVE FUEL CREDIT.—Section
17 6426(d)(5) is amended by striking “December 31, 2021”
18 and inserting “December 31, 2031”.

19 (d) ALTERNATIVE FUEL MIXTURE CREDIT.—Section
20 6426(e)(3) is amended by striking “December 31, 2021”
21 and inserting “December 31, 2031”.

22 (e) PAYMENTS FOR ALTERNATIVE FUELS.—Section
23 6427(e)(6)(C) is amended by striking “December 31,
24 2021” and inserting “December 31, 2031”.

1 (f) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to fuel sold or used after December
3 31, 2021.

4 **SEC. 136202. EXTENSION OF SECOND GENERATION**
5 **BIOFUEL INCENTIVES.**

6 (a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended
7 by striking “2022” and inserting “2032”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall apply to qualified second generation
10 biofuel production after December 31, 2021.

11 **SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-
13 chapter A of chapter 1 is amended by inserting after sec-
14 tion 40A the following new section:

15 **“SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.**

16 “(a) IN GENERAL.—For purposes of section 38, the
17 sustainable aviation fuel credit for the taxable year is, with
18 respect to any sale or use of a qualified mixture which
19 occurs during such taxable year, an amount equal to the
20 product of—

21 “(1) the number of gallons of sustainable avia-
22 tion fuel in such mixture, multiplied by

23 “(2) the sum of—

24 “(A) \$1.25, plus

1 “(B) the applicable supplementary amount
2 with respect to such sustainable aviation fuel.

3 “(b) APPLICABLE SUPPLEMENTARY AMOUNT.—For
4 purposes of this section, the term ‘applicable supple-
5 mentary amount’ means, with respect to any sustainable
6 aviation fuel, an amount equal to \$0.01 for each percent-
7 age point by which the lifecycle greenhouse gas emissions
8 reduction percentage with respect to such fuel exceeds 50
9 percent. In no event shall the applicable supplementary
10 amount determined under this subsection exceed \$0.50.

11 “(c) QUALIFIED MIXTURE.—For purposes of this
12 section, the term ‘qualified mixture’ means a mixture of
13 sustainable aviation fuel and kerosene if—

14 “(1) such mixture is produced by the taxpayer
15 in the United States,

16 “(2) such mixture is used by the taxpayer (or
17 sold by the taxpayer for use) in an aircraft,

18 “(3) such sale or use is in the ordinary course
19 of a trade or business of the taxpayer, and

20 “(4) the transfer of such mixture to the fuel
21 tank of such aircraft occurs in the United States.

22 “(d) SUSTAINABLE AVIATION FUEL.—For purposes
23 of this section, the term ‘sustainable aviation fuel’ means
24 liquid fuel which—

25 “(1) meets the requirements of—

1 “(A) ASTM International Standard
2 D7566, or

3 “(B) the Fischer Tropsch provisions of
4 ASTM International Standard D1655, Annex
5 A1,

6 “(2) is not derived from palm fatty distillates or
7 petroleum, and

8 “(3) has been certified in accordance with sub-
9 section (e) as having a lifecycle greenhouse gas emis-
10 sions reduction percentage of at least 50 percent.

11 “(e) LIFECYCLE GREENHOUSE GAS EMISSIONS RE-
12 DUCTION PERCENTAGE.—For purposes of this section—

13 “(1) IN GENERAL.—The term ‘lifecycle green-
14 house gas emissions reduction percentage’ means,
15 with respect to any sustainable aviation fuel, the
16 percentage reduction in lifecycle greenhouse gas
17 emissions achieved by such fuel in comparison with
18 petroleum-based jet fuel as stated in a certification
19 which meets the requirements of paragraphs (2).

20 “(2) CERTIFICATION METHODOLOGY.—A cer-
21 tification meets the requirements of this paragraph
22 if such certification (including the methodology and
23 process of such certification) conforms with all re-
24 quirements (including requirements related to
25 traceability and information transmission) of the

1 most recent Carbon Offsetting and Reduction
2 Scheme for International Aviation which has been
3 adopted by the International Civil Aviation Organi-
4 zation with the agreement of the United States.

5 “(3) OPTION TO OBTAIN CERTIFICATION FROM
6 SECRETARY.—Not later than 24 months after the
7 date of the enactment of this section, the Secretary,
8 after consultation with the Secretary of Energy and
9 the Administrator of the Environmental Protection
10 Agency, shall establish procedures pursuant to which
11 taxpayers may obtain a certification which meets the
12 requirements of paragraph (2) from the Secretary.

13 “(f) REGISTRATION OF SUSTAINABLE AVIATION
14 FUEL PRODUCERS.—No credit shall be allowed under this
15 section with respect to any sustainable aviation fuel unless
16 the producer of such fuel has entered into an agreement
17 with the Secretary to provide the Secretary such informa-
18 tion with respect to such fuel as the Secretary may require
19 for purposes of carrying out this section.

20 “(g) COORDINATION WITH CREDIT AGAINST EXCISE
21 TAX.—The amount of the credit determined under this
22 section with respect to any sustainable aviation fuel shall,
23 under rules prescribed by the Secretary, be properly re-
24 duced to take into account any benefit provided with re-

1 spect to such sustainable aviation fuel solely by reason of
2 the application of section 6426 or 6427(e).

3 “(h) TERMINATION.—This section shall not apply to
4 any sale or use after December 31, 2031.”.

5 (b) CREDIT MADE PART OF GENERAL BUSINESS
6 CREDIT.— Section 38(b) is amended by striking “plus”
7 at the end of paragraph (37), by striking the period at
8 the end of paragraph (38) and inserting “, plus”, and by
9 inserting after paragraph (38) the following new para-
10 graph:

11 “(39) the sustainable aviation fuel credit deter-
12 mined under section 40B.”.

13 (c) COORDINATION WITH BIODIESEL INCENTIVES.—

14 (1) IN GENERAL.—Section 40A(d)(1) is amend-
15 ed by inserting “or 40B” after “determined under
16 section 40”.

17 (2) CONFORMING AMENDMENT.—Section
18 40A(f) is amended by striking paragraph (4).

19 (d) SUSTAINABLE AVIATION FUEL ADDED TO CRED-
20 IT FOR ALCOHOL FUEL, BIODIESEL, AND ALTERNATIVE
21 FUEL MIXTURES.—

22 (1) IN GENERAL.—Section 6426 is amended by
23 adding at the end the following new subsection:

24 “(k) SUSTAINABLE AVIATION FUEL CREDIT.—

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the sustainable aviation fuel credit for the tax-
3 able year is, with respect to any sale or use of a
4 qualified mixture, an amount equal to the product
5 of—

6 “(A) the number of gallons of sustainable
7 aviation fuel in such mixture, multiplied by

8 “(B) the sum of—

9 “(i) \$1.25, plus

10 “(ii) the applicable supplementary
11 amount with respect to such sustainable
12 aviation fuel.

13 “(2) APPLICABLE SUPPLEMENTARY AMOUNT.—
14 For purposes of this subsection, the term ‘applicable
15 supplementary amount’ has the meaning given such
16 term in section 40B(b).

17 “(3) OTHER DEFINITIONS.—Any term used in
18 this subsection which is also used in section 40B
19 shall have the meaning given such term by section
20 40B.

21 “(4) REGISTRATION REQUIREMENT.—For pur-
22 poses of this subsection, rules similar to the rules of
23 section 40B(f) shall apply.”.

24 (2) CONFORMING AMENDMENTS.—

25 (A) Section 6426 is amended—

1 (i) in subsection (a)(1), by striking
2 “and (e)” and inserting “(e), and (k)”,
3 and

4 (ii) in subsection (h), by striking
5 “under section 40 or 40A” and inserting
6 “under section 40, 40A, or 40B”.

7 (B) Section 6427(e)(6) is amended by
8 striking the “and” at the end of subparagraph
9 (C), by striking the period at the end of sub-
10 paragraph (D) and inserting “, and”, and by
11 adding at the end the following new subpara-
12 graph:

13 “(E) any qualified mixture of sustainable
14 aviation fuel (as defined in section 6426(k)(3))
15 sold or used after December 31, 2031.”.

16 (e) GUIDANCE.—Under rules prescribed by the Sec-
17 retary of the Treasury (or the Secretary’s delegate), the
18 amount of the credit allowed under section 40B of the In-
19 ternal Revenue Code of 1986 (as added by this subsection)
20 shall be properly reduced to take into account any benefit
21 provided with respect to sustainable aviation fuel (as de-
22 fined in such section 40B) by reason of the application
23 of section 6426 or section 6427(e).

24 (f) AMOUNT OF CREDIT INCLUDED IN GROSS IN-
25 COME.—Section 87 is amended by striking “and” in para-

1 graph (1), by striking the period at the end of paragraph
2 (2) and inserting “, and”, and by adding at the end the
3 following new paragraph:

4 “(3) the sustainable aviation fuel credit deter-
5 mined with respect to the taxpayer for the taxable
6 year under section 40B(a).”.

7 (g) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to fuel sold or used after December
9 31, 2022.

10 **SEC. 136204. CLEAN HYDROGEN.**

11 (a) CREDIT FOR PRODUCTION OF CLEAN HYDRO-
12 GEN.—

13 (1) IN GENERAL.—Subpart D of part IV of
14 subchapter A of chapter 1 is amended by adding at
15 the end the following new section:

16 **“SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN HYDRO-
17 GEN.**

18 “(a) AMOUNT OF CREDIT.—For purposes of section
19 38, the clean hydrogen production credit for any taxable
20 year is an amount equal to the product of—

21 “(1) the applicable amount, multiplied by

22 “(2) the kilograms of qualified clean hydrogen
23 produced by the taxpayer during such taxable year
24 at a qualified clean hydrogen production facility dur-

1 ing the 10-year period beginning on the date such
2 facility was originally placed in service.

3 “(b) APPLICABLE AMOUNT.—

4 “(1) IN GENERAL.—For purposes of subsection
5 (a)(1), the applicable amount shall be an amount
6 equal to the applicable percentage of \$3.00. If any
7 amount as determined under the preceding sentence
8 is not a multiple of 0.1 cent, such amount shall be
9 rounded to the nearest multiple of 0.1 cent.

10 “(2) APPLICABLE PERCENTAGE.—For purposes
11 of paragraph (1), the term ‘applicable percentage’
12 means—

13 “(A) in the case of any qualified clean hy-
14 drogen which is produced through a process
15 that, as compared to hydrogen produced by
16 steam-methane reforming, achieves a percent-
17 age reduction in lifecycle greenhouse gas emis-
18 sions which is less than 75 percent, 20 percent,

19 “(B) in the case of any qualified clean hy-
20 drogen which is produced through a process
21 that, as compared to hydrogen produced by
22 steam-methane reforming, achieves a percent-
23 age reduction in lifecycle greenhouse gas emis-
24 sions which is not less than 75 percent and less
25 than 85 percent, 25 percent,

1 “(C) in the case of any qualified clean hy-
2 drogen which is produced through a process
3 that, as compared to hydrogen produced by
4 steam-methane reforming, achieves a percent-
5 age reduction in lifecycle greenhouse gas emis-
6 sions which is not less than 85 percent and less
7 than 95 percent, 34 percent, and

8 “(D) in the case of any qualified clean hy-
9 drogen which is produced through a process
10 that, as compared to hydrogen produced by
11 steam-methane reforming, achieves a percent-
12 age reduction in lifecycle greenhouse gas emis-
13 sions which is not less than 95 percent, 100
14 percent.

15 “(3) INFLATION ADJUSTMENT.—The \$3.00
16 amount in paragraph (1) shall be adjusted by multi-
17 plying such amount by the inflation adjustment fac-
18 tor (as determined under section 45(e)(2), deter-
19 mined by substituting ‘2020’ for ‘1992’ in subpara-
20 graph (B) thereof) for the calendar year in which
21 the qualified clean hydrogen is produced. If any
22 amount as increased under the preceding sentence is
23 not a multiple of 0.1 cent, such amount shall be
24 rounded to the nearest multiple of 0.1 cent.

25 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) LIFECYCLE GREENHOUSE GAS EMIS-
2 SIONS.—For purposes of this section, the term
3 ‘lifecycle greenhouse gas emissions’ has the same
4 meaning given such term under subparagraph (H) of
5 section 211(o)(1) of the Clean Air Act (42 U.S.C.
6 7545(o)(1)), as in effect on the date of enactment of
7 this section, as related to the full fuel lifecycle
8 through the point of hydrogen production.

9 “(2) QUALIFIED CLEAN HYDROGEN.—

10 “(A) IN GENERAL.—The term ‘qualified
11 clean hydrogen’ means hydrogen which is pro-
12 duced through a process that, as compared to
13 hydrogen produced by steam-methane reform-
14 ing, achieves a percentage reduction in lifecycle
15 greenhouse gas emissions which is not less than
16 40 percent.

17 “(B) ADDITIONAL REQUIREMENTS.—Such
18 term shall not include any hydrogen unless such
19 hydrogen is produced—

20 “(i) in the United States (as defined
21 in section 638(1) or a possession of the
22 United States (as defined in section
23 638(2)),

24 “(ii) in the ordinary course of a trade
25 or business of the taxpayer, and

1 “(iii) for sale or use.

2 “(3) QUALIFIED CLEAN HYDROGEN PRODUC-
3 TION FACILITY.—

4 “(A) IN GENERAL.—The term ‘qualified
5 clean hydrogen production facility’ means a fa-
6 cility owned by the taxpayer which produces
7 qualified clean hydrogen and which meets the
8 requirements of subparagraph (B).

9 “(B) TERMINATION.—The term ‘qualified
10 clean hydrogen production facility’ shall not in-
11 clude any facility the construction of which be-
12 gins after December 31, 2028.

13 “(4) STEAM-METHANE REFORMING.—The term
14 ‘steam-methane reforming’ means a hydrogen pro-
15 duction process in which high-temperature steam is
16 used to produce hydrogen from natural gas (other
17 than natural gas derived from biomass (as defined
18 in section 45K(c)(3) as in effect on the date of the
19 enactment of this section), without carbon capture
20 and sequestration.

21 “(d) SPECIAL RULES.—

22 “(1) TREATMENT OF FACILITIES OWNED BY
23 MORE THAN 1 TAXPAYER.—Rules similar to the
24 rules section 45(e)(3) shall apply for purposes of
25 this section.

1 “(2) COORDINATION WITH CREDIT FOR CARBON
2 OXIDE SEQUESTRATION.—No credit shall be allowed
3 under this section with respect to any qualified clean
4 hydrogen produced at a facility which includes prop-
5 erty for which a credit is allowed under section 45Q.

6 “(e) BASE CREDIT AMOUNT AND INCREASED CREDIT
7 AMOUNT FOR QUALIFIED CLEAN HYDROGEN PRODUC-
8 TION FACILITIES.—

9 “(1) IN GENERAL.—In the case of any qualified
10 clean hydrogen production facility which does not
11 satisfy the requirements of paragraph (2)(B), the
12 amount of the credit determined under subsection
13 (a) shall be 20 percent of such amount (determined
14 without regard to this sentence).

15 “(2) INCREASED CREDIT FOR CERTAIN FACILI-
16 TIES MEETING PROJECT REQUIREMENTS.—

17 “(A) IN GENERAL.—In the case of any
18 qualified facility which meets the project re-
19 quirements of this paragraph, paragraph (1)
20 shall not apply.

21 “(B) PROJECT REQUIREMENTS.—A project
22 meets the requirements of this subparagraph if
23 it is one of the following:

24 “(i) A project with a maximum net
25 output of less than 1 megawatt.

1 “(ii) A project which commences con-
2 struction prior to the date of the enact-
3 ment of this paragraph.

4 “(iii) A project which satisfies the re-
5 quirements of paragraphs (3) and (4).

6 “(3) PREVAILING WAGE REQUIREMENTS.—

7 “(A) IN GENERAL.—The requirements de-
8 scribed in this subparagraph with respect to
9 any qualified clean hydrogen production facility
10 are that the taxpayer shall ensure that any la-
11 borers and mechanics employed by contractors
12 and subcontractors in—

13 “(i) the construction of such facility,
14 and

15 “(ii) for the 10-year period beginning
16 on the date the facility was originally
17 placed in service, the alteration or repair of
18 such facility,

19 shall be paid wages at rates not less than the
20 prevailing rates for construction, alteration, or
21 repair of a similar character in the locality as
22 most recently determined by the Secretary of
23 Labor, in accordance with subchapter IV of
24 chapter 31 of title 40, United States Code.

1 “(B) CORRECTION AND PENALTY RELATED
2 TO FAILURE TO SATISFY WAGE REQUIRE-
3 MENTS.—Rules similar to the rules of section
4 45(b)(8)(B) shall apply for purposes of this
5 subparagraph.

6 “(4) APPRENTICESHIP REQUIREMENTS.—Rules
7 similar to the rules of section 45(b)(9) shall apply
8 for purposes of this paragraph.

9 “(5) REGULATIONS AND GUIDANCE.—The Sec-
10 retary shall issue such regulations or other guidance
11 as the Secretary determines necessary or appropriate
12 to carry out the purposes of this subsection.

13 “(f) REGULATIONS.—Not later than 1 year after the
14 date of enactment of this section, the Secretary, after con-
15 sultation with the Secretary of Energy and the Adminis-
16 trator of the Environmental Protection Agency, shall issue
17 regulations or other guidance to carry out the purposes
18 of this section, including regulations or other guidance—

19 “(1) for determining lifecycle greenhouse gas
20 emissions, and

21 “(2) which require verification by unrelated
22 third parties of the production and sale or use of
23 qualified clean hydrogen with respect to which credit
24 is otherwise allowed under this section.”.

1 (2) ELECTIVE PAYMENT OF CREDIT.—Section
2 6417(b), as added by the preceding provisions of
3 this Act, is amended by adding at the end the fol-
4 lowing new paragraph:

5 “(9) The credit for production of clean hydro-
6 gen determined under section 45X.”.

7 (3) CONFORMING AMENDMENTS.—

8 (A) Section 38(b) is amended—

9 (i) in paragraph (38), by striking
10 “plus” at the end,

11 (ii) in paragraph (39), by striking the
12 period at the end and inserting “, plus”,
13 and

14 (iii) by adding at the end the fol-
15 lowing new paragraph:

16 “(40) the clean hydrogen production credit de-
17 termined under section 45X(a).”.

18 (B) The table of sections for subpart D of
19 part IV of subchapter A of chapter 1 amended
20 by adding at the end the following new item:

“Sec. 45X. Credit for production of clean hydrogen.”.

21 (4) EFFECTIVE DATE.—The amendments made
22 by this subsection shall apply to hydrogen placed in
23 service after December 31, 2021.

1 (b) CREDIT FOR ELECTRICITY PRODUCED FROM RE-
2 NEWABLE RESOURCES ALLOWED IF ELECTRICITY IS
3 USED TO PRODUCE CLEAN HYDROGEN.—

4 (1) IN GENERAL.—Section 45(e) is amended by
5 adding at the end the following new paragraph:

6 “(13) SPECIAL RULE FOR ELECTRICITY USED
7 AT A QUALIFIED CLEAN HYDROGEN PRODUCTION
8 FACILITY.—Electricity produced by the taxpayer
9 shall be treated as sold by such taxpayer to an unre-
10 lated person during the taxable year if such elec-
11 tricity is used during such taxable year by the tax-
12 payer or a person related to the taxpayer at a quali-
13 fied clean hydrogen production facility (as defined in
14 section 45X(d)(3)) to produce qualified clean hydro-
15 gen (as defined in section 45X(d)(2)) during the 10
16 year period after such facility is placed in service.
17 The Secretary shall issue such regulations or other
18 guidance as the Secretary determines appropriate to
19 carry out the purposes of this paragraph, including
20 regulations or other guidance to require verification
21 by unrelated third parties of the production and use
22 of electricity to which this paragraph applies.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to electricity produced
25 after December 31, 2021.

1 (c) ELECTION TO TREAT CLEAN HYDROGEN PRO-
2 DUCTION FACILITIES AS ENERGY PROPERTY.—

3 (1) IN GENERAL.—Section 48(a) is amended by
4 adding at the end the following new paragraph:

5 “(8) ELECTION TO TREAT CLEAN HYDROGEN
6 PRODUCTION FACILITIES AS ENERGY PROPERTY.—

7 “(A) IN GENERAL.—In the case of any
8 qualified property (as defined in paragraph
9 (5)(D)) which is part of a specified clean hydro-
10 gen production facility—

11 “(i) such property shall be treated as
12 energy property for purposes of this sec-
13 tion, and

14 “(ii) the energy percentage with re-
15 spect to such property is—

16 “(I) in the case of a facility
17 which is designed and reasonably ex-
18 pected to produce qualified clean hy-
19 drogen which is described in a sub-
20 paragraph (A) of section 45X(b)(2), 6
21 percent,

22 “(II) in the case of a facility
23 which is designed and reasonably ex-
24 pected to produce qualified clean hy-
25 drogen which is described in a sub-

1 paragraph (B) of such section, 7.5
2 percent,

3 “(III) in the case of a facility
4 which is designed and reasonably ex-
5 pected to produce qualified clean hy-
6 drogen which is described in a sub-
7 paragraph (C) of such section, 10.2
8 percent, and

9 “(IV) in the case of a facility
10 which is designed and reasonably ex-
11 pected to produce qualified clean hy-
12 drogen which is described in a sub-
13 paragraph (D) of such section, 30
14 percent.

15 “(B) DENIAL OF PRODUCTION CREDIT.—
16 No credit shall be allowed under section 45X
17 for any taxable year with respect to any speci-
18 fied clean hydrogen production facility.

19 “(C) SPECIFIED CLEAN HYDROGEN PRO-
20 Duction FACILITY.—For purposes of this para-
21 graph, the term ‘specified clean hydrogen pro-
22 duction facility’ means any qualified clean hy-
23 drogen production facility (as defined in section
24 45X(d)(3)) or any portion of such facility—

1 “(i) which is placed in service after
2 December 31, 2021, and

3 “(ii) with respect to which—

4 “(I) no credit has been allowed
5 under section 45X or 45Q, and

6 “(II) the taxpayer makes an ir-
7 revocable election to have this para-
8 graph apply.

9 “(D) QUALIFIED CLEAN HYDROGEN.—For
10 purposes of this paragraph, the term ‘qualified
11 clean hydrogen’ has the meaning given such
12 term by section 45X(d)(2).

13 “(E) REGULATIONS.—The Secretary, after
14 consultation with the Secretary of Energy and
15 the Administrator of the Environmental Protec-
16 tion Agency, shall issue such regulations or
17 other guidance as the Secretary determines nec-
18 essary or appropriate to carry out the purposes
19 of this section, including regulations or other
20 guidance which—

21 “(i) requires verification by one or
22 more unrelated third parties that the facil-
23 ity produces hydrogen which is consistent
24 with the hydrogen that such facility was

1 designed and expected to produce under
2 subparagraph (A)(ii), and

3 “(ii) recaptures so much of any credit
4 allowed under this section as exceeds the
5 amount of the credit which would have
6 been allowed if the expected production
7 were consistent with the actual verified
8 production (or all of the credit so allowed
9 in the absence of such verification).”.

10 (2) EFFECTIVE DATE.—The amendments made
11 by this section shall apply to periods after December
12 31, 2021, under rules similar to the rules of section
13 48(m) of the Internal Revenue Code of 1986 (as in
14 effect on the day before the date of the enactment
15 of the Revenue Reconciliation Act of 1990).

16 (d) TERMINATION OF EXCISE TAX CREDIT FOR HY-
17 DROGEN.—

18 (1) IN GENERAL.—Section 6426(d)(2) is
19 amended by striking subparagraph (D) and by re-
20 designating subparagraphs (E), (F), and (G) as sub-
21 paragraphs (D), (E), and (F), respectively.

22 (2) CONFORMING AMENDMENT.—Section
23 6426(e)(2) is amended by striking “(F)” and insert-
24 ing “(E)”.

1 (3) EFFECTIVE DATE.—The amendments made
2 by this subsection shall apply to fuel sold or used
3 after December 31, 2021.

4 **PART 3—GREEN ENERGY AND EFFICIENCY**

5 **INCENTIVES FOR INDIVIDUALS**

6 **SEC. 136301. EXTENSION, INCREASE, AND MODIFICATIONS**
7 **OF NONBUSINESS ENERGY PROPERTY CRED-**
8 **IT.**

9 (a) EXTENSION OF CREDIT.—Section 25C(g)(2) is
10 amended by striking “December 31, 2021” and inserting
11 “December 31, 2031”.

12 (b) INCREASE IN CREDIT PERCENTAGE FOR QUALI-
13 FIED ENERGY EFFICIENCY IMPROVEMENTS.—Section
14 25C(a)(1) is amended by striking “10 percent” and insert-
15 ing “30 percent”.

16 (c) APPLICATION OF ANNUAL LIMITATION IN LIEU
17 OF LIFETIME LIMITATION.—Section 25C(b) is amended
18 to read as follows:

19 “(b) LIMITATIONS.—

20 “(1) IN GENERAL.—The credit allowed under
21 this section with respect to any taxpayer for any tax-
22 able year shall not exceed \$1,200.

23 “(2) WINDOWS.—The credit allowed under this
24 section by reason of subsection (a)(1) with respect to
25 any taxpayer for any taxable year shall not exceed—

1 “(A) in the aggregate with respect to all
2 exterior windows and skylights which are not
3 described in subparagraph (B), \$200,

4 “(B) in the aggregate with respect to all
5 exterior windows and skylights which meet the
6 standard for the most efficient certification
7 under applicable Energy Star program require-
8 ments, the excess (if any) of \$600 over the
9 credit so allowed with respect to all windows
10 and skylights taken into account under sub-
11 paragraph (A).

12 “(3) DOORS.—The credit allowed under this
13 section by reason of subsection (a)(1) with respect to
14 any taxpayer for any taxable year shall not exceed—

15 “(A) \$250 in the case of any exterior door,
16 and

17 “(B) \$500 in the aggregate with respect to
18 all exterior doors.”.

19 (d) MODIFICATIONS RELATED TO QUALIFIED EN-
20 ERGY EFFICIENCY IMPROVEMENTS.—

21 (1) STANDARDS FOR ENERGY EFFICIENT
22 BUILDING ENVELOPE COMPONENTS.—Section
23 25C(e)(2) is amended by striking “meets—” and all
24 that follows through the period at the end and in-
25 serting the following: “meets—

1 “(A) in the case of an exterior window, a
2 skylight, or an exterior door, applicable Energy
3 Star program requirements, and

4 “(B) in the case of any other component,
5 the prescriptive criteria for such component es-
6 tablished by the most recent International En-
7 ergy Conservation Code standard in effect as of
8 the beginning of the calendar year which is 2
9 years prior to the calendar year in which such
10 component is placed in service.”.

11 (2) ROOFS NOT TREATED AS BUILDING ENVE-
12 LOPE COMPONENTS.—Section 25C(c)(3) is amended
13 by adding “and” at the end of subparagraph (B), by
14 striking “, and” at the end of subparagraph (C) and
15 inserting a period, and by striking subparagraph
16 (D).

17 (3) AIR BARRIER INSULATION ADDED TO DEFI-
18 NITION OF BUILDING ENVELOPE COMPONENT.—Sec-
19 tion 25C(c)(3)(A) is amended by striking “material
20 or system” and inserting “material or system, in-
21 cluding air sealing material or system,”.

22 (e) MODIFICATION OF RESIDENTIAL ENERGY PROP-
23 erty EXPENDITURES.—Section 25C(d) is amended to
24 read as follows:

1 “(d) RESIDENTIAL ENERGY PROPERTY EXPENDI-
2 TURES.—For purposes of this section—

3 “(1) IN GENERAL.—The term ‘residential en-
4 ergy property expenditures’ means expenditures
5 made by the taxpayer for qualified energy property
6 which is—

7 “(A) installed on or in connection with a
8 dwelling unit located in the United States and
9 used as a residence by the taxpayer, and

10 “(B) originally placed in service by the tax-
11 payer.

12 Such term includes expenditures for labor costs
13 properly allocable to the onsite preparation, assem-
14 bly, or original installation of the property.

15 “(2) QUALIFIED ENERGY PROPERTY.—The
16 term ‘qualified energy property’ means any of the
17 following which meet or exceed the highest efficiency
18 tier (not including any advanced tier) established by
19 the Consortium for Energy Efficiency which is in ef-
20 fect as of the beginning of the calendar year in
21 which the property is placed in service:

22 “(A) An electric heat pump water heater.

23 “(B) An electric heat pump.

24 “(C) A central air conditioner.

1 “(D) A natural gas, propane, or oil water
2 heater.

3 “(E) A natural gas, propane, or oil furnace
4 or hot water boiler.”.

5 (f) HOME ENERGY AUDITS.—

6 (1) IN GENERAL.—Section 25C(a) is amended
7 by striking “and” at the end of paragraph (1), by
8 striking the period at the end of paragraph (2) and
9 inserting “, and”, and by adding at the end the fol-
10 lowing new paragraph:

11 “(3) 30 percent of the amount paid or incurred
12 by the taxpayer during the taxable year for home en-
13 ergy audits.”.

14 (2) LIMITATION.—Section 25C(b), as amended
15 by subsection (c), is amended adding at the end the
16 following new paragraph:

17 “(5) HOME ENERGY AUDITS.—

18 “(A) DOLLAR LIMITATION.—The amount
19 of the credit allowed under this section by rea-
20 son of subsection (a)(3) shall not exceed \$150.

21 “(B) SUBSTANTIATION REQUIREMENT.—
22 No credit shall be allowed under this section by
23 reason of subsection (a)(3) unless the taxpayer
24 includes with the taxpayer’s return of tax such

1 information or documentation as the Secretary
2 may require.”.

3 (3) HOME ENERGY AUDITS.—

4 (A) IN GENERAL.—Section 25C, as amend-
5 ed by subsections (a), is amended by redesignig-
6 nating subsections (e), (f), and (g), as sub-
7 sections (f), (g), and (h), respectively, and by
8 inserting after subsection (d) the following new
9 subsection:

10 “(e) HOME ENERGY AUDITS.—For purposes of this
11 section, the term ‘home energy audit’ means an inspection
12 and written report with respect to a dwelling unit located
13 in the United States and owned or used by the taxpayer
14 as the taxpayer’s principal residence (within the meaning
15 of section 121) which—

16 “(1) identifies the most significant and cost-ef-
17 fective energy efficiency improvements with respect
18 to such dwelling unit, including an estimate of the
19 energy and cost savings with respect to each such
20 improvement, and

21 “(2) is conducted and prepared by a home en-
22 ergy auditor that meets the certification or other re-
23 quirements specified by the Secretary (after con-
24 sultation with the Secretary of Energy and the Ad-
25 ministrator of the Environmental Protection Agency

1 and not later than 180 days after the date of the en-
2 actment of this subsection) in regulations or other
3 guidance.”.

4 (B) CONFORMING AMENDMENT.—Section
5 1016(a)(33) is amended by striking “section
6 25C(f)” and inserting “section 25C(g)”.

7 (4) LACK OF SUBSTANTIATION TREATED AS
8 MATHEMATICAL OR CLERICAL ERROR.—Section
9 6213(g)(2) is amended—

10 (A) in subparagraph (P), by striking
11 “and” at the end,

12 (B) in subparagraph (Q), by striking the
13 period at the end and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(R) an omission of correct information or
16 documentation required under section
17 25C(b)(5)(B) (relating to home energy audits)
18 to be included on a return.”.

19 (g) IDENTIFICATION NUMBER REQUIREMENT.—

20 (1) IN GENERAL.—Section 25C, as amended by
21 subsections (a) and (f), is amended by redesignating
22 subsection (h) as subsection (i) and by inserting
23 after subsection (g) the following new subsection:

24 “(h) PRODUCT IDENTIFICATION NUMBER REQUIRE-
25 MENT.—

1 “(1) IN GENERAL.—No credit shall be allowed
2 under subsection (a) with respect to any item of
3 specified property placed in service after December
4 31, 2023, unless—

5 “(A) such item is produced by a qualified
6 manufacturer, and

7 “(B) the taxpayer includes the qualified
8 product identification number of such item on
9 the return of tax for the taxable year.

10 “(2) QUALIFIED PRODUCT IDENTIFICATION
11 NUMBER.—For purposes of this section, the term
12 ‘qualified product identification number’ means, with
13 respect to any item of specified property, the prod-
14 uct identification number assigned to such item by
15 the qualified manufacturer pursuant to the method-
16 ology referred to in paragraph (3).

17 “(3) QUALIFIED MANUFACTURER.—

18 “(A) IN GENERAL.—For purposes of this
19 section, the term ‘qualified manufacturer’
20 means any manufacturer of specified property
21 which enters into an agreement with the Sec-
22 retary which provides that such manufacturer
23 will—

24 “(i) assign a product identification
25 number to each item of specified property

1 produced by such manufacturer utilizing a
2 methodology that will ensure that such
3 number (including any alphanumeric) is
4 unique to each such item (by utilizing
5 numbers or letters which are unique to
6 such manufacturer or by such other meth-
7 od as the Secretary may provide),

8 “(ii) label such item with such num-
9 ber in such manner as the Secretary may
10 provide, and

11 “(iii) make periodic written reports to
12 the Secretary (at such times and in such
13 manner as the Secretary may provide) of
14 the product identification numbers so as-
15 signed and including such information as
16 the Secretary may require with respect to
17 the item of specified property to which
18 such number was so assigned.

19 “(B) CONSULTATION WITH DOE AND
20 EPA.—The Secretary, after consultation with
21 the Secretary of Energy and the Administrator
22 of the Environmental Protection Agency, shall
23 establish procedures for manufacturers and
24 consumers to meet the requirements for product
25 identification numbers under subparagraph (A).

1 “(4) SPECIFIED PROPERTY.—For purposes of
2 this subsection, the term ‘specified property’ means
3 any qualified energy property and any property de-
4 scribed in subparagraph (B) or (C) of subsection
5 (e)(3).”.

6 (2) OMISSION OF CORRECT PRODUCT IDENTI-
7 FICATION NUMBER TREATED AS MATHEMATICAL OR
8 CLERICAL ERROR.—Section 6213(g)(2), as amended
9 by the preceding provisions of this Act, is amend-
10 ed—

11 (A) in subparagraph (Q), by striking
12 “and” at the end,

13 (B) in subparagraph (R), by striking the
14 period at the end and inserting “, and”, and

15 (C) by adding at the end the following:

16 “(S) an omission of a correct product iden-
17 tification number required under section 25C(h)
18 (relating to credit for nonbusiness energy prop-
19 erty) to be included on a return.”.

20 (h) EFFECTIVE DATES.—

21 (1) IN GENERAL.—Except as otherwise pro-
22 vided by this subsection, the amendments made by
23 this section shall apply to property placed in service
24 after December 31, 2021.

1 (2) HOME ENERGY AUDITS.—The amendments
2 made by subsection (f) shall apply to amounts paid
3 or incurred after December 31, 2021.

4 (3) IDENTIFICATION NUMBER REQUIREMENT.—
5 The amendments made subsection (g) shall apply to
6 property placed in service after December 31, 2023.

7 **SEC. 136302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

8 (a) EXTENSION OF CREDIT.—

9 (1) IN GENERAL.—Section 25D(h) is amended
10 by striking “December 31, 2023” and inserting
11 “December 31, 2033”.

12 (2) APPLICATION OF PHASEOUT.—Section
13 25D(g) is amended—

14 (A) by striking “before January 1, 2023”
15 in paragraph (2) and inserting “before January
16 1, 2022”,

17 (B) by striking “and” at the end of para-
18 graph (2),

19 (C) by redesignating paragraph (3) as
20 paragraph (5) and by inserting after paragraph
21 (2) the following new paragraphs:

22 “(3) in the case of property placed in service
23 after December 31, 2021, and before January 1,
24 2032, 30 percent,

1 “(4) in the case of property placed in service
2 after December 31, 2031, and before January 1,
3 2033, 26 percent, and”, and

4 (D) by striking “December 31, 2022, and
5 before January 1, 2024” in paragraph (5) (as
6 so redesignated) and inserting “December 31,
7 2032, and before January 1, 2034”.

8 (b) RESIDENTIAL ENERGY EFFICIENT PROPERTY
9 CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

10 (1) IN GENERAL.—Section 25D(a) is amended
11 by striking “and” at the end of paragraph (5) and
12 by inserting after paragraph (6) the following new
13 paragraph:

14 “(7) the qualified battery storage technology ex-
15 penditures,”.

16 (2) QUALIFIED BATTERY STORAGE TECH-
17 NOLOGY EXPENDITURE.—Section 25D(d) is amend-
18 ed by adding at the end the following new para-
19 graph:

20 “(7) QUALIFIED BATTERY STORAGE TECH-
21 NOLOGY EXPENDITURE.—The term ‘qualified bat-
22 tery storage technology expenditure’ means an ex-
23 penditure for battery storage technology which—

1 “(A) is installed in connection with a
2 dwelling unit located in the United States and
3 used as a residence by the taxpayer, and

4 “(B) has a capacity of not less than 3 kilo-
5 watt hours.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to expenditures made after Decem-
8 ber 31, 2021.

9 **SEC. 136303. ENERGY EFFICIENT COMMERCIAL BUILDINGS**
10 **DEDUCTION.**

11 (a) PLACED IN SERVICE REQUIREMENT.—Section
12 179D(c)(2) is amended by striking “the date that is 2
13 years before the date that construction of such property
14 begins” and inserting “the date that is 2 years before the
15 date such property is placed into service”.

16 (b) TEMPORARY INCREASE IN DEDUCTION, ETC.—
17 Section 179D is amended by adding at the end the fol-
18 lowing:

19 “(i) TEMPORARY RULES.—

20 “(1) PERIOD OF APPLICATION.—The provisions
21 of this subsection shall apply only to taxable years
22 beginning after December 31, 2021, and before Jan-
23 uary 1, 2032.

1 “(2) MODIFICATION OF EFFICIENCY STAND-
2 ARD.—Subsection (c)(1)(D) shall be applied by sub-
3 stituting ‘25’ for ‘50’.

4 “(3) MAXIMUM AMOUNT OF DEDUCTION.—

5 “(A) IN GENERAL.—The deduction under
6 subsection (a) with respect to any building for
7 any taxable year shall not exceed the excess (if
8 any) of—

9 “(i) the product of—

10 “(I) the applicable dollar value,

11 and

12 “(II) the square footage of the
13 building, over

14 “(ii) the aggregate amount of the de-
15 ductions under subsection (a) and para-
16 graph (6) with respect to the building for
17 the 3 taxable years immediately preceding
18 such taxable year (or, in the case of any
19 such deduction allowable to a person other
20 than the taxpayer, for any taxable year
21 ending during the 4-taxable-year period
22 ending with such taxable year).

23 “(B) APPLICABLE DOLLAR VALUE.—For
24 purposes of paragraph (3)(A)(i), the applicable
25 dollar value shall be an amount equal to \$2.50

1 increased (but not above \$5.00) by \$0.10 for
2 each percentage point by which the total annual
3 energy and power costs for the building are cer-
4 tified to be reduced by a percentage greater
5 than 25 percent.

6 “(C) APPLICATION OF INFLATION ADJUST-
7 MENT.—Subsection (g) shall be applied—

8 “(i) by substituting ‘2022’ for ‘2020’,

9 “(ii) by substituting ‘subsection
10 (i)(3)(B)’ for ‘subsection (b) or subsection
11 (d)(1)(A)’, and

12 “(iii) by substituting ‘2021’ for
13 ‘2019’.

14 “(D) LIMITATION TO APPLY IN LIEU OF
15 CURRENT LIMITATION AND PARTIAL ALLOW-
16 ANCE.—Subsections (b) and (d)(1) shall not
17 apply.

18 “(4) BASE CREDIT AMOUNT AND INCREASED
19 CREDIT AMOUNT FOR CERTAIN PROPERTY.—

20 “(A) IN GENERAL.—In the case of any
21 property which does not satisfy the require-
22 ments of subparagraph (B), paragraph (3)(B)
23 shall be applied by substituting ‘\$0.50’ for
24 ‘\$2.50’, ‘\$.02’ for ‘\$.10’, and ‘\$1.00’ for
25 ‘\$5.00’.

1 “(B) INCREASED CREDIT FOR CERTAIN
2 PROPERTY MEETING PROJECT REQUIRE-
3 MENTS.—

4 “(i) PROJECT REQUIREMENTS.—A
5 project meets the requirements of this sub-
6 paragraph if it is one of the following:

7 “(I) A project which commences
8 construction prior to the date of the
9 enactment of this paragraph.

10 “(II) A project which commences
11 construction after the date of enact-
12 ment of this paragraph and satisfies
13 the requirements of paragraphs (5)
14 and (6).

15 “(III) A project with respect to
16 which initial construction is completed
17 and building modifications are made
18 as part of a qualified retrofit plan,
19 and which satisfies paragraphs (5)
20 and (6).

21 “(5) PREVAILING WAGE REQUIREMENTS.—

22 “(A) IN GENERAL.—The requirements de-
23 scribed in this subparagraph with respect to
24 any project are that the taxpayer shall ensure
25 that any laborers and mechanics employed by

1 contractors and subcontractors in the construc-
2 tion of any property or with respect to building
3 modifications made as part of a qualified ret-
4 rofit plan shall be paid wages at rates not less
5 than the prevailing rates for construction, alter-
6 ation, or repair of a similar character in the lo-
7 cality as most recently determined by the Sec-
8 retary of Labor, in accordance with subchapter
9 IV of chapter 31 of title 40, United States
10 Code.

11 “(B) CORRECTION AND PENALTY RELATED
12 TO FAILURE TO SATISFY WAGE REQUIRE-
13 MENTS.—In the case of any taxpayer which
14 fails to satisfy the requirement under subpara-
15 graph (A) with respect to any project or any
16 building modifications made as part of a quali-
17 fied retrofit plan, rules similar to the rules of
18 section 45(b)(8)(B) shall apply for purposes of
19 this paragraph.

20 “(6) APPRENTICESHIP REQUIREMENTS.—The
21 requirements described in this subparagraph with re-
22 spect to any property are as follows:

23 “(A) LABOR HOURS.—

24 “(i) PERCENTAGE OF TOTAL LABOR
25 HOURS.—All contractors and subcontrac-

1 tors engaged in the performance of con-
2 struction of a project or building modifica-
3 tions made as part of a qualified retrofit
4 plan shall, subject to subparagraph (B),
5 ensure that not less than the applicable
6 percentage of the total labor hours of such
7 work be performed by qualified appren-
8 tices.

9 “(ii) APPLICABLE PERCENTAGE.—For
10 purposes of paragraph (1), the applicable
11 percentage shall be—

12 “(I) in the case of any applicable
13 project the construction of which be-
14 gins before January 1, 2023, 5 per-
15 cent,

16 “(II) in the case of any applica-
17 ble project the construction of which
18 begins after December 31, 2022, and
19 before January 1, 2024, 10 percent,
20 and

21 “(III) in the case of any applica-
22 ble project the construction of which
23 begins after December 31, 2023, 15
24 percent.

1 “(B) APPRENTICE TO JOURNEYWORKER
2 RATIO.—The requirement under subparagraph
3 (A)(i) shall be subject to any applicable require-
4 ments for apprentice-to-journeyworker ratios of
5 the Department of Labor or the applicable
6 State apprenticeship agency.

7 “(C) PARTICIPATION.—Each contractor
8 and subcontractor who employs 4 or more indi-
9 viduals to perform construction, alteration, or
10 repair work on an applicable project shall em-
11 ploy 1 or more qualified apprentices to perform
12 such work.

13 “(D) EXCEPTION.—
14 “(i) IN GENERAL.—Notwithstanding
15 any other provision of this paragraph, this
16 paragraph shall not apply in the case of a
17 taxpayer who—

18 “(I) demonstrates a lack of avail-
19 ability of qualified apprentices in the
20 geographic area of the construction,
21 alteration, or repair work, and

22 “(II) makes a good faith effort to
23 comply with the requirements of this
24 paragraph.

1 “(ii) GOOD FAITH EFFORT.—For pur-
2 poses of clause (i), a taxpayer shall be
3 deemed to have satisfied the requirements
4 under such paragraph with respect to an
5 applicable project if such taxpayer has re-
6 quested qualified apprentices from a reg-
7 istered apprenticeship program, as defined
8 in section 3131(e)(3)(B), and such request
9 has been denied, provided that such denial
10 is not the result of a refusal by the con-
11 tractors or subcontractors engaged in the
12 performance of construction, alteration, or
13 repair work on such applicable project to
14 comply with the established standards and
15 requirements of such apprenticeship pro-
16 gram.

17 “(E) DEFINITIONS.—For purposes of this
18 paragraph—

19 “(i) LABOR HOURS.—The term ‘labor
20 hours’ has the meaning given such term in
21 section 45(b)(9)(E)(i).

22 “(ii) QUALIFIED APPRENTICE.—The
23 term ‘qualified apprentice’ has the mean-
24 ing given such term in section
25 45(b)(9)(E)(ii).

1 “(7) ALLOCATION OF DEDUCTION BY CERTAIN
2 TAX-EXEMPT ENTITIES.—

3 “(A) IN GENERAL.—A specified tax-ex-
4 empt entity shall be treated in the same manner
5 as a Federal, State, or local government for
6 purposes of applying subsection (d)(4).

7 “(B) SPECIFIED TAX-EXEMPT ENTITY.—
8 For purposes of this paragraph, the term ‘spec-
9 ified tax-exempt entity’ means—

10 “(i) the United States, any State or
11 political subdivision thereof, any possession
12 of the United States, or any agency or in-
13 strumentality of any of the foregoing,

14 “(ii) any Indian tribal government
15 (within the meaning of section 139E), and

16 “(iii) any organization exempt from
17 tax imposed by this chapter.

18 “(8) ALTERNATIVE DEDUCTION FOR ENERGY
19 EFFICIENT RETROFIT BUILDING PROPERTY.—

20 “(A) IN GENERAL.—In the case of a tax-
21 payer which elects (at such time and in such
22 manner as the Secretary, after consultation
23 with the administrator of the Environmental
24 Protection Agency, may provide) the application
25 of this paragraph with respect to any qualified

1 building, there shall be allowed as a deduction
2 for the taxable year which includes the date of
3 the qualifying final certification with respect to
4 the qualified retrofit plan of such building, an
5 amount equal to the lesser of—

6 “(i) the excess described in paragraph
7 (3) (determined by substituting ‘energy
8 usage intensity’ for ‘total annual energy
9 and power costs’ in subparagraph (B)
10 thereof), or

11 “(ii) the aggregate adjusted basis (de-
12 termined after taking into account all ad-
13 justments with respect to such taxable year
14 other than the reduction under subsection
15 (e)) of energy efficient retrofit building
16 property placed in service by the taxpayer
17 pursuant to such qualified retrofit plan.

18 “(B) QUALIFIED RETROFIT PLAN.—For
19 purposes of this paragraph, the term ‘qualified
20 retrofit plan’ means a written plan prepared by
21 a qualified professional which specifies modi-
22 fications to a building which, in the aggregate,
23 are expected to reduce such building’s energy
24 usage intensity by 25 percent or more in com-
25 parison to the baseline energy usage intensity of

1 such building. Such plan shall provide for a
2 qualified professional to—

3 “(i) as of any date during the 1-year
4 period ending on the date of the first cer-
5 tification described in clause (ii), certify
6 the energy usage intensity of such building
7 as of such date,

8 “(ii) certify the status of property in-
9 stalled pursuant to such plan as meeting
10 the requirements of clauses (ii) and (iii)
11 subparagraph (C), and

12 “(iii) as of any date that is more than
13 1 year after completion of the plan, certify
14 the energy usage intensity of such building
15 as of such date.

16 “(C) ENERGY EFFICIENT RETROFIT
17 BUILDING PROPERTY.—For purposes of this
18 paragraph, the term ‘energy efficient retrofit
19 building property’ means property—

20 “(i) with respect to which depreciation
21 (or amortization in lieu of depreciation) is
22 allowable,

23 “(ii) which is installed on or in any
24 qualified building,

25 “(iii) which is installed as part of—

1 “(I) the interior lighting systems,

2 “(II) the heating, cooling, ven-
3 tilation, and hot water systems, or

4 “(III) the building envelope, and

5 “(iv) which is certified in accordance
6 with subparagraph (B)(ii) as meeting the
7 requirements of clauses (ii) and (iii).

8 “(D) QUALIFIED BUILDING.—For pur-
9 poses of this paragraph, the term ‘qualified
10 building’ means any building which—

11 “(i) is located in the United States,
12 and

13 “(ii) was originally placed in service
14 not less than 5 years before the establish-
15 ment of the qualified retrofit plan with re-
16 spect to such building.

17 “(E) QUALIFYING FINAL CERTIFI-
18 CATION.—For purposes of this paragraph, the
19 term ‘qualifying final certification’ means, with
20 respect to any qualified retrofit plan, the certifi-
21 cation described in subparagraph (B)(iii) if the
22 energy usage intensity certified in such certifi-
23 cation is not more than 75 percent of the base-
24 line energy usage intensity of the building.

1 “(F) BASELINE ENERGY USAGE INTEN-
2 SITY.—

3 “(i) IN GENERAL.—The term ‘baseline
4 energy usage intensity’ means the energy
5 usage intensity certified under subpara-
6 graph (B)(i), as adjusted to take into ac-
7 count weather as compared to the energy
8 usage intensity determined under subpara-
9 graph (B)(iii)(I).

10 “(ii) DETERMINATION OF ADJUST-
11 MENT.—For purposes of clause (i), the ad-
12 justments described in such clause shall be
13 determined in such manner as the Sec-
14 retary, after consultation with the Admin-
15 istrator of the Environmental Protection
16 Agency, may provide.

17 “(G) OTHER DEFINITIONS.—For purposes
18 of this paragraph—

19 “(i) ENERGY USAGE INTENSITY.—The
20 term ‘energy usage intensity’ means the
21 site energy usage intensity determined in
22 accordance with such regulations or other
23 guidance as the Secretary, after consulta-
24 tion with the Administrator of the Envi-

1 ronmental Protection Agency, may provide
2 and measured in British thermal units.

3 “(ii) QUALIFIED PROFESSIONAL.—
4 The term ‘qualified professional’ means an
5 individual who is a licensed architect or a
6 licenced engineer and meets such other re-
7 quirements as the Secretary may provide.

8 “(H) COORDINATION WITH DEDUCTION
9 OTHERWISE ALLOWED UNDER SUBSECTION
10 (a).—

11 “(i) IN GENERAL.—In the case of any
12 building with respect to which an election
13 is made under subparagraph (A), the term
14 ‘energy efficient commercial building prop-
15 erty’ shall not include any energy efficient
16 retrofit building property with respect to
17 which a deduction is allowable under this
18 paragraph.

19 “(ii) CERTAIN RULES NOT APPLICA-
20 BLE.—

21 “(I) IN GENERAL.—Except as
22 provided in subclause (II), subsection
23 (d) shall not apply for purposes of
24 this paragraph.

1 “(II) ALLOCATION OF DEDUC-
2 TION BY CERTAIN TAX-EXEMPT ENTI-
3 TIES.—Rules similar to subsection
4 (d)(4) (determined after application of
5 paragraph (5)) shall apply for pur-
6 poses of this paragraph.”.

7 (c) EFFECTIVE DATE.—

8 (1) IN GENERAL.—Except as otherwise pro-
9 vided in this subsection, the amendment made by
10 this section shall apply to taxable years beginning
11 after December 31, 2021.

12 (2) ALTERNATIVE DEDUCTION FOR ENERGY EF-
13 FICIENT RETROFIT BUILDING PROPERTY.—Para-
14 graph (6) of section 179D(i) of the Internal Revenue
15 Code of 1986 (as added by this section), and any
16 other provision of such section solely for purposes of
17 applying such paragraph, shall apply to property
18 placed in service after December 31, 2021 (in tax-
19 able years ending after such date) if such property
20 is placed in service pursuant to qualified retrofit
21 plan (within the meaning of such section) estab-
22 lished after such date.

1 **SEC. 136304. EXTENSION, INCREASE, AND MODIFICATIONS**
2 **OF NEW ENERGY EFFICIENT HOME CREDIT.**

3 (a) EXTENSION OF CREDIT.—Section 45L(g) is
4 amended by striking “December 31, 2021” and inserting
5 “December 31, 2031”.

6 (b) INCREASE IN CREDIT AMOUNTS.—Section
7 45L(a)(2) is amended to read as follows:

8 “(2) APPLICABLE AMOUNT.—For purposes of
9 paragraph (1), the applicable amount is an amount
10 equal to—

11 “(A) in the case of a dwelling unit which
12 is eligible to participate in the Energy Star
13 Residential New Construction Program or the
14 Energy Star Manufactured New Homes pro-
15 gram—

16 “(i) that is described in subsection
17 (c)(1)(A) (and not described in subsection
18 (c)(1)(B)), \$2,500, and

19 “(ii) that is described in subsection
20 (c)(1)(B), \$5000, and

21 “(B) in the case of a dwelling which are
22 part of a building eligible to participate in the
23 Energy Star Multifamily New Construction
24 Program—

1 “(i) that is described in subsection
2 (c)(1)(A) (and not described in subsection
3 (c)(1)(B)), \$500, and

4 “(ii) that is described in subsection
5 (c)(1)(B), \$1000.”.

6 (c) MODIFICATION OF ENERGY SAVING REQUIRE-
7 MENTS.—Section 45L(c) is amended to read as follows:

8 “(c) ENERGY SAVING REQUIREMENTS.—

9 “(1) IN GENERAL.—A dwelling unit meets the
10 energy saving requirements of this subsection if—

11 “(A) such dwelling unit meets the require-
12 ments of paragraph (2) or (3) (whichever is ap-
13 plicable), or

14 “(B) such dwelling unit is certified as a
15 zero energy ready home under the zero energy
16 ready home program of the Department of En-
17 ergy (or any successor program determined by
18 the Secretary, after consultation with the Sec-
19 retary of Energy) as in effect on January 1,
20 2022.

21 “(2) SINGLE-FAMILY HOME REQUIREMENTS.—

22 A dwelling unit meets the requirements of this para-
23 graph if—

24 “(A) such dwelling unit meets—

1 “(i) in the case of a dwelling unit ac-
2 quired before January 1, 2025, the Energy
3 Star Single-Family New Homes National
4 Program Requirements 3.1, and

5 “(ii) in the case of a dwelling unit ac-
6 quired after December 31, 2024, the En-
7 ergy Star Single-Family New Homes Na-
8 tional Program Requirements 3.2,

9 “(B) such dwelling unit meets the most re-
10 cent Energy Star Single-Family New Homes
11 Program Requirements applicable to the loca-
12 tion of such dwelling unit (as in effect on the
13 latter of January 1, 2022 or January 1 of two
14 calendar years prior to the date the dwelling
15 was acquired), or

16 “(C) such dwelling unit meets the most re-
17 cent Energy Star Manufactured Home National
18 program requirements as in effect on the latter
19 of January 1, 2022 or January 1 of two cal-
20 endar years prior to the date such dwelling unit
21 is acquired.

22 “(3) MULTI-FAMILY HOME REQUIREMENTS.—A
23 dwelling unit meets the requirements of this para-
24 graph if—

1 “(A) such dwelling unit meets the most re-
2 cent Energy Star Multifamily New Construction
3 National Program Requirements (as in effect
4 on either January 1, 2022 or January 1 of
5 three calendar years prior to the date the dwell-
6 ing was acquired, whichever is later), and

7 “(B) such dwelling unit meets the most re-
8 cent Energy Star Multifamily New Construction
9 Regional Program Requirements applicable to
10 the location of such dwelling unit (as in effect
11 on either January 1, 2022 or January 1 of
12 three calendar years prior to the date the dwell-
13 ing was acquired, whichever is later).”.

14 (d) **PREVAILING WAGE REQUIREMENT.**—Section
15 45L is amended by redesignating subsection (g) as sub-
16 section (h) and by inserting after subsection (f) the fol-
17 lowing new subsection:

18 “(g) **PREVAILING WAGE REQUIREMENT.**—

19 “(1) **IN GENERAL.**—In the case of a qualifying
20 residence described in subsection (b)(2)(B) meeting
21 the prevailing wage requirements of paragraph (2),
22 the credit amount allowed with respect to such resi-
23 dence shall be—

24 “(A) \$2,500 in the case of a residence de-
25 scribed in subparagraph (A) of subsection

1 (c)(1) (and not described in subparagraph (B)
2 of such subsection), and

3 “(B) \$5,000 in the case of a residence de-
4 scribed in (c)(1)(B).

5 “(2) PREVAILING WAGE REQUIREMENTS.—

6 “(A) IN GENERAL.—The requirements de-
7 scribed in this paragraph with respect to any
8 qualified residence are that the taxpayer shall
9 ensure that any laborers and mechanics em-
10 ployed by contractors and subcontractors in the
11 construction of such residence shall be paid
12 wages at rates not less than the prevailing rates
13 for construction, alteration, or repair of a simi-
14 lar character in the locality as most recently de-
15 termined by the Secretary of Labor, in accord-
16 ance with subchapter IV of chapter 31 of title
17 40, United States Code.

18 “(B) CORRECTION AND PENALTY RELATED
19 TO FAILURE TO SATISFY WAGE REQUIRE-
20 MENTS.—In the case of any taxpayer which
21 fails to satisfy the requirement under subpara-
22 graph (A) with respect to any qualified resi-
23 dence, rules similar to the rules of section
24 45(b)(8)(B) shall apply for purposes of this
25 paragraph.

1 or locality, for the purchase or installation of any
2 storm water management measure, or

3 “(4) provided (directly or indirectly) by a State
4 or local government to a resident of such State or
5 locality for the purchase or installation of any waste-
6 water management measure, but only if such meas-
7 ure is with respect to the taxpayer’s principal resi-
8 dence.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) DEFINITION OF WATER CONSERVATION OR
11 EFFICIENCY MEASURE AND STORM WATER MANAGE-
12 MENT MEASURE.—Section 136(c) is amended—

13 (A) by striking “ENERGY CONSERVATION
14 MEASURE” in the heading thereof and inserting
15 “DEFINITIONS”,

16 (B) by striking “IN GENERAL” in the
17 heading of paragraph (1) and inserting “EN-
18 ERGY CONSERVATION MEASURE”, and

19 (C) by redesignating paragraph (2) as
20 paragraph (5) and by inserting after paragraph
21 (1) the following:

22 “(2) WATER CONSERVATION OR EFFICIENCY
23 MEASURE.—For purposes of this section, the term
24 ‘water conservation or efficiency measure’ means any
25 evaluation of water use, or any installation or modi-

1 fication of property, the primary purpose of which is
2 to reduce consumption of water or to improve the
3 management of water demand with respect to one or
4 more dwelling units.

5 “(3) STORM WATER MANAGEMENT MEASURE.—
6 For purposes of this section, the term ‘storm water
7 management measure’ means any installation or
8 modification of property primarily designed to re-
9 duce or manage amounts of storm water with re-
10 spect to one or more dwelling units.

11 “(4) WASTEWATER MANAGEMENT MEASURE.—
12 For purposes of this section, the term ‘wastewater
13 management measure’ means any installation or
14 modification of property primarily designed to man-
15 age wastewater (including septic tanks and cess-
16 pools) with respect to one or more dwelling units.”.

17 (2) DEFINITION OF PUBLIC UTILITY.—Section
18 136(c)(5) (as redesignated by paragraph (1)(C)) is
19 amended by striking subparagraph (B) and inserting
20 the following:

21 “(B) PUBLIC UTILITY.—The term ‘public
22 utility’ means a person engaged in the sale of
23 electricity, natural gas, or water to residential,
24 commercial, or industrial customers for use by
25 such customers.

1 “(C) STORM WATER MANAGEMENT PRO-
2 VIDER.—The term ‘storm water management
3 provider’ means a person engaged in the provi-
4 sion of storm water management measures to
5 the public.

6 “(D) PERSON.—For purposes of subpara-
7 graphs (B) and (C), the term ‘person’ includes
8 the Federal Government, a State or local gov-
9 ernment or any political subdivision thereof, or
10 any instrumentality of any of the foregoing.”.

11 (3) CLERICAL AMENDMENTS.—

12 (A) The heading for section 136 is amend-
13 ed—

14 (i) by inserting “**AND WATER**” after
15 “**ENERGY**”, and

16 (ii) by striking “**PROVIDED BY PUB-
17 LIC UTILITIES**”.

18 (B) The item relating to section 136 in the
19 table of sections of part III of subchapter B of
20 chapter 1 is amended—

21 (i) by inserting “and water” after
22 “energy”, and

23 (ii) by striking “provided by public
24 utilities”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts received after Decem-
3 ber 31, 2018.

4 (d) NO INFERENCE.—Nothing in this Act or the
5 amendments made by this Act shall be construed to create
6 any inference with respect to the proper tax treatment of
7 any subsidy received directly or indirectly from a public
8 utility, a storm water management provider, or a State
9 or local government for any water conservation measure
10 or storm water management measure before January 1,
11 2019.

12 **PART 4—GREENING THE FLEET AND**
13 **ALTERNATIVE VEHICLES**

14 **SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN ELEC-**
15 **TRIC DRIVE MOTOR VEHICLE CREDIT FOR IN-**
16 **DIVIDUALS.**

17 (a) IN GENERAL.—Subpart C of part IV of sub-
18 chapter A of chapter 1 is amended by inserting after sec-
19 tion 36B the following new section:

20 **“SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE**
21 **MOTOR VEHICLES.**

22 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
23 dividual, there shall be allowed as a credit against the tax
24 imposed by this subtitle for the taxable year an amount
25 equal to the sum of the credit amounts determined under

1 subsection (b) with respect to each new qualified plug-in
2 electric drive motor vehicle placed in service by the tax-
3 payer during the taxable year.

4 “(b) PER VEHICLE DOLLAR LIMITATION.—

5 “(1) IN GENERAL.—The amount determined
6 under this subsection with respect to any new quali-
7 fied plug-in electric drive motor vehicle is the sum
8 of the amounts determined under paragraphs (2)
9 through (5) with respect to such vehicle (not to ex-
10 ceed 50 percent of the purchase price of such vehi-
11 cle).

12 “(2) BASE AMOUNT.—The amount determined
13 under this paragraph is \$4,000.

14 “(3) BATTERY CAPACITY.—In the case of a new
15 qualified plug-in electric drive motor vehicle, the
16 amount determined under this paragraph is \$3,500
17 if—

18 “(A) in the case of a vehicle placed in serv-
19 ice before January 1, 2027, such vehicle draws
20 propulsion energy from a battery with not less
21 than 40 kilowatt hours of capacity, and

22 “(B) in the case of a vehicle placed in serv-
23 ice after December 31, 2026, such vehicle
24 draws propulsion energy from a battery with
25 not less than 50 kilowatt hours of capacity.

1 “(4) DOMESTIC ASSEMBLY.—In the case of a
2 new qualified plug-in vehicle which satisfies the do-
3 mestic assembly qualifications, the amount deter-
4 mined under this paragraph is \$4,500.

5 “(5) DOMESTIC CONTENT.—In the case of a
6 new qualified plug-in vehicle which satisfies domestic
7 content qualifications, the amount determined under
8 this paragraph is \$500.

9 “(c) LIMITATION BASED ON MODIFIED ADJUSTED
10 GROSS INCOME.—

11 “(1) IN GENERAL.—The amount of the credit
12 allowable under subsection (a) shall be reduced (but
13 not below zero) by \$200 for each \$1,000 (or fraction
14 thereof) by which the taxpayer’s modified adjusted
15 gross income exceeds the threshold amount. For
16 purposes of the preceding sentence, the term ‘modi-
17 fied adjusted gross income’ means adjusted gross in-
18 come increased by any amount excluded from gross
19 income under section 911, 931, or 933.

20 “(2) SPECIAL RULE FOR DETERMINATION OF
21 MODIFIED ADJUSTED GROSS INCOME.—The modified
22 adjusted gross income of the taxpayer that is taken
23 into account for purposes of paragraph (1) shall be
24 the lesser of—

1 “(A) the modified adjusted gross income
2 for the taxable year in which the credit is
3 claimed, or

4 “(B) the modified adjusted gross income
5 for the immediately preceding taxable year.

6 “(3) THRESHOLD AMOUNT.—For purposes of
7 paragraph (1), the term ‘threshold amount’ means—

8 “(A) \$800,000 in the case of a joint return
9 or surviving spouse (half such amount for mar-
10 ried filing separately),

11 “(B) \$600,000 in the case of a head of
12 household, and

13 “(C) \$400,000 in any other case.

14 “(d) MANUFACTURER’S SUGGESTED RETAIL PRICE
15 LIMITATION.—

16 “(1) IN GENERAL.—No credit shall be allowed
17 under subsection (a) for a vehicle with a manufac-
18 turer’s suggested retail price in excess of the appli-
19 cable limitation.

20 “(2) APPLICABLE LIMITATION.—For purposes
21 of paragraph (1), the applicable limitation for each
22 vehicle classification is as follows:

23 “(A) SEDANS.—In the case of a sedan,
24 \$55,000.

1 “(B) VANS.—In the case of a van,
2 \$64,000.

3 “(C) SPORT UTILITY VEHICLES.—In the
4 case of a sport utility vehicle, \$69,000.

5 “(D) PICKUP TRUCKS.—In the case of a
6 pickup truck, \$74,000.

7 “(3) REGULATIONS.—For purposes of this sub-
8 section, the Secretary shall prescribe regulations for
9 determining vehicle classifications using criteria
10 similar to that employed by the Environmental Pro-
11 tection Agency and the Department of Energy to de-
12 termine size and class of vehicles.

13 “(e) NEW QUALIFIED PLUG-IN ELECTRIC DRIVE
14 MOTOR VEHICLE.—For purposes of this section—

15 “(1) IN GENERAL.—The term ‘new qualified
16 plug-in electric drive motor vehicle’ means a motor
17 vehicle—

18 “(A) the original use of which commences
19 with the taxpayer,

20 “(B) which is acquired for use by the tax-
21 payer and not for resale,

22 “(C) which is made by a qualified manu-
23 facturer,

24 “(D) which is treated as a motor vehicle
25 for purposes of title II of the Clean Air Act,

1 “(E) which has a gross vehicle weight rat-
2 ing of less than 14,000 pounds,

3 “(F) which is propelled to a significant ex-
4 tent by an electric motor which draws electricity
5 from a battery which—

6 “(i) has a capacity of—

7 “(I) in the case of a vehicle
8 placed in service in 2022 or 2023, not
9 less than 7 kilowatt hours, and

10 “(II) in the case of a vehicle
11 placed in service after 2023, not less
12 than 10 kilowatt hours, and

13 “(ii) is capable of being recharged
14 from an external source of electricity,

15 “(G) for which, in the case of a vehicle
16 placed into service after December 31, 2026,
17 final assembly is within the United States, and

18 “(H) is not of a character subject to an al-
19 lowance for depreciation.

20 “(2) MOTOR VEHICLE.—The term ‘motor vehi-
21 cle’ means any vehicle which is manufactured pri-
22 marily for use on public streets, roads, and highways
23 (not including a vehicle operated exclusively on a rail
24 or rails) and which has at least 4 wheels.

1 “(3) QUALIFIED MANUFACTURER.—The term
2 ‘qualified manufacturer’ means any manufacturer
3 (within the meaning of the regulations prescribed by
4 the Administrator of the Environmental Protection
5 Agency for purposes of the administration of title II
6 of the Clean Air Act (42 U.S.C. 7521 et seq.) which
7 enters into a written agreement with the Secretary
8 under which such manufacturer agrees—

9 “(A) to ensure that each vehicle manufac-
10 tured by such manufacturer after the later of
11 the date on which such agreement takes effect
12 or December 31, 2021, and that meets the re-
13 quirements of subparagraphs (D), (E), and (F)
14 of paragraph (1) and paragraph (6) of sub-
15 section (e) is labeled with a unique vehicle iden-
16 tification number, and

17 “(B) to make periodic written reports to
18 the Secretary (at such times and in such man-
19 ner as the Secretary may provide) providing
20 such vehicle identification numbers and such
21 other information related to such vehicle as the
22 Secretary may require.

23 “(4) BATTERY CAPACITY.—The term ‘capacity’
24 means, with respect to any battery, the quantity of
25 electricity which the battery is capable of storing, ex-

1 pressed in kilowatt hours, as measured from a 100
2 percent state of charge to a 0 percent state of
3 charge.

4 “(f) SPECIAL RULES.—

5 “(1) BASIS REDUCTION.—For purposes of this
6 subtitle, the basis of any property for which a credit
7 is allowable under subsection (a) shall be reduced by
8 the amount of such credit so allowed.

9 “(2) NO DOUBLE BENEFIT.—The amount of
10 any deduction or other credit allowable under this
11 chapter for a vehicle for which a credit is allowable
12 under subsection (a) shall be reduced by the amount
13 of credit allowed under such subsection for such ve-
14 hicle.

15 “(3) PROPERTY USED OUTSIDE UNITED STATES
16 NOT QUALIFIED.—No credit shall be allowable under
17 subsection (a) with respect to any property referred
18 to in section 50(b)(1).

19 “(4) RECAPTURE.—The Secretary shall, by reg-
20 ulations, provide for recapturing the benefit of any
21 credit allowable under subsection (a) with respect to
22 any property which ceases to be property eligible for
23 such credit.

24 “(5) ELECTION NOT TO TAKE CREDIT.—No
25 credit shall be allowed under subsection (a) for any

1 vehicle if the taxpayer elects to not have this section
2 apply to such vehicle.

3 “(6) INTERACTION WITH AIR QUALITY AND
4 MOTOR VEHICLE SAFETY STANDARDS.—A vehicle
5 shall not be considered eligible for a credit under
6 this section unless such vehicle is in compliance
7 with—

8 “(A) the applicable provisions of the Clean
9 Air Act for the applicable make and model year
10 of the vehicle (or applicable air quality provi-
11 sions of State law in the case of a State which
12 has adopted such provision under a waiver
13 under section 209(b) of the Clean Air Act), and

14 “(B) the motor vehicle safety provisions of
15 sections 30101 through 30169 of title 49,
16 United States Code.

17 “(g) CREDIT ALLOWED FOR 2 AND 3-WHEELED
18 PLUG-IN ELECTRIC VEHICLES.—

19 “(1) IN GENERAL.—In the case of a qualified
20 2- or 3-wheeled plug-in electric vehicle—

21 “(A) there shall be allowed as a credit
22 against the tax imposed by this subtitle for the
23 taxable year an amount equal to the sum of the
24 applicable amount with respect to each such
25 qualified 2- or 3-wheeled plug-in electric vehicle

1 placed in service by the taxpayer during the
2 taxable year, and

3 “(B) the amount of the credit allowed
4 under subparagraph (A) shall be treated as a
5 credit allowed under subsection (a).

6 “(2) APPLICABLE AMOUNT.—For purposes of
7 paragraph (1), the applicable amount is an amount
8 equal to the lesser of—

9 “(A) 10 percent of the cost of the qualified
10 2- or 3-wheeled plug-in electric vehicle, or

11 “(B) \$2,500.

12 “(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN
13 ELECTRIC VEHICLE.—The term ‘qualified 2- or 3-
14 wheeled plug-in electric vehicle’ means any vehicle
15 which—

16 “(A) has 2 or 3 wheels,

17 “(B) meets the requirements of subpara-
18 graphs (A), (B), (C), (E), (F), and (G) of sub-
19 section (e)(1) (determined by substituting ‘2.5
20 kilowatt hours’ for ‘7 kilowatt hours’ in sub-
21 paragraph (F)(i)(I) and by substituting ‘2.5 kil-
22 owatt hours’ for ‘10 kilowatt hours’ in subpara-
23 graph (F)(i)(II)),

24 “(C) is manufactured primarily for use on
25 public streets, roads, and highways, and

1 “(D) is capable of achieving a speed of 45
2 miles per hour or greater.

3 “(h) VIN NUMBER REQUIREMENT.—No credit shall
4 be allowed under this section with respect to any vehicle
5 unless the taxpayer includes the vehicle identification
6 number of such vehicle on the return of tax for the taxable
7 year.

8 “(i) TREATMENT OF CERTAIN POSSESSIONS.—

9 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR
10 CODE TAX SYSTEMS.—The Secretary shall pay to
11 each possession of the United States which has a
12 mirror code tax system amounts equal to the loss (if
13 any) to that possession by reason of the application
14 of the provisions of this section (determined without
15 regard to this subsection). Such amounts shall be
16 determined by the Secretary based on information
17 provided by the government of the respective posses-
18 sion.

19 “(2) PAYMENTS TO OTHER POSSESSIONS.—The
20 Secretary shall pay to each possession of the United
21 States which does not have a mirror code tax system
22 amounts estimated by the Secretary as being equal
23 to the aggregate benefits (if any) that would have
24 been provided to residents of such possession by rea-
25 son of the provisions of this section if a mirror code

1 tax system had been in effect in such possession.
2 The preceding sentence shall not apply unless the re-
3 spective possession has a plan which has been ap-
4 proved by the Secretary under which such possession
5 will promptly distribute such payments to its resi-
6 dents.

7 “(3) MIRROR CODE TAX SYSTEM; TREATMENT
8 OF PAYMENTS.—Rules similar to the rules of para-
9 graphs (4) and (5) of section 21(h) shall apply for
10 purposes of this section.

11 “(j) ASSEMBLY AND CONTENT QUALIFICATIONS.—
12 For purposes of this section—

13 “(1) DOMESTIC ASSEMBLY QUALIFICATIONS.—
14 The term ‘domestic assembly qualifications’ means,
15 with respect to any new qualified plug-in electric ve-
16 hicle, that the final assembly of such vehicle occurs
17 at a plant, factory, or other place which is operating
18 under a collective bargaining agreement negotiated
19 by an employee organization (as defined in section
20 412(c)(4)), determined in a manner consistent with
21 section 7701(a)(46).

22 “(2) DOMESTIC CONTENT QUALIFICATIONS.—
23 The term ‘domestic content qualifications’ means,
24 with respect to any model of a new qualified plug-
25 in electric vehicle, that vehicles of that model—

1 “(A) are assembled by a manufacturer
2 which utilizes not less than 50 percent domestic
3 content in the component parts for final assem-
4 bly of such vehicles, and

5 “(B) are powered by battery cells which
6 are manufactured in the United States (with
7 such battery cells to be included for purposes of
8 the requirement described in subparagraph
9 (A)), as certified by the manufacturer, at such
10 time, and in such form and manner, as the Sec-
11 retary may prescribe.

12 “(3) FINAL ASSEMBLY.—The term ‘final assem-
13 bly’ means the process by which a manufacturer pro-
14 duces a new qualified plug-in electric vehicle at, or
15 through the use of, a plant, factory, or other place
16 from which the vehicle is delivered to a dealer or im-
17 porter with all component parts necessary for the
18 mechanical operation of the vehicle included with the
19 vehicle, whether or not the component parts are per-
20 manently installed in or on the vehicle.

21 “(k) TERMINATION.—No credit shall be allowed
22 under this section with respect to any vehicle acquired
23 after December 31, 2031.”.

1 (b) TRANSFER OF CREDIT.—Subsection (f) of section
2 36C is amended by adding at the end the following new
3 paragraphs:

4 “(7) IN GENERAL.—Subject to such regulations
5 or other guidance as the Secretary determines nec-
6 essary or appropriate, if, with respect to the credit
7 allowed under subsection (a) for any taxable year,
8 the taxpayer elects the application of this subpara-
9 graph for such taxable year with respect to such
10 credit, the eligible entity specified in such election,
11 and not the taxpayer who has purchased or leased
12 the vehicle, shall be treated as the taxpayer for pur-
13 poses of this title with respect to such credit.

14 “(8) ELIGIBLE ENTITY.—For purposes of this
15 paragraph, the term ‘eligible entity’ means, with re-
16 spect to the vehicle for which the credit is allowed
17 under subsection (a), the dealer which sold such ve-
18 hicle to the taxpayer and has—

19 “(A) subject to paragraph (10), registered
20 with the Secretary for purposes of this para-
21 graph, at such time, and in such form and
22 manner, as the Secretary may prescribe,

23 “(B) prior to the election described in
24 paragraph (7), disclosed to the taxpayer pur-
25 chasing such vehicle—

1 “(i) the manufacturer’s suggested re-
2 tail price,

3 “(ii) the value of the credit allowed or
4 other incentive available for the purchase
5 or lease of such vehicle,

6 “(iii) all fees associated with the pur-
7 chase or lease of such vehicle, and

8 “(iv) the amount provided by the deal-
9 er to such taxpayer as a condition of the
10 election described in paragraph (7),

11 “(C) made payment to such taxpayer
12 (whether in cash or in the form of a partial
13 payment or down payment for the purchase of
14 such vehicle) in an amount equal to the credit
15 otherwise allowable to such taxpayer, and

16 “(D) with respect to any incentive other-
17 wise available for the purchase of a vehicle for
18 which a credit is allowed under this section, in-
19 cluding any incentive in the form of a rebate or
20 discount provided by the dealer or manufac-
21 turer, ensured that—

22 “(i) the availability or use of such in-
23 centive shall not limit the ability of a tax-
24 payer to make an election described in
25 paragraph (7), and

1 “(ii) such election shall not limit the
2 value or use of such incentive.

3 “(9) TIMING.—An election described in para-
4 graph (7) shall be made by the taxpayer not later
5 than the date on which the vehicle for which the
6 credit is allowed under subsection (a) is purchased.

7 “(10) REVOCATION OF REGISTRATION.—Upon
8 determination by the Secretary that a dealer has
9 failed to comply with the requirements described in
10 paragraph (8), the Secretary may revoke the reg-
11 istration (as described in subparagraph (A) of such
12 subparagraph) of such dealer.

13 “(11) TAX TREATMENT OF PAYMENTS.—With
14 respect to any payment described in paragraph
15 (8)(C), such payment—

16 “(A) shall not be includible in the gross in-
17 come of the taxpayer, and

18 “(B) with respect to the dealer, shall not
19 be deductible under this title.

20 “(12) ADVANCE PAYMENT TO REGISTERED
21 DEALERS.—

22 “(A) IN GENERAL.—The Secretary shall
23 establish a program to make advance payments
24 to any eligible entity in an amount equal to the
25 cumulative amount of the credits allowed under

1 subsection (a) with respect to any vehicles sold
2 by such entity for which an election described
3 in paragraph (1) has been made.

4 “(B) EXCESSIVE PAYMENTS.—Rules simi-
5 lar to the rules of section 6417(c)(8) shall apply
6 for purposes of this subparagraph.

7 “(13) DEALER.—For purposes of this para-
8 graph, the term ‘dealer’ means a person licensed by
9 a State, the District of Columbia, the Common-
10 wealth of Puerto Rico, any other territory or posses-
11 sion of the United States, or an Indian Tribe (as de-
12 fined in section 4 of the Indian Self-Determination
13 and Education Assistance Act (25 U.S.C. 5304)) to
14 engage in the sale of vehicles.”.

15 (c) REPEAL OF NONREFUNDABLE NEW QUALIFIED
16 PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.—
17 Subpart B of part IV of subchapter A of chapter 1 is
18 amended by striking section 30D (and by striking the item
19 relating to such section in the table of sections of such
20 subpart).

21 (d) CONFORMING AMENDMENTS.—

22 (1) Section 1016(a)(37) is amended by striking
23 “section 30D(f)(1)” and inserting “section
24 36C(f)(1)”.

1 (2) Section 6211(b)(4)(A) is amended by insert-
2 ing “36C,” after “36B,”.

3 (3) Section 6213(g)(2), as amended by the pre-
4 ceding provisions of this Act, is amended—

5 (A) in subparagraph (R), by striking
6 “and” at the end,

7 (B) in subparagraph (S), by striking the
8 period at the end and inserting “, and”, and

9 (C) by adding at the end the following:

10 “(T) an omission of a correct vehicle iden-
11 tification number required under section 36C(f)
12 (relating to credit for new qualified plug-in elec-
13 tric drive motor vehicles) to be included on a re-
14 turn.”.

15 (4) Section 6501(m) is amended by striking
16 “30D(e)(4)” and inserting “36C(f)(5)”.

17 (5) Section 166(b)(5)(A)(ii) of title 23, United
18 States Code, is amended by striking “section
19 30D(d)(1)” and inserting “section 36C(e)(1)”.

20 (6) Section 1324(b)(2) of title 31, United
21 States Code, is amended by inserting “36C,” after
22 “36B,”.

23 (7) The table of sections for subpart C of part
24 IV of subchapter A of chapter 1 is amended by in-

1 serting after the item relating to section 36B the fol-
2 lowing new item:

“Sec. 36C. New qualified plug-in electric drive motor vehicles.”.

3 (e) **EFFECTIVE DATES.**—

4 (1) The amendments made by subsections (a),
5 (c), and (d) of this section shall apply to vehicles ac-
6 quired after December 31, 2021.

7 (2) The amendments made by subsection (b)
8 shall apply to vehicles purchased or leased after De-
9 cember 31, 2022.

10 **SEC. 136402. CREDIT FOR PREVIOUSLY-OWNED QUALIFIED**
11 **PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.**

12 (a) **IN GENERAL.**—Subpart C of part IV of sub-
13 chapter A of chapter 1, as amended by the preceding pro-
14 visions of this Act, is amended by inserting after section
15 36C the following new section:

16 **“SEC. 36D. PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELEC-**
17 **TRIC DRIVE MOTOR VEHICLES.**

18 “(a) **ALLOWANCE OF CREDIT.**—In the case of a
19 qualified buyer who during a taxable year places in service
20 a previously-owned qualified plug-in electric drive motor
21 vehicle, there shall be allowed as a credit against the tax
22 imposed by this subtitle for the taxable year an amount
23 equal to the sum of—

24 “(1) \$1,250, plus

1 “(2) in the case of a vehicle which draws pro-
2 pulsion energy from a battery which exceeds 4 kilo-
3 watt hours of capacity (determined at the time of
4 sale), the lesser of—

5 “(A) \$1,250, and

6 “(B) the product of \$208.50 and such ex-
7 cess kilowatt hours.

8 “(b) LIMITATIONS.—

9 “(1) SALE PRICE.—The credit allowed under
10 subsection (a) with respect to sale of a vehicle shall
11 not exceed 30 percent of the sale price.

12 “(2) ADJUSTED GROSS INCOME.—The amount
13 which would (but for this paragraph) be allowed as
14 a credit under subsection (a) shall be reduced (but
15 not below zero) by \$200 for each \$1,000 (or fraction
16 thereof) by which the taxpayer’s adjusted gross in-
17 come exceeds—

18 “(A) \$150,000 in the case of a joint return
19 or a surviving spouse (as defined in section
20 2(a)),

21 “(B) \$112,500 in the case of a head of
22 household (as defined in section 2(b)), and

23 “(C) \$75,000 in the case of a taxpayer not
24 described in paragraph (1) or (2).

25 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN
2 ELECTRIC DRIVE MOTOR VEHICLE.—The term ‘pre-
3 viously-owned qualified plug-in electric drive motor
4 vehicle’ means, with respect to a taxpayer, a motor
5 vehicle—

6 “(A) the model year of which is at least 2
7 earlier than the calendar year in which the tax-
8 payer acquires such vehicle,

9 “(B) the original use of which commences
10 with a person other than the taxpayer,

11 “(C) which is acquired by the taxpayer in
12 a qualified sale,

13 “(D) registered by the taxpayer for oper-
14 ation in a State or possession of the United
15 States, and

16 “(E) which meets the requirements of sub-
17 paragraphs (C), (D), (E), (F), and (G) of sec-
18 tion 36C(e)(1).

19 “(2) QUALIFIED SALE.—The term ‘qualified
20 sale’ means a sale of a motor vehicle—

21 “(A) by a seller who holds such vehicle in
22 inventory (within the meaning of section 471)
23 for sale or lease,

24 “(B) for a sale price not to exceed
25 \$25,000, and

1 “(C) which is the first transfer since the
2 date of the enactment of this section to a per-
3 son other than the person with whom the origi-
4 nal use of such vehicle commenced.

5 “(3) QUALIFIED BUYER.—The term ‘qualified
6 buyer’ means, with respect to a sale of a motor vehi-
7 cle, a taxpayer—

8 “(A) who is an individual,

9 “(B) who purchases such vehicle for use
10 and not for resale,

11 “(C) with respect to whom no deduction is
12 allowable with respect to another taxpayer
13 under section 151,

14 “(D) who has not been allowed a credit
15 under this section for any sale during the 3-
16 year period ending on the date of the sale of
17 such vehicle, and

18 “(E) who possesses a certificate issued by
19 the seller that certifies—

20 “(i) that the vehicle is a previously-
21 owned qualified plug-in electric drive motor
22 vehicle,

23 “(ii) the vehicle identification number
24 of such vehicle,

1 “(iii) the capacity of the battery at
2 time of sale, and

3 “(iv) such other information as the
4 Secretary may require.

5 “(4) MOTOR VEHICLE; CAPACITY.—The terms
6 ‘motor vehicle’ and ‘capacity’ have the meaning
7 given such terms in paragraphs (2) and (4) of sec-
8 tion 36C(e), respectively.

9 “(d) VIN NUMBER REQUIREMENT.—No credit shall
10 be allowed under subsection (a) with respect to any vehicle
11 unless the taxpayer includes the vehicle identification
12 number of such vehicle on the return of tax for the taxable
13 year.

14 “(e) APPLICATION OF CERTAIN RULES.—For pur-
15 poses of this section, rules similar to the rules of para-
16 graphs (1), (2), (4), (5), (6) and (7) of section 36C(f)
17 shall apply for purposes of this section.

18 “(f) CERTIFICATE SUBMISSION REQUIREMENT.—
19 The Secretary may require that the issuer of the certifi-
20 cate described in subsection (c)(3)(E) submit such certifi-
21 cate to the Secretary at the time and in the manner re-
22 quired by the Secretary.

23 “(g) TREATMENT OF CERTAIN POSSESSIONS.—

24 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR
25 CODE TAX SYSTEMS.—The Secretary shall pay to

1 each possession of the United States which has a
2 mirror code tax system amounts equal to the loss (if
3 any) to that possession by reason of the application
4 of the provisions of this section. Such amounts shall
5 be determined by the Secretary based on information
6 provided by the government of the respective posses-
7 sion.

8 “(2) PAYMENTS TO OTHER POSSESSIONS.—The
9 Secretary shall pay to each possession of the United
10 States which does not have a mirror code tax system
11 amounts estimated by the Secretary as being equal
12 to the aggregate benefits (if any) that would have
13 been provided to residents of such possession by rea-
14 son of the provisions of this section if a mirror code
15 tax system had been in effect in such possession.
16 The preceding sentence shall not apply unless the re-
17 spective possession has a plan which has been ap-
18 proved by the Secretary under which such possession
19 will promptly distribute such payments to its resi-
20 dents.

21 “(3) MIRROR CODE TAX SYSTEM; TREATMENT
22 OF PAYMENTS.—Rules similar to the rules of para-
23 graphs (4) and (5) of section 21(h) shall apply for
24 purposes of this section.

1 “(h) TERMINATION.—No credit shall be allowed
2 under this section with respect to any vehicle acquired
3 after December 31, 2031.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 6211(b)(4)(A), as amended by the
6 preceding provisions of this Act, is amended by in-
7 serting “36D,” after “36C,”.

8 (2) Section 6213(g)(2), as amended by the pre-
9 ceding provisions of this Act, is amended—

10 (A) in subparagraph (S), by striking
11 “and” at the end,

12 (B) in subparagraph (T), by striking the
13 period at the end and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(U) an omission of a correct vehicle iden-
16 tification number required under section
17 36D(d) (relating to credit for previously-owned
18 qualified plug-in electric drive motor vehicles) to
19 be included on a return.”.

20 (3) Paragraph (2) of section 1324(b) of title
21 31, United States Code, as amended by the pre-
22 ceding provisions of this Act, is amended by insert-
23 ing “36D,” after “36C,”.

24 (c) CLERICAL AMENDMENT.—The table of sections
25 for subpart C of part IV of subchapter A of chapter 1,

1 as amended by the preceding provisions of this Act, is
2 amended by inserting after the item relating to section
3 36C the following new item:

“Sec. 36D. Previously-owned qualified plug-in electric drive motor vehicles.”.

4 (d) **EFFECTIVE DATE.**—The amendments made by
5 this section shall apply to vehicles acquired after Decem-
6 ber 31, 2021.

7 **SEC. 136403. QUALIFIED COMMERCIAL ELECTRIC VEHI-**
8 **CLES.**

9 (a) **IN GENERAL.**—Subpart D of part IV of sub-
10 chapter A of chapter 1 is amended by adding at the end
11 the following new section:

12 **“SEC. 45Y. CREDIT FOR QUALIFIED COMMERCIAL ELEC-**
13 **TRIC VEHICLES.**

14 “(a) **IN GENERAL.**—For purposes of section 38, the
15 qualified commercial electric vehicle credit for any taxable
16 year is an amount equal to the sum of the credit amounts
17 determined under subsection (b) with respect to each
18 qualified commercial electric vehicle placed in service by
19 the taxpayer during the taxable year.

20 “(b) **PER VEHICLE AMOUNT.**—The amount deter-
21 mined under this subsection with respect to any qualified
22 commercial electric vehicle shall be equal to 30 percent
23 of the basis of such vehicle.

1 “(c) QUALIFIED COMMERCIAL ELECTRIC VEHI-
2 CLE.—For purposes of this section, the term ‘qualified
3 commercial electric vehicle’ means any vehicle which—

4 “(1) meets the requirements of subparagraphs
5 (A) and (C) of section 36C(e)(1) without regard to
6 any gross vehicle weight rating, and is acquired for
7 use or lease by the taxpayer and not for resale,

8 “(2) either—

9 “(A) meets the requirements of subpara-
10 graph (D) of section 36C(e)(1), or

11 “(B) is mobile machinery, as defined in
12 section 4053(8),

13 “(3) is primarily propelled by an electric motor
14 which draws electricity from a battery which—

15 “(A) has a capacity of not less than 30 kil-
16 owatt hours,

17 “(B) is capable of being recharged from an
18 external source of electricity,

19 “(C) is not powered or charged by an in-
20 ternal combustion engine, or

21 “(D) is a new qualified fuel cell motor ve-
22 hicle described in subparagraphs (A) and (B) of
23 section 30B(b)(3), and

24 “(4) is of a character subject to the allowance
25 for depreciation.

1 “(d) SPECIAL RULES.—

2 “(1) IN GENERAL.—Rules similar to the rules
3 under subsection (f) of section 36C shall apply for
4 purposes of this section.

5 “(2) PROPERTY USED BY TAX-EXEMPT ENTI-
6 TY.—In the case of a vehicle the use of which is de-
7 scribed in paragraph (3) or (4) of section 50(b) and
8 which is not subject to a lease, the person who sold
9 such vehicle to the person or entity using such vehi-
10 cle shall be treated as the taxpayer that placed such
11 vehicle in service, but only if such person clearly dis-
12 closes to such person or entity in a document the
13 amount of any credit allowable under subsection (a)
14 with respect to such vehicle.

15 “(e) VIN NUMBER REQUIREMENT.—No credit shall
16 be determined under subsection (a) with respect to any
17 vehicle unless the taxpayer includes the vehicle identifica-
18 tion number of such vehicle on the return of tax for the
19 taxable year.

20 “(f) TERMINATION.—No credit shall be determined
21 under this section with respect to any vehicle acquired
22 after December 31, 2031.”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 38(b) is amended by striking para-
25 graph (30) and inserting the following:

1 “(30) the qualified commercial electric vehicle
2 credit determined under section 45Y,”.

3 (2) Section 6213(g)(2), as amended by the pre-
4 ceding provisions of this Act, is amended—

5 (A) in subparagraph (T), by striking
6 “and” at the end,

7 (B) in subparagraph (U), by striking the
8 period at the end and inserting “, and”, and

9 (C) by adding at the end the following:

10 “(V) an omission of a correct vehicle iden-
11 tification number required under section 45Y(e)
12 (relating to commercial electric vehicle credit)
13 to be included on a return.”.

14 (3) The table of sections for subpart D of part
15 IV of subchapter A of chapter 1 is amended by add-
16 ing at the end the following new item:

“Sec. 45Y. Qualified commercial electric vehicle credit.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to vehicles acquired after Decem-
19 ber 31, 2021.

20 **SEC. 136404. QUALIFIED FUEL CELL MOTOR VEHICLES.**

21 (a) IN GENERAL.—Section 30B(k)(1) is amended by
22 striking “December 31, 2021” and inserting “December
23 31, 2031”.

24 (b) NEW QUALIFIED FUEL CELL MOTOR VEHI-
25 CLE.—Section 30B(b) is amended by striking “and” at

1 the end of subparagraph (D), by striking the period at
2 the end of subparagraph (E) and inserting “, and”, and
3 by adding at the end the following new subparagraph:

4 “(F) which is not property of a character
5 subject to an allowance for depreciation.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to property placed in service after
8 December 31, 2021.

9 **SEC. 136405. ALTERNATIVE FUEL REFUELING PROPERTY**
10 **CREDIT.**

11 (a) IN GENERAL.—Section 30C(g) is amended by
12 striking “December 31, 2021” and inserting “December
13 31, 2031”.

14 (b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC
15 CHARGING PROPERTY.—

16 (1) IN GENERAL.—Section 30C(a) is amend-
17 ed—

18 (A) by striking “equal to 30 percent” and
19 inserting the following: “equal to the sum of—
20 “(1) 30 percent”,

21 (B) by striking the period at the end and
22 inserting “, plus”, and

23 (C) by adding at the end the following new
24 paragraph:

1 “(2) 20 percent of so much of such cost as ex-
2 ceeds the limitation under subsection (b)(1) that
3 does not exceed the amount of cost attributable to
4 qualified alternative vehicle refueling property (de-
5 termined without regard to subsection (c)(1) and as
6 if only electricity, and fuel at least 85 percent of the
7 volume of which consists of hydrogen, were treated
8 as clean-burning fuels for purposes of section
9 179A(d)) which—

10 “(A) is intended for general public use
11 with no associated fee or payment arrangement,

12 “(B) is intended for general public use and
13 accepts payment via a credit card reader, in-
14 cluding a credit card reader that uses
15 contactless technology, or

16 “(C) is intended for use exclusively by
17 fleets of commercial or governmental vehicles.”.

18 (2) CONFORMING AMENDMENT.—Section
19 30C(b) is amended—

20 (A) by striking “The credit allowed under
21 subsection (a)” and inserting “The amount of
22 cost taken into account under subsection
23 (a)(1)”,

24 (B) by striking “\$30,000” and inserting
25 “\$100,000”, and

1 (C) by striking “\$1,000” and inserting
2 “\$3,333.33”.

3 (3) BIDIRECTIONAL CHARGING EQUIPMENT IN-
4 CLUDED AS QUALIFIED ALTERNATIVE FUEL VEHI-
5 CLE REFUELING PROPERTY.—Section 30C(e) is
6 amended—

7 (A) by striking “For purposes of this sec-
8 tion, the term” and inserting “For purposes of
9 this section—

10 “(1) IN GENERAL.—The term”, and

11 (B) by adding at the end the following new
12 paragraph:

13 “(2) BIDIRECTIONAL CHARGING EQUIPMENT.—
14 Property shall not fail to be treated as qualified al-
15 ternative vehicle refueling property solely because
16 such property—

17 “(A) is capable of charging the battery of
18 a motor vehicle propelled by electricity, and

19 “(B) allows discharging electricity from
20 such battery to an electric load external to such
21 motor vehicle.”.

22 (c) CERTAIN ELECTRIC CHARGING STATIONS IN-
23 CLUDED AS QUALIFIED ALTERNATIVE FUEL VEHICLE
24 REFUELING PROPERTY.—Section 30C is amended by re-
25 designating subsections (f) and (g) as subsections (g) and

1 (h), respectively, and by inserting after subsection (e) the
2 following:

3 “(f) SPECIAL RULE FOR ELECTRIC CHARGING STA-
4 TIONS FOR CERTAIN VEHICLES WITH 2 OR 3 WHEELS.—

5 For purposes of this section—

6 “(1) IN GENERAL.—The term ‘qualified alter-
7 native fuel vehicle refueling property’ includes any
8 property described in subsection (c) for the re-
9 charging of a motor vehicle described in paragraph
10 (2) that is propelled by electricity, but only if the
11 property—

12 “(A) meets the requirements of subsection
13 (a)(2), and

14 “(B) is of a character subject to deprecia-
15 tion.

16 “(2) MOTOR VEHICLE.—A motor vehicle is de-
17 scribed in this paragraph if the motor vehicle—

18 “(A) is manufactured primarily for use on
19 public streets, roads, or highways (not including
20 a vehicle operated exclusively on a rail or rails),
21 and

22 “(B) has at least 2, but not more than 3,
23 wheels.”.

24 (d) WAGE AND APPRENTICESHIP REQUIREMENTS.—

25 Section 30C, as amended by this section, is further

1 amended by redesignating subsections (g) and (h) as sub-
2 sections (h) and (i) and by inserting after subsection (f)
3 the following new subsection:

4 “(g) WAGE AND APPRENTICESHIP REQUIRE-
5 MENTS.—

6 “(1) BASE CREDIT AMOUNT AND INCREASED
7 CREDIT AMOUNT.—

8 “(A) IN GENERAL.—In the case of any
9 qualified alternative fuel vehicle refueling prop-
10 erty which does not satisfy the requirements of
11 subparagraph (B), the amount of the credit de-
12 termined under subsection (a) shall be 20 per-
13 cent of such amount (determined without re-
14 gard to this sentence).

15 “(B) INCREASED CREDIT FOR CERTAIN
16 QUALIFIED ALTERNATIVE FUEL VEHICLE RE-
17 FUELING PROPERTY MEETING PROJECT RE-
18 QUIREMENTS.—

19 “(i) IN GENERAL.—In the case of any
20 qualified alternative fuel vehicle refueling
21 property which meets the project require-
22 ments of this subparagraph, subparagraph
23 (A) shall not apply.

1 “(ii) PROJECT REQUIREMENTS.—A
2 project meets the requirements of this sub-
3 paragraph if it is one of the following:

4 “(I) A project which commences
5 construction prior to the date of the
6 enactment of this paragraph.

7 “(II) A project which satisfies
8 the requirements of paragraphs (2)
9 and (3).

10 “(2) PREVAILING WAGE REQUIREMENTS.—

11 “(A) IN GENERAL.—The requirements de-
12 scribed in this subparagraph with respect to
13 any qualified alternative fuel vehicle refueling
14 property are that the taxpayer shall ensure that
15 any laborers and mechanics employed by con-
16 tractors and subcontractors in the construction
17 of such property shall be paid wages at rates
18 not less than the prevailing rates for construc-
19 tion, alteration, or repair of a similar character
20 in the locality as most recently determined by
21 the Secretary of Labor, in accordance with sub-
22 chapter IV of chapter 31 of title 40, United
23 States Code.

24 “(B) CORRECTION AND PENALTY RELATED
25 TO FAILURE TO SATISFY WAGE REQUIRE-

1 MENTS.—In the case of any taxpayer which
2 fails to satisfy the requirement under subpara-
3 graph (A) with respect to such qualified alter-
4 native fuel vehicle refueling property, rules
5 similar to the rules of section 45(b)(8)(B) shall
6 apply for purposes of this paragraph.

7 “(3) APPRENTICESHIP REQUIREMENTS.—The
8 requirements described in this subparagraph with re-
9 spect to the construction of any qualified alternative
10 fuel vehicle refueling property are as follows:

11 “(A) LABOR HOURS.—

12 “(i) PERCENTAGE OF TOTAL LABOR
13 HOURS.—All contractors and subcontrac-
14 tors engaged in the performance of con-
15 struction on any project shall, subject to
16 subparagraph (B), ensure that not less
17 than the applicable percentage of the total
18 labor hours of such work be performed by
19 qualified apprentices.

20 “(ii) APPLICABLE PERCENTAGE.—For
21 purposes of paragraph (1), the applicable
22 percentage shall be—

23 “(I) in the case of any applicable
24 project the construction of which be-

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1 gins before January 1, 2023, 5 per-
2 cent,

3 “(II) in the case of any applica-
4 ble project the construction of which
5 begins after December 31, 2022, and
6 before January 1, 2024, 10 percent,
7 and

8 “(III) in the case of any applica-
9 ble project the construction of which
10 begins after December 31, 2023, 15
11 percent.

12 “(B) APPRENTICE TO JOURNEYWORKER
13 RATIO.—The requirement under subparagraph
14 (A)(i) shall be subject to any applicable require-
15 ments for apprentice-to-journeyworker ratios of
16 the Department of Labor or the applicable
17 State apprenticeship agency.

18 “(C) PARTICIPATION.—Each contractor
19 and subcontractor who employs 4 or more indi-
20 viduals to perform construction, alteration, or
21 repair work on an applicable project shall em-
22 ploy 1 or more qualified apprentices to perform
23 such work.

24 “(D) EXCEPTION.—

1 “(i) IN GENERAL.—Notwithstanding
2 any other provision of this paragraph, this
3 paragraph shall not apply in the case of a
4 taxpayer who—

5 “(I) demonstrates a lack of avail-
6 ability of qualified apprentices in the
7 geographic area of the construction,
8 alteration, or repair work, and

9 “(II) makes a good faith effort to
10 comply with the requirements of this
11 paragraph.

12 “(ii) GOOD FAITH EFFORT.—For pur-
13 poses of clause (i), a taxpayer shall be
14 deemed to have satisfied the requirements
15 under such paragraph with respect to an
16 applicable project if such taxpayer has re-
17 quested qualified apprentices from a reg-
18 istered apprenticeship program, as defined
19 in section 3131(e)(3)(B), and such request
20 has been denied, provided that such denial
21 is not the result of a refusal by the con-
22 tractors or subcontractors engaged in the
23 performance of construction, alteration, or
24 repair work on such applicable project to
25 comply with the established standards and

1 requirements of such apprenticeship pro-
2 gram.

3 “(E) DEFINITIONS.—For purposes of this
4 paragraph—

5 “(i) LABOR HOURS.—The term ‘labor
6 hours’ has the meaning given such term in
7 section 45(b)(9)(E)(i).

8 “(ii) QUALIFIED APPRENTICE.—The
9 term ‘qualified apprentice’ has the mean-
10 ing given such term in section
11 45(b)(9)(E)(ii).

12 “(4) REGULATIONS AND GUIDANCE.—The Sec-
13 retary shall issue such regulations or other guidance
14 as the Secretary determines necessary or appropriate
15 to carry out the purposes of this subsection.”.

16 (e) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to property placed in service after
18 December 31, 2021.

19 **SEC. 136406. REINSTATEMENT AND EXPANSION OF EM-**
20 **PLOYER-PROVIDED FRINGE BENEFITS FOR**
21 **BICYCLE COMMUTING.**

22 (a) REPEAL OF SUSPENSION OF EXCLUSION FOR
23 QUALIFIED BICYCLE COMMUTING BENEFITS.—Section
24 132(f) is amended by striking paragraph (8).

1 (b) EXPANSION OF BICYCLE COMMUTING BENE-
2 FITS.—Section 132(f)(5)(F) is amended to read as fol-
3 lows:

4 “(F) DEFINITIONS RELATED TO BICYCLE
5 COMMUTING BENEFITS.—

6 “(i) QUALIFIED BICYCLE COMMUTING
7 BENEFIT.—The term ‘qualified bicycle
8 commuting benefit’ means, with respect to
9 any calendar year—

10 “(I) any employer reimbursement
11 during the 15-month period beginning
12 with the first day of such calendar
13 year for reasonable expenses incurred
14 by the employee during such calendar
15 year for the purchase (including asso-
16 ciated finance charges), lease, rental
17 (including a bikeshare), improvement,
18 repair, or storage of qualified com-
19 muting property, or

20 “(II) the provision by the em-
21 ployer to the employee during such
22 calendar year of the use (including a
23 bikeshare), improvement, repair, or
24 storage of qualified commuting prop-
25 erty,

1 if the employee regularly uses such quali-
2 fied commuting property for travel between
3 the employee's residence, place of employ-
4 ment, or a mass transit facility that con-
5 nects the employee to their residence or
6 place of employment.

7 “(ii) QUALIFIED COMMUTING PROP-
8 erty.—The term ‘qualified commuting
9 property’ means—

10 “(I) any bicycle (other than a bi-
11 cycle equipped with any motor),

12 “(II) any electric bicycle which
13 meets the requirements of section
14 36E(c)(5),

15 “(III) any 2- or 3-wheel scooter
16 (other than a scooter equipped with
17 any motor), and

18 “(IV) any 2- or 3-wheel scooter
19 propelled by an electric motor if such
20 motor does not provide assistance if
21 the speed of such scooter exceeds 20
22 miler per hour (or if the speed of such
23 scooter is not capable of exceeding 20
24 miles per hour) and the weight of

1 such scooter does not exceed 100
2 pounds.

3 “(iii) BIKESHARE.—The term
4 ‘bikeshare’ means a rental operation at
5 which qualified commuting property is
6 made available to customers to pick up and
7 drop off for point-to-point use within a de-
8 fined geographic area.”.

9 (e) LIMITATION ON EXCLUSION.—Section
10 132(f)(2)(C) is amended to read as follows:

11 “(C) 30 percent of the dollar amount in ef-
12 fect under subparagraph (B) per month in the
13 case of any qualified bicycle commuting ben-
14 efit.”.

15 (d) NO CONSTRUCTIVE RECEIPT.—Section 132(f)(4)
16 is amended by striking “(other than a qualified bicycle
17 commuting reimbursement)”.

18 (e) CONFORMING AMENDMENT.—Section
19 132(f)(1)(D) is amended by striking “reimbursement”
20 and inserting “benefit”.

21 (f) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2021.

1 **SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC BICY-**
2 **CLES.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1, as amended by the preceding pro-
5 visions of this Act, is amended by inserting after section
6 36D the following new section:

7 **“SEC. 36E. ELECTRIC BICYCLES.**

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-
9 lowed as a credit against the tax imposed by this chapter
10 for the taxable year an amount equal to 15 percent of the
11 cost of each qualified electric bicycle placed in service by
12 the taxpayer during such taxable year.

13 “(b) LIMITATIONS.—

14 “(1) LIMITATION ON COST PER ELECTRIC BICY-
15 CLE TAKEN INTO ACCOUNT.—The amount taken
16 into account under subsection (a) as the cost of any
17 qualified electric bicycle shall not exceed \$5,000.

18 “(2) BICYCLE LIMITATION WITH RESPECT TO
19 CREDIT.—

20 “(A) LIMITATION ON NUMBER OF PER-
21 SONAL-USE BICYCLES.—In the case of any tax-
22 payer for any taxable year, the number of per-
23 sonal-use bicycles taken into account under sub-
24 section (a) shall not exceed the excess (if any)
25 of—

1 “(i) 1 (2 in the case of a joint return),
2 reduced by

3 “(ii) the aggregate number of bicycles
4 taken into account by the taxpayer under
5 subsection (a) for the 2 preceding taxable
6 years.

7 “(B) PHASEOUT BASED ON MODIFIED AD-
8 JUSTED GROSS INCOME.—So much of the credit
9 allowed under subsection (a) to any taxpayer
10 for any taxable year as would (but for this sub-
11 paragraph) be treated under subsection (e)(2)
12 as a credit allowable under subpart C shall be
13 reduced by \$200 for each \$1,000 (or fraction
14 thereof) by which the taxpayer’s modified ad-
15 justed gross income exceeds—

16 “(i) \$150,000 in the case of a joint
17 return or a surviving spouse (as defined in
18 section 2(a)),

19 “(ii) \$112,500 in the case of a head
20 of household (as defined in section 2(b)),
21 and

22 “(iii) \$75,000 in the case of a tax-
23 payer not described in clause (i) or (ii).

24 “(C) MODIFIED ADJUSTED GROSS IN-
25 COME.—For purposes of subparagraph (B), the

1 term ‘modified adjusted gross income’ means
2 adjusted gross income increased by any amount
3 excluded from gross income under section 911,
4 931, or 933.

5 “(D) SPECIAL RULE FOR DETERMINATION
6 OF MODIFIED ADJUSTED GROSS INCOME.—The
7 modified adjusted gross income of the taxpayer
8 that is taken into account for purposes of this
9 paragraph shall be the lesser of—

10 “(i) the modified adjusted gross in-
11 come for the taxable year in which the
12 credit is claimed, or

13 “(ii) the modified adjusted gross in-
14 come for the immediately preceding taxable
15 year.

16 “(c) QUALIFIED ELECTRIC BICYCLE.—For purposes
17 of this section, the term ‘qualified electric bicycle’ means
18 a bicycle—

19 “(1) the original use of which commences with
20 the taxpayer,

21 “(2) which is acquired for use by the taxpayer
22 and not for resale,

23 “(3) which is made by a qualified manufacturer
24 and is labeled with the qualified vehicle identification

1 number assigned to such bicycle by such manufac-
2 turer,

3 “(4) with respect to which the aggregate
4 amount paid for such acquisition does not exceed
5 \$8,000, and

6 “(5) which is equipped with—

7 “(A) fully operable pedals,

8 “(B) a saddle or seat for the rider, and

9 “(C) an electric motor of less than 750
10 watts which is designed to provided assistance
11 in propelling the bicycle and—

12 “(i) does not provide such assistance
13 if the bicycle is moving in excess of 20
14 miler per hour, or

15 “(ii) if such motor only provides such
16 assistance when the rider is pedaling, does
17 not provide such assistance if the bicycle is
18 moving in excess of 28 miles per hour.

19 “(d) VIN NUMBER REQUIREMENT.—

20 “(1) IN GENERAL.—No credit shall be allowed
21 under subsection (a) with respect to any qualified
22 electric bicycle unless the taxpayer includes the
23 qualified vehicle identification number of such bicy-
24 cle on the return of tax for the taxable year.

1 “(2) QUALIFIED VEHICLE IDENTIFICATION
2 NUMBER.—For purposes of this section, the term
3 ‘qualified vehicle identification number’ means, with
4 respect to any bicycle, the vehicle identification num-
5 ber assigned to such bicycle by a qualified manufac-
6 turer pursuant to the methodology referred to in
7 paragraph (3).

8 “(3) QUALIFIED MANUFACTURER.—For pur-
9 poses of this section, the term ‘qualified manufac-
10 turer’ means any manufacturer of qualified electric
11 bicycles which enters into an agreement with the
12 Secretary which provides that such manufacturer
13 will—

14 “(A) assign a vehicle identification number
15 to each qualified electric bicycle produced by
16 such manufacturer utilizing a methodology that
17 will ensure that such number (including any al-
18 phanumeric) is unique to such bicycle (by uti-
19 lizing numbers or letters which are unique to
20 such manufacturer or by such other method as
21 the Secretary may provide),

22 “(B) label such bicycle with such number
23 in such manner as the Secretary may provide,
24 and

1 “(C) make periodic written reports to the
2 Secretary (at such times and in such manner as
3 the Secretary may provide) of the vehicle identi-
4 fication numbers so assigned and including
5 such information as the Secretary may require
6 with respect to the qualified electric bicycle to
7 which such number was so assigned.

8 “(e) SPECIAL RULES.—

9 “(1) BASIS REDUCTION.—For purposes of this
10 subtitle, the basis of any property for which a credit
11 is allowable under subsection (a) shall be reduced by
12 the amount of such credit so allowed (determined
13 without regard to subsection (c)).

14 “(2) NO DOUBLE BENEFIT.—The amount of
15 any deduction or other credit allowable under this
16 chapter for a qualified electric bicycle for which a
17 credit is allowable under subsection (a) shall be re-
18 duced by the amount of credit allowed under such
19 subsection for such vehicle (determined without re-
20 gard to subsection (c)).

21 “(3) PROPERTY USED OUTSIDE UNITED STATES
22 NOT QUALIFIED.—No credit shall be allowable under
23 subsection (a) with respect to any property referred
24 to in section 50(b)(1).

1 “(4) RECAPTURE.—The Secretary shall, by reg-
2 ulations, provide for recapturing the benefit of any
3 credit allowable under subsection (a) with respect to
4 any property which ceases to be property eligible for
5 such credit.

6 “(5) ELECTION NOT TO TAKE CREDIT.—No
7 credit shall be allowed under subsection (a) for any
8 bicycle if the taxpayer elects to not have this section
9 apply to such bicycle.

10 “(f) TREATMENT OF CERTAIN POSSESSIONS.—

11 “(1) PAYMENTS TO POSSESSIONS WITH MIRROR
12 CODE TAX SYSTEMS.—The Secretary shall pay to
13 each possession of the United States which has a
14 mirror code tax system amounts equal to the loss (if
15 any) to that possession by reason of the application
16 of the provisions of this section (determined without
17 regard to this subsection). Such amounts shall be
18 determined by the Secretary based on information
19 provided by the government of the respective posses-
20 sion.

21 “(2) PAYMENTS TO OTHER POSSESSIONS.—The
22 Secretary shall pay to each possession of the United
23 States which does not have a mirror code tax system
24 amounts estimated by the Secretary as being equal
25 to the aggregate benefits (if any) that would have

1 been provided to residents of such possession by rea-
2 son of the provisions of this section if a mirror code
3 tax system had been in effect in such possession.
4 The preceding sentence shall not apply unless the re-
5 spective possession has a plan which has been ap-
6 proved by the Secretary under which such possession
7 will promptly distribute such payments to its resi-
8 dents.

9 “(3) MIRROR CODE TAX SYSTEM; TREATMENT
10 OF PAYMENTS.—Rules similar to the rules of para-
11 graphs (4) and (5) of section 21(h) shall apply for
12 purposes of this section.

13 “(g) TERMINATION.—This section shall not apply to
14 bicycles placed in service after December 31, 2031.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 38(b) is amended by striking “plus”
17 at the end of paragraph (39), by striking the period
18 at the end of paragraph (40) and inserting “, plus”,
19 and by adding at the end the following new para-
20 graph:

21 “(41) the portion of the electric bicycles credit
22 to which section 36E(c)(1) applies.”.

23 (2) Section 1016(a) is amended by striking
24 “and” at the end of paragraph (37), by striking the
25 period at the end of paragraph (38) and inserting “,

1 and”, and by adding at the end the following new
2 paragraph:

3 “(39) to the extent provided in section
4 36E(f)(1).”.

5 (3) Section 6211(b)(4)(A) of such Code is
6 amended by inserting “36E by reason of subsection
7 (c)(2) thereof,” before “32,”.

8 (4) Section 6213(g)(2), as amended by the pre-
9 ceding provisions of this Act, is amended—

10 (A) in subparagraph (U), by striking
11 “and” at the end,

12 (B) in subparagraph (V), by striking the
13 period at the end and inserting “, and”, and

14 (C) by adding at the end the following:

15 “(W) an omission of a correct vehicle iden-
16 tification number required under section 36E(e)
17 (relating to electric bicycles credit) to be in-
18 cluded on a return.”.

19 (5) Section 6501(m) is amended by inserting
20 “36E(f)(4),” after “35(g)(11),”.

21 (6) Section 1324(b)(2) of title 31, United
22 States Code, is amended by inserting “36E,” after
23 “36B,”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart B of part IV of subchapter A of chapter 1
3 is amended by adding at the end the following new item:

“Sec. 36E. Electric bicycles.”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to property placed in service after
6 the date of the enactment of this Act, in taxable years
7 ending after such date.

8 **PART 5—INVESTMENT IN THE GREEN**

9 **WORKFORCE**

10 **SEC. 136501. EXTENSION OF THE ADVANCED ENERGY** 11 **PROJECT CREDIT.**

12 (a) EXTENSION OF CREDIT.—Section 48C is amend-
13 ed by redesignating subsection (e) as subsection (f) and
14 by inserting after subsection (d) the following new sub-
15 section:

16 “(e) ADDITIONAL ALLOCATIONS.—

17 “(1) IN GENERAL.—Not later than 180 days
18 after the date of enactment of this subsection, the
19 Secretary, after consultation with the Secretary of
20 Energy, shall establish a program to consider and
21 award certifications for qualified investments eligible
22 for credits under this section to qualifying advanced
23 energy project sponsors.

24 “(2) ANNUAL LIMITATION.—

1 “(A) IN GENERAL.—The amount of credits
2 that may be allocated under this subsection
3 during any calendar year shall not exceed the
4 annual credit limitation with respect to such
5 year.

6 “(B) ANNUAL CREDIT LIMITATION.—

7 “(i) IN GENERAL.—For purposes of
8 this subsection, the term ‘annual credit
9 limitation’ means \$2,500,000,000 for each
10 of calendar years 2022 through 2031, and
11 zero thereafter.

12 “(ii) AMOUNT SET ASIDE FOR AUTO-
13 MOTIVE COMMUNITIES.—

14 “(I) IN GENERAL.—For purposes
15 of clause (i), \$400,000,000 of the an-
16 nual credit limitation for each of cal-
17 endar years 2022 through 2031 shall
18 be allocated to qualified investments
19 located within automotive commu-
20 nities.

21 “(II) AUTOMOTIVE COMMU-
22 NITIES.—For purposes of this clause,
23 the term ‘automotive communities’
24 means a census tract and any directly
25 adjoining census tract, including a no-

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1 population census tract, that has ex-
2 perience major job losses in the auto-
3 motive manufacturing sector since
4 January 1, 1994, as determined by
5 the Secretary after consultation with
6 the Secretary of Energy and Secretary
7 of Labor.

8 “(C) CARRYOVER OF UNUSED LIMITA-
9 TION.—If the annual credit limitation for any
10 calendar year exceeds the aggregate amount
11 designated for such year under this subsection,
12 such limitation for the succeeding calendar year
13 shall be increased by the amount of such excess.
14 No amount may be carried under the preceding
15 sentence to any calendar year after 2036.

16 “(3) CERTIFICATIONS.—

17 “(A) APPLICATION REQUIREMENT.—Each
18 applicant for certification under this subsection
19 shall submit an application at such time and
20 containing such information as the Secretary
21 may require.

22 “(B) TIME TO MEET CRITERIA FOR CER-
23 TIFICATION.—Each applicant for certification
24 shall have 2 years from the date of acceptance
25 by the Secretary of the application during

1 which to provide to the Secretary evidence that
2 the requirements of the certification have been
3 met.

4 “(C) PERIOD OF ISSUANCE.—An applicant
5 which receives a certification shall have 2 years
6 from the date of issuance of the certification in
7 order to place the project in service and to no-
8 tify the Secretary that such project has been so
9 placed in service, and if such project is not
10 placed in service (and the Secretary so notified)
11 by that time period, then the certification shall
12 no longer be valid. If any certification is re-
13 voked under this subparagraph, the amount of
14 the annual credit limitation under paragraph
15 (2) for the calendar year in which such certifi-
16 cation is revoked shall be increased by the
17 amount of the credit with respect to such re-
18 voked certification.

19 “(4) SELECTION CRITERIA.—Selection criteria
20 similar to those in subsection (d)(3) shall apply, ex-
21 cept that in determining designations under this
22 subsection, the Secretary, after consultation with the
23 Secretary of Energy, shall—

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1 “(A) in addition to the factors described in
2 subsection (d)(3)(B), take into consideration
3 which projects—

4 “(i) will provide the greatest net im-
5 pact in avoiding or reducing anthropogenic
6 emissions of greenhouse gases, as deter-
7 mined by the Secretary after consultation
8 with the Administrator of the Environ-
9 mental Protection Agency,

10 “(ii) will provide the greatest domestic
11 job creation (both direct and indirect) dur-
12 ing the credit period,

13 “(iii) will provide the greatest job cre-
14 ation within the vicinity of the project, par-
15 ticularly with respect to—

16 “(I) low-income communities (as
17 described in section 45D(e)), and

18 “(II) dislocated workers who
19 were previously employed in manufac-
20 turing, coal power plants, or coal min-
21 ing, and

22 “(iv) will provide the greatest job cre-
23 ation in areas with a population that is at
24 risk of experiencing higher or more adverse
25 human health or environmental effects and

1 a significant portion of such population is
2 comprised of communities of color, low-in-
3 come communities, Tribal and Indigenous
4 communities, or individuals formerly em-
5 ployed in the fossil fuel industry, and

6 “(B) give the highest priority to projects
7 which—

8 “(i) manufacture (other than pri-
9 marily assembly of components) property
10 described in a subclause of subsection
11 (c)(1)(A)(i) (or components thereof), and

12 “(ii) have the greatest potential for
13 commercial deployment of new applica-
14 tions.

15 “(5) DISCLOSURE OF ALLOCATIONS.—The Sec-
16 retary shall, upon allocating a credit under this sub-
17 section, publicly disclose the identity of the appli-
18 cant, the amount of the credit with respect to such
19 applicant, and the project location for which such
20 credit was allocated.

21 “(6) CREDIT CONDITIONED UPON WAGE AND
22 APPRENTICESHIP REQUIREMENTS.—No credit shall
23 be allocated for a project under this subsection un-
24 less the project meets the prevailing wage require-

1 ments of paragraph (7) and the apprenticeship re-
2 quirements of paragraph (8).

3 “(7) PREVAILING WAGE REQUIREMENTS.—

4 “(A) IN GENERAL.—The requirements de-
5 scribed in this paragraph with respect to a
6 project are that the taxpayer shall ensure that
7 any laborers and mechanics employed by con-
8 tractors and subcontractors in the re-equipping,
9 expansion, or establishment of an industrial or
10 manufacturing facility shall be paid wages at
11 rates not less than the prevailing rates for con-
12 struction, alteration, or repair of a similar char-
13 acter in the locality as most recently determined
14 by the Secretary of Labor, in accordance with
15 subchapter IV of chapter 31 of title 40, United
16 States Code.

17 “(B) CORRECTION AND PENALTY RELATED
18 TO FAILURE TO SATISFY WAGE REQUIRE-
19 MENTS.—

20 “(i) IN GENERAL.—In the case of any
21 taxpayer which fails to satisfy the require-
22 ment under subparagraph (A) with respect
23 to any project—

1 “(I) rules similar to the rules of
2 section 45(b)(8)(B) shall apply for
3 purposes of this paragraph, and

4 “(II) if the failure to satisfy the
5 requirement under subparagraph (A)
6 is not corrected pursuant to the rules
7 described in subclause (I), the certifi-
8 cation with respect to the re-equip-
9 ping, expansion, or establishment of
10 an industrial or manufacturing facility
11 shall no longer be valid.

12 “(8) APPRENTICESHIP REQUIREMENTS.—The
13 requirements described in this subparagraph with re-
14 spect to a project are as follows:

15 “(A) LABOR HOURS.—

16 “(i) PERCENTAGE OF TOTAL LABOR
17 HOURS.—All contractors and subcontrac-
18 tors engaged in the performance of con-
19 struction, alteration, or repair work on any
20 project shall, subject to subparagraph (B),
21 ensure that not less than the applicable
22 percentage of the total labor hours of such
23 work be performed by qualified appren-
24 tices.

1 “(ii) APPLICABLE PERCENTAGE.—For
2 purposes of paragraph (1), the applicable
3 percentage shall be—

4 “(I) in the case of any applicable
5 project the construction of which be-
6 gins before January 1, 2023, 5 per-
7 cent,

8 “(II) in the case of any applica-
9 ble project the construction of which
10 begins after December 31, 2022, and
11 before January 1, 2024, 10 percent,
12 and

13 “(III) in the case of any applica-
14 ble project the construction of which
15 begins after December 31, 2023, 15
16 percent.

17 “(B) APPRENTICE TO JOURNEYWORKER
18 RATIO.—The requirement under subparagraph
19 (A)(i) shall be subject to any applicable require-
20 ments for apprentice-to-journeyworker ratios of
21 the Department of Labor or the applicable
22 State apprenticeship agency.

23 “(C) PARTICIPATION.—Each contractor
24 and subcontractor who employs 4 or more indi-
25 viduals to perform construction, alteration, or

1 repair work on an applicable project shall em-
2 ploy 1 or more qualified apprentices to perform
3 such work.

4 “(D) EXCEPTION.—

5 “(i) IN GENERAL.—Notwithstanding
6 any other provision of this paragraph, this
7 paragraph shall not apply in the case of a
8 taxpayer who—

9 “(I) demonstrates a lack of avail-
10 ability of qualified apprentices in the
11 geographic area of the construction,
12 alteration, or repair work, and

13 “(II) makes a good faith effort to
14 comply with the requirements of this
15 paragraph.

16 “(ii) GOOD FAITH EFFORT.—For pur-
17 poses of clause (i), a taxpayer shall be
18 deemed to have satisfied the requirements
19 under such paragraph with respect to an
20 applicable project if such taxpayer has re-
21 quested qualified apprentices from a reg-
22 istered apprenticeship program, as defined
23 in section 3131(e)(3)(B), and such request
24 has been denied, provided that such denial
25 is not the result of a refusal by the con-

1 tractors or subcontractors engaged in the
2 performance of construction, alteration, or
3 repair work on such applicable project to
4 comply with the established standards and
5 requirements of such apprenticeship pro-
6 gram.

7 “(E) DEFINITIONS.—For purposes of this
8 paragraph—

9 “(i) LABOR HOURS.—The term ‘labor
10 hours’ has the meaning given such term in
11 section 45(b)(9)(E)(i).

12 “(ii) QUALIFIED APPRENTICE.—The
13 term ‘qualified apprentice’ has the mean-
14 ing given such term in section
15 45(b)(9)(E)(ii).”.

16 (b) MODIFICATION OF QUALIFYING ADVANCED EN-
17 ERGY PROJECTS.—

18 (1) INCLUSION OF WATER AS A RENEWABLE
19 RESOURCE.—Section 48C(c)(1)(A)(i)(I) is amended
20 by inserting “water,” after “sun,”.

21 (2) ENERGY STORAGE SYSTEMS.—Section
22 48C(c)(1)(A)(i)(II) is amended by striking “an en-
23 ergy storage system for use with electric or hybrid-
24 electric motor vehicles” and inserting “energy stor-
25 age systems and components”.

1 (3) MODIFICATION OF QUALIFYING ELECTRIC
2 GRID PROPERTY.—Section 48C(c)(1)(A)(i)(III) is
3 amended to read as follows:

4 “(III) electric grid modernization
5 equipment or components,”.

6 (4) USE OF CAPTURED CARBON.—Section
7 48C(c)(1)(A)(i)(IV) is amended by striking “sequester”
8 and insert “use or sequester”.

9 (5) ELECTRIC AND FUEL CELL VEHICLES.—
10 Section 48C(c)(1)(A)(i)(VI) is amended—

11 (A) by striking “new qualified plug-in elec-
12 tric drive motor vehicles (as defined by section
13 30D)” and inserting “vehicles described in sec-
14 tion 36C, 45Y, and 36E”, and

15 (B) and striking “and power control units”
16 and inserting “power control units, and equip-
17 ment used for charging or refueling”.

18 (6) PROPERTY FOR PRODUCTION OF HYDRO-
19 GEN.—Section 48C(c)(1)(A)(i) is amended by strik-
20 ing “or” at the end of subclause (VI), by redesign-
21 ating subclause (VII) as subclause (VIII), and by in-
22 serting after subclause (VI) the following new sub-
23 clause:

1930

1 “(VII) property designed to be
2 used to produce qualified clean hydro-
3 gen (as defined in section 45X), or”.

4 (7) RECYCLING OF ADVANCED ENERGY PROP-
5 erty.—Section 48C(c)(1) is amended by adding at
6 the end the following new subparagraph:

7 “(C) SPECIAL RULE FOR CERTAIN RECY-
8 cling facilities.—A facility which recycles
9 batteries or similar energy storage property de-
10 scribed in subparagraph (A)(i) shall be treated
11 as part of a manufacturing facility described in
12 such subparagraph.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect on the date of the enactment
15 of this Act.

16 **SEC. 136502. LABOR COSTS OF INSTALLING MECHANICAL**
17 **INSULATION PROPERTY.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
19 chapter A of chapter 1, as amended by the preceding pro-
20 visions of this Act, is further amended by adding at the
21 end the following new section:

22 **“SEC. 45Z. LABOR COSTS OF INSTALLING MECHANICAL IN-**
23 **SULATION PROPERTY.**

24 “(a) IN GENERAL.—For purposes of section 38, the
25 mechanical insulation labor costs credit determined under

1 this section for any taxable year is an amount equal to
2 10 percent of the mechanical insulation labor costs paid
3 or incurred by the taxpayer during such taxable year.

4 “(b) MECHANICAL INSULATION LABOR COSTS.—For
5 purposes of this section—

6 “(1) IN GENERAL.—The term ‘mechanical insu-
7 lation labor costs’ means the labor cost of installing
8 mechanical insulation property with respect to a me-
9 chanical system referred to in paragraph (2)(A)
10 which was originally placed in service not less than
11 1 year before the date on which such mechanical in-
12 sulation property is installed.

13 “(2) MECHANICAL INSULATION PROPERTY.—
14 The term ‘mechanical insulation property’ means in-
15 sulation materials, and facings and accessory prod-
16 ucts installed in connection to such insulation mate-
17 rials—

18 “(A) placed in service in connection with a
19 mechanical system which—

20 “(i) is located in the United States,

21 “(ii) is of a character subject to an al-
22 lowance for depreciation, and

23 “(iii) meets the requirements of sec-
24 tion 434.403 of title 10, Code of Federal

1 Regulations (as in effect on the date of en-
2 actment of this section), and

3 “(B) which result in a reduction in energy
4 loss from the mechanical system which is great-
5 er than the expected reduction from the instal-
6 lation of insulation materials which meet the
7 minimum requirements of Reference Standard
8 90.1 (as defined in section 179D(c)(2)).

9 “(c) TERMINATION.—This section shall not apply to
10 mechanical insulation labor costs paid or incurred after
11 December 31, 2031.”

12 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
13 NESS CREDIT.—Section 38(b), as amended by the pre-
14 ceding provisions of this Act, is further amended by strik-
15 ing “plus” at the end of paragraph (40), by striking the
16 period at the end of paragraph (41) and inserting “, plus”,
17 and by adding at the end the following new paragraph:

18 “(42) the mechanical insulation labor costs
19 credit determined under section 45Z(a).”

20 (c) CONFORMING AMENDMENTS.—

21 (1) Section 280C is amended by adding at the
22 end the following new subsection:

23 “(i) MECHANICAL INSULATION LABOR COSTS CRED-
24 IT.—

1 “(1) IN GENERAL.—No deduction shall be al-
2 lowed for that portion of the mechanical insulation
3 labor costs (as defined in section 45Z(b)) otherwise
4 allowable as deduction for the taxable year which is
5 equal to the amount of the credit determined for
6 such taxable year under section 45Z(a).

7 “(2) SIMILAR RULE WHERE TAXPAYER CAP-
8 ITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

9 “(A) the amount of the credit determined
10 for the taxable year under section 45Z(a), ex-
11 ceeds

12 “(B) the amount of allowable as a deduc-
13 tion for such taxable year for mechanical insu-
14 lation labor costs (determined without regard to
15 paragraph (1)),

16 the amount chargeable to capital account for the
17 taxable year for such costs shall be reduced by the
18 amount of such excess.”.

19 (2) The table of sections for subpart D of part
20 IV of subchapter A of chapter 1, as amended by the
21 preceding provisions of this Act, is further amended
22 by adding at the end the following new item:

“Sec. 45Z. Labor costs of installing mechanical insulation property.”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to amounts paid or incurred after

1 December 31, 2021, in taxable years ending after such
2 date.

3 **PART 6—ENVIRONMENTAL JUSTICE**

4 **SEC. 136601. QUALIFIED ENVIRONMENTAL JUSTICE PRO-**
5 **GRAM CREDIT.**

6 (a) IN GENERAL.—Subpart C of part IV of sub-
7 chapter A of chapter 1, as amended by the preceding pro-
8 visions of this Act, is amended by inserting after section
9 36E the following new section:

10 **“SEC. 36F. QUALIFIED ENVIRONMENTAL JUSTICE PRO-**
11 **GRAMS.**

12 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
13 gible educational institution, there shall be allowed as a
14 credit against the tax imposed by this subtitle for any tax-
15 able year an amount equal to the applicable percentage
16 of the amounts paid or incurred by such taxpayer during
17 such taxable year which are necessary for a qualified envi-
18 ronmental justice program.

19 “(b) QUALIFIED ENVIRONMENTAL JUSTICE PRO-
20 GRAM.—For purposes of this section—

21 “(1) IN GENERAL.—The term ‘qualified envi-
22 ronmental justice program’ means a program con-
23 ducted by one or more eligible educational institu-
24 tions that is designed to address, or improve data
25 about, qualified environmental stressors for the pri-

1 mary purpose of improving, or facilitating the im-
2 provement of, health and economic outcomes of indi-
3 viduals residing in low-income areas or areas that
4 experience, or are at risk of experiencing, multiple
5 exposures to qualified environmental stressors.

6 “(2) QUALIFIED ENVIRONMENTAL STRESSOR.—
7 The term ‘qualified environmental stressor’ means,
8 with respect to an area, a contamination of the air,
9 water, soil, or food with respect to such area or a
10 change relative to historical norms of the weather
11 conditions of such area, including—

12 “(A) toxic pollutants (such as lead, pes-
13 ticides, or fine particulate matter) in air, soil,
14 food, or water,

15 “(B) high rates of asthma prevalence and
16 incidence, and

17 “(C) such other adverse human health or
18 environmental effects as are identified by the
19 Secretary.

20 “(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For
21 purposes of this section, the term ‘eligible educational in-
22 stitution’ means an institution of higher education (as
23 such term is defined in section 101 or 102(c) of the High-
24 er Education Act of 1965) that is eligible to participate
25 in a program under title IV of such Act.

1 “(d) APPLICABLE PERCENTAGE.—For purposes of
2 this section, the term ‘applicable percentage’ means—

3 “(1) in the case of a program involving material
4 participation of faculty and students of an institu-
5 tion described in section 371(a) of the Higher Edu-
6 cation Act of 1965, 30 percent, and

7 “(2) in all other cases, 20 percent.

8 “(e) CREDIT ALLOCATION.—

9 “(1) ALLOCATION.—

10 “(A) IN GENERAL.—The Secretary shall
11 allocate credit dollar amounts under this section
12 to eligible educational institutions, for qualified
13 environmental justice programs, that—

14 “(i) submit applications at such time
15 and in such manner as the Secretary may
16 provide, and

17 “(ii) are selected by the Secretary
18 under subparagraph (B).

19 “(B) SELECTION CRITERIA.—The Sec-
20 retary, after consultation with the Secretary of
21 Energy, the Secretary of Education, the Sec-
22 retary of Health and Human Services, and the
23 Administrator of the Environmental Protection
24 Agency, shall select applications on the basis of
25 the following criteria:

1 “(i) The extent of participation of fac-
2 ulty and students of an institution de-
3 scribed in section 371(a) of the Higher
4 Education Act of 1965.

5 “(ii) The extent of the expected effect
6 on the health or economic outcomes of in-
7 dividuals residing in areas within the
8 United States that are low-income areas or
9 areas that experience, or are at risk of ex-
10 periencing, multiple exposures to qualified
11 environmental stressors.

12 “(iii) The creation or significant ex-
13 pansion of qualified environmental justice
14 programs.

15 “(2) LIMITATIONS.—

16 “(A) IN GENERAL.—The amount of the
17 credit determined under this section for any
18 taxable year to any eligible educational institu-
19 tion for any qualified environmental justice pro-
20 gram shall not exceed the excess of—

21 “(i) the credit dollar amount allocated
22 to such institution for such program under
23 this subsection, over

1 “(ii) the credits previously claimed by
2 such institution for such program under
3 this section.

4 “(B) FIVE-YEAR LIMITATION.—No
5 amounts paid or incurred after the 5-year pe-
6 riod beginning on the date a credit dollar
7 amount is allocated to an eligible educational
8 institution for a qualified environmental justice
9 program shall be taken into account under sub-
10 section (a) with respect to such institution for
11 such program.

12 “(C) ALLOCATION LIMITATION.—The total
13 amount of credits that may be allocated under
14 the program shall not exceed—

15 “(i) \$1,000,000,000 for each of tax-
16 able years 2022 through 2031, and

17 “(ii) \$0 for each subsequent year.

18 “(D) CARRYOVER OF UNUSED LIMITA-
19 TION.—If the annual credit limitation for any
20 calendar year exceeds the aggregate amount
21 designated for such year under this subsection,
22 such limitation for the succeeding calendar year
23 shall be increased by the amount of such excess.
24 No amount may be carried under the preceding
25 sentence to any calendar year after 2036.

1 “(f) REQUIREMENTS.—

2 “(1) IN GENERAL.—An eligible educational in-
3 stitution that has been allocated credit dollar
4 amounts under this section for a qualified environ-
5 mental justice project for a taxable year shall—

6 “(A) make publicly available the applica-
7 tion submitted to the Secretary under sub-
8 section (e) with respect to such project, and

9 “(B) submit an annual report to the Sec-
10 retary that describes the amounts paid or in-
11 curred for, and expected impact of, such
12 project.

13 “(2) FAILURE TO COMPLY.—In the case of an
14 eligible education institution that has failed to com-
15 ply with the requirements of this subsection, the
16 credit dollar amount allocated to such institution
17 under this section is deemed to be \$0.

18 “(g) PUBLIC DISCLOSURE.—The Secretary, upon
19 making an allocation of credit dollar amounts under this
20 section, shall publicly disclose—

21 “(1) the identity of the eligible educational in-
22 stitution receiving the allocation, and

23 “(2) the amount of such allocation.”.

24 (b) CONFORMING AMENDMENTS.—

1 (2) ADJUSTMENT FOR INFLATION.—

2 (A) Section 4611(c)(2)(A) is amended by
3 striking “9.7 cents” and inserting “16.4 cents”.

4 (B) Section 4611(c) is amended by adding
5 at the end the following:

6 “(3) ADJUSTMENT FOR INFLATION.—

7 “(A) IN GENERAL.—In the case of a year
8 beginning after 2022, the amount in paragraph
9 (2)(A) shall be increased by an amount equal
10 to—

11 “(i) such amount, multiplied by

12 “(ii) the cost-of-living adjustment de-
13 termined under section 1(f)(3) for the cal-
14 endar year, determined by substituting
15 ‘calendar year 2021’ for ‘calendar year
16 2016’ in subparagraph (A)(ii) thereof.

17 “(B) ROUNDING.—If any amount as ad-
18 justed under subparagraph (A) is not a multiple
19 of \$0.01, such amount shall be rounded to the
20 next lowest multiple of \$0.01.”.

21 (b) AUTHORITY FOR ADVANCES.—Section
22 9507(d)(3)(B) is amended by striking “December 31,
23 1995” and inserting “December 31, 2031”.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall take effect on January 1, 2022.

1 **PART 8—APPROPRIATIONS**

2 **SEC. 136801. APPROPRIATIONS.**

3 Immediately upon the enactment of this Act, in addi-
4 tion to amounts otherwise available, there are appro-
5 priated for fiscal year 2022, out of any money in the
6 Treasury not otherwise appropriated, \$3,831,000,000 to
7 remain available until September 30, 2031, for necessary
8 expenses for the Internal Revenue Service to carry out this
9 subtitle (and the amendments made by this subtitle),
10 which shall supplement and not supplant any other appro-
11 priations that may be available for this purpose.

12 **Subtitle H—Social Safety Net**

13 **SEC. 137001. AMENDMENT OF 1986 CODE.**

14 Except as otherwise expressly provided, whenever in
15 this subtitle an amendment or repeal is expressed in terms
16 of an amendment to, or repeal of, a section or other provi-
17 sion, the reference shall be considered to be made to a
18 section or other provision of the Internal Revenue Code
19 of 1986.

20 **PART 1—CHILD TAX CREDIT**

21 **SEC. 137101. MODIFICATIONS APPLICABLE BEGINNING IN**
22 **2021.**

23 (a) **SAFE HARBOR EXCEPTION FOR FRAUD AND IN-**
24 **TENTIONAL DISREGARD OF RULES AND REGULATIONS.—**
25 Section 24(j)(2)(B) is amended—

1 (1) by striking “qualified” each place it appears
2 in clause (iv)(II) and inserting “qualifying”, and

3 (2) by adding at the end the following new
4 clause:

5 “(v) EXCEPTION FOR FRAUD AND IN-
6 TENTIONAL DISREGARD OF RULES AND
7 REGULATIONS.—

8 “(I) IN GENERAL.—For purposes
9 of determining the safe harbor
10 amount under clause (iv) with respect
11 to any taxpayer, an individual shall
12 not be treated as taken into account
13 in determining the annual advance
14 amount of such taxpayer if the Sec-
15 retary determines that such individual
16 was so taken into account due to
17 fraud by the taxpayer or intentional
18 disregard of rules and regulations by
19 the taxpayer.

20 “(II) ARRANGEMENTS TO TAKE
21 INDIVIDUAL INTO ACCOUNT MORE
22 THAN ONCE.—For purposes of sub-
23 clause (I), a taxpayer shall not fail to
24 be treated as intentionally dis-
25 regarding rules and regulations with

1 respect to any individual taken into
2 account in determining the annual ad-
3 vance amount of such taxpayer if such
4 taxpayer entered into a plan or other
5 arrangement with, or expected, an-
6 other taxpayer to take such individual
7 into account in determining the credit
8 allowed under this section for the tax-
9 able year.”.

10 (b) TREATMENT OF JOINT RETURNS.—Section 24(j)
11 is amended by adding at the end the following new para-
12 graph:

13 “(3) JOINT RETURNS.—Except as otherwise
14 provided by the Secretary, in the case of an advance
15 payment made under section 7527A with respect to
16 a joint return, half of such payment shall be treated
17 as having been made to each individual filing such
18 return.”.

19 (c) ANNUAL ADVANCE AMOUNT.—Section 7527A(b)
20 is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A), by inserting “or
23 based on any other information known to the
24 Secretary” after “reference taxable year”,

1 (B) in subparagraph (C), by inserting “un-
2 less determined by the Secretary based on any
3 information known to the Secretary,” before
4 “the only children”, and

5 (C) in subparagraph (D), by inserting “un-
6 less determined by the Secretary based on any
7 information known to the Secretary,” before
8 “the ages of”, and

9 (2) in paragraph (3)(A)(ii), by striking “ pro-
10 vided by the taxpayer” and inserting “provided, or
11 known,”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning, and
14 payments made, after December 31, 2020.

15 **SEC. 137102. EXTENSION AND MODIFICATION OF CHILD TAX**

16 **CREDIT AND ADVANCE PAYMENT FOR 2022.**

17 (a) EXTENSIONS.—

18 (1) EXTENSION OF CHILD TAX CREDIT.—Sec-
19 tion 24(i) is amended—

20 (A) by striking “January 1, 2022” in the
21 matter preceding paragraph (1) and inserting
22 “January 1, 2023”, and

23 (B) by inserting “AND 2022” after “2021”
24 in the heading thereof.

1 (2) EXTENSION OF PROVISIONS RELATED TO
2 POSSESSIONS OF THE UNITED STATES.—

3 (A) Section 24(k)(2)(B) is amended—

4 (i) by striking “December 31, 2021”
5 in the matter preceding clause (i) and in-
6 serting “December 31, 2022”, and

7 (ii) by striking “AFTER 2021” in the
8 heading thereof and inserting “AFTER
9 2022”.

10 (B) Section 24(k)(3)(C)(ii) is amended—

11 (i) in subclause (I), by inserting “or
12 2022” after “2021”, and

13 (ii) in subclause (II), by striking “De-
14 cember 31, 2021” and inserting “Decem-
15 ber 31, 2022”.

16 (C) The heading of section 24(k)(2)(A) is
17 amended by inserting “AND 2022” after
18 “2021”.

19 (3) EXTENSION OF ADVANCE PAYMENT.—Sec-
20 tion 7527A is amended—

21 (A) in subsection (b)(1), by striking “50
22 percent of”,

23 (B) in clauses (i) and (ii) of subsection
24 (e)(4)(C), by inserting “or 2022” after “in
25 2021”, and

1 (C) in subsection (f), by striking “Decem-
2 ber 31, 2021” and inserting “December 31,
3 2022”.

4 (b) REPEAL OF SOCIAL SECURITY NUMBER RE-
5 QUIREMENT.—Section 24(h) is amended by striking para-
6 graph (7).

7 (c) APPLICATION OF INCOME PHASEOUT ON BASIS
8 OF INCOME FOR PRECEDING TAXABLE YEAR.—Section
9 24(i) is amended by adding at the end the following new
10 paragraph:

11 “(5) APPLICATION OF INCOME PHASEOUT ON
12 BASIS OF INCOME FOR PRIOR TAXABLE YEAR.—If
13 the taxpayer’s modified adjusted gross income (as
14 defined in subsection (b)) for the taxable year for
15 which the credit allowed under this section is deter-
16 mined is greater than such taxpayer’s modified ad-
17 justed gross income (as so defined) for the preceding
18 taxable year, paragraph (4) and subsection (b)(1)
19 shall both be applied with respect to such taxpayer’s
20 modified adjusted gross income (as so defined) for
21 the preceding taxable year.”.

22 (d) INFLATION ADJUSTMENT.—Section 24(i), as
23 amended by subsection (c), is amended by adding at the
24 end the following new paragraph:

25 “(6) INFLATION ADJUSTMENTS.—

1 “(A) IN GENERAL.—In the case of any
2 taxable year beginning after December 31,
3 2021, the \$500 amount in subsection (h)(4)(A),
4 the \$3,000 and \$3,600 amounts in paragraph
5 (3) and subsection (j)(2)(B)(iv), and the dollar
6 amounts in paragraph (4)(B), shall each be in-
7 creased by an amount equal to—

8 “(i) such dollar amount, multiplied by
9 “(ii) the percentage (if any) by
10 which—

11 “(I) the CPI (as defined in sec-
12 tion 1(f)(4)) for the calendar year
13 preceding the calendar year in which
14 such taxable year begins, exceeds

15 “(II) the CPI (as so defined) for
16 calendar year 2020.

17 “(B) ROUNDING.—

18 “(i) \$500 AMOUNT.—In the case of
19 the \$500 amount in subsection (h)(4)(A),
20 any increase under subparagraph (A)
21 which is not a multiple of \$10 shall be
22 rounded to the nearest multiple of \$10.

23 “(ii) \$3,000 AND \$3,600 AMOUNTS.—
24 In the case of the \$3,000 and \$3,600
25 amounts in paragraph (3) and subsection

1 (j)(2)(B)(iv), any increase under subpara-
2 graph (A) which is not a multiple of \$100
3 shall be rounded to the nearest multiple of
4 \$100.

5 “(iii) APPLICABLE THRESHOLD
6 AMOUNTS.—In the case of the dollar
7 amounts in paragraph (4)(B), any increase
8 under subparagraph (A) which is not a
9 multiple of \$5,000 shall be rounded to the
10 nearest multiple of \$5,000.”

11 (e) MODIFICATION OF RECAPTURE SAFE HARBOR
12 FOR 2022.—Section 24(j)(2)(B)(iv), as amended by the
13 preceding provisions of this Act, is amended to read as
14 follows:

15 “(iv) SAFE HARBOR AMOUNT.—For
16 purposes of this subparagraph, the term
17 ‘safe harbor amount’ means, with respect
18 to any taxpayer for any taxable year, the
19 aggregate of \$3,000 (\$3,600 in the case of
20 a qualifying child who has not attained age
21 6 as of the close of the calendar year in
22 which the taxable year of the taxpayer be-
23 gins) with respect to each qualifying child
24 who is—

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1 “(I) taken into account in deter-
2 mining the annual advance amount
3 with respect to such taxpayer under
4 section 7527A with respect to months
5 beginning in such taxable year, and

6 “(II) not taken into account in
7 determining the credit allowed to such
8 taxpayer under this section for such
9 taxable year.”.

10 (f) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning, and
12 payments made, after December 31, 2021.

13 **SEC. 137103. ESTABLISHMENT OF MONTHLY CHILD TAX**
14 **CREDIT WITH ADVANCE PAYMENT THROUGH**
15 **2025.**

16 (a) IN GENERAL.—Subpart A of part IV of sub-
17 chapter A of chapter 1 is amended by inserting after sec-
18 tion 24 the following new sections:

19 **“SEC. 24A. MONTHLY CHILD TAX CREDIT.**

20 “(a) ALLOWANCE OF CREDIT.—There shall be al-
21 lowed as a credit against the tax imposed by this chapter
22 for the taxable year the sum of the monthly specified child
23 allowances determined with respect to the taxpayer under
24 subsection (b) for each calendar month during such tax-
25 able year.

1 “(b) MONTHLY SPECIFIED CHILD ALLOWANCE.—

2 “(1) IN GENERAL.—For purposes of this sec-
3 tion, the term ‘monthly specified child allowance’
4 means, with respect to any taxpayer for any cal-
5 endar month, the sum of—

6 “(A) \$300 with respect to each specified
7 child of such taxpayer who will not, as of the
8 close of the taxable year which includes such
9 month, have attained age 6, plus

10 “(B) \$250 with respect to each specified
11 child of such taxpayer who will, as of the close
12 of the taxable year which includes such month,
13 have attained age 6.

14 “(2) LIMITATIONS BASED ON MODIFIED AD-
15 JUSTED GROSS INCOME.—

16 “(A) INITIAL REDUCTION.—The monthly
17 specified child allowance otherwise determined
18 under paragraph (1) with respect to any tax-
19 payer for any calendar month shall be reduced
20 (but not below zero) by $\frac{1}{12}$ of 5 percent of the
21 excess (if any) of the taxpayer’s modified ad-
22 justed gross income for the applicable taxable
23 year over the initial threshold amount in effect
24 for such applicable taxable year.

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1 “(B) LIMITATION ON INITIAL REDUC-
2 TION.—The amount of the reduction under sub-
3 paragraph (A) shall not exceed the lesser of—

4 “(i) the excess (if any) of—

5 “(I) the monthly specified child
6 allowance with respect to the taxpayer
7 for the calendar month (determined
8 without regard to this paragraph),
9 over

10 “(II) the amount which would be
11 determined under subclause (I) if the
12 dollar amounts in effect under sub-
13 paragraphs (A) and (B) of paragraph
14 (1) were each equal to \$166.67, or

15 “(ii) $\frac{1}{12}$ of 5 percent of the excess of
16 the secondary threshold amount over the
17 initial threshold amount.

18 “(C) SECONDARY REDUCTION.—The
19 monthly specified child allowance otherwise de-
20 termined under paragraph (1) with respect to
21 any taxpayer for any calendar month (deter-
22 mined after the application of subparagraphs
23 (A) and (B)) shall be reduced (but not below
24 zero) by $\frac{1}{12}$ of 5 percent of the excess (if any)
25 of the taxpayer’s modified adjusted gross in-

1 come for the applicable taxable year over the
2 secondary threshold amount.

3 “(D) DEFINITIONS RELATED TO LIMITA-
4 TIONS BASED ON MODIFIED ADJUSTED GROSS
5 INCOME.—For purposes of this paragraph—

6 “(i) INITIAL THRESHOLD AMOUNT.—
7 The term ‘initial threshold amount’
8 means—

9 “(I) \$150,000, in the case of a
10 joint return or surviving spouse (as
11 defined in section 2(a)),

12 “(II) $\frac{1}{2}$ the dollar amount in ef-
13 fect under subclause (I), in the case of
14 a married individual filing a separate
15 return, and

16 “(III) \$112,500, in any other
17 case.

18 “(iii) SECONDARY THRESHOLD
19 AMOUNT.—The term ‘secondary threshold
20 amount’ means—

21 “(I) \$400,000, in the case of a
22 joint return or surviving spouse (as
23 defined in section 2(a)),

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1 “(II) \$300,000, in the case of a
2 head of household (as defined in sec-
3 tion 2(b)), and

4 “(III) \$200,000, in any other
5 case.

6 “(iv) APPLICABLE TAXABLE YEAR.—
7 The term ‘applicable taxable year’ means,
8 with respect to any taxpayer, the relevant
9 taxable year with respect to which the tax-
10 payer has the lowest modified adjusted
11 gross income. For purposes of the pre-
12 ceding sentence, the term ‘relevant taxable
13 year’ means the taxable year for which the
14 credit allowed under this section is deter-
15 mined and each of the 2 immediately pre-
16 ceding taxable years.

17 “(v) MODIFIED ADJUSTED GROSS IN-
18 COME.—The term ‘modified adjusted gross
19 income’ means adjusted gross income in-
20 creased by any amount excluded from
21 gross income under section 911, 931, or
22 933.

23 “(c) SPECIFIED CHILD.—For purposes of this sec-
24 tion—

1 “(1) IN GENERAL.—The term ‘specified child’
2 means, with respect to any taxpayer for any cal-
3 endar month, an individual—

4 “(A) who has the same principal place of
5 abode as the taxpayer for more than one-half of
6 such month,

7 “(B) who is younger than the taxpayer and
8 will not, as of the close of the calendar year
9 which includes such month, have attained age
10 18,

11 “(C) who receives care from the taxpayer
12 during such month that is not compensated,

13 “(D) who is not the spouse of the taxpayer
14 at any time during such month,

15 “(E) who is not a taxpayer with respect to
16 whom any individual is a specified child for
17 such month, and

18 “(F) who either—

19 “(i) is a citizen, national, or resident
20 of the United States, or

21 “(ii) if the taxpayer is a citizen or na-
22 tional of the United States, such individual
23 is described in section 152(f)(1)(B) with
24 respect to such taxpayer.

25 “(2) CARE FROM THE TAXPAYER.—

1 “(A) IN GENERAL.—Except as otherwise
2 provided by the Secretary, whether any indi-
3 vidual receives care from the taxpayer (within
4 the meaning of paragraph (1)(C)) shall be de-
5 termined on the basis of facts and cir-
6 cumstances with respect to the following fac-
7 tors:

8 “(i) The supervision provided by the
9 taxpayer regarding the daily activities and
10 needs of the individual.

11 “(ii) The maintenance by the taxpayer
12 of a secure environment at which the indi-
13 vidual resides.

14 “(iii) The provision or arrangement by
15 the taxpayer of, and transportation by the
16 taxpayer to, medical care at regular inter-
17 vals and as required for the individual.

18 “(iv) The involvement by the taxpayer
19 in, and financial and other support by the
20 taxpayer for, educational or similar activi-
21 ties of the individual.

22 “(v) Any other factor that the Sec-
23 retary determines to be appropriate to de-
24 termine whether the individual receives
25 care from the taxpayer.

1 “(B) DETERMINATION OF WHETHER CARE
2 IS COMPENSATED.—For purposes of deter-
3 mining if care is compensated within the mean-
4 ing of paragraph (1)(C), compensation from the
5 Federal Government, a State or local govern-
6 ment, a Tribal government, or any possession of
7 the United States shall not be taken into ac-
8 count.

9 “(3) APPLICATION OF TIE-BREAKER RULES.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (D), if any individual would (but
12 for this paragraph) be a specified child of 2 or
13 more taxpayers for any month, such individual
14 shall be treated as the specified child only of
15 the taxpayer who is—

16 “(i) the parent of the individual (or, if
17 such individual would (but for this para-
18 graph) be a specified child of 2 or more
19 parents of the individual for such month,
20 the parent of the individual determined
21 under subparagraph (B)),

22 “(ii) if the individual is not a specified
23 child of any parent of the individual (deter-
24 mined without regard to this paragraph),
25 the specified relative of the individual with

1 the highest adjusted gross income for the
2 taxable year which includes such month, or
3 “(iii) if the individual is neither a
4 specified child of any parent of the indi-
5 vidual nor a specified child of any specified
6 relative of the individual (in both cases de-
7 termined without regard to this para-
8 graph), the taxpayer with the highest ad-
9 justed gross income for the taxable year
10 which includes such month.

11 “(B) TIE-BREAKER AMONG PARENTS.—If
12 any individual would (but for this paragraph)
13 be the specified child of 2 or more parents of
14 the individual for any month, such child shall
15 be treated only as the specified child of—

16 “(i) the parent with whom the child
17 resided for the longest period of time dur-
18 ing such month, or

19 “(ii) if the child resides with both par-
20 ents for the same amount of time during
21 such month, the parent with the highest
22 adjusted gross income for the taxable year
23 which includes such month.

1 “(C) SPECIFIED RELATIVE.—For purposes
2 of this paragraph, the term ‘specified relative’
3 means an individual who is—

4 “(i) an ancestor of a parent of the
5 specified child,

6 “(ii) a brother or sister of a parent of
7 the specified child, or

8 “(iii) a brother, sister, stepbrother, or
9 stepsister of the specified child.

10 “(D) CERTAIN PARENTS OR SPECIFIED
11 RELATIVES NOT TAKEN INTO ACCOUNT.—This
12 paragraph shall be applied without regard to
13 any parent or specified relative of an individual
14 for any month if—

15 “(i) such parent or specified relative
16 elects to have such individual not be treat-
17 ed as a specified child of such parent or
18 specified relative for such month,

19 “(ii) in the case of a parent of such
20 individual, the adjusted gross income of
21 the taxpayer (with respect to whom such
22 individual would be treated as a specified
23 child after application of this subpara-
24 graph) for the taxable year which includes
25 such month is higher than the highest ad-

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1 justed gross income of any parent of the
2 individual for any taxable year which in-
3 cludes such month (determined without re-
4 gard to any parent with respect to whom
5 such individual is not a specified child, de-
6 termined without regard to subparagraphs
7 (A) and (B) and after application of this
8 subparagraph), and

9 “ (iii) in the case of a specified relative
10 of such individual, the adjusted gross in-
11 come of the taxpayer (with respect to
12 whom such individual would be treated as
13 a specified child after application of this
14 subparagraph) for the taxable year which
15 includes such month is higher than the
16 highest adjusted gross income of any par-
17 ent and any specified relative of the indi-
18 vidual for any taxable year which includes
19 such month (determined without regard to
20 any parent and any specified relative with
21 respect to whom such individual is not a
22 specified child, determined without regard
23 to subparagraphs (A) and (B) and after
24 application of this subparagraph).

1 “(E) TREATMENT OF JOINT RETURNS.—

2 For purposes of this paragraph, with respect to
3 any month, 2 individuals filing a joint return
4 for the taxable year which includes such month
5 shall be treated as 1 individual.

6 “(F) PARENT.—Except as otherwise pro-
7 vided by the Secretary, the term ‘parent’ shall
8 have the same meaning as when used in section
9 152(c)(4).

10 “(4) SPECIAL RULES WITH RESPECT TO BIRTH
11 AND DEATH.—

12 “(A) BIRTH.—

13 “(i) IN GENERAL.—In the case of the
14 birth of an individual during any calendar
15 year, such individual shall be treated as a
16 specified child of the relevant taxpayer for
17 each calendar month in such calendar year
18 which precedes the calendar month re-
19 ferred to in clause (ii).

20 “(ii) RELEVANT TAXPAYER.—For
21 purposes of clause (i), the term ‘relevant
22 taxpayer’ means the taxpayer with respect
23 to whom the individual referred to in
24 clause (i) is a specified child for the first
25 month for which such individual is a speci-

1 fied child with respect to any taxpayer (de-
2 termined without regard to this subpara-
3 graph).

4 “(B) DEATH.—

5 “(i) IN GENERAL.—In the case of the
6 death of an individual during any calendar
7 year, such individual shall be treated as a
8 specified child of the relevant taxpayer for
9 each calendar month in such calendar year
10 which follows the calendar month referred
11 to in clause (ii).

12 “(ii) RELEVANT TAXPAYER.—For
13 purposes of clause (i), the term ‘relevant
14 taxpayer’ means the taxpayer with respect
15 to whom the individual referred to in
16 clause (i) is a specified child for the last
17 month for which such individual is alive.

18 “(5) TREATMENT OF TEMPORARY ABSENCES.—

19 For purposes of this subsection—

20 “(A) IN GENERAL.—In the case of any in-
21 dividual’s temporary absence from such individ-
22 ual’s principal place of abode, each day com-
23 posing the temporary absence shall—

24 “(i) be treated as a day at such indi-
25 vidual’s principal place of abode, and

1 “(ii) not be treated as a day at any
2 other location.

3 “(B) TEMPORARY ABSENCE.—For pur-
4 poses of subparagraph (A), an absence shall be
5 treated as temporary if—

6 “(i) the individual would have resided
7 at the place of abode but for the absence,
8 and

9 “(ii) under the facts and cir-
10 cumstances, it is reasonable to assume that
11 the individual will return to reside at the
12 place of abode.

13 “(6) SPECIAL RULE FOR DIVORCED PARENTS,
14 ETC.—Rules similar to the rules section 152(e) shall
15 apply for purposes of this subsection.

16 “(7) ELIGIBILITY DETERMINED ON BASIS OF
17 PRESUMPTIVE ELIGIBILITY.—

18 “(A) IN GENERAL.—If a period of pre-
19 sumptive eligibility is established under section
20 7527B(c) for any individual with respect to any
21 taxpayer—

22 “(i) such individual shall be treated as
23 the specified child of such taxpayer for any
24 month in such period of presumptive eligi-
25 bility, and

1 “(ii) such individual shall not be
2 treated as the specified child of any other
3 taxpayer with respect to whom a period of
4 presumptive eligibility has not been estab-
5 lished for any such month.

6 “(B) ABILITY OF CREDIT CLAIMANTS TO
7 ESTABLISH PRESUMPTIVE ELIGIBILITY.—Noth-
8 ing in section 7527B(c) shall be interpreted to
9 preclude a taxpayer who elects not to receive
10 monthly advance child payments under section
11 7527B from establishing a period of presump-
12 tive eligibility (including any such period de-
13 scribed in section 7527B(c)(2)(D)) with respect
14 to any specified child for purposes of this sec-
15 tion.

16 “(d) PORTION OF CREDIT REFUNDABLE.—If the tax-
17 payer (in the case of a joint return, either spouse) has
18 a principal place of abode (determined as provided in sec-
19 tion 32) in the United States or Puerto Rico for more
20 than one-half of any calendar month during the taxable
21 year, so much of the credit otherwise allowed under sub-
22 section (a) as is attributable to monthly specified child al-
23 lowances with respect to any such calendar month shall
24 be allowed under subpart C (and not allowed under this
25 subpart).

1 “(e) IDENTIFICATION REQUIREMENTS.—Rules simi-
2 lar to the rules of section 24(e) shall apply for purposes
3 of this section.

4 “(f) RESTRICTIONS ON TAXPAYERS WHO IMPROP-
5 ERLY CLAIMED CREDIT OR IMPROPERLY RECEIVED
6 MONTHLY ADVANCE CHILD PAYMENT.—

7 “(1) TAXPAYERS MAKING PRIOR FRAUDULENT
8 OR RECKLESS CLAIMS.—

9 “(A) IN GENERAL.—No credit shall be al-
10 lowed under this section for any taxable year
11 (and no payment shall be made under section
12 7527B for any month) in the disallowance pe-
13 riod.

14 “(B) DISALLOWANCE PERIOD.—For pur-
15 poses of subparagraph (A), the disallowance pe-
16 riod is—

17 “(i) the period of 10 taxable years
18 after the most recent taxable year for
19 which there was a final determination that
20 the taxpayer’s claim of credit under this
21 section or section 24 (or payment under
22 section 7527A or 7527B) was due to
23 fraud,

24 “(ii) the period of 2 taxable years
25 after the most recent taxable year for

1 which there was a final determination that
2 the taxpayer's claim of credit under this
3 section or section 24 (or payment under
4 section 7527A or 7527B) was due to reck-
5 less or intentional disregard of rules and
6 regulations (but not due to fraud), and

7 “(iii) in addition to any period deter-
8 mined under clause (i) or (ii) (as the case
9 may be), the period beginning on the date
10 of the final determination described in
11 such clause and ending with the beginning
12 of the period described in such clause.

13 “(2) TAXPAYERS MAKING IMPROPER PRIOR
14 CLAIMS.—In the case of a taxpayer who is denied
15 credit under this section or section 24 for any tax-
16 able year as a result of the deficiency procedures
17 under subchapter B of chapter 63, no credit shall be
18 allowed under this section for any subsequent tax-
19 able year (and no payment shall be made under sec-
20 tion 7527B for any subsequent month) unless the
21 taxpayer provides such information as the Secretary
22 may require to demonstrate eligibility for such cred-
23 it.

24 “(3) COORDINATION WITH POSSESSIONS OF
25 THE UNITED STATES.—In carrying out this section,

1 the Secretary shall coordinate with each possession
2 of the United States to prevent the avoidance of the
3 application of this subsection.

4 “(g) RECONCILIATION OF CREDIT AND MONTHLY
5 ADVANCE CHILD PAYMENTS.—

6 “(1) IN GENERAL.—The amount otherwise de-
7 termined under subsection (a) with respect to any
8 taxpayer for any taxable year shall be reduced (but
9 not below zero) by the aggregate amount of pay-
10 ments made under section 7527B to such taxpayer
11 for one or more calendar months in such taxable
12 year. Any failure to so reduce the credit shall be
13 treated as arising out of a mathematical or clerical
14 error and assessed according to section 6213(b)(1).

15 “(2) RECAPTURE OF EXCESS ADVANCE PAY-
16 MENTS IN CERTAIN CIRCUMSTANCES.—In the case
17 of a taxpayer described in paragraph (3) for any
18 taxable year, the tax imposed by this chapter for
19 such taxable year shall be increased by the excess (if
20 any) of—

21 “(A) the aggregate amount of payments
22 made to the taxpayer under section 7527B for
23 one or more calendar months in such taxable
24 year, over

1 “(B) the amount determined under sub-
2 section (a) with respect to the taxpayer for such
3 taxable year (without regard to paragraph (1)
4 of this subsection).

5 “(3) TAXPAYERS SUBJECT TO RECAPTURE.—

6 “(A) FRAUD OR RECKLESS OR INTEN-
7 TIONAL DISREGARD OF RULES AND REGULA-
8 TIONS.—A taxpayer is described in this para-
9 graph with respect to any taxable year if the
10 Secretary determines that the amount described
11 in paragraph (2)(A) with respect to the tax-
12 payer for such taxable year was determined on
13 the basis of fraud or a reckless or intentional
14 disregard of rules and regulations.

15 “(B) UNDERSTATEMENT OF INCOME;
16 CHANGES IN FILING STATUS.—If the amount
17 described in paragraph (2)(A) with respect to
18 the taxpayer for the taxable year was deter-
19 mined on the basis of an amount of the tax-
20 payer’s modified adjusted gross income which
21 was less than the taxpayer’s modified adjusted
22 gross income for the applicable taxable year (as
23 defined in subsection (b))—

24 “(i) such taxpayer shall be treated as
25 described in this paragraph, and

1 “(ii) the increase determined under
2 paragraph (2) by reason of this subpara-
3 graph shall not exceed the excess of—

4 “(I) the amount described in
5 paragraph (2)(A), over

6 “(II) the amount which would be
7 so described if the payments described
8 therein had been determined on the
9 basis of the taxpayer’s modified ad-
10 justed gross income for the applicable
11 taxable year (as defined in subsection
12 (b)).

13 A rule similar to the rule of the preceding
14 sentence shall apply if the amount de-
15 scribed in paragraph (2)(A) with respect to
16 the taxpayer for the taxable year was de-
17 termined on the basis of a filing status of
18 the taxpayer which differs from the tax-
19 payer’s filing status for the applicable tax-
20 able year (as so defined).

21 “(C) PAYMENTS MADE OUTSIDE OF PE-
22 RIOD OF PRESUMPTIVE ELIGIBILITY.—If any
23 payment described in paragraph (2)(A) with re-
24 spect to the taxpayer for the taxable year was
25 made with respect to a child for a month which

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1 was not part of a period of presumptive eligi-
2 bility established under section 7527B(c) for
3 such child with respect to such taxpayer—

4 “(i) such taxpayer shall be treated as
5 described in this paragraph, and

6 “(ii) the increase determined under
7 paragraph (2) by reason of this subpara-
8 graph shall not exceed the portion of such
9 payment so made.

10 “(D) CERTAIN PAYMENTS MADE AFTER
11 NOTICE FROM SECRETARY.—If the Secretary
12 notifies a taxpayer under section 7527B(j)(2)
13 that such taxpayer is subject to recapture with
14 respect to any payments—

15 “(i) such taxpayer shall be treated as
16 described in this paragraph, and

17 “(ii) the increase determined under
18 paragraph (2) by reason of this subpara-
19 graph shall not exceed the aggregate
20 amount of such payments.

21 “(E) TAXPAYERS MOVING TO ANOTHER
22 JURISDICTION.—To minimize the amount of ad-
23 vance payments made under section 7527B to
24 ineligible individuals, the Secretary shall issue
25 regulations or other guidance for purposes of

1 this paragraph which apply with respect to tax-
2 payers who are described in section
3 7527B(b)(4) with respect to the reference
4 month but are not so described with respect to
5 one or more months during the taxable year for
6 which advance payments under section 7527B
7 are made.

8 “(F) OTHER CIRCUMSTANCES TO PREVENT
9 ABUSE.—A taxpayer is described in this para-
10 graph with respect to any taxable year pursuant
11 to regulations or other guidance of the Sec-
12 retary describing other recapture circumstances
13 to facilitate the administration and enforcement
14 by the Secretary of section 7527B to minimize
15 the amount of advance payments made under
16 section 7527B to ineligible individuals and to
17 prevent abuse.

18 “(4) JOINT RETURNS.—Except as otherwise
19 provided by the Secretary, in the case of an advance
20 payment made under section 7527B with respect to
21 a joint return, half of such payment shall be treated
22 as having been made to each individual filing such
23 return.

24 “(h) INFLATION ADJUSTMENTS.—

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1 “(1) MONTHLY SPECIFIED CHILD ALLOW-
2 ANCE.—

3 “(A) IN GENERAL.—In the case of any
4 month beginning after December 31, 2022,
5 each of the dollar amounts in subsection (b)(1)
6 shall be increased by an amount equal to—

7 “(i) such dollar amount, multiplied by

8 “(ii) the percentage (if any) by
9 which—

10 “(I) the CPI (as defined in sec-
11 tion 1(f)(4)) for the calendar year
12 preceding the calendar year in which
13 such month begins, exceeds

14 “(II) the CPI (as so defined) for
15 calendar year 2020.

16 “(B) ROUNDING.—Any increase under
17 subparagraph (A) which is not a multiple of
18 \$10 shall be rounded to the nearest multiple of
19 \$10.

20 “(2) INITIAL THRESHOLD AMOUNT.—

21 “(A) IN GENERAL.—In the case of any
22 taxable year beginning after December 31,
23 2022, the dollar amounts in subclauses (I) and
24 (III) of subsection (b)(2)(D)(i) shall each be in-
25 creased by an amount equal to—

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1 “(i) such dollar amount, multiplied by

2 “(ii) the percentage (if any) by

3 which—

4 “(I) the CPI (as defined in sec-

5 tion 1(f)(4)) for the calendar year

6 preceding the calendar year in which

7 such taxable year begins, exceeds

8 “(II) the CPI (as so defined) for

9 calendar year 2020.

10 “(B) ROUNDING.—Any increase under

11 subparagraph (A) which is not a multiple of

12 \$5,000 shall be rounded to the nearest multiple

13 of \$5,000.

14 “(i) APPLICATION OF CREDIT IN POSSESSIONS.—

15 “(1) MIRROR CODE POSSESSIONS.—

16 “(A) IN GENERAL.—The Secretary shall

17 pay to each possession of the United States

18 with a mirror code tax system amounts equal to

19 the loss (if any) to that possession by reason of

20 the application of this section (determined with-

21 out regard to this subsection) with respect to

22 taxable years beginning after 2022 and before

23 2026. Such amounts shall be determined by the

24 Secretary based on information provided by the

25 government of the respective possession.

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1 “(B) COORDINATION WITH CREDIT AL-
2 LOWED AGAINST UNITED STATES INCOME
3 TAXES.—No credit shall be allowed under this
4 section for any taxable year to any individual to
5 whom a credit is allowable against taxes im-
6 posed by a possession of the United States with
7 a mirror code tax system by reason of the appli-
8 cation of this section in such possession for
9 such taxable year.

10 “(C) MIRROR CODE TAX SYSTEM.—For
11 purposes of this paragraph, the term ‘mirror
12 code tax system’ means, with respect to any
13 possession of the United States, the income tax
14 system of such possession if the income tax li-
15 ability of the residents of such possession under
16 such system is determined by reference to the
17 income tax laws of the United States as if such
18 possession were the United States.

19 “(2) CROSS REFERENCES RELATED TO APPLI-
20 CATION OF CREDIT TO RESIDENTS OF PUERTO
21 RICO.—

22 “(A) For application of refundable credit
23 to residents of Puerto Rico, see subsection (d).

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1 “(B) For application of advance payment
2 to residents of Puerto Rico, see section
3 7527B(b)(4).

4 “(3) AMERICAN SAMOA.—

5 “(A) IN GENERAL.—The Secretary shall
6 pay to American Samoa amounts estimated by
7 the Secretary as being equal to the aggregate
8 benefits that would have been provided to resi-
9 dents of American Samoa by reason of the ap-
10 plication of this section for taxable years begin-
11 ning after 2022 and before 2026 if the provi-
12 sions of this section had been in effect in Amer-
13 ican Samoa (applied as if American Samoa
14 were the United States and without regard to
15 the application of this section to residents of
16 Puerto Rico under subsection (d)).

17 “(B) DISTRIBUTION REQUIREMENT.—Sub-
18 paragraph (A) shall not apply unless American
19 Samoa has a plan, which has been approved by
20 the Secretary, under which American Samoa
21 will promptly distribute such payments to its
22 residents.

23 “(C) COORDINATION WITH CREDIT AL-
24 LOWED AGAINST UNITED STATES INCOME
25 TAXES.—

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1 “(i) IN GENERAL.—In the case of a
2 taxable year with respect to which a plan
3 is approved under subparagraph (B), this
4 section (other than this subsection) shall
5 not apply to any individual eligible for a
6 distribution under such plan.

7 “(ii) APPLICATION OF SECTION IN
8 EVENT OF ABSENCE OF APPROVED
9 PLAN.—In the case of a taxable year with
10 respect to which a plan is not approved
11 under subparagraph (B), subsection (d)
12 shall be applied by substituting ‘, Puerto
13 Rico, or American Samoa’ for ‘or Puerto
14 Rico’.

15 “(4) TREATMENT OF PAYMENTS.—For pur-
16 poses of section 1324 of title 31, United States
17 Code, the payments under this subsection shall be
18 treated in the same manner as a refund due from
19 a credit provision referred to in subsection (b)(2) of
20 such section.

21 “(j) REGULATIONS.—The Secretary shall issue such
22 regulations or other guidance as the Secretary determines
23 necessary or appropriate to carry out the purposes of this
24 section, including regulations or other guidance—

1 “(1) for determining whether an individual re-
2 ceives care from a taxpayer for purposes of sub-
3 section (c)(1), and

4 “(2) to coordinate or modify the application of
5 this section and section 24, 7527A, and 7527B in
6 the case of any taxpayer—

7 “(A) whose taxable year is other than a
8 calendar year,

9 “(B) whose filing status for a taxable year
10 is different from the status used for deter-
11 mining one or more monthly payments under
12 section 7527B during such taxable year, or

13 “(C) whose principal place of abode for
14 any month is different from the principal place
15 of abode used for determining the monthly pay-
16 ment under section 7527B for such month.

17 “(k) TERMINATION.—This section shall not apply to
18 taxable years beginning after December 31, 2025.

19 **“SEC. 24B. CREDIT FOR CERTAIN OTHER DEPENDENTS.**

20 “(a) IN GENERAL.—There shall be allowed as a cred-
21 it against the tax imposed by this chapter for the taxable
22 year an amount equal to \$500 with respect to each speci-
23 fied dependent of such taxpayer for such taxable year.

24 “(b) LIMITATION BASED ON MODIFIED ADJUSTED
25 GROSS INCOME.—

1 “(1) IN GENERAL.—The amount of the credit
2 allowable under subsection (a) shall be reduced (but
3 not below zero) by \$50 for each \$1,000 (or fraction
4 thereof) by which the taxpayer’s modified adjusted
5 gross income exceeds the threshold amount.

6 “(2) THRESHOLD AMOUNT.—For purposes of
7 this subsection, the term ‘threshold amount’
8 means—

9 “(A) \$400,000, in the case of a joint re-
10 turn or surviving spouse (as defined in section
11 2(a)),

12 “(B) \$300,000, in the case of a head of
13 household (as defined in section 2(b)), and

14 “(C) \$200,000, in any other case.

15 “(3) MODIFIED ADJUSTED GROSS INCOME.—
16 For purposes of this subsection, the term ‘modified
17 adjusted gross income’ means adjusted gross income
18 increased by any amount excluded from gross in-
19 come under section 911, 931, or 933.

20 “(c) SPECIFIED DEPENDENT.—For purposes of this
21 section, the term ‘specified dependent’ means, with respect
22 to any taxpayer for any taxable year, any dependent of
23 such taxpayer for such taxable year unless such depend-
24 ent—

1 “(1) is a specified child of the taxpayer, or any
2 other taxpayer, for any month during such taxable
3 year, or

4 “(2) would not be a dependent if subparagraph
5 (A) of section 152(b)(3) were applied without regard
6 to all that follows ‘resident of the United States’.

7 “(d) IDENTIFICATION REQUIREMENTS.—Rules simi-
8 lar to the rules of section 24(e) shall apply for purposes
9 of this section.

10 “(e) TAXABLE YEAR MUST BE FULL TAXABLE
11 YEAR.—Except in the case of a taxable year closed by rea-
12 son of the death of the taxpayer, no credit shall be allow-
13 able under this section in the case of a taxable year cov-
14 ering a period of less than 12 months.

15 “(f) INFLATION ADJUSTMENT.—

16 “(1) IN GENERAL.—In the case of any taxable
17 year beginning after December 31, 2022, the \$500
18 amount in subsection (a) shall be increased by an
19 amount equal to—

20 “(A) such dollar amount, multiplied by

21 “(B) the percentage (if any) by which—

22 “(i) the CPI (as defined in section
23 1(f)(4)) for the calendar year preceding
24 the calendar year in which such taxable
25 year begins, exceeds

1 “(ii) the CPI (as so defined) for cal-
2 endar year 2020.

3 “(2) ROUNDING.—If the increase determined
4 under paragraph (1) is not a multiple of \$10, such
5 increase shall be rounded to the nearest multiple of
6 \$10.

7 “(g) REGULATIONS.—The Secretary shall issue such
8 regulations or other guidance as the Secretary determines
9 necessary or appropriate to carry out the purposes of this
10 section.

11 “(h) TERMINATION.—This section shall not apply to
12 taxable years beginning after December 31, 2025.”.

13 (b) MONTHLY PAYMENT OF CHILD TAX CREDIT.—
14 Chapter 77 is amended by inserting after section 7527A
15 the following new section:

16 **“SEC. 7527B. MONTHLY PAYMENTS OF CHILD TAX CREDIT.**

17 “(a) IN GENERAL.—The Secretary shall establish a
18 program for making payments to taxpayers with respect
19 to each calendar month equal to the monthly advance child
20 payment determined with respect to such taxpayer for
21 such month.

22 “(b) MONTHLY ADVANCE CHILD PAYMENT.—For
23 purposes of this section and except as otherwise provided
24 in this section, the term ‘monthly advance child payment’
25 means, with respect to any taxpayer for any calendar

1 month, the amount (if any) which is estimated by the Sec-
2 retary as being equal to the monthly specified child allow-
3 ance which would be determined under section 24A(b)
4 with respect to such taxpayer for such calendar month if—

5 “(1) unless determined by the Secretary based
6 on any information known to the Secretary, the only
7 specified children of such taxpayer for such calendar
8 month are the specified children of such taxpayer for
9 the reference month,

10 “(2) unless determined by the Secretary based
11 on any information known to the Secretary, the ages
12 of such children (and the status of such children as
13 specified children) are determined for such calendar
14 month by taking into account the passage of time
15 since such reference month,

16 “(3) the limitations of section 24A(b)(2) were
17 applied with respect to the reference taxable year
18 rather than with respect to the applicable taxable
19 year, and

20 “(4) unless determined by the Secretary based
21 on any information known to the Secretary, no
22 monthly specified child allowance were determined
23 with respect to such taxpayer for such calendar
24 month unless the taxpayer (in the case of a joint re-
25 turn, either spouse) has a principal place of abode

1 (determined as provided in section 32) in the United
2 States or Puerto Rico for more than one-half of the
3 reference month.

4 “(c) PRESUMPTIVE ELIGIBILITY.—

5 “(1) IN GENERAL.—An individual shall be
6 treated as a specified child of a taxpayer for pur-
7 poses of determining any monthly advance child pay-
8 ment under this section only if such month is part
9 of the period of presumptive eligibility determined by
10 the Secretary under this subsection with respect to
11 such specified child and such taxpayer (determined
12 by treating the month described in subclause (I) of
13 paragraph (2)(A)(ii) as being the first month begin-
14 ning after the determination described in such sub-
15 clause).

16 “(2) PERIOD OF PRESUMPTIVE ELIGIBILITY.—
17 For purposes of this section—

18 “(A) IN GENERAL.—Except as otherwise
19 provided by the Secretary, the term ‘period of
20 presumptive eligibility’ means the period—

21 “(i) beginning with the month for
22 which presumptive eligibility is established,
23 and

24 “(ii) ending with the earliest of—

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1 “(I) the beginning of the month
2 described in clause (i) if the Secretary
3 determines that the taxpayer com-
4 mitted fraud or intentionally dis-
5 regarded rules or regulations in estab-
6 lishing or maintaining presumptive
7 eligibility,

8 “(II) in the case of any notifica-
9 tion from the Secretary that the pe-
10 riod of presumptive eligibility has
11 been terminated or suspended by rea-
12 son of any question regarding eligi-
13 bility of the taxpayer for monthly ad-
14 vance child payments with respect to
15 such child, the month specified in
16 such notice as the month on which
17 such termination or suspension be-
18 gins, and

19 “(III) the month following any
20 failure of the taxpayer to make the re-
21 quired annual renewal of presumptive
22 eligibility by such date as the Sec-
23 retary may provide.

24 “(B) ESTABLISHING PRESUMPTIVE ELIGI-
25 BILITY.—A taxpayer shall establish presumptive

1 eligibility with respect to any specified child for
2 any month at such time and in such manner as
3 the Secretary may provide. Except as otherwise
4 provided by the Secretary, in order to establish
5 a period of presumptive eligibility the taxpayer
6 must express a reasonable expectation and in-
7 tent that the taxpayer will continue to be eligi-
8 ble with respect to such specified child for at
9 least the two months following the month for
10 which presumptive eligibility is to be estab-
11 lished.

12 “(C) METHOD OF ESTABLISHING PRE-
13 SUMPTIVE ELIGIBILITY.—The Secretary shall
14 ensure information to establish presumptive eli-
15 gibility under this paragraph may be provided
16 on the return of tax for the taxable year ending
17 before the calendar year which includes the
18 month for which such eligibility is to be estab-
19 lished, through the on-line portal described in
20 subsection (c), or in such other manner as the
21 Secretary may provide.

22 “(D) INCLUSION OF AUTOMATIC GRACE
23 PERIODS AND PERIODS OF HARDSHIP.—The pe-
24 riod of presumptive eligibility shall include any

1 period to which paragraph (1) or (2) of sub-
2 section (g) applies.

3 “(E) AUTOMATIC ELIGIBILITY FOR BIRTH
4 OF CHILD.—The Secretary shall issue regula-
5 tions or other guidance to establish procedures
6 pursuant to which, to the maximum extent ad-
7 ministratively practicable—

8 “(i) a parent of a child born during a
9 calendar month shall be treated as auto-
10 matically establishing presumptive eligi-
11 bility with respect to such child,

12 “(ii) the period of such automatic pre-
13 sumptive eligibility is determined, and

14 “(iii) the first monthly advance child
15 payment with respect to such child is ad-
16 justed to properly take into account each
17 month in the taxable year preceding such
18 birth.

19 “(F) PRESUMPTIVE ELIGIBILITY BASED
20 ON CERTAIN GOVERNMENT PROGRAMS.—The
21 Secretary shall issue regulations or other guid-
22 ance to establish procedures under which—

23 “(i) based on information provided to
24 the Secretary by one or more government
25 entities, a parent or specified relative of a

1 child is treated as automatically estab-
2 lishing presumptive eligibility with respect
3 to such child, and

4 “(ii) the period for which such auto-
5 matic presumptive eligibility is determined
6 (including any additional circumstances
7 under which such period will terminate).

8 “(G) COORDINATION WITH PRESUMP-
9 TION.—For purposes of determining the status
10 of any individual as a specified child for pur-
11 poses of determining presumptive eligibility
12 with respect to any period, section 24A(c) shall
13 be applied without regard to paragraph (7)
14 thereof.

15 “(3) NOTICE OF TERMINATION OF PRESUMP-
16 TIVE ELIGIBILITY BY REASON OF FAILURE TO MAKE
17 ANNUAL RENEWAL.—If a taxpayer’s period of pre-
18 sumptive eligibility with respect to any specified
19 child terminates by reason of paragraph
20 (2)(A)(ii)(IV), the Secretary shall provide the tax-
21 payer a written notice of such termination.

22 “(d) DETERMINATION OF REFERENCE MONTH AND
23 REFERENCE TAXABLE YEAR.—For purposes of this sec-
24 tion—

1 “(1) REFERENCE MONTH.—The term ‘reference
2 month’ means, with respect to any taxpayer for any
3 calendar month, the most recent of—

4 “(A) in the case of a taxpayer who filed a
5 return of tax for the last taxable year ending
6 before such calendar month, the last month of
7 such taxable year,

8 “(B) in the case of a taxpayer who filed a
9 return of tax for the taxable year preceding the
10 taxable year described in subparagraph (A), the
11 last month of such preceding taxable year, and

12 “(C) in the case of a taxpayer who pro-
13 vides, through a specified alternative mecha-
14 nism, information which is sufficient to esti-
15 mate the taxpayer’s monthly advance child pay-
16 ment for such month, such month.

17 “(2) REFERENCE TAXABLE YEAR.—The term
18 ‘reference taxable year’ means, with respect to any
19 taxpayer for any calendar month, the most recent
20 of—

21 “(A) the taxable year described in subpara-
22 graph (A) or (B) of paragraph (1), or

23 “(B) in the case of a taxpayer who pro-
24 vides, through a specified alternative mecha-
25 nism, information which is sufficient to esti-

1 mate the taxpayer's modified adjusted gross in-
2 come for the taxable year which includes such
3 month, such taxable year.

4 “(3) AVAILABILITY OF INFORMATION.—Any
5 month or year referred to in subparagraphs (A),
6 (B), or (C) of paragraph (1) or subparagraph (A) or
7 (B) of paragraph (2) shall not be taken into account
8 in determining the reference month or reference tax-
9 able year with respect to any calendar month unless
10 all relevant information with respect to such month
11 or year is available to the Secretary and the Sec-
12 retary has adequate time to make estimates under
13 this section on the basis of such information before
14 the beginning of such calendar month.

15 “(4) TREATMENT OF INSUFFICIENT INFORMA-
16 TION.—Except as otherwise provided by the Sec-
17 retary—

18 “(A) if a taxpayer is not described in sub-
19 paragraph (A), (B), or (C) of paragraph (1)
20 with respect to any calendar month, the month-
21 ly advance child payment with respect to such
22 taxpayer for such calendar month shall be
23 treated as zero unless the Secretary determines
24 that the Secretary can make the estimate de-
25 scribed in subsection (b) on the basis of infor-

1 mation known to the Secretary which the Sec-
2 retary determines is reasonably reliable, and

3 “(B) if the taxpayer is not described in
4 paragraph (1)(C) and the information on the
5 return of tax referred to in subparagraph (A)
6 or (B) of paragraph (1) does not establish the
7 status of the taxpayer (in the case of a joint re-
8 turn, either spouse) as having a principal place
9 of abode (determined as provided in section 32)
10 in the United States or Puerto Rico for more
11 than one-half of the reference month, the Sec-
12 retary shall determine such status based on in-
13 formation known to the Secretary.

14 “(5) TRANSITION RULE.—In any case with re-
15 spect to which section 24A was not in effect for the
16 taxable year described in subparagraph (A), (B), or
17 (C) of paragraph (1) (whichever is applicable), sub-
18 section (b)(1) shall be applied by substituting ‘the
19 qualifying children of such taxpayer for the taxable
20 year which includes the reference month’ for ‘the
21 specified children of such taxpayer for the reference
22 month’.

23 “(e) ON-LINE INFORMATION PORTAL; SPECIFIED AL-
24 TERNATIVE MECHANISMS.—

1 “(1) ON-LINE INFORMATION PORTAL.—The
2 Secretary shall establish an on-line portal which al-
3 lows taxpayers to—

4 “(A) subject to such restrictions as the
5 Secretary may provide, elect to begin or cease
6 receiving payments under this section, and

7 “(B) provide information to the Secretary
8 which is relevant in determining the monthly
9 advance child payment and the taxpayer’s eligi-
10 bility for such payment, including information
11 regarding—

12 “(i) the number of the taxpayer’s
13 specified children, including by reason of
14 the birth of a child,

15 “(ii) the taxpayer’s marital status,

16 “(iii) the taxpayer’s modified adjusted
17 gross income,

18 “(iv) the taxpayer’s principal place of
19 abode, and

20 “(v) any other factor which the Sec-
21 retary may provide.

22 “(2) SPECIFIED ALTERNATIVE MECHANISM.—
23 For purposes of this section, the term ‘specified al-
24 ternative mechanism’ means the on-line portal estab-
25 lished under paragraph (1), the on-line portal estab-

1 lished under section 7527A, and any other mecha-
2 nism or method established by the Secretary to allow
3 taxpayer's to provide the information described in
4 paragraph (1) (including in connection with the fil-
5 ing of any return of tax).

6 “(f) SPECIFIED CHILD OF MORE THAN 1 TAX-
7 PAYER.—

8 “(1) IN GENERAL.—In the event that (without
9 regard to this paragraph and determined without re-
10 gard to any election under subsection (e)(1)) any
11 specified child would be taken into account in deter-
12 mining the monthly advance child payment of more
13 than one taxpayer for the same calendar month—

14 “(A) except as provided in subparagraph
15 (B), such child shall be so taken into account
16 only with respect to the taxpayer with the most
17 recent reference month, and

18 “(B) if any such taxpayer is described in
19 subsection (d)(1)(C) (or more than 1 taxpayer
20 is described in subparagraph (A) of this para-
21 graph), the Secretary shall establish procedures
22 under which the Secretary expeditiously adju-
23 dicates the taxpayer's competing claims of pre-
24 sumptive eligibility with respect to the same
25 child.

1 “(2) PROVISIONS RELATED TO ADJUDICA-
2 TION.—

3 “(A) EXPEDITED PROCESS; APPEALS.—
4 The procedures established under paragraph
5 (1)(B) shall include—

6 “(i) an expedited process for tax-
7 payers who meet such requirements as the
8 Secretary may establish for such expedited
9 process, and

10 “(ii) procedures for adjudicating an
11 appeal of an adverse decision.

12 “(B) INFORMATION RECEIPT AND COORDI-
13 NATION.—The Secretary may enter into agree-
14 ments to receive information from, and other-
15 wise coordinate with—

16 “(i) Federal agencies (including the
17 Social Security Administration and the De-
18 partment of Agriculture),

19 “(ii) any State, local government,
20 Tribal government, or possession of the
21 United States, and

22 “(iii) any other individual or entity
23 that the Secretary determines to be appro-
24 priate for purposes of adjudicating a com-
25 peting claim described in paragraph (1).

1 “(C) ADJUDICATION NOT TREATED AS AS-
2 SESSMENT.—An adjudication under the proce-
3 dures established under paragraph (1)(B) (in-
4 cluding the adjudication of any appeal) shall
5 not be treated as an assessment described in
6 section 6201.

7 “(D) ADJUDICATION NOT TREATED AS IN-
8 SPECTION OF TAXPAYER’S BOOKS OF AC-
9 COUNT.—The inspection of a taxpayer’s books
10 of account in connection with any adjudication
11 under the procedures established under para-
12 graph (1)(B) (including the adjudication of any
13 appeal) shall not be treated as an examination
14 or inspection of a taxpayer’s books of account
15 for purposes of section 7605(b).

16 “(3) RETROACTIVE PAYMENTS.—If, pursuant to
17 the procedures established under paragraph (1)(B),
18 the Secretary determines that a child is a specified
19 child of a taxpayer and the Secretary did not make
20 payments to such taxpayer with respect to such child
21 for any portion of the period during which the deter-
22 mination was made, the Secretary may make a one-
23 time payment to the taxpayer with respect to which
24 such child is the specified child in an amount equal
25 to the aggregate amount by which the monthly ad-

1 vance child payments to such taxpayer would have
2 increased during such period if such determination
3 had been made immediately.

4 “(4) RECAPTURE OF PAYMENTS.—If, pursuant
5 to the procedures established under paragraph
6 (1)(B), the Secretary makes payments with respect
7 to the child during the period during which the de-
8 termination is made—

9 “(A) the Secretary shall provide each tax-
10 payer which receives such payments notice that
11 such payments may be subject to recapture,
12 and

13 “(B) upon making such determination, the
14 Secretary shall determine on the basis of the
15 facts and circumstances of each such taxpayer
16 whether any such payments should be subject
17 to recapture and shall so notify each such tax-
18 payer.

19 “(g) RULES RELATED TO GRACE PERIODS AND
20 HARDSHIPS.—

21 “(1) AUTOMATIC GRACE PERIOD.—

22 “(A) IN GENERAL.—Notwithstanding sub-
23 section (f), in the case of any failure or delay
24 in establishing a period of presumptive eligi-
25 bility with respect to which the taxpayer elects

1 the application of this subparagraph, credit
2 under section 24A or retroactive payment under
3 this section (similar to the payment described in
4 subsection (f)(3)) shall be allowed or made with
5 respect to so much of the period of such failure
6 or delay as does not exceed 3 months. The pre-
7 ceding sentence shall not apply if the Secretary
8 determines that such failure or delay was due
9 to fraud or reckless or intentional disregard of
10 rules and regulations.

11 “(B) LIMITATION.—Subparagraph (A)
12 shall not apply with respect to any taxpayer
13 more than once during any 36-month period.

14 “(2) HARDSHIP.—Notwithstanding subsection
15 (f), if the Secretary determines that a failure or
16 delay in establishing a period of presumptive eligi-
17 bility with respect to any specified child was due to
18 domestic violence, serious illness, natural disaster, or
19 any other hardship, credit under section 24A or ret-
20 roactive payment under this section (similar to the
21 payment described in subsection (f)(3)) shall be al-
22 lowed or made with respect to so much of the period
23 of such failure or delay as does not exceed 6 months.

24 “(h) PROVISIONS RELATED TO FORM, MANNER, AND
25 TREATMENT OF PAYMENTS.—

1 “(1) APPLICATION OF ELECTRONIC FUNDS PAY-
2 MENT REQUIREMENT.—The payments made by the
3 Secretary under subsection (a) shall be made by
4 electronic funds transfer to the same extent and in
5 the same manner as if such payments were Federal
6 payments not made under this title.

7 “(2) APPLICATION OF CERTAIN RULES.—Rules
8 similar to the rules of subparagraphs (B) and (C) of
9 section 6428A(f)(3) shall apply for purposes of this
10 section, applied by substituting ‘January 1, 2022’
11 for ‘January 1, 2019’ in clauses (i) and (ii) of such
12 subparagraph (B).

13 “(3) EXCEPTION FROM REDUCTION OR OFF-
14 SET.—Any payment made to any individual under
15 this section shall not be—

16 “(A) subject to reduction or offset pursu-
17 ant to subsection (c), (d), (e), or (f) of section
18 6402 or any similar authority permitting offset,
19 or

20 “(B) reduced or offset by other assessed
21 Federal taxes that would otherwise be subject
22 to levy or collection.

23 “(4) APPLICATION OF ADVANCE PAYMENTS IN
24 THE POSSESSIONS OF THE UNITED STATES.—

25 “(A) PUERTO RICO.—

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1 “(i) For application of child tax credit
2 to residents of Puerto Rico, see section
3 24A(d).

4 “(ii) For application of monthly ad-
5 vance child payments to residents of Puer-
6 to Rico, see subsection (b)(4).

7 “(B) MIRROR CODE POSSESSIONS.—In the
8 case of any possession of the United States with
9 a mirror code tax system (as defined in section
10 24A(i)(1)(C)), this section shall not be treated
11 as part of the income tax laws of the United
12 States for purposes of determining the income
13 tax law of such possession unless such posses-
14 sion elects to have this section be so treated.

15 “(C) ADMINISTRATIVE EXPENSES OF AD-
16 VANCE PAYMENTS.—

17 “(i) MIRROR CODE POSSESSIONS.—In
18 the case of any possession described in
19 subparagraph (B) which makes the elec-
20 tion described in such subparagraph, the
21 amount otherwise paid by the Secretary to
22 such possession under section 24A(i)(1)(A)
23 with respect to taxable years beginning in
24 2023, 2024, and 2025 shall each be in-
25 creased by \$300,000 if such possession has

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1 a plan, which has been approved by the
2 Secretary, for making monthly advance
3 child payments consistent with such elec-
4 tion.

5 “(ii) AMERICAN SAMOA.— The
6 amount otherwise paid by the Secretary to
7 American Samoa under subparagraph (A)
8 of section 24A(i)(3) with respect to taxable
9 years beginning in 2023, 2024, and 2025
10 shall each be increased by \$300,000 if the
11 plan described in subparagraph (B) of
12 such section includes a program, which has
13 been approved by the Secretary, for mak-
14 ing monthly advance child payments under
15 rules similar to the rules of this section.

16 “(iii) TIMING OF PAYMENT.—The
17 Secretary may pay, upon the request of the
18 possession of the United States to which
19 the payment is to be made, the amount of
20 the increase determined under clause (i) or
21 (ii), respectively, immediately upon ap-
22 proval of the plan with respect to which
23 such payment relates.

24 “(i) APPLICATION OF CERTAIN DEFINITIONS AND
25 RULES APPLICABLE TO CHILD TAX CREDIT.—

1 “(1) DEFINITIONS.—Except as otherwise pro-
2 vided in this section, terms used in this section
3 which are also used in section 24A shall have the
4 same respective meanings as when used in section
5 24A.

6 “(2) TREATMENT OF CERTAIN DEATHS.—A
7 child shall not be taken into account in determining
8 the monthly advance child payment for any calendar
9 month if the death of such child before the begin-
10 ning of the calendar year which includes such month
11 is known to the Secretary as of date on which the
12 Secretary estimates such payment.

13 “(3) IDENTIFICATION REQUIREMENTS.—Rules
14 similar to the rules which apply under section
15 24A(e) shall apply for purposes of this section ex-
16 cept that such rules shall apply with respect to the
17 return of tax for the reference taxable year or, in the
18 case of information provided through a specified al-
19 ternative mechanism, with respect to the information
20 provided through such mechanism.

21 “(4) RESTRICTIONS ON TAXPAYERS WHO IM-
22 PROPERLY CLAIMED CREDIT OR MONTHLY ADVANCE
23 CHILD PAYMENTS.—For restrictions on taxpayers
24 who improperly claimed credit or monthly advance
25 child payments, see section 24A(f).

1 “(j) NOTICE OF PAYMENTS.—

2 “(1) IN GENERAL.—Not later than January 31
3 of the calendar year following any calendar year dur-
4 ing which the Secretary makes one or more pay-
5 ments to any taxpayer under this section, the Sec-
6 retary shall provide such taxpayer with a written no-
7 tice which includes—

8 “(A) the taxpayer’s taxpayer identity (as
9 defined in section 6103(b)(6)),

10 “(B) the aggregate amount of such pay-
11 ments made to such taxpayer during such cal-
12 endar year, and

13 “(C) such other information as the Sec-
14 retary determines appropriate.

15 “(2) CERTAIN PAYMENTS SUBJECT TO RECAP-
16 TURE.—In the case of any payments made to a tax-
17 payer which the Secretary has determined are sub-
18 ject to recapture, the notice provided under para-
19 graph (1) to such taxpayer shall include the amount
20 of such payments.

21 “(k) REGULATIONS.—The Secretary shall issue such
22 regulations or other guidance as the Secretary determines
23 necessary or appropriate to carry out the purposes of this
24 section.

1 “(l) TERMINATION.—No payments shall be made
2 under the program established under subsection (a) with
3 respect to any month beginning after December 31,
4 2025.”.

5 (c) SUSPENSION OF CHILD TAX CREDIT DURING PE-
6 RIOD THAT MONTHLY CHILD TAX CREDIT IS IN EF-
7 FECT.—Section 24 is amended by adding at the end the
8 following new subsection:

9 “(l) COORDINATION WITH MONTHLY CHILD TAX
10 CREDIT.—This section shall not apply to (and no payment
11 shall be made under subsection (k) with respect to) any
12 taxable year beginning after December 31, 2022, and be-
13 fore January 1, 2026.”.

14 (d) CONFORMING AMENDMENTS.—

15 (1) Section 26(b)(2) is amended by striking
16 “and” at the end of subparagraph (Y), by striking
17 the period at the end of subparagraph (Z) and in-
18 serting “, and”, and by adding at the end the fol-
19 lowing new subparagraph:

20 “(AA) section 24A(g)(2) (relating to recap-
21 ture of certain monthly advance child pay-
22 ments).”.

23 (2) Section 152(f)(6)(B)(ii) is amended to read
24 as follows:

1 “(ii) the credits under sections 24,
2 24A, and 24B and the payments under
3 sections 7527A and 7527B,”.

4 (3) Section 3402(f)(1)(C) is amended by insert-
5 ing “or section 24A (determined after application of
6 subsection (g) thereof)” after “section 24 (deter-
7 mined after application of subsection (j) thereof)”.

8 (4) Section 6103(l)(13)(A)(v) is amended by in-
9 sert “or section 24A, as the case may be” after
10 “section 24”.

11 (5) Section 6211(b)(4)(A) is amended by insert-
12 ing “24A by reason of subsection (d) thereof,” after
13 “24 by reason of subsections (d) and (i)(1) there-
14 of,”.

15 (6) Section 6213(g)(2)(I) is amended by insert-
16 ing “or section 24A(e) (relating to monthly child tax
17 credit)” after “section 24(e) (relating to child tax
18 credit)”.

19 (7) Section 6213(g)(2)(L) is amended by insert-
20 ing “24A,” after “24,”.

21 (8) Section 6213(g)(2)(P) is amended—

22 (A) by inserting “or 24A(f)(2)” after “sec-
23 tion 24(g)(2)”,

24 (B) by inserting “or 24A” after “under
25 section 24”, and

1 (C) by striking “subsection (g)(1) thereof”
2 and inserting “section 24(g)(1) or section
3 24A(f)(1), respectively”.

4 (9) Section 6695(g)(2) is amended by inserting
5 “24A,” after “24,”.

6 (10) Paragraph (2) of section 1324(b) of title
7 31, United States Code, as amended by the pre-
8 ceding provisions of this Act, is amended—

9 (A) by inserting “24A,” after “24,” and

10 (B) by inserting “7527B,” after “7527A,”.

11 (11) The table of sections for subpart A of part
12 IV of subchapter A of chapter 1 is amended by in-
13 serting after the item relating to section 24 the fol-
14 lowing new items:

“Sec. 24A. Monthly child tax credit.

“Sec. 24B. Credit for certain other dependents.”.

15 (12) The table of sections for chapter 77 is
16 amended by inserting after the item relating to sec-
17 tion 7527A the following new item:

“Sec. 7527B. Monthly payments of child tax credit.”.

18 (e) EFFECTIVE DATES.—

19 (1) IN GENERAL.—Except as otherwise pro-
20 vided in this subsection, the amendments made by
21 this section shall apply to taxable years beginning
22 after December 31, 2022.

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1 (2) MONTHLY ADVANCE CHILD PAYMENTS.—

2 The amendments made by subsection (b) shall apply
3 to payments made for calendar months beginning
4 after December 31, 2022.

5 **SEC. 137104. REFUNDABLE CHILD TAX CREDIT AFTER 2025.**

6 (a) IN GENERAL.—Section 24, as amended by the
7 preceding provisions of this Act, is amended by adding at
8 the end the following new subsection:

9 “(m) REFUNDABLE CREDIT AFTER 2025.—In the
10 case of any taxable year beginning after December 31,
11 2025, if the taxpayer (in the case of a joint return, either
12 spouse) has a principal place of abode in the United States
13 (determined as provided in section 32) for more than one-
14 half of the taxable year or is a bona fide resident of Puerto
15 Rico (within the meaning of section 937(a)) for such tax-
16 able year—

17 “(1) subsection (d) shall not apply, and

18 “(2) the credit determined under subsection (a)
19 (after application of paragraph (1)) shall be allowed
20 under subpart C (and not allowed under this sub-
21 part).”.

22 (b) CONFORMING AMENDMENTS RELATED TO POS-
23 SESSIONS OF THE UNITED STATES.—

24 (1) PUERTO RICO.—Section 24(k)(2) is amend-
25 ed—

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1 (A) in subparagraph (B) (as amended by
2 the preceding provisions of this Act)—

3 (i) by inserting “and before January
4 1, 2026,” after “December 31, 2022,”
5 and

6 (ii) by inserting “AND BEFORE 2026”
7 after “AFTER 2022”, and

8 (B) by adding at the end the following new
9 subparagraph:

10 “(C) APPLICATION TO TAXABLE YEARS
11 AFTER 2025.—For application of refundable
12 credit to residents of Puerto Rico for taxable
13 years after 2025, see subsection (m).”.

14 (2) AMERICAN SAMOA.—Section 24(k)(3)(C)(ii),
15 as amended by the preceding provisions of this Act,
16 is amended—

17 (A) in subclause (I), by striking “and” at
18 the end,

19 (B) in subclause (II)—

20 (i) by inserting “and before January
21 1, 2026,” after “after December 31,
22 2022,” and

23 (ii) by striking the period at the end
24 and inserting “, and”, and

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1 (C) by adding at the end the following new
2 subclause:

3 “(III) if such taxable year begins
4 after December 31, 2025, subsection
5 (m) shall be applied by substituting
6 ‘Puerto Rico or American Samoa’ for
7 ‘Puerto Rico’.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2025.

11 **SEC. 137105. APPROPRIATIONS.**

12 Immediately upon the enactment of this Act, in addi-
13 tion to amounts otherwise available, there are appro-
14 priated out of any money in the Treasury not otherwise
15 appropriated:

16 (1) \$9,000,000,000 to remain available until
17 September 30, 2026, for necessary expenses for the
18 Internal Revenue Service to administer the Child
19 Tax Credit, and advance payments of the Child Tax
20 Credit, including the costs of disbursing such pay-
21 ments, which shall supplement and not supplant any
22 other appropriations that may be available for this
23 purpose, and

24 (2) \$1,000,000,000 is appropriated to the De-
25 partment of the Treasury, to remain available until

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1 September 30, 2026, to support efforts to increase
2 enrollment of eligible families in the Child Tax Credit,
3 it, for advance payments of the Child Tax Credit,
4 and for other tax benefits, including but not limited
5 to program outreach, costs of data sharing arrange-
6 ments, systems changes, forms changes, and related
7 efforts, and efforts by federal agencies to facilitate
8 the cross-enrollment of beneficiaries of other pro-
9 grams in the Child Tax Credit, and for advance pay-
10 ments of the Child Tax Credit, including by estab-
11 lishing intergovernmental cooperative agreements
12 with states and local governments, tribal govern-
13 ments, and possessions of the United States: Pro-
14 vided, that such amount shall be available in addi-
15 tion to any amounts otherwise available: Provided
16 further, that these funds may be awarded by federal
17 agencies to state and local governments, tribal gov-
18 ernments, and possessions of the United States, and
19 private entities, including organizations dedicated to
20 free tax return preparation.

2009

1 (2) by striking “\$15,000” and inserting
2 “\$125,000”.

3 (d) APPLICATION OF INCREASED DOLLAR LIMITA-
4 TION TO SPOUSES WHO ARE STUDENTS OR INCAPABLE
5 OF CARING FOR THEMSELVES.—Section 21(d)(2) is
6 amended by striking “of not less than—” and all that fol-
7 lows through “In the case of” and inserting “of not less
8 than $\frac{1}{12}$ of the dollar amount in effect under paragraph
9 (1) or (2) of subsection (c) (whichever is applicable to the
10 taxpayer for the taxable year). In the case of”.

11 (e) INFLATION ADJUSTMENT.—Section 21(e) is
12 amended by adding at the end the following new para-
13 graph:

14 “(11) INFLATION ADJUSTMENT.—

15 “(A) IN GENERAL.—In the case of any
16 taxable year beginning after December 31,
17 2021, the \$125,000 amount in subsection
18 (a)(2), the \$8,000 amount in subsection (c)(1),
19 and the \$16,000 amount in subsection (c)(2)
20 shall each be increased by an amount equal
21 to—

22 “(i) such dollar amount, multiplied by

23 “(ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) for the cal-
25 endar year in which the taxable year be-

2010

1 gins, determined by substituting ‘calendar
2 year 2020’ for ‘calendar year 2016’ in sub-
3 paragraph (A)(ii) thereof.

4 “(B) ROUNDING.—

5 “(i) LIMITATION BASED ON ADJUSTED
6 GROSS INCOME.—If any increase deter-
7 mined under subparagraph (A) of the
8 \$125,000 dollar amount in subsection
9 (a)(2) is not a multiple of \$5,000, such
10 amount shall be rounded to the nearest
11 multiple of \$5,000.

12 “(i) DOLLAR LIMITATIONS.—If any
13 increase determined under subparagraph
14 (A) of any dollar amount in subsection (c)
15 is not a multiple of \$100, such amount
16 shall be rounded to the nearest multiple of
17 \$100.”.

18 (f) APPLICATION OF PHASEOUT TO HIGH INCOME
19 INDIVIDUALS.—

20 (1) IN GENERAL.—Section 21(a)(2) is amended
21 by striking “20 percent” and inserting “the phase-
22 out percentage”.

23 (2) PHASEOUT PERCENTAGE.—Section 21(a) is
24 amended by adding at the end the following new
25 paragraph:

2011

1 “(3) PHASEOUT PERCENTAGE.—For purposes
2 of paragraph (2), the term ‘phaseout percentage’
3 means 20 percent reduced (but not below zero) by
4 1 percentage point for each \$2,000 (or fraction
5 thereof) by which the taxpayer’s adjusted gross in-
6 come for the taxable year exceeds \$400,000.”.

7 (g) APPLICATION OF CREDIT IN POSSESSIONS.—Sec-
8 tion 21(h) is amended—

9 (1) in paragraph (1)—

10 (A) by striking “The Secretary” and in-
11 sserting “With respect to taxable years begin-
12 ning in or with calendar years after 2020, the
13 Secretary”, and

14 (B) by striking “with respect to taxable
15 years beginning in or with 2021”,

16 (2) in paragraph (2)—

17 (A) by striking “The Secretary” and in-
18 sserting “With respect to taxable years begin-
19 ning in or with calendar years after 2020, the
20 Secretary”, and

21 (B) by striking “with respect to taxable
22 years beginning in or with 2021”, and

23 (3) in paragraph (3), by striking “in or with
24 2021” and inserting “after December 31, 2020”.

2012

1 (h) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **SEC. 137202. INCREASE IN EXCLUSION FOR EMPLOYER-**
5 **PROVIDED DEPENDENT CARE ASSISTANCE**
6 **MADE PERMANENT.**

7 (a) IN GENERAL.—Section 129(a)(2)(A) is amended
8 by striking “\$5,000 (\$2,500” and inserting “\$10,500
9 (half such dollar amount”.

10 (b) INFLATION ADJUSTMENT.—Section 129(e) is
11 amended by adding at the end the following new para-
12 graph:

13 “(10) INFLATION ADJUSTMENT.—

14 “(A) IN GENERAL.—In the case of any
15 taxable year beginning after December 31,
16 2021, the \$10,500 amount in subsection
17 (a)(2)(A) shall be increased by an amount equal
18 to—

19 “(i) such dollar amount, multiplied by

20 “(ii) the cost-of-living adjustment de-
21 termined under section 1(f)(3) for the cal-
22 endar year in which the taxable year be-
23 gins, determined by substituting ‘calendar
24 year 2020’ for ‘calendar year 2016’ in sub-
25 paragraph (A)(ii) thereof.

1 “(B) ROUNDING.—If any increase deter-
2 mined under subparagraph (A) is not a multiple
3 of \$100, such amount shall be rounded to the
4 nearest multiple of \$100.”.

5 (c) CONFORMING AMENDMENT.—Section 129(a)(2)
6 is amended by striking subparagraph (D).

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2021.

10 (e) RETROACTIVE PLAN AMENDMENTS.—A plan that
11 otherwise satisfies all applicable requirements of sections
12 125 and 129 of the Internal Revenue Code of 1986 (in-
13 cluding any rules or regulations thereunder) shall not fail
14 to be treated as a cafeteria plan or dependent care assist-
15 ance program merely because such plan is amended pursu-
16 ant to a provision under this subsection and such amend-
17 ment is retroactive, if—

18 (1) such amendment is adopted no later than
19 the last day of the plan year in which the amend-
20 ment is effective, and

21 (2) the plan is operated consistent with the
22 terms of such amendment during the period begin-
23 ning on the effective date of the amendment and
24 ending on the date the amendment is adopted.

2014

1 **PART 3—SUPPORTING CAREGIVERS**

2 **SEC. 137301. PAYROLL TAX CREDIT FOR CHILD CARE**
3 **WORKERS.**

4 (a) IN GENERAL.—Subchapter D of chapter 21 is
5 amended by adding at the end the following:

6 **“SEC. 3135. PAYROLL CREDIT FOR CERTAIN WAGES PAID**
7 **TO CHILD CARE WORKERS.**

8 “(a) IN GENERAL.—In the case of an eligible child
9 care employer, there shall be allowed as a credit against
10 applicable employment taxes for each calendar quarter an
11 amount equal to 50 percent of the qualified child care
12 wages paid with respect to each eligible employee of such
13 employer for such calendar quarter.

14 “(b) LIMITATIONS AND REFUNDABILITY.—

15 “(1) LIMITATION ON WAGES TAKEN INTO AC-
16 COUNT.—The amount of qualified child care wages
17 with respect to any eligible employee which may be
18 taken into account under subsection (a) by the eligi-
19 ble child care employer for any calendar quarter
20 shall not exceed \$2,500.

21 “(2) CREDIT LIMITED TO CERTAIN EMPLOY-
22 MENT TAXES.—The credit allowed by subsection (a)
23 with respect to any calendar quarter shall not exceed
24 the applicable employment taxes (reduced by any
25 credits allowed under sections 3131, 3132, 3134,
26 and 6432) on the wages paid with respect to the em-

1 ployment of all the employees of the eligible child
2 care employer for such calendar quarter.

3 “(3) REFUNDABILITY OF EXCESS CREDIT.—

4 “(A) CREDIT IS REFUNDABLE.—If the
5 amount of the credit under subsection (a) ex-
6 ceeds the limitation of paragraph (2) for any
7 calendar quarter, such excess shall be treated
8 as an overpayment that shall be refunded under
9 sections 6402(a) and 6413(b).

10 “(B) ADVANCING CREDIT.—In anticipation
11 of the credit, including the refundable portion
12 under subparagraph (A), the credit shall be ad-
13 vanced, according to forms and instructions
14 provided by the Secretary, up to an amount cal-
15 culated under subsection (a), subject to the lim-
16 its under paragraph (1), all calculated through
17 the end of the most recent payroll period in the
18 quarter.

19 “(c) ELIGIBLE CHILD CARE EMPLOYER.—For pur-
20 poses of this section, the term ‘eligible child care employer’
21 means any employer which operates one or more qualified
22 child care facilities.

23 “(d) QUALIFIED CHILD CARE FACILITY.—For pur-
24 poses of this section, the term ‘qualified child care facility’
25 means any facility which is certified as an HHS Partici-

1 pating Child Care Provider by the Secretary of Health and
2 Human Services under section 418A(c) of the Social Secu-
3 rity Act.

4 “(e) ELIGIBLE EMPLOYEE.—For purposes of this
5 section, the term ‘eligible employee’ means, with respect
6 to any eligible child care employer for any calendar quar-
7 ter, any employee of such employer if—

8 “(1) the aggregate wages paid to such employee
9 for such quarter do not exceed 25 percent of the dol-
10 lar amount in effect for such quarter under section
11 414(q)(1)(B)(i) (relating to highly compensated em-
12 ployees), and

13 “(2) the aggregate wages paid to such employee
14 for the 1-year period ending with the close of such
15 quarter do not exceed 100 percent of such dollar
16 amount.

17 “(f) QUALIFIED CHILD CARE WAGES.—For purposes
18 of this section—

19 “(1) IN GENERAL.—The term ‘qualified child
20 care wages’ means, with respect to any eligible em-
21 ployee for any calendar quarter, so much of the child
22 care wages paid by the eligible child care employer
23 to such employee during such quarter as are paid at
24 a rate in excess of the applicable minimum rate.

25 Such term shall not include any wages paid by an

2017

1 eligible child care employer during any period during
2 which the certification described in subsection (d) is
3 not in effect.

4 “(2) APPLICABLE MINIMUM RATE.—The term
5 ‘applicable minimum rate’ means, with respect to
6 wages paid to any eligible employee, the rate of basic
7 pay which is payable for GS-3, step 1 of the General
8 Schedule under subchapter III of chapter 53 of title
9 5, United States Code (including any applicable lo-
10 cality-based comparability payment under section
11 5304 of such title, or similar authority) at the time
12 such wages are paid and determined with respect to
13 the locality in which the services are provided.

14 “(3) CHILD CARE WAGES.—The term ‘child
15 care wages’ means wages paid for the services of the
16 employee to provide child care at a qualified child
17 care facility or to provide support services for such
18 a facility.

19 “(4) EXCEPTION.—The term ‘child care wages’
20 shall not include any wages taken into account
21 under section 41, 45A, 45P, 45R, 51, 1396, 3131,
22 3132, 3134, or 6432.

23 “(g) OTHER DEFINITIONS AND SPECIAL RULES.—
24 For purposes of this section—

1 “(1) APPLICABLE EMPLOYMENT TAXES.—The
2 term ‘applicable employment taxes’ means the fol-
3 lowing:

4 “(A) The taxes imposed under section
5 3111(b).

6 “(B) So much of the taxes imposed under
7 section 3221(a) as are attributable to the rate
8 in effect under section 3111(b).

9 “(2) WAGES.—

10 “(A) IN GENERAL.—The term ‘wages’
11 means wages (as defined in section 3121(a)),
12 determined without regard to paragraphs (1)
13 through (22) of section 3121(b)) and compensa-
14 tion (as defined in section 3231(e), determined
15 without regard to the sentence in paragraph (1)
16 thereof which begins ‘Such term does not in-
17 clude remuneration’).

18 “(B) ALLOWANCE FOR CERTAIN HEALTH
19 PLAN EXPENSES.—

20 “(i) IN GENERAL.—Such term shall
21 include amounts paid by the eligible child
22 care employer to provide and maintain a
23 group health plan (as defined in section
24 5000(b)(1)), but only to the extent that
25 such amounts are excluded from the gross

1 income of employees by reason of section
2 106(a).

3 “(ii) ALLOCATION RULES.—For pur-
4 poses of this section, amounts treated as
5 wages under clause (i) shall be treated as
6 paid with respect to any eligible employee
7 (and with respect to any period) to the ex-
8 tent that such amounts are properly allo-
9 cable to such employee (and to such pe-
10 riod) in such manner as the Secretary may
11 prescribe. Except as otherwise provided by
12 the Secretary, such allocation shall be
13 treated as properly made if made on the
14 basis of being pro rata among periods of
15 coverage.

16 “(3) OTHER TERMS.—Any term used in this
17 section which is also used in this chapter or chapter
18 22 shall have the same meaning as when used in
19 such chapter.

20 “(4) DENIAL OF DOUBLE BENEFIT.—For pur-
21 poses of chapter 1, the gross income of the em-
22 ployer, for the taxable year which includes the last
23 day of any calendar quarter with respect to which a
24 credit is allowed under this section, shall be in-
25 creased by the amount of such credit.

1 “(5) ELECTION TO NOT TAKE CERTAIN WAGES
2 INTO ACCOUNT.—This section shall not apply to so
3 much of the qualified child care wages paid by an
4 eligible child care employer as such employer elects
5 (at such time and in such manner as the Secretary
6 may prescribe) to not take into account for purposes
7 of this section.

8 “(6) CERTAIN GOVERNMENTAL EMPLOYERS.—
9 No credit shall be allowed under this section to the
10 Government of the United States or to any agency
11 or instrumentality thereof. The preceding sentence
12 shall not apply to any organization described in sec-
13 tion 501(c)(1) and exempt from tax under section
14 501(a).

15 “(7) COORDINATION WITH CERTAIN PRO-
16 GRAMS.—

17 “(A) IN GENERAL.—This section shall not
18 apply to so much of the qualified child care
19 wages paid by an eligible child care employer as
20 are taken into account as payroll costs in con-
21 nection with—

22 “(i) a covered loan under section
23 7(a)(37) or 7A of the Small Business Act,

2021

1 “(ii) a grant under section 324 of the
2 Economic Aid to Hard-Hit Small Busi-
3 nesses, Non-Profits, and Venues Act, or

4 “(iii) a restaurant revitalization grant
5 under section 5003 of the American Res-
6 cue Plan Act of 2021.

7 “(B) APPLICATION WHERE PPP LOANS
8 NOT FORGIVEN.—The Secretary shall issue
9 guidance providing that payroll costs paid dur-
10 ing the covered period shall not fail to be treat-
11 ed as qualified child care wages under this sec-
12 tion by reason of subparagraph (A)(i) to the ex-
13 tent that—

14 “(i) a covered loan of the taxpayer
15 under section 7(a)(37) of the Small Busi-
16 ness Act is not forgiven by reason of a de-
17 cision under section 7(a)(37)(J) of such
18 Act, or

19 “(ii) a covered loan of the taxpayer
20 under section 7A of the Small Business
21 Act is not forgiven by reason of a decision
22 under section 7A(g) of such Act.

23 Terms used in the preceding sentence which are
24 also used in section 7A(g) or 7(a)(37)(J) of the
25 Small Business Act shall, when applied in con-

1 nection with either such section, have the same
2 meaning as when used in such section, respec-
3 tively.

4 “(8) AGGREGATION RULE.—All persons treated
5 as a single employer under subsection (a) or (b) of
6 section 52, or subsection (m) or (o) of section 414,
7 shall be treated as one employer for purposes of this
8 section.

9 “(9) THIRD PARTY PAYORS.—Any credit al-
10 lowed under this section shall be treated as a credit
11 described in section 3511(d)(2).

12 “(10) INFLATION ADJUSTMENT.—In the case of
13 any taxable year beginning after December 31,
14 2022, the \$2,500 amount in subsection (b)(1) shall
15 be increased by an amount equal to—

16 “(A) such dollar amount, multiplied by

17 “(B) the cost-of-living adjustment deter-
18 mined under section 1(f)(3) for the calendar
19 year in which the taxable year begins, deter-
20 mined by substituting ‘calendar year 2021’ for
21 ‘calendar year 2016’ in subparagraph (A)(ii)
22 thereof.

23 If any amount as adjusted under the preceding sen-
24 tence is not a multiple of \$100, such amount shall
25 be rounded to the nearest multiple of \$100.

1 “(h) REGULATIONS.—The Secretary shall prescribe
2 such regulations or other guidance as may be necessary
3 to carry out the purposes of this section, including—

4 “(1) regulations or other guidance to prevent
5 the avoidance of the purposes of the limitations
6 under this section,

7 “(2) regulations or other guidance to minimize
8 compliance and record-keeping burdens under this
9 section,

10 “(3) regulations or other guidance providing for
11 waiver of penalties for failure to deposit amounts in
12 anticipation of the allowance of the credit allowed
13 under this section,

14 “(4) regulations or other guidance for recap-
15 turing the benefit of credits determined under this
16 section in cases where there is a subsequent adjust-
17 ment to the credit determined under subsection (a),

18 “(5) regulations or other guidance to permit the
19 advancement of the credit determined under sub-
20 section (a), and

21 “(6) regulations or other guidance for applying
22 subsection (f) with respect to eligible employees not
23 paid at a single rate of pay.”.

2024

1 (b) REFUNDS.—Paragraph (2) of section 1324(b) of
2 title 31, United States Code, is amended by inserting
3 “3135,” after “3134,”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 for subchapter D of chapter 21 is amended by adding at
6 the end the following:

“Sec. 3135. Payroll credit for certain wages paid to child care workers.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to calendar quarters beginning
9 after December 31, 2021.

10 **SEC. 137302. CREDIT FOR CAREGIVER EXPENSES.**

11 (a) IN GENERAL.—Subpart A of part IV of sub-
12 chapter A of chapter 1 is amended by inserting after sec-
13 tion 25D the following new section:

14 **“SEC. 25E. CREDIT FOR CAREGIVER EXPENSES.**

15 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
16 dividual for whom there are 1 or more qualified care re-
17 cipients, there shall be allowed as a credit against the tax
18 imposed by this chapter for the taxable year an amount
19 equal to 50 percent of the qualified expenses paid or in-
20 curred by such individual during the taxable year (and not
21 compensated for by insurance or otherwise).

22 “(b) QUALIFIED CARE RECIPIENT.—For purposes of
23 this section—

1 “(1) IN GENERAL.—The term ‘qualified care re-
2 cipient’ means, with respect to any taxable year, any
3 individual who—

4 “(A) is the spouse of the taxpayer, or any
5 other person who bears a relationship to the
6 taxpayer described in any of subparagraphs (A)
7 through (H) of section 152(d)(2),

8 “(B) has been certified, before the due
9 date for filing the return of tax for the taxable
10 year, by a licensed health care practitioner (as
11 defined in section 7702B(c)(4)) as being an in-
12 dividual with long-term care needs (as defined
13 in paragraph (3)) for a period—

14 “(i) which is expected to be at least
15 180 consecutive days, and

16 “(ii) a portion of which occurs within
17 the taxable year, and

18 “(C) resides in a personal residence and
19 not an institutional care facility.

20 “(2) PERIOD FOR MAKING CERTIFICATION.—
21 Notwithstanding paragraph (1)(B), a certification
22 shall not be treated as valid unless it is made within
23 the 18-month period ending on such due date (or
24 such other period as the Secretary prescribes).

1 “(3) INDIVIDUALS WITH LONG-TERM CARE
2 NEEDS.—For purposes of this subsection, the term
3 ‘individual with long-term care needs’ means any in-
4 dividual who meets the requirements of any of the
5 following subparagraphs:

6 “(A) The individual is at least 6 years of
7 age and—

8 “(i) is unable to perform (without
9 substantial assistance from another indi-
10 vidual) at least 2 activities of daily living
11 (as defined in section 7702B(c)(2)(B)) due
12 to a loss of functional capacity, or

13 “(ii) requires substantial supervision
14 to protect such individual from threats to
15 health and safety due to severe cognitive
16 impairment and is unable to perform, with-
17 out reminding or cuing assistance, at least
18 1 activity of daily living (as so defined) or,
19 to the extent provided in regulations pre-
20 scribed by the Secretary (in consultation
21 with the Secretary of Health and Human
22 Services), is unable to engage in age ap-
23 propriate activities.

24 “(B) The individual is at least 2 but not
25 6 years of age and is unable, due to a loss of

1 functional capacity, to perform (without sub-
2 stantial assistance from another individual) at
3 least 2 of the following activities:

4 “(i) Eating.

5 “(ii) Transferring.

6 “(iii) Mobility.

7 “(C) The individual is under 2 years of age
8 and requires specific durable medical equipment
9 by reason of a severe health condition or re-
10 quires a skilled practitioner trained to address
11 the individual’s condition to be available if the
12 individual’s parents or guardians are absent.

13 “(4) INSTITUTIONAL CARE FACILITY.—For pur-
14 poses of paragraph (1)(C), an institutional care fa-
15 cility (including two or more places, establishments,
16 or institutions owned by the same legal entity) in-
17 cludes any congregate, protected living residential
18 arrangement that provides or coordinates personal
19 or health care services, including assistance with the
20 activities of daily living and social care, for two or
21 more adults who are aged, infirm, or disabled

22 “(c) QUALIFIED EXPENSES.—For purposes of this
23 section—

1 “(1) IN GENERAL.—The term ‘qualified ex-
2 penses’ means expenses for goods, services, and sup-
3 ports described in paragraph (2) which—

4 “(A) assist a qualified care recipient with
5 accomplishing activities of daily living (as de-
6 fined in section 7702B(c)(2)(B)) and instru-
7 mental activities of daily living (as defined in
8 section 1915(k)(6)(F) of the Social Security
9 Act), and

10 “(B) are provided solely for use by such
11 qualified care recipient.

12 “(2) ITEMS DESCRIBED.—The goods, services,
13 and supports described in this paragraph are—

14 “(A) human assistance, supervision, cuing,
15 and standby assistance,

16 “(B) health maintenance tasks (such as
17 medication management),

18 “(C) respite care,

19 “(D) assistive technologies and devices (in-
20 cluding remote health monitoring),

21 “(E) accessibility modifications of the
22 qualified care recipient’s residence,

23 “(F) counseling, support groups, or train-
24 ing relating to caring for a qualified care recipi-
25 ent, and

1 “(G) any other items which directly relate
2 to the health and safety of a qualified care re-
3 cipient, as determined by the Secretary after
4 consultation with the Secretary of Health and
5 Human Services.

6 “(3) DOLLAR LIMITATION.—The amount taken
7 into account as qualified expenses for any taxable
8 year shall not exceed \$4,000.

9 “(4) DENIAL OF DOUBLE BENEFIT.—Amounts
10 taken into account for purposes of section 21, 129,
11 213, or 223(f), or such other circumstances as may
12 be provided by the Secretary, shall not be taken into
13 account as qualified expenses.

14 “(5) DOCUMENTATION REQUIREMENT.—An ex-
15 pense shall not be treated as a qualified expense un-
16 less the taxpayer substantiates such expense under
17 such regulations or guidance as the Secretary shall
18 provide.

19 “(d) CREDIT PHASEOUT.—The 50 percent rate under
20 subsection (a) shall be reduced by 1 percentage point for
21 every \$2,500 or fraction thereof by which the taxpayer’s
22 adjusted gross income exceeds \$75,000.

23 “(e) SPECIAL RULES.—For purposes of this sec-
24 tion—

1 “(1) PAYMENTS TO RELATED INDIVIDUALS.—
2 Rules similar to the rules of section 21(e)(6) shall
3 apply.

4 “(2) LICENSED HEALTH CARE PRACTI-
5 TIONER.—

6 “(A) IN GENERAL.—The licensed health
7 care practitioner making the certification for
8 purposes of subsection (b)(1)(B)—

9 “(i) shall not be related (within the
10 meaning of section 51(i)(1)) to the tax-
11 payer or the qualified care recipient, or
12 have a conflict of interest (as determined
13 under regulations provided by the Sec-
14 retary) with respect to the taxpayer or the
15 qualified care recipient,

16 “(ii) shall be licensed and eligible
17 under applicable State law to certify limi-
18 tations in performing activities of daily liv-
19 ing, and

20 “(iii) shall be a participant in the
21 Medicaid program, pursuant to sections
22 1902(a)(77) and 1932(d)(6) of the Social
23 Security Act, or the State Children’s
24 Health Insurance Program under section
25 2107(e)(1)(G) of such Act.

1 “(B) IDENTIFICATION REQUIREMENT.—

2 “(i) IN GENERAL.—No credit shall be
3 allowed with respect to any qualified care
4 recipient unless the taxpayer includes the
5 name and specified provider identification
6 number of such licensed health care practi-
7 tioner on the return of tax for the taxable
8 year.

9 “(ii) SPECIFIED PROVIDER IDENTI-
10 FICATION NUMBER.—The term ‘specified
11 provider identification number’ means a
12 valid National Provider Identifier as au-
13 thorized in section 1173 of the Social Se-
14 curity Act.

15 “(3) INDIVIDUAL MAY NOT BE CLAIMED BY
16 MORE THAN 1 TAXPAYER.—An individual shall be
17 treated as a qualified care recipient with respect to
18 only 1 taxpayer, as determined by the Secretary, for
19 any taxable year.

20 “(4) IDENTIFICATION REQUIREMENT.—No
21 credit shall be allowed with respect to any qualified
22 care recipient unless the taxpayer includes the name
23 and taxpayer identification number of the qualified
24 care recipient on the return of tax for the taxable
25 year.

1 “(f) TERMINATION.—No credit shall be allowed
2 under this section for any taxable year beginning after De-
3 cember 31, 2025.”.

4 (b) MATH ERROR AUTHORITY.—Section 6213(g)(2),
5 as amended by the preceding provisions of this Act, is
6 amended by striking “and” at the end of subparagraph
7 (T), by striking the period at the end of subparagraph
8 (U) and inserting “, and”, and by inserting after subpara-
9 graph (U) the following new subparagraph:

10 “(V) an omission of a correct TIN re-
11 quired under section 25E(e)(4) or a correct
12 specified provider identification number re-
13 quired under section 25E(e)(2)(B).”.

14 (c) CLERICAL AMENDMENT.—The table of sections
15 for subpart A of part IV of subchapter A of chapter 1
16 is amended by inserting after the item relating to section
17 25D the following new item:

“Sec. 25E. Credit for caregiver expenses.”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2021.

21 **PART 4—EARNED INCOME TAX CREDIT**

22 **SEC. 137401. CERTAIN IMPROVEMENTS TO THE EARNED IN-** 23 **COME TAX CREDIT MADE PERMANENT.**

24 (a) DECREASE IN MINIMUM AGE REQUIREMENT.—

1 (1) IN GENERAL.—Section 32(c)(1)(A)(ii)(II) is
2 amended by striking “age 25” and inserting “the
3 applicable minimum age”.

4 (2) APPLICABLE MINIMUM AGE.—Section 32(c)
5 is amended by adding at the end the following new
6 paragraph:

7 “(5) APPLICABLE MINIMUM AGE.—

8 “(A) IN GENERAL.—The term ‘applicable
9 minimum age’ means—

10 “(i) except as otherwise provided in
11 this subparagraph, age 19,

12 “(ii) in the case of a specified student
13 (other than a qualified former foster youth
14 or a qualified homeless youth), age 24, and

15 “(iii) in the case of a qualified former
16 foster youth or a qualified homeless youth,
17 age 18.

18 “(B) SPECIFIED STUDENT.—For purposes
19 of this paragraph, the term ‘specified student’
20 means, with respect to any taxable year, an in-
21 dividual who is an eligible student (as defined
22 in section 25A(b)(3)) during at least 5 calendar
23 months during the taxable year.

24 “(C) QUALIFIED FORMER FOSTER
25 YOUTH.—For purposes of this paragraph, the

1 term ‘qualified former foster youth’ means an
2 individual who—

3 “(i) on or after the date that such in-
4 dividual attained age 14, was in foster care
5 provided under the supervision or adminis-
6 tration of an entity administering (or eligi-
7 ble to administer) a plan under part B or
8 part E of title IV of the Social Security
9 Act (without regard to whether Federal as-
10 sistance was provided with respect to such
11 child under such part E), and

12 “(ii) provides (in such manner as the
13 Secretary may provide) consent for entities
14 which administer a plan under part B or
15 part E of title IV of the Social Security
16 Act to disclose to the Secretary informa-
17 tion related to the status of such individual
18 as a qualified former foster youth.

19 “(D) QUALIFIED HOMELESS YOUTH.—For
20 purposes of this paragraph, the term ‘qualified
21 homeless youth’ means, with respect to any tax-
22 able year, an individual who certifies, in a man-
23 ner as provided by the Secretary, that such in-
24 dividual is either an unaccompanied youth who
25 is a homeless child or youth, or is unaccom-

1 panied, at risk of homelessness, and self-sup-
2 porting.”.

3 (b) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—

4 Section 32(c)(1)(A)(ii)(II) is amended by striking “but
5 not attained age 65”.

6 (c) INCREASE IN CREDIT AND PHASEOUT PERCENT-

7 AGES.—The table contained in section 32(b)(1) is amend-
8 ed by striking “7.65” each place it appears therein and
9 inserting “15.3”.

10 (d) INCREASE IN EARNED INCOME AND PHASEOUT
11 AMOUNTS.—

12 (1) IN GENERAL.—The table contained in sec-
13 tion 32(b)(2)(A) is amended—

14 (A) by striking “\$4,220” and inserting
15 “\$9,820”, and

16 (B) by striking “\$5,280” and inserting
17 “\$11,610”.

18 (2) APPLICATION OF INFLATION ADJUST-
19 MENT.—Section 32(j)(1) is amended—

20 (A) by striking “(2021 in the case of the
21 dollar amount in subsection (i)(1))” and insert-
22 ing “(2021 in the case of the \$9,820 and
23 \$11,610 amounts in subsection (b)(2)(A) and
24 the \$10,000 amount in subsection (i)(1))”,

1 (B) in subparagraph (B)(i), by inserting
2 “(other than the \$9,820 and \$11,610
3 amounts)” after “subsection (b)(2)(A)”, and

4 (C) in subparagraph (B)(iii), by inserting
5 “the \$9,820 and \$11,610 amounts in sub-
6 section (b)(2)(A) and” before “the \$10,000
7 amount in subsection (i)(1)”.

8 (e) Section 32, as amended by subsection (f), is
9 amended by adding at the end the following new sub-
10 section:

11 “(n) ELECTION TO DETERMINE EARNED INCOME
12 BASED ON PRIOR TAXABLE YEAR.—

13 “(1) IN GENERAL.—In the case of a taxpayer
14 whose earned income for any taxable year is less
15 than the earned income of such taxpayer for the pre-
16 ceding taxable year, if such taxpayer elects (at such
17 time and in such manner as the Secretary may pro-
18 vide) the application of this subsection for such tax-
19 able year, the earned income of such taxpayer for
20 such taxable year shall be treated for purposes of
21 this section as being equal to the earned income of
22 such taxpayer for such preceding taxable year.

23 “(2) JOINT RETURNS.—For purposes of this
24 subsection, in the case of a joint return, the earned
25 income of the taxpayer for the preceding taxable

1 year shall be the sum of the earned income of each
2 spouse for the preceding taxable year.

3 “(3) TREATMENT AS MATHEMATICAL OR CLER-
4 ICAL ERROR.—In the case of a taxpayer described in
5 paragraph (1) who makes the election described in
6 such paragraph, the use on the return for purposes
7 of this section of an amount of earned income for
8 the preceding taxable year which differs from the
9 amount of such earned income as shown in the elec-
10 tronic files of the Internal Revenue Service shall be
11 treated as a mathematical or clerical error for pur-
12 poses of section 6213.

13 “(4) TREATMENT OF REFERENCES.—Any pro-
14 vision of this title which defines or determines
15 earned income by reference to this section shall be
16 applied without regard to this subsection unless such
17 provision specifically provides otherwise.”

18 (f) REPEAL OF TEMPORARY PROVISIONS.—Section
19 32 is amended by striking subsection (n).

20 (g) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2021.

1 **SEC. 137402. FUNDS FOR ADMINISTRATION OF EARNED IN-**
2 **COME TAX CREDITS IN THE TERRITORIES.**

3 (a) PUERTO RICO.—Section 7530(a)(1) is amended
4 by striking “plus” at the end of subparagraph (A), by
5 striking the period at the end of subparagraph (B) and
6 inserting “, plus”, and by adding at the end the following
7 new subparagraph:

8 “(C) reasonable administrative costs asso-
9 ciated with the provision of the earned income
10 tax credit not in excess of \$4,000,000.”.

11 (b) POSSESSIONS WITH MIRROR CODE TAX SYS-
12 TEMS.—Section 7530(b)(1) is amended by striking “plus”
13 at the end of subparagraph (A), by striking the period
14 at the end of subparagraph (B) and inserting “, plus”,
15 and by adding at the end the following new subparagraph:

16 “(C) reasonable administrative costs asso-
17 ciated with the provision of the earned income
18 tax credit not in excess of \$200,000.”.

19 (c) AMERICAN SAMOA.—Section 7530(c)(1) is
20 amended by striking “plus” at the end of subparagraph
21 (A), by striking the period at the end of subparagraph
22 (B) and inserting “, plus”, and by adding at the end the
23 following new subparagraph:

24 “(C) reasonable administrative costs asso-
25 ciated with the provision of the earned income
26 tax credit not in excess of \$200,000.”.

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to payments made for calendar
 3 years beginning after December 31, 2021.

4 **PART 5—EXPANDING ACCESS TO HEALTH**
 5 **COVERAGE AND LOWERING COSTS**

6 **SEC. 137501. IMPROVE AFFORDABILITY AND REDUCE PRE-**
 7 **MIUM COSTS OF HEALTH INSURANCE FOR**
 8 **CONSUMERS.**

9 (a) INCREASE IN APPLICABLE PERCENTAGE MADE
 10 PERMANENT.—Section 36B(b)(3)(A) is amended to read
 11 as follows:

12 “(A) APPLICABLE PERCENTAGE.—The ap-
 13 plicable percentage for any taxable year shall be
 14 the percentage such that the applicable percent-
 15 age for any taxpayer whose household income is
 16 within an income tier specified in the following
 17 table shall increase, on a sliding scale in a lin-
 18 ear manner, from the initial premium percent-
 19 age to the final premium percentage specified in
 20 such table for such income tier:

| “In the case of household income (expressed as a percent of poverty line) within the following income tier: | The initial premium percentage is— | The final premium percentage is— |
|--|--|--|
| Up to 150.0 percent | 0 | 0 |
| 150.0 percent up to 200.0 percent | 0 | 2 |
| 200.0 percent up to 250.0 percent | 2 | 4 |
| 250.0 percent up to 300.0 percent | 4 | 6 |
| 300.0 percent up to 400.0 percent | 6 | 8.5 |
| 400.0 percent and higher | 8.5 | 8.5”. |

1 (b) CREDIT ALLOWED TO TAXPAYERS WHOSE
2 HOUSEHOLD INCOME EXCEEDS 400 PERCENT OF THE
3 POVERTY LINE.—

4 (1) IN GENERAL.—Section 36B(c)(1)(A) is
5 amended by striking “but does not exceed 400 per-
6 cent”.

7 (2) CONFORMING AMENDMENT.—Section
8 36B(c)(1) is amended by striking subparagraph (E).

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2021.

12 **SEC. 137502. MODIFICATION OF EMPLOYER-SPONSORED**
13 **COVERAGE AFFORDABILITY TEST IN HEALTH**
14 **INSURANCE PREMIUM TAX CREDIT.**

15 (a) IN GENERAL.—Section 36B(c)(2)(C) is amend-
16 ed—

17 (1) in clause (i)(II), by striking “9.5 percent”
18 and inserting “8.5 percent”, and

19 (2) by striking clause (iv).

20 (b) QUALIFIED SMALL EMPLOYER HEALTH REIM-
21 BURSEMENT ARRANGEMENTS.—Section 36B(c)(4) is
22 amended—

23 (1) in subparagraph (C)(ii), by striking “9.5
24 percent” and inserting “8.5 percent”, and

25 (2) by striking subparagraph (F).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **SEC. 137503. TREATMENT OF LUMP-SUM SOCIAL SECURITY**
5 **BENEFITS IN DETERMINING HOUSEHOLD IN-**
6 **COME.**

7 (a) IN GENERAL.—Section 36B(d)(2) is amended by
8 adding at the end the following new subparagraph:

9 “(C) EXCLUSION OF PORTION OF LUMP-
10 SUM SOCIAL SECURITY BENEFITS.—

11 “(i) IN GENERAL.—The term ‘modi-
12 fied adjusted gross income’ shall not in-
13 clude so much of any lump-sum social se-
14 curity benefit payment as is attributable to
15 months ending before the beginning of the
16 taxable year.

17 “(ii) LUMP-SUM SOCIAL SECURITY
18 BENEFIT PAYMENT.—For purposes of this
19 subparagraph, the term ‘lump-sum social
20 security benefit payment’ means any pay-
21 ment of social security benefits (as defined
22 in section 86(d)(1)) which constitutes more
23 than 1 month of such benefits.

24 “(iii) ELECTION TO INCLUDE EX-
25 CLUDABLE AMOUNT.—With respect to any

1 taxable year beginning on or after the ter-
2 mination date (as defined in subsection
3 (h)(2)), a taxpayer may elect (at such time
4 and in such manner as the Secretary may
5 provide) to have this subparagraph not
6 apply for such taxable year.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to taxable years beginning after
9 December 31, 2021.

10 **SEC. 137504. TEMPORARY EXPANSION OF HEALTH INSUR-**
11 **ANCE PREMIUM TAX CREDITS FOR CERTAIN**
12 **LOW-INCOME POPULATIONS.**

13 (a) IN GENERAL.—Section 36B is amended by redес-
14 ignating subsection (h) as subsection (i) and by inserting
15 after subsection (g) the following new subsection:

16 “(h) CERTAIN TEMPORARY RULES BEGINNING IN
17 2022.—

18 “(1) IN GENERAL.—With respect to any taxable
19 year beginning after December 31, 2021, and before
20 the termination date—

21 “(A) ELIGIBILITY FOR CREDIT NOT LIM-
22 ITED BASED ON INCOME.—Section
23 36B(c)(1)(A) shall be disregarded in deter-
24 mining whether a taxpayer is an applicable tax-
25 payer.

1 “(B) CREDIT ALLOWED TO CERTAIN LOW-
2 INCOME EMPLOYEES OFFERED EMPLOYER-PRO-
3 VIDED COVERAGE.—Subclause (II) of sub-
4 section (c)(2)(C)(i) shall not apply if the tax-
5 payer’s household income does not exceed 138
6 percent of the poverty line for a family of the
7 size involved. Subclause (II) of subsection
8 (c)(2)(C)(i) shall also not apply to an individual
9 described in the last sentence of such subsection
10 if the taxpayer’s household income does not ex-
11 ceed 138 percent of the poverty line for a fam-
12 ily of the size involved.

13 “(C) CREDIT ALLOWED TO CERTAIN LOW-
14 INCOME EMPLOYEES OFFERED QUALIFIED
15 SMALL EMPLOYER HEALTH REIMBURSEMENT
16 ARRANGEMENTS.—A qualified small employer
17 health reimbursement arrangement shall not be
18 treated as constituting affordable coverage for
19 an employee (or any spouse or dependent of
20 such employee) for any months of a taxable
21 year if the employee’s household income for
22 such taxable year does not exceed 138 percent
23 of the poverty line for a family of the size in-
24 volved.

25 “(D) LIMITATIONS ON RECAPTURE.—

1 “(i) IN GENERAL.—In the case of a
2 taxpayer whose household income is less
3 than 200 percent of the poverty line for
4 the size of the family involved for the tax-
5 able year, the amount of the increase
6 under subsection (f)(2)(A) shall in no
7 event exceed \$300 (one-half of such
8 amount in the case of a taxpayer whose
9 tax is determined under section 1(c) for
10 the taxable year).

11 “(ii) LIMITATION ON INCREASE FOR
12 CERTAIN NON-FILERS.—In the case of any
13 taxpayer who would not be required to file
14 a return of tax for the taxable year but for
15 any requirement to reconcile advance cred-
16 it payments under subsection (f), if an Ex-
17 change established under title I of the Pa-
18 tient Protection and Affordable Care Act
19 has determined that—

20 “(I) such taxpayer is eligible for
21 advance payments under section 1412
22 of such Act for any portion of such
23 taxable year, and

24 “(II) such taxpayer’s household
25 income for such taxable year is pro-

1 jected to not exceed 138 percent of
2 the poverty line for a family of the
3 size involved,
4 subsection (f)(2)(A) shall not apply to such
5 taxpayer for such taxable year and such
6 taxpayer shall not be required to file such
7 return of tax.

8 “(iii) INFORMATION PROVIDED BY EX-
9 CHANGE.—The information required to be
10 provided by an Exchange to the Secretary
11 and to the taxpayer under subsection (f)(3)
12 shall include such information as is nec-
13 essary to determine whether such Ex-
14 change has made the determinations de-
15 scribed in subclauses (I) and (II) of clause
16 (ii) with respect to such taxpayer.

17 “(2) TERMINATION DATE.—For purposes of
18 this subsection, the term ‘termination date’ means
19 the later of—

20 “(A) January 1, 2025, or

21 “(B) the date on which the Secretary of
22 Health and Human Services makes a written
23 certification to the Secretary that the Secretary
24 of Health and Human Services has fully imple-
25 mented the program described in section 1948

1 of the Social Security Act (relating to Federal
2 Medicaid program to close coverage gap in non-
3 expansion States).”.

4 (b) EMPLOYER SHARED RESPONSIBILITY PROVISION
5 NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-IN-
6 COME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—

7 Section 4980H(c)(3) is amended to read as follows:

8 “(3) APPLICABLE PREMIUM TAX CREDIT AND
9 COST-SHARING REDUCTION.—

10 “(A) IN GENERAL.—The term ‘applicable
11 premium tax credit and cost-sharing reduction’
12 means—

13 “(i) any premium tax credit allowed
14 under section 36B,

15 “(ii) any cost-sharing reduction under
16 section 1402 of the Patient Protection and
17 Affordable Care Act, and

18 “(iii) any advance payment of such
19 credit or reduction under section 1412 of
20 such Act.

21 “(B) EXCEPTION WITH RESPECT TO CER-
22 TAIN LOW-INCOME TAXPAYERS.—Such term
23 shall not include any premium tax credit, cost-
24 sharing reduction, or advance payment other-
25 wise described in subparagraph (A) if such

1 credit, reduction, or payment is allowed or paid
2 for a taxable year of an employee (beginning
3 after December 31, 2021, and before the termi-
4 nation date, as defined in section 36B(h)(2))
5 with respect to which—

6 “(i) an Exchange established under
7 title I of the Patient Protection and Af-
8 fordable Care Act has determined that
9 such employee’s household income for such
10 taxable year is projected to not exceed 138
11 percent of the poverty line for a family of
12 the size involved, or

13 “(ii) such employee’s household in-
14 come for such taxable year does not exceed
15 138 percent of the poverty line for a family
16 of the size involved.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2021.

20 **SEC. 137505. ENSURING AFFORDABILITY OF COVERAGE**
21 **FOR CERTAIN LOW-INCOME POPULATIONS.**

22 (a) REDUCING COST SHARING UNDER QUALIFIED
23 HEALTH PLANS.—Section 1402 of the Patient Protection
24 and Affordable Care Act (42 U.S.C. 18071) is amended—

25 (1) in subsection (b)—

1 (A) in paragraph (2), by inserting “(or,
2 with respect to plan years 2023 and 2024,
3 whose household income does not exceed 400
4 percent of the poverty line for a family of the
5 size involved)” before the period; and

6 (B) in the matter following paragraph (2),
7 by adding at the end the following new sen-
8 tence: “In the case of an individual with a
9 household income of less than 138 percent of
10 the poverty line for a family of the size involved
11 for any month occurring during the period be-
12 ginning on January 1, 2022, and ending on De-
13 cember 31, 2022, such individual shall, for such
14 month and for each succeeding month during
15 such period, be treated as having household in-
16 come equal to 100 percent for purposes of ap-
17 plying this section.”; and

18 (2) in subsection (c)—

19 (A) in paragraph (1)(A), in the matter
20 preceding clause (i), by inserting “, with respect
21 to eligible insureds (other than, with respect to
22 plan years 2023 and 2024, specified enrollees
23 (as defined in paragraph (6)(C))),” after “first
24 be achieved”;

1 (B) in paragraph (2), in the matter pre-
2 ceding subparagraph (A), by inserting “with re-
3 spect to eligible insureds (other than, with re-
4 spect to plan years 2023 and 2024, specified
5 enrollees)” after “under the plan”;

6 (C) in paragraph (3)—

7 (i) in subparagraph (A), by striking
8 “this subsection” and inserting “paragraph
9 (1) or (2)”; and

10 (ii) in subparagraph (B), by striking
11 “this section” and inserting “paragraphs
12 (1) and (2)”; and

13 (D) by adding at the end the following new
14 paragraph:

15 “(6) SPECIAL RULE FOR SPECIFIED ENROLL-
16 EES.—

17 “(A) IN GENERAL.—The Secretary shall
18 establish procedures under which the issuer of
19 a qualified health plan to which this section ap-
20 plies shall reduce cost-sharing under the plan
21 with respect to months occurring during plan
22 years 2023 and 2024 for enrollees who are
23 specified enrollees (as defined in subparagraph
24 (C)) in a manner sufficient to increase the
25 plan’s share of the total allowed costs of bene-

1 fits provided under the plan to 99 percent of
2 such costs.

3 “(B) METHODS FOR REDUCING COST
4 SHARING.—

5 “(i) IN GENERAL.—An issuer of a
6 qualified health plan making reductions
7 under this paragraph shall notify the Sec-
8 retary of such reductions and the Sec-
9 retary shall, out of funds made available
10 under clause (ii), make periodic and timely
11 payments to the issuer equal to 12 percent
12 of the total allowed costs of benefits pro-
13 vided under each such plan to specified en-
14 rollees during plan years 2023 and 2024.

15 “(ii) APPROPRIATION.—There are ap-
16 propriated, out of any monies in the Treas-
17 ury not otherwise appropriated, such sums
18 as may be necessary to the Secretary for
19 purposes of making payments under clause
20 (i).

21 “(C) SPECIFIED ENROLLEE DEFINED.—
22 For purposes of this section, the term ‘specified
23 enrollee’ means, with respect to a month occur-
24 ring during a plan year, an eligible insured with
25 a household income of less than 138 percent of

1 the poverty line for a family of the size involved
2 during such month. Such insured shall be
3 deemed to be a specified enrollee for each suc-
4 ceeding month in such plan year.”.

5 (b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN
6 LOWER-INCOME POPULATIONS.—Section 1311(c) of the
7 Patient Protection and Affordable Care Act (42 U.S.C.
8 18031(c)) is amended—

9 (1) in paragraph (6)—

10 (A) in subparagraph (C), by striking at the
11 end “and”;

12 (B) in subparagraph (D), by striking the
13 period at the end and inserting “; and”; and

14 (C) by adding at the end the following new
15 subparagraph:

16 “(E) with respect to a qualified health plan
17 with respect to which section 1402 applies, for
18 months occurring during the period beginning
19 on January 1, 2022, and ending on December
20 31, 2024, enrollment periods described in sub-
21 paragraph (A) of paragraph (8) for individuals
22 described in subparagraph (B) of such para-
23 graph.”; and

24 (2) by adding at the end the following new
25 paragraph:

1 “(8) SPECIAL ENROLLMENT PERIOD FOR CER-
2 TAIN LOW-INCOME POPULATIONS.—

3 “(A) IN GENERAL.—The enrollment period
4 described in this paragraph is, in the case of an
5 individual described in subparagraph (B), the
6 continuous period beginning on the first day
7 that such individual is so described.

8 “(B) INDIVIDUAL DESCRIBED.—For pur-
9 poses of subparagraph (A), an individual de-
10 scribed in this subparagraph is an individual—

11 “(i) with a household income of less
12 than 138 percent of the poverty line for a
13 family of the size involved; and

14 “(ii) who is not eligible for minimum
15 essential coverage (as defined in section
16 5000A(f) of the Internal Revenue Code of
17 1986), other than for coverage described in
18 any of subparagraphs (B) through (E) of
19 paragraph (1) of such section.”.

20 (c) ADDITIONAL BENEFITS FOR CERTAIN LOW-IN-
21 COME INDIVIDUALS FOR PLAN YEAR 2024.—Section
22 1301(a) of the Patient Protection and Affordable Care Act
23 (42 U.S.C. 18021(a)) is amended—

24 (1) in paragraph (1)—

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

3 (B) in subparagraph (C)(iv), by striking
4 the period and inserting “; and”; and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(D) provides, with respect to a plan of-
8 fered in the silver level of coverage to which sec-
9 tion 1402 applies during plan year 2024, for
10 benefits described in paragraph (5) in the case
11 of an individual who, for a month during such
12 plan year, has a household income of less than
13 138 percent of the poverty line for a family of
14 the size involved, and who is eligible to receive
15 cost-sharing reductions under section 1402.”;
16 and

17 (2) by adding at the end the following new
18 paragraph:

19 “(5) ADDITIONAL BENEFITS FOR CERTAIN
20 LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—

21 “(A) IN GENERAL.—For purposes of para-
22 graph (1)(D), the benefits described in this
23 paragraph to be provided by a qualified health
24 plan are benefits consisting of non-emergency
25 medical transportation services and services de-

1 scribed in subsection (a)(4)(C) of section 1905
2 of the Social Security Act, without any restric-
3 tion on the choice of a qualified provider from
4 whom such an individual so enrolled in such
5 plan may receive such services described in such
6 subsection, and without any imposition of cost
7 sharing, which are not otherwise provided under
8 such plan as part of the essential health bene-
9 fits package described in section 1302(a).

10 “(B) PAYMENTS FOR ADDITIONAL BENE-
11 FITS.—

12 “(i) IN GENERAL.—An issuer of a
13 qualified health plan making payments for
14 services described in subparagraph (A) fur-
15 nished to individuals described in para-
16 graph (1)(D) during plan year 2024 shall
17 notify the Secretary of such payments and
18 the Secretary shall, out of funds made
19 available under clause (ii), make periodic
20 and timely payments to the issuer equal to
21 payments for such services so furnished.

22 “(ii) APPROPRIATION.—There is ap-
23 propriated, out of any monies in the Treas-
24 ury not otherwise appropriated, such sums
25 as may be necessary to the Secretary for

1 purposes of making payments under clause
2 (i).”.

3 (d) EDUCATION AND OUTREACH ACTIVITIES.—

4 (1) IN GENERAL.—Section 1321(c) of the Pa-
5 tient Protection and Affordable Care Act (42 U.S.C.
6 18041(c)) is amended by adding at the end the fol-
7 lowing new paragraph:

8 “(3) OUTREACH AND EDUCATIONAL ACTIVI-
9 TIES.—

10 “(A) IN GENERAL.—In the case of an Ex-
11 change established or operated by the Secretary
12 within a State pursuant to this subsection, the
13 Secretary shall carry out outreach and edu-
14 cational activities for purposes of informing in-
15 dividuals described in section
16 1902(a)(10)(A)(i)(VIII) of the Social Security
17 Act who reside in States that have not ex-
18 pended amounts under a State plan (or waiver
19 of such plan) under title XIX of such Act for
20 all such individuals about qualified health plans
21 offered through the Exchange, including by in-
22 forming such individuals of the availability of
23 coverage under such plans and financial assist-
24 ance for coverage under such plans. Such out-
25 reach and educational activities shall be pro-

1 vided in a manner that is culturally and linguis-
2 tically appropriate to the needs of the popu-
3 lations being served by the Exchange (including
4 hard-to-reach populations, such as racial and
5 sexual minorities, limited English proficient
6 populations, individuals residing in areas where
7 the unemployment rates exceeds the national
8 average unemployment rate, individuals in rural
9 areas, veterans, and young adults).

10 “(B) LIMITATION ON USE OF FUNDS.—No
11 funds appropriated under this paragraph shall
12 be used for expenditures for promoting non-
13 ACA compliant health insurance coverage.

14 “(C) NON-ACA COMPLIANT HEALTH INSUR-
15 ANCE COVERAGE.—For purposes of subpara-
16 graph (B):

17 “(i) The term ‘non-ACA compliant
18 health insurance coverage’ means health
19 insurance coverage, or a group health plan,
20 that is not a qualified health plan.

21 “(ii) Such term includes the following:

22 “(I) An association health plan.

23 “(II) Short-term limited duration
24 insurance.

1 “(D) FUNDING.—There are appropriated,
2 out of any monies in the Treasury not other-
3 wise appropriated, \$15,000,000 for fiscal year
4 2022, and \$30,000,000 for each of fiscal years
5 2023 and 2024, to carry out this paragraph.
6 Funds appropriated under this subparagraph
7 shall remain available until expended.”.

8 (2) NAVIGATOR PROGRAM.—Section 1311(i)(6)
9 of the Patient Protection and Affordable Care Act
10 (42 U.S.C. 18031(i)(6)) is amended—

11 (A) by striking “FUNDING.—Grants
12 under” and inserting “FUNDING.—

13 “(A) STATE EXCHANGES.—Grants under”;
14 and

15 (B) by adding at the end the following new
16 subparagraph:

17 “(B) FEDERAL EXCHANGES.—For pur-
18 poses of carrying out this subsection, with re-
19 spect to an Exchange established and operated
20 by the Secretary within a State pursuant to sec-
21 tion 1321(c), the Secretary shall obligate
22 \$10,000,000 out of amounts collected through
23 the user fees on participating health insurance
24 issuers pursuant to section 156.50 of title 45,
25 Code of Federal Regulations (or any successor

1 regulations) for fiscal year 2022, and
2 \$20,000,000 for each of fiscal years 2023 and
3 2024. Such amount so obligated for a fiscal
4 year shall remain available until expended.”.

5 **SEC. 137506. ESTABLISHING A HEALTH INSURANCE AF-**
6 **FORDABILITY FUND.**

7 (a) IN GENERAL.—Subtitle D of title I of the Patient
8 Protection and Affordable Care Act is amended by insert-
9 ing after part 5 (42 U.S.C. 18061 et seq.) the following
10 new part:

11 **“PART 6—IMPROVE HEALTH INSURANCE**
12 **AFFORDABILITY FUND**

13 **“SEC. 1351. ESTABLISHMENT OF PROGRAM.**

14 “There is hereby established the ‘Improve Health In-
15 surance Affordability Fund’ to be administered by the Sec-
16 retary of Health and Human Services, acting through the
17 Administrator of the Centers for Medicare & Medicaid
18 Services (in this section referred to as the ‘Adminis-
19 trator’), to provide funding, in accordance with this part,
20 to the 50 States and the District of Columbia (each re-
21 ferred to in this section as a ‘State’) beginning on January
22 1, 2023, for the purposes described in section 1352.

1 **“SEC. 1352. USE OF FUNDS.**

2 “(a) IN GENERAL.—A State shall use the funds allo-
3 cated to the State under this part for one of the following
4 purposes:

5 “(1) To provide reinsurance payments to health
6 insurance issuers with respect to individuals enrolled
7 under individual health insurance coverage (other
8 than through a plan described in subsection (b)) of-
9 fered by such issuers.

10 “(2) To provide assistance (other than through
11 payments described in paragraph (1)) to reduce out-
12 of-pocket costs, such as copayments, coinsurance,
13 premiums, and deductibles, of individuals enrolled
14 under qualified health plans offered on the indi-
15 vidual market through an Exchange and of individ-
16 uals enrolled under standard health plans offered
17 through a basic health program established under
18 section 1331.

19 “(b) EXCLUSION OF CERTAIN GRANDFATHERED
20 PLANS, TRANSITIONAL PLANS, STUDENT HEALTH
21 PLANS, AND EXCEPTED BENEFITS.—For purposes of
22 subsection (a), a plan described in this subsection is the
23 following:

24 “(1) A grandfathered health plan (as defined in
25 section 1251).

1 part for a year (beginning with 2023), a State shall
2 submit to the Administrator an application at such
3 time (but, in the case of allocations for 2023, not
4 later than 120 days after the date of the enactment
5 of this part and, in the case of allocations for a sub-
6 sequent year, not later than January 1 of the pre-
7 vious year) and in such form and manner as speci-
8 fied by the Administrator containing—

9 “(A) a description of how the funds will be
10 used; and

11 “(B) such other information as the Admin-
12 istrator may require.

13 “(2) AUTOMATIC APPROVAL.—An application so
14 submitted is approved (as outlined in the terms of
15 the plan) unless the Administrator notifies the State
16 submitting the application, not later than 90 days
17 after the date of the submission of such application,
18 that the application has been denied for not being in
19 compliance with any requirement of this part and of
20 the reason for such denial.

21 “(3) 5-YEAR APPLICATION APPROVAL.—If an
22 application of a State is approved for a purpose de-
23 scribed in section 1352 for a year, such application
24 shall be treated as approved for such purpose for
25 each of the subsequent 4 years.

1 “(4) OVERSIGHT AUTHORITY AND AUTHORITY
2 TO REVOKE APPROVAL.—

3 “(A) OVERSIGHT.—The Secretary may
4 conduct periodic reviews of the use of funds
5 provided to a State under this section, with re-
6 spect to a purpose described in section 1352, to
7 ensure the State uses such funds for such pur-
8 pose and otherwise complies with the require-
9 ments of this section.

10 “(B) REVOCATION OF APPROVAL.—The
11 approval of an application of a State, with re-
12 spect to a purpose described in section 1352,
13 may be revoked if the State fails to use funds
14 provided to the State under this section for
15 such purpose or otherwise fails to comply with
16 the requirements of this section.

17 “(b) DEFAULT FEDERAL SAFEGUARD FOR 2023 AND
18 2024 FOR CERTAIN STATES.—

19 “(1) IN GENERAL.—For 2023 and 2024, in the
20 case of a State described in paragraph (5), with re-
21 spect to such year, the State shall not be eligible to
22 submit an application under subsection (a), and the
23 Administrator, in consultation with the applicable
24 State authority, shall from the amount calculated
25 under paragraph (3) for such year, carry out the

1 purpose described in paragraph (2) in such State for
2 such year.

3 “(2) SPECIFIED USE.—The amount described
4 in paragraph (3), with respect to a State described
5 in paragraph (5) for 2023 or 2024, shall be used to
6 carry out the purpose described in section
7 1352(a)(1) in such State for such year, as applica-
8 ble, by providing reinsurance payments to health in-
9 surance issuers with respect to attachment range
10 claims (as defined in section 1354(b)(2), using the
11 dollar amounts specified in subparagraph (B) of
12 such section for such year) in an amount equal to,
13 subject to paragraph (4), the percentage (specified
14 for such year by the Secretary under such subpara-
15 graph) of the amount of such claims.

16 “(3) AMOUNT DESCRIBED.—The amount de-
17 scribed in this paragraph, with respect to 2023 or
18 2024, is the amount equal to the total sum of
19 amounts that the Secretary would otherwise esti-
20 mate under section 1354(b)(2)(A)(i) for such year
21 for each State described in paragraph (5) for such
22 year, as applicable, if each such State were not so
23 described for such year.

24 “(4) ADJUSTMENT.—For purposes of this sub-
25 section, the Secretary may apply a percentage under

1 paragraph (3) with respect to a year that is less
2 than the percentage otherwise specified in section
3 1354(b)(2)(B) for such year, if the cost of paying
4 the total eligible attachment range claims for States
5 described in paragraph (5) for such year at such
6 percentage otherwise specified would exceed the
7 amount calculated under paragraph (3) for such
8 year.

9 “(5) STATE DESCRIBED.—A State described in
10 this paragraph, with respect to years 2023 and
11 2024, is a State that, as of January 1 of 2022 or
12 2023, respectively, was not expending amounts
13 under the State plan (or waiver of such plan) for all
14 individuals described in section
15 1902(a)(10)(A)(i)(VIII) during such year.

16 **“SEC. 1354. ALLOCATIONS.**

17 “(a) APPROPRIATION.—For the purpose of providing
18 allocations for States under subsection (b) and payments
19 under section 1353(b) there is appropriated, out of any
20 money in the Treasury not otherwise appropriated,
21 \$10,000,000,000 for 2023 and each subsequent year.

22 “(b) ALLOCATIONS.—

23 “(1) PAYMENT.—

24 “(A) IN GENERAL.—From amounts appro-
25 priated under subsection (a) for a year, the

1 Secretary shall, with respect to a State not de-
2 scribed in section 1353(b) for such year and
3 not later than the date specified under subpara-
4 graph (B) for such year, allocate for such State
5 the amount determined for such State and year
6 under paragraph (2).

7 “(B) SPECIFIED DATE.—For purposes of
8 subparagraph (A), the date specified in this
9 subparagraph is—

10 “(i) for 2023, the date that is 90 days
11 after the date of the enactment of this
12 part; and

13 “(ii) for 2024 or a subsequent year,
14 January 1 of the previous year.

15 “(C) NOTIFICATIONS OF ALLOCATION
16 AMOUNTS.—For 2024 and each subsequent
17 year, the Secretary shall notify each State of
18 the amount determined for such State under
19 paragraph (2) for such year by not later than
20 January 1 of the previous year.

21 “(2) ALLOCATION AMOUNT DETERMINA-
22 TIONS.—

23 “(A) IN GENERAL.—For purposes of para-
24 graph (1), the amount determined under this
25 paragraph for a year for a State described in

1 paragraph (1)(A) for such year is the amount
2 equal to—

3 “(i) the amount that the Secretary es-
4 timates would be expended under this part
5 for such year on attachment range claims
6 of individuals residing in such State if such
7 State used such funds only for the purpose
8 described in paragraph (1) of section
9 1352(a) at the dollar amounts and per-
10 centage specified under subparagraph (B)
11 for such year; minus

12 “(ii) the amount, if any, by which the
13 Secretary determines—

14 “(I) the estimated amount of
15 premium tax credits under section
16 36B of the Internal Revenue Code of
17 1986 that would be attributable to in-
18 dividuals residing in such State for
19 such year without application of this
20 part; exceeds

21 “(II) the estimated amount of
22 premium tax credits under section
23 36B of the Internal Revenue Code of
24 1986 that would be attributable to in-
25 dividuals residing in such State for

1 such year if section 1353(b) applied
2 for such year and applied with respect
3 to such State for such year.

4 For purposes of the previous sentence and sec-
5 tion 1353(b)(3), the term ‘attachment range
6 claims’ means, with respect to an individual, the
7 claims for such individual that exceed a dollar
8 amount specified by the Secretary for a year,
9 but do not exceed a ceiling dollar amount speci-
10 fied by the Secretary for such year, under sub-
11 paragraph (B).

12 “(B) SPECIFICATIONS.—For purposes of
13 subparagraph (A) and section 1353(b)(3), the
14 Secretary shall determine the dollar amounts
15 and the percentage to be specified under this
16 subparagraph for a year in a manner to ensure
17 that the total amount of expenditures under
18 this part for such year is estimated to equal the
19 total amount appropriated for such year under
20 subsection (a) if such expenditures were used
21 solely for the purpose described in paragraph
22 (1) of section 1352(a) for attachment range
23 claims at the dollar amounts and percentage so
24 specified for such year.

1 “(3) AVAILABILITY.—Funds allocated to a
2 State under this subsection for a year shall remain
3 available through the end of the subsequent year.”.

4 (b) BASIC HEALTH PROGRAM FUNDING ADJUST-
5 MENTS.—Section 1331 of the Patient Protection and Af-
6 fordable Care Act (42 U.S.C. 18051) is amended—

7 (1) in subsection (a), by adding at the end the
8 following new paragraph:

9 “(3) PROVISION OF INFORMATION ON QUALI-
10 FIED HEALTH PLAN PREMIUMS.—

11 “(A) IN GENERAL.—For plan years begin-
12 ning on or after January 1, 2023, the program
13 described in paragraph (1) shall provide that a
14 State may not establish a basic health program
15 unless such State furnishes to the Secretary,
16 with respect to each qualified health plan of-
17 fered in such State during a year that receives
18 any reinsurance payment from funds made
19 available under part 6 for such year, the ad-
20 justed premium amount (as defined in subpara-
21 graph (B)) for each such plan and year.

22 “(B) ADJUSTED PREMIUM AMOUNT DE-
23 FINED.—For purposes of subparagraph (A), the
24 term ‘adjusted premium amount’ means, with
25 respect to a qualified health plan and a year,

1 the monthly premium for such plan and year
2 that would have applied had such plan not re-
3 ceived any payments described in subparagraph
4 (A) for such year.”; and

5 (2) in subsection (d)(3)(A)(ii), by adding at the
6 end the following new sentence: “In making such de-
7 termination, the Secretary shall calculate the value
8 of such premium tax credits that would have been
9 provided to such individuals enrolled through a basic
10 health program established by a State during a year
11 using the adjusted premium amounts (as defined in
12 subsection (a)(3)(B)) for qualified health plans of-
13 fered in such State during such year.”.

14 **SEC. 137507. SPECIAL RULE FOR INDIVIDUALS RECEIVING**
15 **UNEMPLOYMENT COMPENSATION.**

16 (a) **EXTENSION.**—Section 36B(g)(1) is amended by
17 striking “during 2021,” and inserting “after December
18 31, 2020, and before January 1, 2026,”.

19 (b) **MODIFICATION OF INCOME NOT TAKEN INTO AC-**
20 **COUNT.**—Section 36B(g)(1)(B) is amended by striking
21 “133 percent” and inserting “150 percent”.

22 (c) **CONFORMING AMENDMENT.**—Section 36B(g) by
23 inserting “THROUGH 2025” after “2021” in the heading
24 thereof.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **SEC. 137508. PERMANENT CREDIT FOR HEALTH INSURANCE**
5 **COSTS.**

6 (a) IN GENERAL.—Subparagraph (B) of section
7 35(b)(1) of the Internal Revenue Code of 1986 is amended
8 by striking “, and before January 1, 2022” and inserting
9 a period.

10 (b) INCREASE IN CREDIT PERCENTAGE.—Subsection
11 (a) of section 35 of the Internal Revenue Code of 1986
12 is amended by striking “72.5 percent” and inserting “80
13 percent”.

14 (c) CONFORMING AMENDMENTS.—Subsections (b)
15 and (e)(1) of section 7527 of the Internal Revenue Code
16 of 1986 are each amended by striking “72.5 percent” and
17 inserting “80 percent”.

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to coverage months beginning after
20 December 31, 2021.

1 “(1) attests he or she—

2 “(A) is or will be a first-generation student
3 of a 4-year college, graduate school, or profes-
4 sional school;

5 “(B) was a Pell Grant recipient; or

6 “(C) lived in a medically underserved area,
7 rural area, or health professional shortage area
8 for a period of 4 or more years prior to attend-
9 ing an undergraduate program;

10 “(2) has accepted enrollment in—

11 “(A) a post-baccalaureate program that is
12 not more than 2 years and intends to enroll in
13 a qualifying medical school within 2 years after
14 completion of such program; or

15 “(B) a qualifying medical school;

16 “(3) will practice medicine in a health profes-
17 sional shortage area, medically underserved area,
18 public hospital, rural area, or as required under sub-
19 section (d)(5); and

20 “(4) submits an application and a signed copy
21 of the agreement described under subsection (c).

22 “(c) APPLICATIONS.—

23 “(1) IN GENERAL.—To be eligible to receive a
24 Pathway to Practice medical scholarship voucher
25 under this section, a qualifying student described in

1 subsection (b) shall submit to the Secretary an ap-
2 plication at such time, in such manner, and con-
3 taining such information as the Secretary may re-
4 quire.

5 “(2) INFORMATION TO BE INCLUDED.—As a
6 part of the application described in paragraph (1),
7 the Secretary shall include a notice of the items
8 which are required to be agreed to under subsection
9 (d)(4) for the purpose of notifying the qualifying
10 student of the terms of the Rural and Underserved
11 Pathway to Practice Training Program.

12 “(d) PATHWAY TO PRACTICE MEDICAL SCHOLAR-
13 SHIP VOUCHER DETAILS.—

14 “(1) NUMBER.—On an annual basis, the Sec-
15 retary may award a Pathway to Practice medical
16 scholarship voucher under the Program to not more
17 than 1,000 qualifying students described in sub-
18 section (b).

19 “(2) PRIORITIZATION CRITERIA.—In deter-
20 mining whether to award a Pathway to Practice
21 medical scholarship voucher under the Program to
22 qualifying students described in subsection (b), the
23 Secretary shall prioritize applications from any such
24 student who attests that he or she—

1 “(A) was a participant in the Health Re-
2 sources and Services Administration Health Ca-
3 reers Opportunity Program or an Area Health
4 Education Center scholar;

5 “(B) is a disadvantaged student (as de-
6 fined by the National Health Service Corps of
7 the Health Resources & Services Administration
8 of the Department of Health and Human Serv-
9 ices); or

10 “(C) attended a historically black college
11 or other minority serving institution (as defined
12 in section 1067q of title 20, United States
13 Code).

14 “(3) DURATION.—Each Pathway to Practice
15 medical scholarship voucher awarded to a qualifying
16 student pursuant to paragraph (1) shall be so
17 awarded to such a student on an annual basis for
18 each year of enrollment in a post-baccalaureate pro-
19 gram and a qualifying medical school (as appro-
20 priate).

21 “(4) AMOUNT.—Subject to paragraph (5), each
22 Pathway to Practice medical scholarship voucher
23 awarded under the Program shall include amounts
24 for—

25 “(A) tuition;

1 “(B) academic fees (as determined by the
2 qualifying medical school);

3 “(C) required textbooks and equipment;

4 “(D) a monthly stipend equal to the
5 amount provided for individuals under the
6 health professions scholarship and financial as-
7 sistance program described in section 2121(c)
8 of title 10, United States Code; and

9 “(E) any other educational expenses nor-
10 mally incurred by students at the post-bacca-
11 laureate program or qualifying medical school
12 (as appropriate).

13 “(5) REQUIRED AGREEMENT.—No amounts
14 under paragraph (4) may be provided a qualifying
15 student awarded a Pathway to Practice medical
16 scholarship voucher under the Program, unless the
17 qualifying student submits to the Secretary an
18 agreement to—

19 “(A) complete a post-baccalaureate pro-
20 gram that is not more than 2 years (if applica-
21 ble pursuant to the option under subsection
22 (b)(2)(A));

23 “(B) graduate from a qualifying medical
24 school;

1 “(C) complete a residency program in an
2 approved residency training program (as de-
3 fined in section 1886(h)(5)(A));

4 “(D) complete an initial residency period
5 or the period of board eligibility;

6 “(E) practice medicine for at least the
7 number of years of the Pathway to Practice
8 medical scholarship voucher awarded under
9 paragraph (2) after a residency program in a
10 health professional shortage area, a medically
11 underserved area, a public hospital, or a rural
12 area, and during such period annually submit
13 documentation with respect to whether the
14 qualifying student practices medicine in such an
15 area and where;

16 “(F) for the purpose of determining com-
17 pliance with subparagraph (E), not later than
18 180 days after the date on which qualifying stu-
19 dent completes a residency program, provide to
20 the Secretary information with respect to where
21 the qualifying student is practicing medicine
22 following the period described in such subpara-
23 graph;

24 “(G) except in the case of a waiver for
25 hardship pursuant to section 1892(f)(3), be lia-

1 ble to the United States pursuant to section
2 1892 for any amounts received under this Pro-
3 gram that is determined a past-due obligation
4 under subsection (b)(3) of such section in the
5 case qualifying student fails to complete all of
6 the requirements of this agreement under this
7 subsection; and

8 “(H) for the purpose of determining the
9 amount of Pathway to Practice medical scholar-
10 ship vouchers paid or incurred by a qualifying
11 medical school or any provider of a post-bacca-
12 laurate program referred to in subsection
13 (b)(2)(A) for the costs of tuition under para-
14 graph (4)(A), consent to any personally identi-
15 fying information being shared with the Sec-
16 retary of the Treasury.

17 “(6) RESPONSIBILITIES OF PARTICIPATING
18 EDUCATIONAL INSTITUTIONS.—Each annual award
19 of an amount of Pathway to Practice medical schol-
20 arship voucher under paragraph (2) shall be made
21 with respect to a specific qualifying medical school
22 or post-baccalaureate program that is not more than
23 2 years and such school or program shall (as a con-
24 dition of, and prior to, such award being made with
25 respect to such school or program)—

1 “(A) submit to the Secretary such infor-
2 mation as the Secretary may require to deter-
3 mine the amount of such award on the basis of
4 the costs of the costs of the items specified
5 under paragraph (4) (except for subparagraph
6 (D)) with respect to such school or program,
7 and

8 “(B) enter into an agreement with the Sec-
9 retary under which such school or provider will
10 verify (in such manner as the Secretary may
11 provide) that amounts paid by such school or
12 provider to the qualifying student are used for
13 such costs.

14 “(e) DEFINITIONS.—In this section:

15 “(1) HEALTH PROFESSIONAL SHORTAGE
16 AREA.—The term ‘health professional shortage area’
17 has the meaning given such term in subparagraphs
18 (A) or (B) of section 332(a)(1) of the Public Health
19 Service Act.

20 “(2) INITIAL RESIDENCY PERIOD.—The term
21 ‘initial residency period’ has the meaning given such
22 term in section 1886(h)(5)(F).

23 “(3) MEDICALLY UNDERSERVED AREA.—The
24 term ‘medically underserved area’ means an area

1 designated pursuant to section 330(b)(3)(A) of the
2 Public Health Service Act.

3 “(4) PELL GRANT RECIPIENT.—The term ‘Pell
4 Grant recipient’ has the meaning given such term in
5 section 322(3) of the Higher Education Act of 1965.

6 “(5) PERIOD OF BOARD ELIGIBILITY.—The
7 term ‘period of board eligibility’ has the meaning
8 given such term in section 1886(h)(5)(G).

9 “(6) QUALIFYING MEDICAL SCHOOL.—The term
10 ‘qualifying medical school’ means a school of medi-
11 cine accredited by the Liaison Committee on Medical
12 Education of the American Medical Association and
13 the Association of American Medical Colleges (or ap-
14 proved by such Committee as meeting the standards
15 necessary for such accreditation) or a school of oste-
16 opathy accredited by the American Osteopathic As-
17 sociation, or approved by such Association as meet-
18 ing the standards necessary for such accreditation
19 which—

20 “(A) for each academic year, enrolls at
21 least 10 qualifying students who are in enrolled
22 in such a school;

23 “(B) requires qualifying students to enroll
24 in didactic coursework and clinical experience
25 applicable to practicing medicine in health pro-

1 fessional shortage areas, medically underserved
2 areas, or rural areas, including—

3 “(i) clinical rotations in such areas in
4 applicable specialties (as applicable and as
5 available);

6 “(ii) coursework or training experi-
7 ences focused on medical issues prevalent
8 in such areas and cultural and structural
9 competency; and

10 “(C) is located in a State (as defined in
11 section 210(h)).

12 “(7) RURAL AREA.—The term ‘rural area’ has
13 the meaning given such term in section
14 1886(d)(2)(D).

15 “(f) PENALTY FOR FALSE INFORMATION.—Any per-
16 son who knowingly and willfully obtains by fraud, false
17 statement, or forgery, or fails to refund any funds, assets,
18 or property provided under this section or attempts to so
19 obtain by fraud, false statement or forgery, or fail to re-
20 fund any funds, assets, or property, received pursuant to
21 this section shall be fined not more than \$20,000 or im-
22 prisoned for not more than 5 years, or both.”.

23 (2) AGREEMENTS.—Section 1892 of the Social
24 Security Act (42 U.S.C. 1395ccc) is amended—

25 (A) in subsection (a)(1)(A)—

1 (i) by striking “, or the” and inserting
2 “, the”; and

3 (ii) by inserting “or the Rural and
4 Underserved Pathway to Practice Training
5 Program for Post- Baccalaureate and Med-
6 ical Students under section 1899C” before
7 “, owes a past-due obligation”;

8 (B) in subsection (b)—

9 (i) in paragraph (1), by striking at
10 the end “or”;

11 (ii) in paragraph (2), by striking the
12 period at the end and inserting “; or”; and

13 (iii) by adding the end the following
14 new paragraph:

15 “(3) subject to subsection (f), owed by an indi-
16 vidual to the United States by breach of an agree-
17 ment under section 1899C(c) and which payment
18 has not been paid by the individual for any amounts
19 received under the Rural and Underserved Pathway
20 to Practice Training Program for Post-Bacca-
21 laureate and Medical Students (and accrued interest
22 determined in accordance with subsection (f)(4)) in
23 the case such individual fails to complete the re-
24 quirements of such agreement.”; and

1 (C) by adding at the end the following new
2 subsection:

3 “(f) AUTHORITIES WITH RESPECT TO THE COLLEC-
4 TION UNDER THE PATHWAY TO PRACTICE TRAINING
5 PROGRAM.—The Secretary—

6 “(1) shall require payment to the United States
7 for any amount of damages that the United States
8 is entitled to recover under subsection (b)(3), within
9 the 5-year period beginning on the date an eligible
10 individual fails to complete the requirements of such
11 agreement under section 1899C(d)(5) (or such
12 longer period beginning on such date as specified by
13 the Secretary), and any such amounts not paid with-
14 in such period shall be subject to collection through
15 deductions in Medicare payments pursuant to sub-
16 section (e);

17 “(2) may allow payments described in para-
18 graph (1) to be paid in installments over such 5-year
19 period, which shall accrue interest in an amount de-
20 termined pursuant to paragraph (5);

21 “(3) may waive the requirement for an indi-
22 vidual to pay a past-due obligation under subsection
23 (b)(3) in the case of hardship (as determined by the
24 Secretary);

1 “(4) may not disclose any past-due obligation
2 under subsection (b)(3) that is owed to the United
3 States to any credit reporting agency that the
4 United States entitled to be recovered the United
5 States under this section; and

6 “(5) shall make a final determination of wheth-
7 er the amount of payment under section 1899C
8 made to a qualifying student (as described in sub-
9 section (b) of such section) was in excess of or less
10 than the amount of payment that is due, and pay-
11 ment of such excess or deficit is not made (or ef-
12 fected by offset) within 90 days of the date of the
13 determination, and interest shall accrue on the bal-
14 ance of such excess or deficit not paid or offset (to
15 the extent that the balance is owed by or owing to
16 the provider) at a rate determined in accordance
17 with the regulations of the Secretary of the Treasury
18 applicable to charges for late payments.”.

19 **SEC. 137602. FUNDING FOR THE RURAL AND UNDERSERVED**
20 **PATHWAY TO PRACTICE TRAINING PRO-**
21 **GRAMS FOR POST-BACCALAUREATE STU-**
22 **DENTS AND MEDICAL STUDENTS.**

23 (a) **IN GENERAL.**—Subpart C of part IV of sub-
24 chapter A of chapter 1 of the Internal Revenue Code of
25 1986, as amended by the preceding provisions of this Act,

1 is amended by inserting after section 36F the following
2 new section:

3 **“SEC. 36G. PATHWAY TO PRACTICE MEDICAL SCHOLAR-**
4 **SHIP VOUCHER CREDIT.**

5 “(a) IN GENERAL.—In the case of a qualified edu-
6 cational institution, there shall be allowed as a credit
7 against the tax imposed by this subtitle for any taxable
8 year an amount equal to the aggregate amount paid or
9 incurred by such institution during such taxable year pur-
10 suant to any Pathway to Practice medical scholarship
11 voucher awarded to a qualifying student with respect to
12 such institution.

13 “(b) DETERMINATION OF AMOUNTS PAID PURSUANT
14 TO QUALIFIED SCHOLARSHIP VOUCHERS, ETC.—For pur-
15 poses of this section—

16 “(1) an amount shall be treated as paid or in-
17 curred pursuant to an annual award of a Pathway
18 to Practice medical scholarship voucher only if such
19 amount is paid or incurred in reimbursement, or an-
20 ticipation of, an expense described in subparagraphs
21 (A) through (E) of paragraph (4) of section
22 1899C(d) of the Social Security Act and is subject
23 to verification in such manner as the Secretary of
24 Health and Human Services may provide under
25 paragraph (6) of such section, and

1 “(2) in the case of any amount credited by a
2 qualified educational institution against a liability
3 owed by the qualifying student to such institution,
4 such amount shall be treated as paid by such insti-
5 tution to such student as of the date that such liabil-
6 ity would otherwise be due.

7 “(c) DEFINITIONS.—For purposes of this section—

8 “(1) QUALIFIED EDUCATIONAL INSTITUTION.—
9 The term ‘qualified educational institution’ means,
10 with respect to any annual award of a Pathway to
11 Practice medical scholarship voucher—

12 “(A) any qualifying medical school (as de-
13 fined in subsection (e)(6) of section 1899C of
14 the Social Security Act), and

15 “(B) any provider of a post-baccalaureate
16 program referred to in subsection (b)(2)(A) of
17 such section,

18 which meets the requirements of subsection (d)(6) of
19 such section.

20 “(2) QUALIFYING STUDENT.—The term ‘quali-
21 fying student’ means any student to whom the Sec-
22 retary of Health and Human Services has made an
23 annual award of a Pathway to Practice medical
24 scholarship voucher under section 1899C of the So-
25 cial Security Act.

1 “(3) ANNUAL AWARD OF A PATHWAY TO PRAC-
2 TICE MEDICAL SCHOLARSHIP VOUCHER.—The term
3 ‘annual award of a Pathway to Practice medical
4 scholarship voucher’ means the annual award of a
5 Pathway to Practice medical scholarship voucher re-
6 ferred to in section 1899C(d)(3) of the Social Secu-
7 rity Act.

8 “(d) COORDINATION OF ACADEMIC AND TAXABLE
9 YEARS.—The credit allowed under subsection (a) with re-
10 spect to any Pathway to Practice medical scholarship
11 voucher shall not exceed the amount of such voucher which
12 is for expenses described in subparagraphs (A) through
13 (E) of section 1899C(d)(4) of the Social Security Act, re-
14 duced by any amount of such voucher with respect to
15 which credit was allowed under this section for any prior
16 taxable year.

17 “(e) REGULATIONS.—The Secretary shall issue such
18 regulations or other guidance as are necessary or appro-
19 priate to carry out the purposes of this section.”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 6211(b)(4)(A), as amended by the
22 preceding provisions of this Act, is amended by in-
23 serting “36G,” after “36F,”.

24 (2) Paragraph (2) of section 1324(b) of title
25 31, United States Code, as amended by the pre-

1 ceding provisions of this Act, is amended by insert-
2 ing “36G,” after “36F,”.

3 (3) The table of sections for subpart C of part
4 IV of subchapter A of chapter 1 of the Internal Rev-
5 enue Code of 1986, and amended by the preceding
6 provisions of this Act, is amended by inserting after
7 the item relating to section 36F the following new
8 item:

“Sec. 36G. Pathway to Practice medical scholarship voucher credit.”.

9 (c) INFORMATION SHARING.—The Secretary of
10 Health and Human Services shall annually provide the
11 Secretary of the Treasury such information regarding the
12 program under section 1899C of the Social Security Act
13 as the Secretary of the Treasury may require to admin-
14 ister the tax credits determined under section 36G of the
15 Internal Revenue Code of 1986, including information to
16 identify qualifying students and the qualified educational
17 institutions at which such students are enrolled and the
18 amount of the annual award of the Pathway to Practice
19 medical scholarship voucher awarded to each such student
20 with respect to such institution. Terms used in this sub-
21 paragraph shall have the same meaning as when used in
22 such section 36G.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years ending after the
25 date of the enactment of this Act.

1 **SEC. 137603. ESTABLISHING RURAL AND UNDERSERVED**
2 **PATHWAY TO PRACTICE TRAINING PRO-**
3 **GRAMS FOR MEDICAL RESIDENTS.**

4 Section 1886 of the Social Security Act (42 U.S.C.
5 1395ww) is amended—

6 (1) in subsection (d)(5)(B)(v), by inserting
7 “(h)(4)(H)(vii),” after “The provisions of sub-
8 sections (h)(4)(H)(vi),”; and

9 (2) in subsection (h)(4)(H), by adding at the
10 end the following new clause:

11 “(vii) INCREASE IN FULL-TIME EQUIV-
12 ALENT LIMITATION FOR HOSPITALS IMPL-
13 MENTING PATHWAY TRAINING PRO-
14 GRAMS.—

15 “(I) IN GENERAL.—For cost re-
16 porting periods beginning on or after
17 October 1, 2026, during which a resi-
18 dent trains in an applicable hospital
19 or hospitals (as defined in subclause
20 (II) in an approved medical residency
21 training program), the Secretary
22 shall, after any adjustment made
23 under any preceding provision of this
24 paragraph or under any of paragraphs
25 (7) through (9), subject to subclause
26 (III), increase the limitation under

1 subparagraph (F) for such cost re-
2 porting period by the number of full-
3 time equivalent residents so trained
4 under such program during such pe-
5 riod (in this clause, referred to as the
6 ‘Rural and Underserved Pathway to
7 Practice Training Programs for Med-
8 ical Residents’ or ‘Program’).

9 “(II) APPLICABLE HOSPITAL OR
10 HOSPITALS DEFINED.—For purposes
11 of this clause, the term ‘applicable
12 hospital or hospitals’ means any hos-
13 pital that has been recognized by the
14 Accreditation Council for Graduate
15 Medical Education as meeting at least
16 the following requirements for their
17 approved medical residency training
18 programs:

19 “(aa) The programs provide
20 mentorships for residents.

21 “(bb) The programs include
22 cultural and structural com-
23 petency as part of the training of
24 residents under the programs.

2090

1 “(cc) The programs have a
2 demonstrated record of training
3 medical residents in medically
4 underserved areas, rural areas, or
5 health professional shortage
6 areas.

7 “(dd) The hospital agrees to
8 promote community-based train-
9 ing of residents under their pro-
10 grams, as appropriate.

11 “(III) ANNUAL LIMITATION FOR
12 NUMBER OF RESIDENTS IN PRO-
13 GRAM.—The Secretary shall ensure
14 that, during any 1-year period and
15 across all approved medical residency
16 training programs described in sub-
17 clause (I), not more than 1,000 full-
18 time equivalent residents are trained
19 each year.

20 “(IV) OTHER DEFINITIONS.—

21 “(aa) HEALTH PROFES-
22 SIONAL SHORTAGE AREA.—The
23 team ‘health professional short-
24 age area’ has the meaning given
25 such term in subparagraphs (A)

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1 or (B) of section 332(a)(1) of the
2 Public Health Service Act.

3 “(bb) MEDICAL UNDER-
4 SERVED AREA.—The term ‘medi-
5 cally underserved area’ means an
6 area designated pursuant to sec-
7 tion 330(b)(3)(A) of the Public
8 Health Service Act.

9 “(cc) QUALIFYING MEDICAL
10 SCHOOL.—The term ‘qualifying
11 medical school’ has the meaning
12 given such term in section
13 1899C(e)(6).

14 “(dd) QUALIFYING MEDICAL
15 STUDENT.—The term ‘qualifying
16 medical student’ has the meaning
17 given such term in section
18 1899C(b).

19 “(ee) RURAL AREA.—The
20 term ‘rural area’ has the mean-
21 ing given such term in section
22 1886(d)(2)(D).”.

1 **SEC. 137604. ADMINISTRATIVE FUNDING OF THE RURAL**
2 **AND UNDERSERVED PATHWAY TO PRACTICE**
3 **TRAINING PROGRAMS FOR POST-BACCA-**
4 **LAUREATE STUDENTS, MEDICAL STUDENTS,**
5 **AND MEDICAL RESIDENTS.**

6 The Secretary shall provide for the transfer of
7 \$6,000,000 from the Hospital Insurance Trust Fund es-
8 tablished under section 1817 of the Social Security Act
9 (42 U.S.C. 1395i) and the Federal Supplementary Med-
10 ical Insurance Trust Fund under section 1841 of such Act
11 (42 U.S.C. 1395t), in addition to amounts otherwise avail-
12 able to remain available until expended, to carry out the
13 administration of the Rural and Underserved Pathway to
14 Practice Training Program for Post-Baccalaureate and
15 Medical Students under section 1899C of such Act (42
16 U.S.C. 1395mmm) and the Rural and Underserved Path-
17 way to Practice Training Programs for Medical Residents
18 under section 1886(h)(4)(H)(vii) of such Act (42 U.S.C.
19 1395ww(h)(4)(H)(vii)).

20 **PART 7—HIGHER EDUCATION**

21 **SEC. 137701. CREDIT FOR PUBLIC UNIVERSITY RESEARCH**
22 **INFRASTRUCTURE.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-
24 chapter A of chapter 1, as amended by the preceding pro-
25 visions of this Act, is amended by adding at the end the
26 following new section:

1 **“SEC. 45AA. PUBLIC UNIVERSITY RESEARCH INFRASTRUC-**
2 **TURE CREDIT.**

3 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
4 tion 38, the public university research infrastructure cred-
5 it determined under this section for a taxable year is an
6 amount equal to 40 percent of the qualified cash contribu-
7 tions made by a taxpayer during such taxable year.

8 “(b) QUALIFIED CASH CONTRIBUTION.—

9 “(1) IN GENERAL.—

10 “(A) DEFINED.—For purposes of sub-
11 section (a), the qualified cash contribution for
12 any taxable year is the aggregate amount con-
13 tributed in cash by a taxpayer during such tax-
14 able year to a certified educational institution
15 in connection with a qualifying project that, but
16 for this section, would be treated as a charitable
17 contribution for purposes of section 170(c).

18 “(B) QUALIFIED CASH CONTRIBUTIONS
19 TAKEN INTO ACCOUNT FOR PURPOSES OF
20 CHARITABLE CONTRIBUTION LIMITATIONS.—

21 Any qualified cash contributions made by a tax-
22 payer under this section shall be taken into ac-
23 count for purposes of determining the percent-
24 age limitations under section 170(b).

25 “(2) DESIGNATION REQUIRED.—A contribution
26 shall only be treated as a qualified cash contribution

1 to the extent that it is designated as such by a cer-
2 tified educational institution under subsection (d).

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFYING PROJECT.—The term ‘quali-
5 fying project’ means a project to purchase, con-
6 struct, or improve research infrastructure property.

7 “(2) RESEARCH INFRASTRUCTURE PROP-
8 erty.—The term ‘research infrastructure property’
9 means any portion of a property, building, or struc-
10 ture of an eligible educational institution, or any
11 land associated with such property, building, or
12 structure, that is used for research.

13 “(3) ELIGIBLE EDUCATIONAL INSTITUTION.—
14 The term ‘eligible educational institution’ means—

15 “(A) an institution of higher education (as
16 such term is defined in section 101 or 102(c)
17 of the Higher Education Act of 1965) that is
18 a college or university described in section
19 511(a)(2)(B), or

20 “(B) an organization described in section
21 170(b)(1)(A)(iv) or section 509(a)(3) to which
22 authority has been delegated by an institution
23 described in subparagraph (A) for purposes of
24 applying for or administering credit amounts on
25 behalf of such institution.

1 “(4) CERTIFIED EDUCATIONAL INSTITUTION.—

2 The term ‘certified educational institution’ means an
3 eligible educational institution which has been allo-
4 cated a credit amount for a qualifying project and—

5 “(A) has received a certification for such
6 project under subsection (d)(2), and

7 “(B) designates credit amounts to tax-
8 payers for qualifying cash contributions toward
9 such project under subsection (d)(4).

10 “(d) QUALIFYING UNIVERSITY RESEARCH INFRA-
11 STRUCTURE PROGRAM.—

12 “(1) ESTABLISHMENT.—

13 “(A) IN GENERAL.—Not later than 180
14 days after the date of the enactment of this sec-
15 tion, the Secretary, after consultation with the
16 Secretary of Education, shall establish a pro-
17 gram to—

18 “(i) certify and allocate credit
19 amounts for qualifying projects to eligible
20 educational institutions, and

21 “(ii) allow certified educational insti-
22 tutions to designate cash contributions for
23 qualifying projects of such certified edu-
24 cational institutions as qualified cash con-
25 tributions.

1 “(B) LIMITATIONS.—

2 “(i) ALLOCATION LIMITATION PER IN-
3 STITUTION.—The credit amounts allocated
4 to a certified educational institution under
5 subparagraph (A)(i) for all projects shall
6 not exceed \$50,000,000 per calendar year.

7 “(ii) OVERALL ALLOCATION LIMITA-
8 TION.—

9 “(I) IN GENERAL.—The total
10 amount of qualifying project credit
11 amounts that may be allocated under
12 subparagraph (A)(i) shall not ex-
13 ceed—

14 “(aa) \$500,000,000 for each
15 of calendar years 2022, 2023,
16 2024, 2025, and 2026, and

17 “(bb) \$0 for each subse-
18 quent year.

19 “(II) ROLLOVER OF
20 UNALLOCATED CREDIT AMOUNTS.—

21 Any credit amounts described in sub-
22 clause (I) that are unallocated during
23 a calendar year shall be carried to the
24 succeeding calendar year and added to
25 the limitation allowable under such

1 subclause for such succeeding cal-
2 endar year.

3 “(iii) DESIGNATION LIMITATION.—

4 The aggregate amount of cash contribu-
5 tions which are designated by a certified
6 educational institution as qualifying cash
7 contributions with respect to any quali-
8 fying project shall not exceed 250 percent
9 of the credit amount allocated to such cer-
10 tified educational institution for a quali-
11 fying project under subparagraph (A)(i).

12 “(2) CERTIFICATION APPLICATION.—Each eligi-
13 ble educational institution which applies for certifi-
14 cation of a project under this paragraph shall sub-
15 mit an application in such time, form, and manner
16 as the Secretary may require.

17 “(3) SELECTION CRITERIA FOR ALLOCATIONS
18 TO ELIGIBLE EDUCATIONAL INSTITUTIONS.—The
19 Secretary, after consultation with the Secretary of
20 Education, shall select applications from eligible
21 educational institutions—

22 “(A) based on the extent of the expected
23 expansion of an eligible educational institution’s
24 targeted research within disciplines in science,
25 mathematics, engineering, and technology, and

1 “(B) in a manner that ensures consider-
2 ation is given to eligible educational institutions
3 with full-time student populations of less than
4 12,000.

5 “(4) DESIGNATION OF QUALIFIED CASH CON-
6 TRIBUTIONS TO TAXPAYERS.—The Secretary, after
7 consultation with the Secretary of Education, shall
8 establish a process by which certified educational in-
9 stitutions shall designate cash contributions to such
10 institutions as qualified cash contributions.

11 “(5) DISCLOSURE OF ALLOCATIONS AND DES-
12 IGNATIONS.—

13 “(A) ALLOCATIONS.—The Secretary shall,
14 upon allocating credit amounts to an applicant
15 under this subsection, publicly disclose the iden-
16 tity of the applicant and the credit amount allo-
17 cated to such applicant.

18 “(B) DESIGNATIONS.—Each certified edu-
19 cational institution shall, upon designating con-
20 tributions of a taxpayer as qualified cash con-
21 tributions under this subsection, publicly dis-
22 close the identity of the taxpayer and the
23 amount of contributions designated in such
24 time, form, and manner as the Secretary may
25 require.

1 “(e) REGULATIONS AND GUIDANCE.—The Secretary,
2 after consultation with the Secretary of Education when
3 applicable, shall prescribe such regulations and guidance
4 as may be necessary or appropriate to carry out the pur-
5 poses of this section, including regulations for—

6 “(1) prevention of abuse,

7 “(2) establishment of reporting requirements,

8 “(3) establishment of selection criteria for ap-
9 plications, and

10 “(4) disclosure of allocations.

11 “(f) PENALTY FOR NONCOMPLIANCE.—

12 “(1) IN GENERAL.—If at any time during the
13 5-year period beginning on the date of the allocation
14 of credit amounts to a certified educational institu-
15 tion under subsection (d)(1)(A)(i) there is a non-
16 compliance event with respect to such credit
17 amounts, then the following rules shall apply:

18 “(A) GENERAL RULE.—Any cash contribu-
19 tion designated as a qualifying cash contribu-
20 tion with respect to a qualifying project for
21 which such credit amounts were allocated under
22 subsection (d)(1)(A)(ii) shall be treated as un-
23 related business taxable income (as defined in
24 section 512) of such certified educational insti-
25 tution.

1 “(B) RULE FOR UNUSED CREDIT
2 AMOUNTS.—In the case of unused credit
3 amounts described under paragraph (2)(A) and
4 identified pursuant to subsection (g), the Sec-
5 retary shall reallocate any portion of such un-
6 used credit amounts to certified educational in-
7 stitutions in lieu of imposing the general rule
8 under subparagraph (A).

9 “(2) NONCOMPLIANCE EVENT.—For purposes
10 of this subsection, the term ‘noncompliance event’
11 means, with respect to a credit amount allocated to
12 a certified educational institution—

13 “(A) cash contributions equaling the
14 amount of such credit amount are not des-
15 ignated as qualifying cash contributions within
16 2 years after December 31 of the year such
17 credit amount is allocated,

18 “(B) a qualifying project with respect to
19 which such credit amount was allocated is not
20 placed in service within either—

21 “(i) 4 years after December 31 of the
22 year such credit amount is allocated, or

23 “(ii) a period of time that the Sec-
24 retary determines is appropriate, or

1 “(C) the research infrastructure property
2 placed in service as part of a qualifying project
3 with respect to which such credit amount was
4 allocated ceases to be used for research within
5 five years after such property is placed in serv-
6 ice.

7 “(g) REVIEW AND REALLOCATION OF CREDIT
8 AMOUNTS.—

9 “(1) REVIEW.—Not later than 5 years after the
10 date of enactment of this section, the Secretary shall
11 review the credit amounts allocated under this sec-
12 tion as of such date.

13 “(2) REALLOCATION.—

14 “(A) IN GENERAL.—The Secretary may re-
15 allocate credit amounts allocated under this sec-
16 tion if the Secretary determines, as of the date
17 of the review in paragraph (1), that such credit
18 amounts are subject to a noncompliance event.

19 “(B) ADDITIONAL PROGRAM.—If the Sec-
20 retary determines that credits under this sec-
21 tion are available for reallocation pursuant to
22 the requirements set forth in subparagraph (A),
23 the Secretary is authorized to conduct an addi-
24 tional program for applications for certification.

1 “(C) DEADLINE FOR REALLOCATION.—
2 The Secretary shall not certify any project, or
3 reallocate any credit amount, pursuant to this
4 paragraph after December 31, 2031.

5 “(h) DENIAL OF DOUBLE BENEFIT.—No credit or
6 deduction shall be allowed under any other provision of
7 this chapter for any qualified cash contribution for which
8 a credit is allowed under this section.

9 “(i) RULE FOR TRUSTS AND ESTATES.—For pur-
10 poses of this section, rules similar to the rules of sub-
11 section (d) of section 52 shall apply.

12 “(j) TERMINATION.—This section shall not apply to
13 qualified cash contributions made after December 31,
14 2033.”.

15 (b) CREDIT MADE PART OF GENERAL BUSINESS
16 CREDIT.—Subsection (b) of section 38, as amended by the
17 preceding provisions of this Act, is amended by striking
18 “plus” at the end of paragraph (38), by striking the period
19 at the end of paragraph (39) and inserting “, plus”, and
20 by adding at the end the following new paragraph:

21 “(43) the public university research infrastruc-
22 ture credit determined under section 45AA.”.

23 (c) CLERICAL AMENDMENT.—The table of sections
24 for subpart D of part IV of subchapter A of chapter 1,

1 as amended by the preceding provisions of this Act, is
2 amended by adding at the end the following new item:

“Sec. 45AA. Public university research infrastructure credit.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to qualified cash contributions
5 made after December 31, 2021.

6 **SEC. 137702. MODIFICATION OF EXCISE TAX ON INVEST-**
7 **MENT INCOME OF PRIVATE COLLEGES AND**
8 **UNIVERSITIES.**

9 (a) **PHASEOUT OF INVESTMENT INCOME EXCISE TAX**
10 **FOR PRIVATE COLLEGES AND UNIVERSITIES PROVIDING**
11 **SUFFICIENT GRANTS AND SCHOLARSHIPS.**—Section 4968
12 is amended by adding at the end the following new sub-
13 section:

14 “(e) **PHASEOUT FOR INSTITUTIONS PROVIDING**
15 **QUALIFIED AID.**—

16 “(1) **IN GENERAL.**—The amount of tax imposed
17 by subsection (a) (determined without regard to this
18 subsection) shall be reduced (but not below zero) by
19 the amount which bears the same ratio to such
20 amount of tax (as so determined) as—

21 “(A) the excess (if any) of—

22 “(i) the aggregate amount of qualified
23 aid awards provided by the institution to
24 its first-time, full-time undergraduate stu-

1 dents for academic periods beginning dur-
2 ing the taxable year, over

3 “*(ii)* an amount equal to 20 percent of
4 the aggregate undergraduate tuition and
5 fees received by the institution from first-
6 time, full-time undergraduate students for
7 such academic periods, bears to

8 “*(B)* an amount equal to 13 percent of
9 such aggregate undergraduate tuition and fees
10 so received.

11 “*(2)* INSTITUTION MUST MEET REPORTING RE-
12 QUIREMENT.—

13 “*(A)* IN GENERAL.—Paragraph (1) shall
14 not apply to an applicable educational institu-
15 tion for a taxable year unless such institution
16 furnishes to the Secretary, and makes widely
17 available, a statement detailing the average ag-
18 gregate amount of Federal student loans re-
19 ceived by a student for attendance at the insti-
20 tution, averaged among each of the following
21 groups of first-time, full-time undergraduate
22 students who during the taxable year completed
23 a course of study for which the institution
24 awarded a baccalaureate degree:

25 “*(i)* All such students.

1 “(ii) The students who have been
2 awarded a Federal Pell Grant under sub-
3 part 1 of part A of title IV of the Higher
4 Education Act of 1965 for attendance at
5 the institution.

6 “(iii) The students who received work-
7 study assistance under part C of title IV of
8 such Act for attendance at such institu-
9 tion.

10 “(iv) The students who were provided
11 such Federal student loans.

12 “(B) FORM AND MANNER FOR REPORT.—
13 Such statement shall be furnished at such time
14 and in such form and manner, and made widely
15 available, under such regulations or guidance as
16 the Secretary may prescribe.

17 “(C) FEDERAL STUDENT LOANS.—For
18 purposes of this paragraph, the term ‘Federal
19 student loans’ means a loan made under part D
20 of title IV of the Higher Education Act of
21 1965, except such term does not include a Fed-
22 eral Direct PLUS Loan made on behalf of a de-
23 pendent student.

24 “(3) OTHER DEFINITIONS.—For purposes of
25 this subsection—

1 “(A) FIRST-TIME, FULL-TIME UNDER-
2 GRADUATE STUDENT.—The term ‘first-time,
3 full-time undergraduate student’ shall have the
4 same meaning as when used in section 132 of
5 the Higher Education Act of 1965.

6 “(B) QUALIFIED AID AWARDS.—The term
7 ‘qualified aid awards’ means, with respect to
8 any applicable educational institution, grants
9 and scholarships to the extent used for under-
10 graduate tuition and fees.

11 “(C) UNDERGRADUATE TUITION AND
12 FEES.—The term ‘undergraduate tuition and
13 fees’ means, with respect to any institution, the
14 tuition and fees required for the enrollment or
15 attendance of a student as an undergraduate
16 student at the institution.”.

17 (b) INFLATION ADJUSTMENT TO PER STUDENT
18 ASSET THRESHOLD.—Section 4968(b) is amended by
19 adding at the end the following new paragraph:

20 “(3) INFLATION ADJUSTMENT.—In the case of
21 any taxable year beginning after 2022, the dollar
22 amount in paragraph (1)(D) shall be increased by
23 an amount equal to—

24 “(A) such dollar amount, multiplied by

1 “(B) the cost-of-living adjustment deter-
2 mined under section 1(f)(3) for the calendar
3 year in which the taxable year begins, deter-
4 mined by substituting ‘calendar year 2021’ for
5 ‘calendar year 2016’ in subparagraph (A)(ii)
6 thereof.

7 If any increase determined under this paragraph is
8 not a multiple of \$1,000, such increase shall be
9 rounded to the nearest multiple of \$1,000.”.

10 (c) **CLARIFICATION OF 500 STUDENT THRESH-**
11 **OLD.**—Section 4968(b)(1)(A) is amended by inserting
12 “below the graduate level” after “500 tuition-paying stu-
13 dents”.

14 (d) **EFFECTIVE DATE.**—The amendment made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 137703. TREATMENT OF FEDERAL PELL GRANTS FOR**
18 **INCOME TAX PURPOSES.**

19 (a) **EXCLUSION FROM GROSS INCOME.**—Section
20 117(b)(1) is amended by striking “received by an indi-
21 vidual” and all that follows and inserting “received by an
22 individual—

23 “(A) as a scholarship or fellowship grant
24 to the extent the individual establishes that, in
25 accordance with the conditions of the grant,

1 such amount was used for qualified tuition and
2 related expenses, or

3 “(B) as a Federal Pell Grant under section
4 401 of the Higher Education Act of 1965.”.

5 (b) TREATMENT FOR PURPOSES OF AMERICAN OP-
6 PORTUNITY TAX CREDIT AND LIFETIME LEARNING
7 CREDIT.—Section 25A(g)(2) is amended—

8 (1) in subparagraph (A), by inserting “de-
9 scribed in section 117(b)(1)(A)” after “a qualified
10 scholarship”, and

11 (2) in subparagraph (C), by inserting “or Fed-
12 eral Pell Grant under section 401 of the Higher
13 Education Act of 1965” after “within the meaning
14 of section 102(a)”.

15 (c) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years beginning after
17 December 31, 2021.

18 **SEC. 137704. REPEAL OF DENIAL OF AMERICAN OPPOR-**
19 **TUNITY TAX CREDIT ON BASIS OF FELONY**
20 **DRUG CONVICTION.**

21 (a) IN GENERAL.—Section 25A(b)(2) is amended by
22 striking subparagraph (D).

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall apply to taxable years beginning after
25 December 31, 2021.

1 **Subtitle I—Responsibly Funding**
2 **Our Priorities**

3 **SEC. 138001. AMENDMENT OF 1986 CODE.**

4 Except as otherwise expressly provided, whenever in
5 this subtitle an amendment or repeal is expressed in terms
6 of an amendment to, or repeal of, a section or other provi-
7 sion, the reference shall be considered to be made to a
8 section or other provision of the Internal Revenue Code
9 of 1986.

10 **PART 1—CORPORATE AND INTERNATIONAL TAX**
11 **REFORMS**

12 **Subpart A—Corporate Tax Rate**

13 **SEC. 138101. INCREASE IN CORPORATE TAX RATE.**

14 (a) IN GENERAL.—Section 11(b) is amended to read
15 as follows:

16 “(b) AMOUNT OF TAX.—

17 “(1) IN GENERAL.—The amount of the tax im-
18 posed by subsection (a) shall be the sum of—

19 “(A) 18 percent of so much of the taxable
20 income as does not exceed \$400,000,

21 “(B) 21 percent of so much of the taxable
22 income as exceeds \$400,000 but does not ex-
23 ceed \$5,000,000, and

24 “(C) 26.5 percent of so much of the tax-
25 able income as exceeds \$5,000,000.

1 In the case of a corporation which has taxable in-
2 come in excess of \$10,000,000 for any taxable year,
3 the amount of tax determined under the preceding
4 sentence for such taxable year shall be increased by
5 the lesser of (i) 3 percent of such excess, or (ii)
6 \$287,000.

7 “(2) CERTAIN PERSONAL SERVICE CORPORA-
8 TION NOT ELIGIBLE FOR GRADUATED RATES.—Not-
9 withstanding paragraph (1), the amount of the tax
10 imposed by subsection (a) on the taxable income of
11 a qualified personal service corporation (as defined
12 in section 448(d)(2)) shall be equal to 26.5 percent
13 of the taxable income.”.

14 (b) PROPORTIONAL ADJUSTMENT OF DEDUCTION
15 FOR DIVIDENDS RECEIVED.—

16 (1) IN GENERAL.—Section 243(a)(1) is amend-
17 ed by striking “50 percent” and inserting “60 per-
18 cent”.

19 (2) DIVIDENDS FROM 20-PERCENT OWNED COR-
20 PORATIONS.—Section 243(c)(1) is amended—

21 (A) prior to amendment by subparagraph
22 (B), by striking “65 percent” and inserting
23 “72.5 percent”, and

24 (B) by striking “50 percent” and inserting
25 “60 percent”.

1 (c) CONFORMING AMENDMENT.—Section 1561 is
2 amended—

3 (1) by amending subsection (a) to read as fol-
4 lows:

5 “(a) IN GENERAL.—The component members of a
6 controlled group of corporations on a December 31 shall,
7 for their taxable years which include such December 31,
8 be limited for purposes of this subtitle to—

9 “(1) amounts in each taxable income bracket in
10 the subparagraphs of section 11(b)(1) which do not
11 aggregate more than the maximum amount in each
12 such bracket to which a corporation which is not a
13 component member of a controlled group is entitled,
14 and

15 “(2) one \$250,000 (\$150,000 if any component
16 member is a corporation described in section
17 535(c)(2)(B)) amount for purposes of computing the
18 accumulated earnings credit under section 535(c)(2)
19 and (3).

20 The amounts specified in paragraph (1) shall be divided
21 equally among the component members of such group on
22 such December 31 unless all of such component members
23 consent (at such time and in such manner as the Secretary
24 shall by regulations prescribe) to an apportionment plan
25 providing for an unequal allocation of such amounts. The

1 amounts specified in paragraph (2) shall be divided equal-
2 ly among the component members of such group on such
3 December 31 unless the Secretary prescribes regulations
4 permitting an unequal allocation of such amounts. Not-
5 withstanding paragraph (1), in applying the last sentence
6 of section 11(b)(1) to such component members, the tax-
7 able income of all such component members shall be taken
8 into account and any increase in tax under such last sen-
9 tence shall be divided among such component members in
10 the same manner as amounts under paragraph (1).”, and

11 (2) by striking “**ACCUMULATED EARNINGS**
12 **CREDIT**” in the heading and inserting “**CERTAIN**
13 **MULTIPLE TAX BENEFITS**”.

14 (d) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 (e) **NORMALIZATION REQUIREMENTS.**—

18 (1) **IN GENERAL.**—A normalization method of
19 accounting shall not be treated as being used with
20 respect to any public utility property for purposes of
21 section 167 or 168 of the Internal Revenue Code of
22 1986 if the taxpayer, in computing its cost of service
23 for ratemaking purposes and reflecting operating re-
24 sults in its regulated books of account, reduces the
25 tax reserve deficit less rapidly or to a lesser extent

1 than such reserve would be reduced under the aver-
2 age rate assumption method.

3 (2) ALTERNATIVE METHOD FOR CERTAIN TAX-
4 PAYERS.—If, as of the first day of the taxable year
5 that includes the date of enactment of this Act—

6 (A) the taxpayer was required by a regu-
7 latory agency to compute depreciation for public
8 utility property on the basis of an average life
9 or composite rate method, and

10 (B) the taxpayer’s books and underlying
11 records did not contain the vintage account
12 data necessary to apply the average rate as-
13 sumption method,

14 the taxpayer will be treated as using a normalization
15 method of accounting if, with respect to such juris-
16 diction, the taxpayer uses the alternative method for
17 public utility property that is subject to the regu-
18 latory authority of that jurisdiction.

19 (3) DEFINITIONS.—For purposes of this sub-
20 section—

21 (A) TAX RESERVE DEFICIT.—The term
22 “tax reserve deficit” means the excess of—

23 (i) the amount which would be the
24 balance in the reserve for deferred taxes
25 (as described in section 168(i)(9)(A)(ii) of

1 the Internal Revenue Code of 1986, or sec-
2 tion 167(l)(3)(G)(ii) of such Code as in ef-
3 fect on the day before the date of the en-
4 actment of the Tax Reform Act of 1986)
5 if the amount of such reserve were deter-
6 mined by assuming that the corporate rate
7 increases provided in the amendments
8 made by this section were in effect for all
9 prior periods, over

10 (ii) the balance in such reserve as of
11 the day before such corporate rate in-
12 creases take effect.

13 (B) AVERAGE RATE ASSUMPTION METH-
14 OD.—The average rate assumption method is
15 the method under which the excess in the re-
16 serve for deferred taxes is reduced over the re-
17 maining lives of the property as used in its reg-
18 ulated books of account which gave rise to the
19 reserve for deferred taxes. Under such method,
20 if timing differences for the property reverse,
21 the amount of the adjustment to the reserve for
22 the deferred taxes is calculated by multi-
23 plying—

24 (i) the ratio of the aggregate deferred
25 taxes for the property to the aggregate

1 timing differences for the property as of
2 the beginning of the period in question, by

3 (ii) the amount of the timing dif-
4 ferences which reverse during such period.

5 (C) ALTERNATIVE METHOD.—The “alter-
6 native method” is the method in which the tax-
7 payer—

8 (i) computes the tax reserve deficit on
9 all public utility property included in the
10 plant account on the basis of the weighted
11 average life or composite rate used to com-
12 pute depreciation for regulatory purposes,
13 and

14 (ii) reduces the tax reserve deficit rat-
15 ably over the remaining regulatory life of
16 the property.

17 (4) TREATMENT OF NORMALIZATION VIOLA-
18 TION.—If, for any taxable year ending after the date
19 of the enactment of this Act, the taxpayer does not
20 use a normalization method of accounting, such tax-
21 payer shall not be treated as using a normalization
22 method of accounting for purposes of subsections
23 (f)(2) and (i)(9)(C) of section 168 of the Internal
24 Revenue Code of 1986.

1 (5) REGULATIONS.—The Secretary of the
2 Treasury, or the Secretary’s designee, shall issue
3 such regulations or other guidance as may be nec-
4 essary or appropriate to carry out this subsection,
5 including regulations or other guidance to provide
6 appropriate coordination between this subsection,
7 section 13001(d) of Public Law 115-97, and section
8 203(e) of the Tax Reform Act of 1986.

9 **Subpart B—Limitations on Deduction for Interest**

10 **Expense**

11 **SEC. 138111. LIMITATIONS ON DEDUCTION FOR INTEREST**

12 **EXPENSE.**

13 (a) INTEREST EXPENSE OF CERTAIN MEMBERS OF
14 INTERNATIONAL FINANCIAL REPORTING GROUPS.—Sec-
15 tion 163 is amended by redesignating subsection (n) as
16 subsection (p) and by inserting after subsection (m) the
17 following new subsection:

18 “(n) LIMITATION ON DEDUCTION OF INTEREST BY
19 CERTAIN MEMBERS OF INTERNATIONAL FINANCIAL RE-
20 PORTING GROUPS.—

21 “(1) IN GENERAL.—In the case of any specified
22 domestic corporation which is a member of any
23 international financial reporting group, the deduc-
24 tion under this chapter for interest paid or accrued
25 during the taxable year in excess of the amount of

1 interest includible in the gross income of such cor-
2 poration shall not exceed the allowable percentage of
3 110 percent of such excess.

4 “(2) SPECIFIED DOMESTIC CORPORATION.—For
5 purposes of this subsection—

6 “(A) IN GENERAL.—The term ‘specified
7 domestic corporation’ means any domestic cor-
8 poration other than—

9 “(i) any corporation if the excess of—

10 “(I) the average amount of inter-
11 est paid or accrued by such corpora-
12 tion during the 3-taxable-year period
13 ending with the taxable year to which
14 paragraph (1) applies, over

15 “(II) the average amount of in-
16 terest includible in the gross income
17 of such corporation for such 3-tax-
18 able-year period,

19 does not exceed \$12,000,000,

20 “(ii) any corporation to which para-
21 graph (1) of section 163(j) does not apply
22 by reason of paragraph (3) thereof (relat-
23 ing to exemption for certain small busi-
24 nesses), and

1 “(iii) any S corporation, real estate
2 investment trust, or regulated investment
3 company.

4 “(B) AGGREGATION RULE.—For purposes
5 of subparagraph (A)(i), all domestic corpora-
6 tions which are members of the same inter-
7 national financial reporting group shall be
8 treated as a single corporation.

9 “(3) INTERNATIONAL FINANCIAL REPORTING
10 GROUP.—For purposes of this subsection—

11 “(A) IN GENERAL.—The term ‘inter-
12 national financial reporting group’ means, with
13 respect to any reporting year, two or more enti-
14 ties if—

15 “(i) either—

16 “(I) at least one entity is a for-
17 eign corporation engaged in a trade or
18 business within the United States, or

19 “(II) at least one entity is a do-
20 mestic corporation and another entity
21 is a foreign corporation, and

22 “(ii) such entities are included in the
23 same applicable financial statement with
24 respect to such year.

25 “(B) ADDITIONAL MEMBERS.—

1 “(i) IN GENERAL.—To the extent pro-
2 vided by the Secretary in regulations or
3 other guidance, the specified domestic cor-
4 poration referred to in paragraph (1) may
5 elect (at such time and in such manner as
6 the Secretary may provide) for purposes of
7 this subsection to treat any eligible cor-
8 poration as a member of the international
9 financial reporting group of which such
10 specified domestic corporation is a member
11 if such eligible corporation maintains (and
12 such specified domestic corporation has ac-
13 cess to) such books and records as the Sec-
14 retary determines are satisfactory to allow
15 for the application of this subsection with
16 respect to such eligible corporation. Any
17 election under this clause shall apply only
18 with respect to the specified domestic cor-
19 poration which makes such election.

20 “(ii) ELIGIBLE CORPORATION.—The
21 term ‘eligible corporation’ means, with re-
22 spect to any international financial report-
23 ing group, any corporation if at least 20
24 percent of the stock of such corporation
25 (determined by vote and value) is held (di-

1 rectly or indirectly) by members of such
2 international financial reporting group (de-
3 termined without regard to this clause).

4 “(4) ALLOWABLE PERCENTAGE.—For purposes
5 of this subsection—

6 “(A) IN GENERAL.—The term ‘allowable
7 percentage’ means, with respect to any specified
8 domestic corporation for any taxable year, the
9 ratio (expressed as a percentage and not great-
10 er than 100 percent) of—

11 “(i) such corporation’s allocable share
12 of the international financial reporting
13 group’s reported net interest expense for
14 the reporting year of such group which
15 ends in or with such taxable year of such
16 corporation, over

17 “(ii) such corporation’s reported net
18 interest expense for such reporting year of
19 such group.

20 “(B) REPORTED NET INTEREST EX-
21 PENSE.—The term ‘reported net interest ex-
22 pense’ means—

23 “(i) with respect to any international
24 financial reporting group for any reporting
25 year, the excess of—

1 “(I) the aggregate amount of in-
2 terest expense reported in such
3 group’s applicable financial state-
4 ments for such taxable year, over

5 “(II) the aggregate amount of in-
6 terest income reported in such group’s
7 applicable financial statements for
8 such taxable year, and

9 “(ii) with respect to any specified do-
10 mestic corporation for any reporting year,
11 the excess of—

12 “(I) the amount of interest ex-
13 pense of such corporation reported in
14 the books and records of the inter-
15 national financial reporting group
16 which are used in preparing such
17 group’s applicable financial state-
18 ments for such taxable year, over

19 “(II) the amount of interest in-
20 come of such corporation reported in
21 such books and records.

22 “(C) ALLOCABLE SHARE OF REPORTED
23 NET INTEREST EXPENSE.—With respect to any
24 specified domestic corporation which is a mem-
25 ber of any international financial reporting

1 group, such corporation's allocable share of
2 such group's reported net interest expense for
3 any reporting year is the portion of such ex-
4 pense which bears the same ratio to such ex-
5 pense as—

6 “(i) the EBITDA of such corporation
7 for such reporting year, bears to

8 “(ii) the EBITDA of such group for
9 such reporting year.

10 “(D) EBITDA.—

11 “(i) IN GENERAL.—The term
12 ‘EBITDA’ means, with respect to any re-
13 porting year, earnings before interest in-
14 come and interest expense, taxes, deprecia-
15 tion, depletion, and amortization—

16 “(I) as determined in the inter-
17 national financial reporting group's
18 applicable financial statements for
19 such year, or

20 “(II) for purposes of subpara-
21 graph (A)(i), as determined in the
22 books and records of the international
23 financial reporting group which are
24 used in preparing such statements if
25 not determined in such statements.

1 “(ii) TREATMENT OF INTRA-GROUP
2 DISTRIBUTIONS.—The EBITDA of any
3 specified domestic corporation shall be de-
4 termined without regard to any distribu-
5 tion received by such corporation from any
6 other member of the international financial
7 reporting group.

8 “(E) SPECIAL RULES FOR NON-POSITIVE
9 EBITDA.—

10 “(i) NON-POSITIVE GROUP EBITDA.—
11 In the case of any international financial
12 reporting group the EBITDA of which is
13 zero or less, paragraph (1) shall not apply
14 to any specified domestic corporation
15 which is a member of such group.

16 “(ii) NON-POSITIVE ENTITY
17 EBITDA.—In the case of any specified do-
18 mestic corporation the EBITDA of which
19 is zero or less, the allowable percentage
20 shall be 0 percent.

21 “(5) APPLICABLE FINANCIAL STATEMENT.—
22 For purposes of this subsection, the term ‘applicable
23 financial statement’ has the meaning given such
24 term in section 451(b)(3).

1 “(6) REPORTING YEAR.—For purposes of this
2 subsection, the term ‘reporting year’ means any year
3 for which an applicable financial statement is pre-
4 pared or required to be prepared.

5 “(7) FOREIGN CORPORATIONS ENGAGED IN
6 TRADE OR BUSINESS WITHIN THE UNITED
7 STATES.—For purposes of this subsection, any for-
8 eign corporation engaged in a trade or business
9 within the United States shall be treated as a do-
10 mestic corporation with respect to any earnings, in-
11 terest income and interest expense, or other amount,
12 which is effectively connected with the conduct of a
13 trade or business in the United States.

14 “(8) REGULATIONS.—The Secretary may issue
15 such regulations or other guidance as are necessary
16 or appropriate to carry out the purposes of this sub-
17 section, including regulations or other guidance
18 which—

19 “(A) allows or requires the adjustment of
20 amounts reported on applicable financial state-
21 ments,

22 “(B) allows or requires any corporation to
23 be included or excluded as a member of any
24 international financial reporting group for pur-

1 poses of any determination or calculation under
2 this subsection,

3 “(C) provides rules for the application of
4 this subsection with respect to—

5 “(i) a domestic corporation that is a
6 partner (directly or indirectly) in a part-
7 nership, and

8 “(ii) foreign corporation to which this
9 subsection applies by reason of paragraph
10 (7).”.

11 (b) MODIFICATION OF APPLICATION OF LIMITATION
12 ON BUSINESS INTEREST TO PARTNERSHIPS AND S COR-
13 PORATIONS.—Section 163(j)(4) is amended to read as fol-
14 lows:

15 “(4) APPLICATION TO PARTNERSHIPS AND S
16 CORPORATIONS.—In the case of any partnership or
17 S corporation, this subsection shall be applied at the
18 partner or shareholder level, respectively.”.

19 (c) CARRYFORWARD OF DISALLOWED INTEREST.—

20 (1) IN GENERAL.—Section 163 is amended by
21 inserting after subsection (n), as added by sub-
22 section (a), the following new subsection:

23 “(o) CARRYFORWARD OF CERTAIN DISALLOWED IN-
24 TEREST.—

1 “(1) IN GENERAL.—The amount of any interest
2 not allowed as a deduction for any taxable year by
3 reason of subsection (j)(1) or (n)(1) (whichever im-
4 poses the lower limitation with respect to such tax-
5 able year) shall be treated as interest (and as busi-
6 ness interest for purposes of subsection (j)(1)) paid
7 or accrued in the succeeding taxable year.

8 “(2) LIMITATION ON CARRYFORWARD.—Inter-
9 est paid or accrued in a taxable year beginning after
10 December 31, 2021 (determined without regard to
11 paragraph (1)), shall not be carried forward under
12 paragraph (1) past the fifth taxable year following
13 the taxable year in which such interest was so paid
14 or accrued. For purposes of the preceding sentence,
15 interest shall be treated as allowed as a deduction on
16 a first-in, first-out basis.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) Section 163(j)(2) is amended to read
19 as follows:

20 “(2) CARRYFORWARD CROSS-REFERENCE.—For
21 carryforward treatment, see subsection (o).”.

22 (B) Section 381(c)(20) is amended to read
23 as follows:

24 “(20) CARRYFORWARD OF DISALLOWED INTER-
25 EST.—The carryover of disallowed interest described

1 in section 163(o) to taxable years ending after the
2 date of distribution or transfer.”.

3 (C) Section 382(d)(3) is amended to read
4 as follows:

5 “(3) APPLICATION TO CARRYFORWARD OF DIS-
6 ALLOWED INTEREST.—The term ‘pre-change loss’
7 shall include any carryover of disallowed interest de-
8 scribed in section 163(o) under rules similar to the
9 rules of paragraph (1).”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2021.

13 (e) TRANSITION RULE.—In the case of a partner’s
14 first succeeding taxable year described in subclause (II)
15 of section 163(j)(4)(B)(ii) of the Internal Revenue Code
16 of 1986 (as in effect before the amendment made by sub-
17 section (b)) which begins after December 31, 2021, the
18 amount of excess business interest which would (but for
19 such amendment) be carried to such taxable year under
20 such subclause shall be treated as interest (and as busi-
21 ness interest for purposes of section 163(j) of such Code,
22 as amended by this section) paid or accrued in such tax-
23 able year. For carryover of any such interest disallowed
24 for such taxable year, see section 163(o) of such Code,
25 as amended by this section.

1 **Subpart C—Outbound International Provisions**

2 **SEC. 138121. MODIFICATIONS TO DEDUCTION FOR FOR-**
3 **EIGN-DERIVED INTANGIBLE INCOME AND**
4 **GLOBAL INTANGIBLE LOW-TAXED INCOME.**

5 (a) IN GENERAL.—Section 250(a) is amended to
6 read as follows:

7 “(a) IN GENERAL.—In the case of a domestic cor-
8 poration for any taxable year, there shall be allowed as
9 a deduction an amount equal to the sum of—

10 “(1) 21.875 percent of the foreign-derived in-
11 tangible income of such domestic corporation for
12 such taxable year, plus

13 “(2) 37.5 percent of—

14 “(A) the global intangible low-taxed income
15 (if any) which is included in the gross income
16 of such domestic corporation under section
17 951A for such taxable year, and

18 “(B) the amount treated as a dividend re-
19 ceived by such corporation under section 78
20 which is attributable to the amount described in
21 subparagraph (A).”.

22 (b) DEDUCTION TAKEN INTO ACCOUNT IN DETER-
23 MINING NET OPERATING LOSS DEDUCTION.—Section
24 172(d) is amended by striking paragraph (9).

25 (c) CERTAIN OTHER MODIFICATIONS.—

26 (1) Section 250(b)(3) is amended—

1 (A) in subparagraph (A)(i)—

2 (i) by striking “and” at the end of
3 subclause (V),

4 (ii) by striking “over” at the end of
5 subclause (VI), and

6 (iii) by adding at the end the fol-
7 lowing new subclauses:

8 “(VII) any income received or ac-
9 crued which is of a kind which would
10 be foreign personal holding company
11 income (as defined in section 954(c)),

12 “(VIII) any amount included in
13 the gross income of such corporation
14 under section 1293, and

15 “(IX) any disqualified
16 extraterritorial income, over”, and

17 (B) by adding at the end the following new
18 subparagraph:

19 “(C) DISQUALIFIED EXTRATERRITORIAL
20 INCOME.—

21 “(i) IN GENERAL.—For purposes of
22 subparagraph (A)(i)(IX), the term ‘dis-
23 qualified extraterritorial income’ means
24 any amount included in the gross income
25 of the corporation with respect to any

1 transaction for any taxable year if any
2 amount could (determined after application
3 of clause (ii) but without regard to any
4 election under section 942(a)(3) as in ef-
5 fect before its repeal) be excluded from the
6 gross income of the corporation with re-
7 spect to such transaction for such taxable
8 year by reason of section 114 pursuant to
9 the application of subsection (d) or (f) of
10 section 101 of the American Jobs Creation
11 Act of 2004.

12 “(ii) ELECTION OUT OF
13 EXTRATERRITORIAL INCOME BENEFITS.—

14 “(I) IN GENERAL.—Except as
15 provided in subclause (II), the cor-
16 poration referred to in clause (i) may
17 make an irrevocable election (at such
18 time and in such form and manner as
19 the Secretary may provide) to have
20 subsections (d) and (f) of section 101
21 of the American Jobs Creation Act of
22 2004 not apply with respect to such
23 corporation for the taxable year for
24 which such election is made and all
25 succeeding taxable years (applicable

1 with respect to all transactions, in-
2 cluding transactions occurring before
3 such taxable year).

4 “(II) EXPANDED AFFILIATED
5 GROUPS.—In the case of any corpora-
6 tion which is a member of an ex-
7 panded affiliated group, the election
8 described in subclause (I) may be
9 made only by the common parent of
10 such group and shall apply with re-
11 spect to all members of such group.
12 For purposes of the preceding sen-
13 tence, the term ‘expanded affiliated
14 group’ means an affiliated group as
15 defined in section 1504(a), determined
16 without regard to section 1504(b)(3)
17 and by substituting ‘more than 50
18 percent’ for ‘at least 80 percent’ each
19 place it appears.”.

20 (2) Section 613A(d)(1) is amended by striking
21 “and” at the end of subparagraph (D), by striking
22 the period at the end of subparagraph (E) and in-
23 serting “, and”, and by inserting after subparagraph
24 (E) the following new subparagraph:

1 “(F) any deduction allowable under section
2 250.”.

3 (d) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall apply to taxable years beginning
7 after December 31, 2021.

8 (2) CERTAIN OTHER MODIFICATIONS.—The
9 amendments made by subsection (c) shall apply to
10 taxable years beginning after December 31, 2017.

11 (e) TRANSITIONAL RULE FOR ACCELERATED PER-
12 CENTAGE REDUCTION.—

13 (1) IN GENERAL.—In the case of any taxable
14 year which includes December 31, 2021 (other than
15 a taxable year with respect to which such date is the
16 last day of such taxable year)—

17 (A) the percentage in effect under section
18 250(a)(1)(A) of the Internal Revenue Code of
19 1986 shall be treated as being equal to the sum
20 of—

21 (i) the pre-effective date percentage of
22 37.5 percent, plus

23 (ii) the post-effective date percentage
24 of 21.875 percent, and

1 (B) the percentage in effect under section
2 250(a)(1)(B) of such Code shall be treated as
3 being equal to the sum of—

4 (i) the pre-effective date percentage of
5 50 percent, plus

6 (ii) the post-effective date percentage
7 of 37.5 percent.

8 (2) PRE- AND POST-EFFECTIVE DATE PER-
9 CENTAGES.—For purposes of this subsection, with
10 respect to any taxable year—

11 (A) the term “pre-effective date percent-
12 age” means the ratio that the portion of such
13 taxable year which precedes January 1, 2022,
14 bears to the entire taxable year, and

15 (B) the term “post-effective date percent-
16 age” means the ratio that the remainder of
17 such taxable year bears to the entire taxable
18 year.

19 **SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH DEFER-**
20 **RAL IN DETERMINATION OF TAXABLE YEAR**
21 **OF SPECIFIED FOREIGN CORPORATIONS.**

22 (a) IN GENERAL.—Section 898(c) is amended by
23 striking paragraph (2) and redesignating paragraph (3)
24 as paragraph (2).

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years of specified foreign
3 corporations beginning after November 30, 2021.

4 (c) TRANSITION RULE.—A taxpayer’s first taxable
5 year beginning after November 30, 2021, shall end at the
6 same time as the first required year (within the meaning
7 of section 898(c)(1) of the Internal Revenue Code of
8 1986) ending after such date.

9 **SEC. 138123. MODIFICATIONS OF FOREIGN TAX CREDIT**
10 **RULES APPLICABLE TO CERTAIN TAXPAYERS**
11 **RECEIVING SPECIFIC ECONOMIC BENEFITS.**

12 (a) IN GENERAL.—Section 901 is amended by redес-
13 ignating subsection (n) as subsection (o) and by inserting
14 after subsection (m) the following new subsection:

15 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY
16 TAXPAYERS.—

17 “(1) GENERAL RULE.—Notwithstanding any
18 other provision of this chapter, any amount paid or
19 accrued by a dual capacity taxpayer to a foreign
20 country or possession of the United States for any
21 period shall not be considered a tax—

22 “(A) if, for such period, the foreign coun-
23 try or possession does not impose a generally
24 applicable income tax, or

1 “(B) to the extent such amount exceeds
2 the amount which would be paid or accrued by
3 such dual capacity taxpayer under the generally
4 applicable income tax imposed by such country
5 or possession if such taxpayer were not a dual
6 capacity taxpayer.

7 Nothing in this paragraph shall be construed to
8 imply the proper treatment of any such amount
9 not in excess of the amount determined under
10 subparagraph (B).

11 “(2) DUAL CAPACITY TAXPAYER.—For pur-
12 poses of this subsection, the term ‘dual capacity tax-
13 payer’ means, with respect to any foreign country or
14 possession of the United States, a person who—

15 “(A) is subject to a levy of such country or
16 possession, and

17 “(B) receives (or will receive) directly or
18 indirectly a specific economic benefit from such
19 country or possession.

20 “(3) GENERALLY APPLICABLE INCOME TAX.—
21 For purposes of this subsection, the term ‘generally
22 applicable income tax’ means an income tax (or a se-
23 ries of income taxes) which is generally imposed
24 under the laws of a foreign country or possession of
25 the United States on residents of such foreign coun-

1 try or possession that are not dual capacity tax-
2 payers.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years of foreign corpora-
5 tions beginning after December 31, 2021, and to taxable
6 years of United States shareholders in which or with which
7 such taxable years of foreign corporations end.

8 **SEC. 138124. MODIFICATIONS TO FOREIGN TAX CREDIT**
9 **LIMITATIONS.**

10 (a) COUNTRY-BY-COUNTRY APPLICATION OF LIMITA-
11 TION ON FOREIGN TAX CREDIT BASED ON TAXABLE
12 UNITS.—

13 (1) IN GENERAL.—Section 904 is amended by
14 inserting after subsection (d) the following new sub-
15 section:

16 “(e) COUNTRY-BY-COUNTRY APPLICATION BASED ON
17 TAXABLE UNITS.—

18 “(1) IN GENERAL.—The provisions of sub-
19 sections (a), (b), (c), and (d) and sections 907 and
20 960 shall be applied separately with respect to each
21 country by taking into account the aggregate income
22 properly attributable or otherwise allocable to a tax-
23 able unit of the taxpayer which is a tax resident of
24 such country.

25 “(2) TAXABLE UNITS.—

1 “(A) IN GENERAL.—Except as otherwise
2 provided by the Secretary, each item shall be
3 attributable or otherwise allocable to exactly
4 one taxable unit of the taxpayer.

5 “(B) DETERMINATION OF TAXABLE
6 UNITS.—Except as otherwise provided by the
7 Secretary, the taxable units of a taxpayer are
8 as follows:

9 “(i) GENERAL TAXABLE UNIT.—The
10 person that is the taxpayer and that is not
11 otherwise described in a separate clause of
12 this subparagraph.

13 “(ii) CONTROLLED FOREIGN COR-
14 PORATIONS.—Each controlled foreign cor-
15 poration with respect to which the tax-
16 payer is a United States shareholder.

17 “(iii) INTERESTS IN PASS-THROUGH
18 ENTITIES.—Each interest held (directly or
19 indirectly) by the taxpayer or any con-
20 trolled foreign corporation referred to in
21 clause (ii) in a pass-through entity if such
22 pass-through entity is a tax resident of a
23 country other than the country with re-
24 spect to which such taxpayer or controlled

1 foreign corporation (as the case may be) is
2 a tax resident.

3 “(iv) BRANCHES.—Each branch (or
4 portion thereof) the activities of which are
5 directly or indirectly carried on by the tax-
6 payer or any controlled foreign corporation
7 referred to in clause (ii) and which give
8 rise to a taxable presence in a country
9 other than the country in which the tax-
10 payer or any such controlled foreign cor-
11 poration (as the case may be) is a tax resi-
12 dent.

13 “(3) DEFINITIONS AND SPECIAL RULES.—For
14 purposes of this subsection—

15 “(A) TAX RESIDENT.—Except as otherwise
16 provided by the Secretary, the term ‘tax resi-
17 dent’ means a person or arrangement subject to
18 tax under the tax law of a country as a resi-
19 dent, or a person or arrangement that gives rise
20 to a taxable presence by reason of its activities
21 in such country. If an entity is organized under
22 the law of a country, or resident in a country,
23 that does not impose an income tax with re-
24 spect to such entity, such entity shall, except as
25 provided by the Secretary, be treated as subject

1 to tax under the tax law of such country for the
2 purposes of the preceding sentence.

3 “(B) PASS-THROUGH ENTITY.—Except as
4 otherwise provided by the Secretary, the term
5 ‘pass-through entity’ includes any partnership
6 or other entity or arrangement to the extent
7 that income, gain, deduction, or loss of the enti-
8 ty is taken into account in determining the in-
9 come or loss of a person that owns (directly or
10 indirectly) an interest in such entity.

11 “(C) BRANCH.—Except as otherwise pro-
12 vided by the Secretary, the term ‘branch’ means
13 a taxable presence of a tax resident in a coun-
14 try other than its country of residence as deter-
15 mined under such other country’s tax law. The
16 Secretary shall provide regulations or other
17 guidance applying such term to activities in a
18 country that does not subject income to tax on
19 the basis of residence or taxable presence.

20 “(D) TREATMENT OF FISCALLY AUTONO-
21 MOUS JURISDICTIONS.—Any fiscally autono-
22 mous jurisdiction shall be treated as a separate
23 country. Any possession of the United States
24 shall also be treated as separate country. For
25 purposes of the preceding sentence, the term

1 ‘possession of the United States’ means each of
2 American Samoa, the Commonwealth of the
3 Northern Mariana Islands, the Commonwealth
4 of Puerto Rico, Guam, and the Virgin Islands.

5 “(4) REGULATIONS.—The Secretary shall issue
6 such regulations or other guidance as may be nec-
7 essary or appropriate to carry out, or prevent avoid-
8 ance of, the purposes of this subsection, including
9 regulations or other guidance—

10 “(A) providing for the application of this
11 subsection to entities, arrangements, and
12 branches that are otherwise considered a resi-
13 dent of more than one country or no country,

14 “(B) providing for the application of this
15 subsection to hybrid entities or hybrid trans-
16 actions (as such terms are used for purposes of
17 section 267A), pass-through entities, passive
18 foreign investment companies, trusts, and other
19 entities or arrangements not otherwise de-
20 scribed in this subsection, and

21 “(C) providing for the assignment of any
22 item (including foreign taxes and deductions) to
23 taxable units, including in the case of amounts
24 not otherwise taken into account in determining
25 taxable income under this chapter.”.

1 (2) APPLICATION OF RECAPTURE OF OVERALL
2 FOREIGN LOSS.—Section 904(f)(5)(E)(i) is amended
3 by inserting “applied separately with respect to each
4 country (within the meaning of subsection (e)) as
5 provided in subsection (e)” before the period at the
6 end.

7 (3) APPLICATION OF SEPARATE LIMITATION
8 LOSSES WITH RESPECT TO GLOBAL INTANGIBLE
9 LOW-TAXED INCOME.—Section 904(f)(5) is amended
10 by adding at the end the following new subpara-
11 graph:

12 “(G) SPECIAL RULE WITH RESPECT TO
13 GLOBAL INTANGIBLE LOW-TAXED INCOME.—
14 The amount of the separate limitation losses for
15 any taxable year shall reduce income described
16 in subparagraph (d)(1)(A) for such taxable year
17 only to the extent the aggregate amount of such
18 losses exceeds the aggregate amount of the sep-
19 arate limitation incomes for such taxable year.
20 For purposes of this subparagraph, separate
21 limitation income shall exclude income described
22 in subparagraph (d)(1)(A) for the taxable
23 year.”.

24 (b) REPEAL OF SEPARATE APPLICATION TO FOR-
25 EIGN BRANCH INCOME.—

1 (1) IN GENERAL.—Section 904(d)(1) is amend-
2 ed by striking subparagraph (B) and redesignating
3 subparagraphs (C) and (D) as subparagraph (B)
4 and (C).

5 (2) COORDINATION WITH DEDUCTION FOR FOR-
6 EIGN-DERIVED INTANGIBLE INCOME.—Section
7 205(b)(3)(A) is amended—

8 (A) by striking subclause (VI) of clause (i)
9 and inserting the following new subclause:

10 “(VI) the income of a United
11 States person which is attributable to
12 1 or more branches (which would be
13 referred to in clause (iv) of section
14 904(e)(2)(B) if such clause were ap-
15 plied without regard to any reference
16 to a controlled foreign corporation) or
17 pass-through entities (which would be
18 referred to in clause (iii) of section
19 904(e)(2)(B) if such clause were ap-
20 plied without regard to any reference
21 to a controlled foreign corporation) in
22 1 or more foreign countries, over”,
23 and

24 (B) by adding at the end the following
25 flush sentence:

1 “For purposes of clause (i)(VI), the amount of
2 income attributable to a branch or pass-through
3 entity shall be determined under rules estab-
4 lished by the Secretary.”.

5 (3) CONFORMING AMENDMENTS.—

6 (A) Section 904(d)(2)(A)(ii) is amended by
7 striking “, foreign branch income,”.

8 (B) Section 904(d)(2) is amended by strik-
9 ing subparagraph (J).

10 (c) MODIFICATION OF FOREIGN TAX CREDIT
11 CARRYBACK AND CARRYFORWARD.—

12 (1) CARRYOVER LIMITED TO 5 TAXABLE
13 YEARS.—

14 (A) IN GENERAL.—Section 904(c) is
15 amended by striking “10 succeeding taxable
16 years” and inserting “5 succeeding taxable
17 years”.

18 (B) CONFORMING AMENDMENT.—Section
19 6511(d)(3)(A) is amended by striking “10
20 years” and inserting “5 years”.

21 (2) REPEAL OF CARRYBACK.—Section 904(c) is
22 amended—

23 (A) by striking “in the first preceding tax-
24 able year, and”,

1 (B) by striking “preceding or” each place
2 it appears, and

3 (C) by striking “CARRYBACK AND” in the
4 heading thereof.

5 (3) CARRYOVER APPLICABLE TO TAX ON GLOB-
6 AL INTANGIBLE LOW-TAXED INCOME.—Section
7 904(c) is amended by striking the last sentence.

8 (4) APPLICATION TO LIMITATION ON FOREIGN
9 OIL AND GAS TAXES.—Section 907(f)(1) is amend-
10 ed—

11 (A) by striking “in the first preceding tax-
12 able year and”, and

13 (B) by striking “first 10” and inserting
14 “first 5”.

15 (d) TREATMENT OF CERTAIN TAX-EXEMPT DIVI-
16 DENDS.—

17 (1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN
18 INTO ACCOUNT IN APPLYING LIMITATIONS ON FOR-
19 EIGN TAX CREDITS.—Section 904(b) is amended by
20 striking paragraph (4).

21 (2) CERTAIN TAX-EXEMPT DIVIDENDS NOT
22 TAKEN INTO ACCOUNT IN ALLOCATING INTEREST
23 EXPENSE.—Section 864(e)(3) is amended by strik-
24 ing “or 245(a)” and inserting “, 245(a), or 245A”.

1 (e) RULES FOR ALLOCATION OF CERTAIN DEDUC-
2 TIONS TO FOREIGN SOURCE GLOBAL INTANGIBLE LOW-
3 TAXED INCOME FOR PURPOSES OF FOREIGN TAX CREDIT
4 LIMITATION.—Section 904(b), as amended by the pre-
5 ceding provisions of this Act, is amended by adding at the
6 end the following new paragraph:

7 “(4) DEDUCTIONS TREATED AS ALLOCABLE TO
8 FOREIGN SOURCE GLOBAL INTANGIBLE LOW-TAXED
9 INCOME.—In the case of a domestic corporation and
10 solely for purposes of the application of subsection
11 (a) with respect to amounts described in subsection
12 (d)(1)(A), the taxpayer’s taxable income from
13 sources without the United States shall be deter-
14 mined by—

15 “(A) allocating any deduction allowed
16 under section 250 to such income, and

17 “(B) by treating any expense of such do-
18 mestic corporation as not allocable to such in-
19 come.”.

20 (f) TREATMENT OF CERTAIN ASSET DISPOSI-
21 TIONS.—Section 904(b), as amended by the preceding pro-
22 visions of this Act, is amended by adding at the end the
23 following new paragraph:

24 “(5) TREATMENT OF CERTAIN ASSET DISPOSI-
25 TIONS.—

1 “(A) IN GENERAL.—Except as otherwise
2 provided by the Secretary, in the case of any
3 covered asset disposition, the principles of sec-
4 tion 338(h)(16) shall apply in determining the
5 source and character of any item for purposes
6 of this part.

7 “(B) COVERED ASSET DISPOSITION.—For
8 purposes of this paragraph, the term ‘covered
9 asset disposition’ means any transaction
10 which—

11 “(i) is treated as a disposition of as-
12 sets for purposes of subchapter N of this
13 chapter, and

14 “(ii) is treated as a disposition of
15 stock of a corporation (or is disregarded)
16 for purposes of the tax laws of the relevant
17 foreign country or possession of the United
18 States.

19 “(C) REGULATIONS.—The Secretary shall
20 issue such regulations or other guidance as is
21 necessary or appropriate to carry out, or to the
22 prevent the avoidance of, the purposes of this
23 paragraph.”.

24 (g) REDETERMINATION OF FOREIGN TAXES AND RE-
25 LATED CLAIMS.—

1 (1) IN GENERAL.—Section 905(c)(1) is amend-
2 ed by striking “or” at the end of subparagraph (B)
3 and by inserting after subparagraph (C) the fol-
4 lowing new subparagraphs:

5 “(D) the taxpayer makes a timely change
6 in its choice to claim a credit or deduction for
7 taxes paid or accrued, or

8 “(E) there is any other change in the
9 amount, or treatment, of taxes, which affects
10 the taxpayer’s tax liability under this chapter.”.

11 (2) MODIFICATION TO TIME FOR CLAIMING
12 CREDIT OR DEDUCTION.—Section 901(a) is amended
13 by striking the second sentence and inserting the fol-
14 lowing: “The choice to claim a credit for such
15 amounts may be made at any time before the expira-
16 tion of the period prescribed by section
17 6511(d)(3)(A), and the choice to claim a deduction
18 in lieu of a credit may be made at any time before
19 the expiration of the period prescribed by section
20 6511(a), for making a claim for refund or credit of
21 the tax imposed by this chapter for such taxable
22 year, or such later period prescribed by section
23 6511(e) if the period is extended by agreement.”.

24 (3) MODIFICATION TO SPECIAL PERIOD OF LIM-
25 ITATION.—Section 6511(d)(3)(A) is amended—

1 (A) by inserting “change in the liability
2 for” before “any taxes paid or accrued”,

3 (B) by striking “actually paid” and insert-
4 ing “paid (or deemed paid under section 960)”,
5 and

6 (C) by inserting “CHANGE IN THE LIABIL-
7 ITY FOR” before “FOREIGN TAXES” in the head-
8 ing thereof.

9 (h) EFFECTIVE DATES.—

10 (1) IN GENERAL.—Except as otherwise pro-
11 vided in this subsection, the amendments made by
12 this section shall apply to taxable years beginning
13 after December 31, 2021.

14 (2) MODIFICATION OF FOREIGN TAX CREDIT
15 CARRYBACK AND CARRYFORWARD.—Except as other-
16 wise provided in paragraph (3), the amendments
17 made by subsection (c) shall apply to taxes paid or
18 accrued in taxable years beginning after December
19 31, 2021.

20 (3) CERTAIN MODIFICATIONS.—The amend-
21 ment made by subsection (c)(4)(B) shall apply to
22 taxable years of foreign corporations beginning after
23 December 31, 2017, and to taxable years of United
24 States shareholders in which or with which such tax-
25 able years of foreign corporations end.

1 (4) REDETERMINATION OF FOREIGN TAXES
2 AND RELATED CLAIMS.—The amendments made by
3 subsection (g) shall take effect on the date which is
4 60 days after the date of the enactment of this Act.

5 (i) REGULATIONS.—The Secretary shall prescribe
6 rules providing for the application of subsection (e) of sec-
7 tion 904 of the Internal Revenue Code of 1986, as added
8 by this section, to any amounts carried over under sub-
9 section (c) of such section from a taxable year with respect
10 to which such subsection (e) did not apply to a taxable
11 year with respect to which such subsection (e) does apply.

12 **SEC. 138125. FOREIGN OIL AND GAS EXTRACTION INCOME**
13 **AND FOREIGN OIL RELATED INCOME TO IN-**
14 **CLUDE OIL SHALE AND TAR SANDS.**

15 (a) IN GENERAL.—Paragraphs (1)(A) and (2)(A) of
16 section 907(e) are each amended by inserting “(or oil
17 shale or tar sands)” after “oil or gas wells”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years of foreign corpora-
20 tions beginning after December 31, 2021, and to taxable
21 years of United States shareholders in which or with which
22 such taxable years of foreign corporations end.

1 **SEC. 138126. MODIFICATIONS TO INCLUSION OF GLOBAL IN-**
2 **TANGIBLE LOW-TAXED INCOME.**

3 (a) COUNTRY-BY-COUNTRY APPLICATION OF SEC-
4 TION BASED ON CFC TAXABLE UNITS.—Section 951A is
5 amended by adding at the end the following new sub-
6 section:

7 “(g) COUNTRY-BY-COUNTRY APPLICATION OF SEC-
8 TION BASED ON CFC TAXABLE UNITS.—

9 “(1) IN GENERAL.—If any CFC taxable unit of
10 a United States shareholder is a tax resident of a
11 country which is different from the country with re-
12 spect to which any other CFC taxable unit of such
13 United States shareholder is a tax resident—

14 “(A) such shareholder’s global intangible
15 low-taxed income for purposes of subsection (a)
16 shall be the sum of the amounts of global intan-
17 gible low-taxed income determined separately
18 with respect to each country with respect to
19 which any CFC taxable unit of such share-
20 holder is a tax resident, and

21 “(B) for purposes of determining such sep-
22 arate amounts of global intangible low-taxed in-
23 come—

24 “(i) any reference in subsection (b),
25 (c), or (d) to a controlled foreign corpora-
26 tion of such shareholder shall be treated as

1 reference to a CFC taxable unit of such
2 shareholder, and

3 “(ii) net CFC tested income, net
4 deemed tangible income return, qualified
5 business asset investment, interest expense
6 described in subsection (b)(2)(B), and such
7 other items and amounts as the Secretary
8 may provide, shall be determined sepa-
9 rately with respect to each such country by
10 determining such amounts with respect to
11 each CFC taxable unit of such shareholder
12 which is a tax resident of such country.

13 “(2) DEFINITIONS.—For purposes of this sub-
14 section—

15 “(A) CFC TAXABLE UNIT.—The term
16 ‘CFC taxable unit’ means any taxable unit de-
17 scribed clause (ii), (iii), or (iv) of section
18 904(e)(2)(B) (determined without regard to the
19 references to the taxpayer in clauses (iii) and
20 (iv) of such section).

21 “(B) APPLICATION OF OTHER DEFINI-
22 TIONS.—Terms used in this subsection which
23 are also used in section 904(e) shall have the
24 same meaning as when used in such section.

1 “(3) SPECIAL RULES.—For purposes of this
2 subsection—

3 “(A) APPLICATION OF CERTAIN RULES.—
4 Except as otherwise provided by the Secretary,
5 rules similar to the rules of section 904(e) shall
6 apply.

7 “(B) ALLOCATION OF GLOBAL INTANGIBLE
8 LOW-TAXED INCOME TO CONTROLLED FOREIGN
9 CORPORATIONS.—Except as otherwise provided
10 by the Secretary, subsection (f)(2) shall be ap-
11 plied separately with respect to each CFC tax-
12 able unit.”.

13 (b) REGULATORY AUTHORITY.—

14 (1) IN GENERAL.—Section 951A, as amended
15 by subsection (a), is amended by adding at the end
16 the following new subsection:

17 “(h) REGULATIONS.—The Secretary shall issue such
18 regulations or other guidance as may be necessary or ap-
19 propriate to carry out, or prevent the avoidance of, the
20 purposes of this section, including regulations or guidance
21 which provide for—

22 “(1) the treatment of property if such property
23 is transferred, or held, temporarily,

1 “(2) the treatment of property if the avoidance
2 of the purposes of this section is a factor in the
3 transfer or holding of such property, and

4 “(3) appropriate adjustments to the basis of
5 stock and other ownership interests, and to earnings
6 and profits, to reflect tested losses.”.

7 (2) CONFORMING AMENDMENT.—Section
8 951A(d) is amended by striking paragraph (4).

9 (3) ADDITIONAL REGULATORY AUTHORITY.—
10 Section 951A(h), as added by paragraph (1), is
11 amended by striking “and” at the end of paragraph
12 (2), by striking the period at the end of paragraph
13 (3) and inserting a comma, and by adding at the
14 end the following new paragraphs:

15 “(4) rules similar to the rules provided under
16 the regulations or guidance issued under section
17 904(e)(5),

18 “(5) appropriate basis adjustments, and

19 “(6) appropriate adjustment to made, and ap-
20 propriate tax attributes and records to be main-
21 tained, separately with respect to CFC taxable
22 units.”.

23 (c) CARRYOVER OF NET CFC TESTED LOSS.—

24 (1) IN GENERAL.—Section 951A(c) is amended
25 by adding at the end the following new paragraph:

1 “(3) CARRYOVER OF NET CFC TESTED LOSS.—

2 “(A) IN GENERAL.—If the amount de-
3 scribed in paragraph (1)(B) with respect to any
4 United States shareholder for any taxable year
5 of such United States shareholder (determined
6 after the application of this paragraph) exceeds
7 the amount described in paragraph (1)(A) with
8 respect to such shareholder of such taxable
9 year, the amount otherwise described in para-
10 graph (1)(B) with respect to such shareholder
11 for the succeeding taxable year shall be in-
12 creased by the amount of such excess.

13 “(B) PROPER ADJUSTMENT IN ALLOCA-
14 TIONS OF GLOBAL INTANGIBLE LOW-TAXED IN-
15 COME TO CONTROLLED FOREIGN CORPORA-
16 TIONS.—Proper adjustments shall be made in
17 the application of subsection (f)(2)(B) to take
18 into account any decrease in global intangible
19 low-taxed income by reason of the application of
20 subparagraph (A).”.

21 (2) COORDINATION WITH COUNTRY-BY-COUN-
22 TRY APPLICATION.—Section 951A(g)(1)(B)(ii), as
23 added by subsection (a), is amended by inserting
24 “any increase determined under subsection

1 (c)(3)(A),” after “interest expense described in sub-
2 section (b)(2)(B),”.

3 (3) APPLICATION OF RULES WITH RESPECT TO
4 OWNERSHIP CHANGES.—Section 382(d) is amended
5 by adding at the end the following new paragraph:

6 “(4) APPLICATION TO CARRYOVER OF NET CFC
7 TESTED LOSS.—The term ‘pre-change loss’ shall in-
8 clude any excess carried over under section
9 951A(c)(3) under rules similar to the rules of para-
10 graph (1).”.

11 (d) REDUCTION IN NET DEEMED TANGIBLE INCOME
12 RETURN FOR PURPOSES OF DETERMINING GLOBAL IN-
13 TANGIBLE LOW-TAXED INCOME.—

14 (1) IN GENERAL.—Section 951A(b)(2)(A) is
15 amended by striking “10 percent” and inserting “5
16 percent”.

17 (2) APPLICATION TO ASSETS LOCATED IN POS-
18 SESSIONS OF THE UNITED STATES.—Section
19 951A(b) is amended by adding at the end the fol-
20 lowing new paragraph:

21 “(3) APPLICATION TO ASSETS LOCATED IN POS-
22 SESSIONS OF THE UNITED STATES.—In the case of
23 any specified tangible property located in a posses-
24 sion of the United States, paragraph (2)(A) and

1 subsection (d) shall be applied by substituting ‘10
2 percent’ for ‘5 percent’ in paragraph (2)(A).”.

3 (e) INCLUSION OF FOREIGN OIL AND GAS EXTRAC-
4 TION INCOME IN DETERMINING TESTED INCOME AND
5 LOSS.—Section 951A(c)(2)(A) is amended by inserting
6 “and” at the end of subclause (III), by striking “and”
7 at the end of subclause (IV) and inserting “over”, and
8 by striking subclause (V).

9 (f) COORDINATION WITH OTHER PROVISIONS.—Sec-
10 tion 951A(f)(1) is amended by adding at the end the fol-
11 lowing new subparagraph:

12 “(C) TREATMENT OF CERTAIN REF-
13 ERENCES.—Except as otherwise provided by the
14 Secretary, references to section 951 or section
15 951(a) in sections 959, 961, 962 and such
16 other sections as the Secretary may identify
17 shall include references to section 951A or sec-
18 tion 951A(a), respectively.”.

19 (g) EFFECTIVE DATE.—

20 (1) IN GENERAL.—Except as otherwise pro-
21 vided in this subsection, the amendments made by
22 this section shall apply to taxable years of foreign
23 corporations beginning after December 31, 2021,
24 and to taxable years of United States shareholders

1 in which or with which such taxable years of foreign
2 corporations end.

3 (2) CERTAIN RELATED MODIFICATIONS.—The
4 amendments made by subsections (b)(1), (b)(2), and
5 (f) shall apply to taxable years of foreign corpora-
6 tions beginning after December 31, 2017, and to
7 taxable years of United States shareholders in which
8 or with which such taxable years of foreign corpora-
9 tions end.

10 **SEC. 138127. MODIFICATIONS TO DETERMINATION OF**
11 **DEEMED PAID CREDIT FOR TAXES PROPERLY**
12 **ATTRIBUTABLE TO TESTED INCOME.**

13 (a) INCREASE IN DEEMED PAID CREDIT.—Section
14 960(d)(1) is amended by striking “80 percent” and insert-
15 ing “95 percent (100 percent in the case of tested foreign
16 income taxes paid or accrued to a possession of the United
17 States)”.

18 (b) INCLUSION OF TAXES PROPERLY ATTRIBUTABLE
19 TO TESTED LOSS.—Section 960(d)(3) is amended to read
20 as follows:

21 “(3) TESTED FOREIGN INCOME TAXES.—For
22 purposes of paragraph (1), the term ‘tested foreign
23 income taxes’ means, with respect to any domestic
24 corporation which is a United States shareholder of
25 a controlled foreign corporation, such shareholder’s

1 pro rata share (as determined under section
2 951A(e)(1)) of—

3 “(A) the foreign income taxes (within the
4 meaning of section 904(d)(2)(F)) which are
5 properly attributable to amounts taken into ac-
6 count in determining tested income or tested
7 loss under section 951A(b)(2), and

8 “(B) solely to the extent provided in regu-
9 lations prescribed by the Secretary, the foreign
10 income taxes (as so defined) paid or accrued by
11 a foreign corporation (other than such con-
12 trolled foreign corporation) which owns, directly
13 or indirectly, 80 percent or more (by vote or
14 value) of the stock in such domestic corporation
15 but only if—

16 “(i) such foreign income taxes are
17 properly attributable to amounts of such
18 controlled foreign corporation taken into
19 account in determining tested income or
20 tested loss under section 951A(b)(2), and

21 “(ii) no credit is allowed, in whole or
22 in part, for such foreign taxes in any for-
23 eign jurisdiction.”.

24 (c) APPLICATION OF FOREIGN TAX CREDIT LIMITA-
25 TION TO AMOUNTS INCLUDED UNDER SECTION 78.—

1 (1) Section 904(d)(2) is amended by redesignig-
2 nating subparagraph (K) as subparagraph (L) and
3 by inserting after subparagraph (J) the following
4 new subparagraph:

5 “(K) AMOUNTS INCLUDIBLE UNDER SEC-
6 TION 78.—Any amount includible in gross in-
7 come under section 78 shall be treated as in-
8 come in the same separate category as the re-
9 lated foreign taxes deemed paid.”.

10 (2) Section 904(d)(3)(G) is amended by strik-
11 ing the second sentence and inserting the following:
12 “Any amount included in gross income under section
13 78 shall not be treated as a dividend.”.

14 (d) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall apply to taxable years of foreign corporations
18 beginning after December 31, 2021, and to taxable
19 years of United States shareholders in which or with
20 which such taxable years of foreign corporations
21 end.

22 (2) APPLICATION OF FOREIGN TAX CREDIT
23 LIMITATION TO AMOUNTS INCLUDED UNDER SEC-
24 TION 78.—The amendments made by subsection (c)

1 shall apply to taxable years beginning after Decem-
2 ber 31, 2017.

3 **SEC. 138128. DEDUCTION FOR FOREIGN SOURCE PORTION**
4 **OF DIVIDENDS LIMITED TO CONTROLLED**
5 **FOREIGN CORPORATIONS, ETC.**

6 (a) IN GENERAL.—Section 245A is amended—

7 (1) in subsections (a), (c)(1), and (c)(2), by
8 striking “specified 10-percent owned foreign cor-
9 poration” each place it appears and inserting “con-
10 trolled foreign corporation”, and

11 (2) by striking subsection (b).

12 (b) MODIFICATIONS RELATED TO DETERMINATION
13 OF STATUS AS A CONTROLLED FOREIGN CORPORA-
14 TION.—

15 (1) Subpart F of part III of subchapter N of
16 chapter 1 is amended by inserting after section
17 951A the following new section:

18 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**
19 **FOREIGN CONTROLLED UNITED STATES**
20 **SHAREHOLDERS.**

21 “(a) IN GENERAL.—In the case of any foreign con-
22 trolled United States shareholder of a foreign controlled
23 foreign corporation—

24 “(1) this subpart (other than sections 951A,
25 951(b), 957, and 965) shall be applied with respect

1 to such shareholder (separately from, and in addi-
2 tion to, the application of this subpart without re-
3 gard to this section)—

4 “(A) by substituting ‘foreign controlled
5 United States shareholder’ for ‘United States
6 shareholder’ each place it appears therein, and

7 “(B) by substituting ‘foreign controlled
8 foreign corporation’ for ‘controlled foreign cor-
9 poration’ each place it appears therein, and

10 “(2) sections 951A and 965 shall be applied
11 with respect to such shareholder —

12 “(A) by treating each reference to ‘United
13 States shareholder’ in such sections as includ-
14 ing a reference to such shareholder, and

15 “(B) by treating each reference to ‘con-
16 trolled foreign corporation’ in such sections as
17 including a reference to such foreign controlled
18 foreign corporation.

19 “(b) FOREIGN CONTROLLED UNITED STATES
20 SHAREHOLDER.—For purposes of this section, the term
21 ‘foreign controlled United States shareholder’ means, with
22 respect to any foreign corporation, any United States per-
23 son which would be a United States shareholder with re-
24 spect to such foreign corporation if—

1 “(1) section 951(b) were applied by substituting
2 ‘more than 50 percent’ for ‘10 percent or more’, and

3 “(2) section 958(b) were applied without regard
4 to paragraph (4) thereof.

5 “(c) FOREIGN CONTROLLED FOREIGN CORPORA-
6 TION.—For purposes of this section, the term ‘foreign con-
7 trolled foreign corporation’ means a foreign corporation,
8 other than a controlled foreign corporation, which would
9 be a controlled foreign corporation if section 957(a) were
10 applied—

11 “(1) by substituting ‘foreign controlled United
12 States shareholders’ for ‘United States share-
13 holders’, and

14 “(2) by substituting ‘section 958(b) (other than
15 paragraph (4) thereof)’ for ‘section 958(b)’.

16 “(d) REGULATIONS.—The Secretary shall prescribe
17 such regulations or other guidance as may be necessary
18 or appropriate to carry out the purposes of this section,
19 including regulations or other guidance—

20 “(1) to treat a foreign controlled United States
21 shareholder or a foreign controlled foreign corpora-
22 tion as a United States shareholder or as a con-
23 trolled foreign corporation, respectively, for purposes
24 of provisions of this title other than this subpart,
25 and

1 “(2) to prevent the avoidance of the purposes of
2 this section.”.

3 (2) Section 957(a) is amended to read as fol-
4 lows:

5 “(a) CONTROLLED FOREIGN CORPORATION.—For
6 purposes of this title—

7 “(1) IN GENERAL.—The term ‘controlled for-
8 eign corporation’ means any foreign corporation if
9 more than 50 percent of—

10 “(A) the total combined voting power of all
11 classes of stock of such corporation entitled to
12 vote, or

13 “(B) the total value of the stock of such
14 corporation,

15 is owned (within the meaning of section 958(a)), or
16 is considered as owned by applying the rules of own-
17 ership of section 958(b), by United States share-
18 holders on any day during the taxable year of such
19 foreign corporation.

20 “(2) ELECTION TO TREAT A FOREIGN COR-
21 PORATION AS A CONTROLLED FOREIGN CORPORA-
22 TION FOR CERTAIN PURPOSES.—

23 “(A) IN GENERAL.—In the case of a for-
24 eign corporation with respect to which an elec-
25 tion is in effect under this paragraph, such for-

1 eign corporation shall be treated as controlled
2 foreign corporation with respect to all United
3 States shareholders of such foreign corporation.

4 “(B) EXCEPTIONS.—Notwithstanding sub-
5 paragraph (A), such foreign corporation shall
6 not be treated as a controlled foreign corpora-
7 tion for purposes of section 951B(e) or for any
8 other purpose if the Secretary determines that
9 treatment of such foreign corporation as a con-
10 trolled foreign corporation for such purpose
11 would be inconsistent with the purposes of this
12 subchapter.

13 “(C) ELECTION.—

14 “(i) BY WHOM.—An election under
15 subparagraph (A) shall be effective only if
16 made by the foreign corporation and by all
17 United States shareholders of such foreign
18 corporation (determined as of the time of
19 such election by such foreign corporation).

20 “(ii) WITH RESPECT TO WHOM.—Any
21 election under this paragraph, once effec-
22 tive, shall apply to such foreign corporation
23 and to all United States shareholders of
24 such foreign corporation (including any
25 person who becomes a United States

1 shareholder of such foreign corporation
2 after such election takes effect).

3 “(iii) TIME, MANNER, ETC.—The elec-
4 tion under this paragraph shall be made at
5 such time and in such manner as the Sec-
6 retary may provide and, once effective,
7 may be revoked only with the consent of
8 the Secretary.

9 “(D) REGULATIONS.—The Secretary shall
10 issue such regulations or other guidance as may
11 be necessary or appropriate to carry out the
12 purposes of this paragraph, including regula-
13 tions or other guidance for the application of
14 this paragraph to an acquisition of assets de-
15 scribed in section 381(a) from any corporation
16 with respect to which an election under this
17 paragraph applies.”.

18 (3) Section 958(b) is amended—

19 (A) by inserting after paragraph (3) the
20 following:

21 “(4) Subparagraphs (A), (B), and (C) of sec-
22 tion 318(a)(3) shall not be applied so as to consider
23 a United States person as owning stock which is
24 owned by a person who is not a United States per-
25 son.”, and

1 (B) by striking “Paragraph (1)” in the
2 last sentence and inserting “Paragraphs (1)
3 and (4)”.

4 (4) The table of sections for subpart F of part
5 III of subchapter N of chapter 1 is amended by in-
6 serting after the item relating to section 951A the
7 following new item:

“Sec. 951B. Amounts included in gross income of foreign controlled United
States shareholders.”.

8 (c) CERTAIN OTHER MODIFICATIONS.—

9 (1) Section 245A(b)(1) is amended by striking
10 “with respect to such corporation”.

11 (2) Section 245A(e)(4) is amended by striking
12 “an amount received” and all that follows through
13 “for which the controlled foreign corporation re-
14 ceived a deduction” and inserting “any dividend re-
15 ceived from a controlled foreign corporation for
16 which such controlled foreign corporation received a
17 deduction”.

18 (3) Section 245A(e)(1) is amended—

19 (A) by striking “any dividend” and insert-
20 ing “any hybrid dividend”, and

21 (B) by striking “if the dividend is a hybrid
22 dividend”.

23 (4) Section 245A(g) is amended to read as fol-
24 lows:

1 “(g) REGULATIONS.—The Secretary shall prescribe
2 such regulations or other guidance as may be necessary
3 or appropriate to carry out the provisions of this section,
4 including regulations or other guidance for—

5 “(1) the treatment of United States share-
6 holders owning stock of a controlled foreign corpora-
7 tion through a partnership, and

8 “(2) the denial of all or a portion of the deduc-
9 tion under this section with respect to dividends re-
10 ceived from foreign corporations in situations in
11 which—

12 “(A) any portion of the dividend is out of
13 earnings and profits arising from dispositions to
14 related parties which—

15 “(i) are not made in the ordinary
16 course of a trade or business, and

17 “(ii) are made on or after January 1,
18 2018, and during a taxable year to which
19 section 951A did not apply, or

20 “(B) a transfer or issuance of stock on or
21 after January 1, 2018, results in a reduction in
22 the United States shareholder’s pro rata share
23 of a controlled foreign corporation’s subpart F
24 income or tested income (as defined in section
25 951A).”.

1 (5) Section 246(b)(1) is amended to read as fol-
2 lows:

3 “(1) GENERAL RULE.—Except as provided in
4 paragraph (2), the aggregate amount of the deduc-
5 tions allowed by section 243(a)(1) and subsection (a)
6 and (b) of section 245 shall not exceed the percent-
7 age determined under paragraph (3) of the taxable
8 income computed without regard to the deductions
9 allowed by section 172, section 243(a)(1), sub-
10 sections (a) and (b) of section 245, and section 250,
11 without regard to any adjustment under section
12 1059, and without regard to any capital loss
13 carryback to the taxable year under section
14 1212(a)(1).”.

15 (6) Section 246(c)(1) is amended by striking
16 “section 243” and all that follows through “245A”
17 and inserting “section 243, 245, or 245A”.

18 (7) For purposes of section 78 of the Internal
19 Revenue Code of 1986, as in effect on the day before
20 the enactment of Public Law 115-97, with respect to
21 taxable years of foreign corporations beginning be-
22 fore January 1, 2018, and ending after December
23 31, 2017, any reference to section 245 of such Code
24 shall be treated as including a reference to section
25 245A of such Code (as added by such Public Law).

1 (d) EFFECTIVE DATES.—

2 (1) IN GENERAL.—The amendment made by
3 subsection (a) shall apply to distributions made after
4 the date of the enactment of this Act.

5 (2) MODIFICATIONS RELATED TO DETERMINA-
6 TION OF STATUS AS A CONTROLLED FOREIGN COR-
7 PORATION.—The amendments made by subsection
8 (b) shall apply to—

9 (A) the last taxable year of foreign cor-
10 porations beginning before January 1, 2018,
11 and each subsequent taxable year of such for-
12 eign corporations, and

13 (B) taxable years of United States persons
14 in which or with which such taxable years of
15 foreign corporations end.

16 (3) CERTAIN OTHER MODIFICATIONS.—The
17 amendments made by subsection (c) shall apply to
18 distributions made after December 31, 2017.

19 **SEC. 138129. LIMITATION ON FOREIGN BASE COMPANY**
20 **SALES AND SERVICES INCOME.**

21 (a) FOREIGN BASE COMPANY SALES INCOME.—Sec-
22 tion 954(d)(2) is amended to read as follows:

23 “(2) LIMITATION.—

24 “(A) IN GENERAL.—For purposes of this
25 subsection, the term ‘related person’ shall not

1 include any person unless such person is a tax-
2 able unit (within the meaning of section 904(e))
3 which is a tax resident of the United States.

4 “(B) REGULATIONS.—The Secretary shall
5 issue such regulations or other guidance as may
6 be necessary or appropriate to carry out the
7 purposes of this paragraph, including regula-
8 tions or other guidance providing for the proper
9 application of subparagraph (A) in the case of
10 a series of transactions in which a person de-
11 scribed in subparagraph (A) is a party.”.

12 (b) FOREIGN BASE COMPANY SERVICES INCOME.—
13 Section 954(e)(1)(A) is amended by striking “subsection
14 (d)(3)” and inserting “subsection (d)”.

15 (c) CERTAIN OTHER MODIFICATIONS.—

16 (1)(A) Section 951(a)(1) is amended—

17 (i) by striking “the last day” in the matter
18 preceding subparagraph (A) and inserting “any
19 day”,

20 (ii) by striking “his” each place it appears
21 and inserting “such shareholder’s”, and

22 (iii) by inserting “if such shareholder owns
23 (within the meaning of section 958(a)) stock of
24 such foreign corporation as of the close of the
25 last relevant day of such foreign corporation’s

1 taxable year,” before “the amount” in subpara-
2 graph (B).

3 (B) Section 951(a) is amended by striking
4 paragraph (2) and inserting the following new para-
5 graphs:

6 “(2) PRO RATA SHARE OF SUBPART F IN-
7 COME.—In the case of any United States share-
8 holder with respect to a foreign corporation, the pro
9 rata share referred to in paragraph (1)(A) is the
10 sum of—

11 “(A) if such shareholder owns (within the
12 meaning of section 958(a)) stock of such for-
13 eign corporation as of the close of the last rel-
14 evant day of such foreign corporation’s taxable
15 year, such shareholder’s general pro rata share
16 determined under paragraph (3), plus

17 “(B) if such shareholder owns (within the
18 meaning of section 958(a)) stock of such for-
19 eign corporation during such taxable year but
20 does not own (within the meaning of section
21 958(a)) such stock as of the close of such last
22 relevant day, such shareholder’s nontaxed cur-
23 rent dividend share determined under para-
24 graph (4).

25 “(3) GENERAL PRO RATA SHARE.—

1 “(A) IN GENERAL.—In the case of any
2 United States shareholder with respect to a for-
3 eign corporation, the general pro rata share de-
4 termined under this paragraph is the excess (if
5 any) of—

6 “(i) the pro rata current earnings per-
7 centage of the amount which bears the
8 same ratio to such corporation’s subpart F
9 income for the taxable year (reduced by
10 the aggregate nontaxed current dividend
11 shares determined under paragraph (4)
12 with respect to such shareholder or any
13 other United States shareholder) as the
14 part of such year during which such cor-
15 poration is a controlled foreign corporation
16 bears to the entire year, over

17 “(ii) the lesser of—

18 “(I) the amount of any pre-hold-
19 ing period dividends with respect to
20 stock of such foreign corporation
21 which such shareholder owns (within
22 the meaning of section 958(a)) as of
23 the close of the last relevant day of
24 such foreign corporation’s taxable
25 year, or

1 “(II) the amount which bears the
2 same ratio to the subpart F income of
3 such corporation for the taxable year
4 (reduced by the aggregate nontaxed
5 current dividend shares determined
6 under paragraph (4) with respect to
7 such shareholder or any other United
8 States shareholder) as the part of
9 such year during which such share-
10 holder did not own (within the mean-
11 ing of section 958(a)) such stock
12 bears to the entire year.

13 “(B) PRO RATA CURRENT EARNINGS PER-
14 CENTAGE.—For purposes of subparagraph
15 (A)(i), the term ‘pro rata current earnings per-
16 centage’ means, in the case of any United
17 States shareholder with respect to a foreign cor-
18 poration for any taxable year of such foreign
19 corporation, the ratio (expressed as a percent-
20 age) of—

21 “(i) the amount which would have
22 been distributed with respect to the stock
23 which such shareholder owns (within the
24 meaning of section 958(a)) in such cor-
25 poration if on the last relevant day of such

1 taxable year it had distributed its earnings
2 and profits for such taxable year (com-
3 puted as of the close of such taxable year
4 without diminution by reason of any dis-
5 tributions made during such taxable year),
6 divided by

7 “(ii) such corporation’s earnings and
8 profits for such taxable year (as so com-
9 puted).

10 “(C) PRE-HOLDING PERIOD DIVIDENDS.—

11 For purposes of subparagraph (A)(ii)(I), the
12 term ‘pre-holding period dividends’ means, in
13 the case of any United States shareholder with
14 respect to a foreign corporation for any taxable
15 year of such foreign corporation, dividends
16 which are—

17 “(i) made out of such corporation’s
18 earnings and profits for the taxable year
19 (other than nontaxed current dividends as
20 defined in paragraph (4)(C)), and

21 “(ii) received—

22 “(I) by any other United States
23 person with respect to stock of such
24 foreign corporation which such share-
25 holder owns (within the meaning of

1 section 958(a)) as of the close of the
2 last relevant day of such foreign cor-
3 poration's taxable year, and

4 “(II) while such foreign corpora-
5 tion was a controlled foreign corpora-
6 tion and before such shareholder
7 owned (within the meaning of section
8 958(a)) such stock.

9 “(4) NONTAXED CURRENT DIVIDEND SHARE.—

10 “(A) IN GENERAL.—In the case of any
11 United States shareholder with respect to a for-
12 eign corporation, the nontaxed current dividend
13 share determined under this paragraph is the
14 nontaxed current dividend percentage of the
15 subpart F income of such foreign corporation
16 for the taxable year.

17 “(B) NONTAXED CURRENT DIVIDEND PER-
18 CENTAGE.—For purposes of this paragraph, the
19 term ‘nontaxed current dividend percentage’
20 means, in the case of any United States share-
21 holder with respect to a foreign corporation for
22 any taxable year of such foreign corporation,
23 the ratio (expressed as a percentage) of—

24 “(i) the amount of nontaxed current
25 dividends with respect to such taxable year

1 received with respect to the stock of such
2 foreign corporation which such shareholder
3 owns (within the meaning of section
4 958(a)) at the time of the dividend on a
5 day in which such corporation is a con-
6 trolled foreign corporation, divided by

7 “(ii) such foreign corporation’s earn-
8 ings and profits for such taxable year
9 (computed as of the close of such taxable
10 year without diminution by reason of any
11 distributions made during such taxable
12 year).

13 “(C) NONTAXED CURRENT DIVIDENDS.—
14 For purposes of this paragraph, the term
15 ‘nontaxed current dividends’ means the portion
16 of any amount received with respect to stock to
17 the extent such amount (without regard to
18 amounts included in the gross income of a
19 United States shareholder for the taxable year
20 by reason of this subpart)—

21 “(i) would result in a dividend out of
22 the corporation’s earnings and profits for
23 the taxable year (including a dividend
24 under section 1248 attributable to earn-
25 ings and profits for the taxable year), and

1 “(ii) either—

2 “(I) would give rise to a deduc-
3 tion under section 245A(a), or

4 “(II) in the case of a dividend
5 paid directly or indirectly to a con-
6 trolled foreign corporation with re-
7 spect to stock owned by the share-
8 holder within the meaning of section
9 958(a)(2), would not result in subpart
10 F income with respect to such con-
11 trolled foreign corporation by reason
12 of subsection (b)(4), (c)(3), or (c)(6)
13 of section 954.

14 Any amount treated as the foreign-source
15 portion of a dividend under section
16 245A(g) shall be treated as nontaxed cur-
17 rent dividends for purposes of this para-
18 graph.

19 “(5) LAST RELEVANT DAY OF TAXABLE YEAR
20 OF A CONTROLLED FOREIGN CORPORATION.—For
21 purposes of this subsection, the term ‘last relevant
22 day’ means, with respect to any taxable year of a
23 foreign corporation, the last day of such taxable year
24 on which such corporation is a controlled foreign
25 corporation.

1 “(6) REGULATIONS.—The Secretary may pre-
2 scribe such regulations or other guidance as may be
3 necessary or appropriate to carry out the purposes
4 of this subsection, including regulations or other
5 guidance—

6 “(A) to treat a partnership as an aggre-
7 gate of its partners,

8 “(B) to provide rules allowing a foreign
9 corporation to close its taxable year upon a
10 change in ownership, and

11 “(C) to treat a distribution followed by an
12 issuance of stock to a shareholder not subject
13 to tax under this chapter in the same manner
14 as an acquisition of stock.”.

15 (C) Section 951A(e)(1) is amended by striking
16 “determined under the rules of section 951(a)(2) in
17 the same manner as such section applies to subpart
18 F income” and inserting “determined under rules
19 similar to the rules of section 951(a)(2)”.

20 (D) Section 951A(e)(2) is amended to read as
21 follows:

22 “(2) TREATMENT AS UNITED STATES SHARE-
23 HOLDER.—A person shall be treated as a United
24 States shareholder of a controlled foreign corpora-

1 tion for any taxable year of such person if such per-
2 son—

3 “(A) is a United States shareholder of
4 such foreign corporation on any day in such
5 taxable year, and

6 “(B) owns (within the meaning of section
7 958(a)) stock in such foreign corporation on
8 any day in such taxable year which is part of
9 a taxable year of such foreign corporation with
10 respect to which such foreign corporation is a
11 controlled foreign corporation.”.

12 (E) Section 953(c)(5)(A)(i) is amended—

13 (i) in subclause (I), by adding “and” at
14 the end,

15 (ii) in subclause (II)—

16 (I) by striking “on the last day of the
17 taxable year” and inserting “during the
18 taxable year”, and

19 (II) by striking “and” at the end and
20 inserting “or”, and

21 (iii) by striking subclause (III).

22 (2) Section 78 is amended by striking “, (b),”.

23 (d) CERTAIN RELATED PROSPECTIVE MODIFICA-
24 TIONS.—Section 961(c) is amended—

1 (1) by striking “BASIS ADJUSTMENTS IN” in
2 the heading of such subsection and inserting “AP-
3 PPLICATION OF RULES TO”, and

4 (2) by striking “then adjustments similar to”
5 and all that follows in such subsection and inserting
6 “then rules similar to the rules of subsections (a)
7 and (b) shall apply to—

8 “(1) such stock,

9 “(2) stock in any other controlled foreign cor-
10 poration by reason of which the United States share-
11 holder is considered under section 958(a)(2) as own-
12 ing the stock described in paragraph (1), and

13 “(3) property by reason of which the United
14 States shareholder is considered as owning stock de-
15 scribed in paragraph (1) or (2).

16 The preceding sentence shall not apply with respect to any
17 stock or property to which subsection (a) or (b) applies.”.

18 (e) EFFECTIVE DATES.—

19 (1) IN GENERAL.—Except as otherwise pro-
20 vided in this subsection, the amendments made by
21 this section shall apply to taxable years of foreign
22 corporations beginning after December 31, 2021,
23 and to taxable years of United States shareholders
24 in which or with which such taxable years of foreign
25 corporations end.

1 (2) CERTAIN OTHER MODIFICATIONS.—

2 (A) The amendments made by subsection
3 (c)(1) shall apply to distributions made after
4 December 31, 2017.

5 (B) The amendment made by subsection
6 (c)(2) apply to taxable years of foreign corpora-
7 tions beginning after December 31, 2017, and
8 to taxable years of United States shareholders
9 in which or with which such taxable years of
10 foreign corporations end.

11 **Subpart D—Inbound International Provisions**

12 **SEC. 138131. MODIFICATIONS TO BASE EROSION AND ANTI-**

13 **ABUSE TAX.**

14 (a) MODIFICATIONS TO BASE EROSION MINIMUM
15 TAX AMOUNT.—

16 (1) MODIFICATION OF RATES.—Section
17 59A(b)(1)(A) is amended by striking “10 percent (5
18 percent in the case of taxable years beginning in cal-
19 endar year 2018)” and inserting “the applicable per-
20 centage”.

21 (2) BASE EROSION MINIMUM TAX AMOUNT DE-
22 TERMINED WITHOUT REGARD TO CREDITS.—Section
23 59A(b)(1)(B) is amended to read as follows:

1 “(B) an amount equal to the regular tax li-
2 ability (as defined in section 26(b)) of the tax-
3 payer for the taxable year.”.

4 (3) APPLICABLE PERCENTAGE.—Section
5 59A(b)(2) is amended to read as follows:

6 “(2) APPLICABLE PERCENTAGE.—For purposes
7 of this subsection, the term applicable percentage
8 means—

9 “(A) in the case of any taxable year begin-
10 ning after December 31, 2021, and before Jan-
11 uary 1, 2024, 10 percent,

12 “(B) in the case of any taxable year begin-
13 ning after December 31, 2023, and before Jan-
14 uary 1, 2026, 12.5 percent, and

15 “(C) in the case of any taxable year begin-
16 ning after December 31, 2025, 15 percent.”.

17 (4) TAXPAYERS SUBJECT TO RULES FOR BANKS
18 AND SECURITIES DEALERS.—Section 59A(b)(3)(B)
19 is amended to read as follows:

20 “(B) TAXPAYER DESCRIBED.—A taxpayer
21 is described in this subparagraph if such tax-
22 payer is—

23 “(i) a bank (as defined in section
24 585(a)(2)),

1 “(ii) a securities dealer registered
2 under section 15(a) of the Securities Ex-
3 change Act of 1934, or

4 “(iii) a member of an affiliated group
5 (as defined in section 1504(a)(1), deter-
6 mined without regard to section
7 1504(b)(3)) which includes any person de-
8 scribed in clause (i) or (ii).”.

9 (5) GENERAL BUSINESS CREDIT ALLOWED
10 AGAINST BASE EROSION AND ANTI-ABUSE TAX.—
11 Section 38(c)(1) is amended by striking “the tax im-
12 posed by section 55” and inserting “the taxes im-
13 posed by sections 55 and 59A”.

14 (6) CONFORMING AMENDMENTS.—

15 (A) Section 59A(b)(3)(A) is amended by
16 striking “paragraphs (1)(A) and (2)(A) shall
17 each” and inserting “paragraph (2) shall”.

18 (B) Section 59A(b) is amended by striking
19 paragraph (4).

20 (b) MODIFICATION OF RULES FOR DETERMINING
21 MODIFIED TAXABLE INCOME.—

22 (1) IN GENERAL.—Section 59A(c) is amended
23 to read as follows:

24 “(c) MODIFIED TAXABLE INCOME.—For purposes of
25 this section—

1 “(1) IN GENERAL.—The term ‘modified taxable
2 income’ means the taxable income of the taxpayer
3 computed under this chapter for the taxable year
4 with the following adjustments:

5 “(A) BASE EROSION TAX BENEFITS.—Any
6 base erosion tax benefit shall be determined
7 without regard to any base erosion payment de-
8 scribed in paragraphs (1) through (4) of sub-
9 section (d), including for purposes of deter-
10 mining the adjusted basis of property described
11 in subsection (d)(2).

12 “(B) BASE EROSION BASIS ADJUSTMENTS
13 WITH RESPECT TO COST OF GOODS SOLD.—
14 Cost of goods sold shall be determined without
15 regard to any base erosion payment described
16 in subparagraph (A) or (B) of subsection
17 (d)(5).

18 “(C) NET OPERATING LOSSES.—The net
19 operating loss deduction for the taxable year
20 under section 172 shall be applied—

21 “(i) by substituting ‘modified taxable
22 income’ for ‘taxable income’ in subsection
23 (a)(2)(B)(ii)(I) thereof,

24 “(ii) by determining any net operating
25 loss arising in any taxable year beginning

1 after December 31, 2021, without regard
2 to any deduction which is a base erosion
3 tax benefit (determined with respect to
4 each such taxable year), and

5 “(iii) by making appropriate adjust-
6 ments in the application of subsection
7 (b)(2) thereof to take into account clause
8 (i) of this subparagraph as though such
9 clause applied with respect to taxable years
10 beginning after December 31, 2021 (but
11 by applying section 172(e) for purposes of
12 determining the amount of modified tax-
13 able income).

14 “(D) APPLICATION OF CERTAIN OTHER
15 ADJUSTMENTS.—Except as otherwise provided
16 by the Secretary, rules similar to the rules of
17 subsections (g) and (h) of section 59 shall
18 apply.

19 “(2) BASE EROSION TAX BENEFIT.—The term
20 ‘base erosion tax benefit’ means—

21 “(A) any deduction allowed under this
22 chapter for the taxable year with respect to any
23 base erosion payment described in subsection
24 (d)(1),

1 “(B) in the case of a base erosion payment
2 described in subsection (d)(2), any deduction al-
3 lowed under this chapter for the taxable year
4 for depreciation (or amortization in lieu of de-
5 preciation) with respect to the property ac-
6 quired with such payment,

7 “(C) in the case of a base erosion payment
8 described in subsection (d)(3)—

9 “(i) any reduction under section
10 803(a)(1)(B) in the gross amount of pre-
11 miums and other consideration on insur-
12 ance and annuity contracts for premiums
13 and other consideration arising out of in-
14 demnity insurance, and

15 “(ii) any deduction under section
16 832(b)(4)(A) from the amount of gross
17 premiums written on insurance contracts
18 during the taxable year for premiums paid
19 for reinsurance, and

20 “(D) in the case of a base erosion payment
21 described in subsection (d)(4), any reduction in
22 gross receipts with respect to such payment in
23 computing gross income of the taxpayer for the
24 taxable year for purposes of this chapter.”.

1 (2) CERTAIN PAYMENTS WITH RESPECT TO IN-
2 VENTORY TREATED AS BASE EROSION PAYMENTS.—
3 Section 59A(d) is amended by redesignating para-
4 graph (5) as paragraph (6) and by inserting after
5 paragraph (4) the following new paragraph:

6 “(5) CERTAIN PAYMENTS WITH RESPECT TO IN-
7 VENTORY.—

8 “(A) INDIRECT COSTS INCLUDED IN IN-
9 VENTORY UNDER SECTION 263A.—Such term
10 shall also include any amount paid or accrued
11 by the taxpayer to a foreign person which is a
12 related party of the taxpayer if such amount is
13 described in paragraph (2)(B) of section
14 263A(a) and required to be included in inven-
15 tory costs of the taxpayer under paragraph
16 (1)(A) of such section.

17 “(B) CERTAIN INDIRECT COSTS OF FOR-
18 EIGN RELATED PARTIES.—Such term shall also
19 include so much of any amount paid or accrued
20 by the taxpayer to a foreign person which is a
21 related party of the taxpayer in connection with
22 the acquisition by the taxpayer from such for-
23 eign person of property which is inventory in
24 the hands of the taxpayer as exceeds the sum
25 of—

1 “(i) the direct costs of such property
2 in the hands of such foreign person, plus

3 “(ii) so much of the costs described in
4 section 263A(a)(2)(B) with respect to such
5 property in the hands of such foreign per-
6 son as the taxpayer demonstrates to the
7 satisfaction of the Secretary are attrib-
8 utable to amounts—

9 “(I) paid or accrued by such for-
10 eign person to a United States person
11 or a person which is not a related
12 party of the taxpayer, or

13 “(II) otherwise subject to the tax
14 imposed by this subtitle.

15 “(C) APPLICATION TO TIERED RELATED-
16 PARTY TRANSACTIONS.—In the case of direct
17 costs otherwise described in clause (i) of sub-
18 paragraph (B) which are paid or incurred by
19 the foreign person referred to in such clause to
20 another foreign person which is a related party
21 of the taxpayer, such costs shall be taken into
22 account under such clause only to the extent
23 that the taxpayer demonstrates to the satisfac-
24 tion of the Secretary that such costs are attrib-
25 utable to amounts paid or accrued (directly or

1 indirectly) to a United States person or a per-
2 son which is not a related party of the tax-
3 payer.

4 “(D) SAFE HARBOR WITH RESPECT INDI-
5 RECT COSTS OF FOREIGN RELATED PARTIES.—
6 In the case of a taxpayer which elects the appli-
7 cation of this subparagraph (at such time, in
8 such manner, and with respect to such inven-
9 tory property, as the Secretary may provide),
10 the amount described in subparagraph (B)(ii)
11 with respect to such property shall be treated
12 for purposes of this section as being equal to 20
13 percent of the amount paid or incurred by the
14 taxpayer to the related party of the taxpayer in
15 connection with the acquisition of such prop-
16 erty.”.

17 (3) EXPANSION AND CONSOLIDATION OF RULES
18 TO EXEMPT CERTAIN PAYMENTS FROM TREATMENT
19 AS BASE EROSION PAYMENTS.—

20 (A) IN GENERAL.—Section 59A is amend-
21 ed by redesignating subsection (i) as subsection
22 (j) and by inserting after subsection (h) the fol-
23 lowing new subsection:

24 “(i) CERTAIN PAYMENT NOT TREATED AS BASE
25 EROSION PAYMENTS.—

1 “(1) EXCEPTION FOR PAYMENTS ON WHICH
2 TAX IS IMPOSED.—An amount shall not be treated
3 as a base erosion payment if tax is imposed by this
4 subtitle with respect to such amount. The amount
5 not treated as a base erosion payment by reason of
6 the preceding sentence shall be determined under
7 rules similar to the rules of section 163(j)(5) (as in
8 effect before the date of the enactment of Public
9 Law 115-97).

10 “(2) EXCEPTION FOR CERTAIN PAYMENTS SUB-
11 JECT TO SUFFICIENT FOREIGN TAX.—

12 “(A) IN GENERAL.—An amount shall not
13 be treated as a base erosion payment if the tax-
14 payer establishes to the satisfaction of the Sec-
15 retary that such amount was subject to an ef-
16 fective rate of foreign income tax (as defined in
17 section 904(d)(2)(F)) which is not less than the
18 applicable percentage in effect under subsection
19 (b)(2) for the taxable year in which such
20 amount is paid or accrued. Except as otherwise
21 provided by the Secretary under subparagraph
22 (B), the effective rate of foreign income tax
23 with respect to any amount may be established
24 on the basis of applicable financial statements
25 (as defined in section 451(b)(3)).

1 “(B) REGULATIONS.—The Secretary shall
2 issue such regulations or other guidance as may
3 be necessary or appropriate to carry out the
4 purposes of this paragraph, including regula-
5 tions or other guidance providing procedures for
6 determining the effective rate of foreign income
7 tax to which any amount is subject. Such proce-
8 dures may require that any transaction or se-
9 ries of transactions among multiple parties be
10 recharacterized as one or more transactions di-
11 rectly among any 2 or more of such parties
12 where the Secretary determines that such re-
13 characterization is appropriate to carry out, or
14 prevent avoidance of, the purposes of this sec-
15 tion.

16 “(3) EXCEPTION FOR CERTAIN AMOUNTS WITH
17 RESPECT TO SERVICES.—Subsections (d)(1) and
18 (d)(5)(A) shall not apply to so much of any amount
19 paid or accrued by a taxpayer for services as does
20 not exceed the total services cost of such services.
21 The preceding sentence shall not apply unless such
22 services meet the requirements for eligibility for use
23 of the services cost method under section 482 (deter-
24 mined without regard to the requirement that the

1 services not contribute significantly to fundamental
2 risks of business success or failure).”.

3 (B) CONFORMING AMENDMENT.—Section
4 59A(d), as amended by paragraph (2), is
5 amended by striking paragraph (6).

6 (c) REPEAL OF EXEMPTION FROM BASE EROSION
7 AND ANTI-ABUSE TAX FOR TAXPAYERS WITH LOW BASE
8 EROSION PERCENTAGE.—Section 59A(e)(1)(C) is amend-
9 ed by inserting “in the case of any taxable year beginning
10 before January 1, 2024,” before “the base erosion per-
11 centage”.

12 (d) OTHER MODIFICATIONS.—

13 (1) Section 59A(h)(2)(B) is amended by strik-
14 ing “section 6038B(b)(2)” and inserting “section
15 6038A(b)(2)”.

16 (2) Section 59A(j)(2), as redesignated by sub-
17 section (b), is amended by striking “subsection
18 (g)(3)” and inserting “subsection (h)(3)”.

19 (e) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2021.

1 **Subpart E—Other Business Tax Provisions**

2 **SEC. 138141. CREDIT FOR CLINICAL TESTING OF ORPHAN**
3 **DRUGS LIMITED TO FIRST USE OR INDICA-**
4 **TION.**

5 (a) IN GENERAL.—Section 45C(b)(2)(B) is amended
6 to read as follows:

7 “(B) TESTING MUST BE RELATED TO
8 FIRST USE OR INDICATION FOR RARE DISEASE
9 OR CONDITION.—Human clinical testing may be
10 taken into account under subparagraph (A)
11 only to the extent such testing is related to the
12 first use or indication with respect to which a
13 drug for a rare disease or condition is des-
14 ignated under section 526 of the Federal Food,
15 Drug, and Cosmetic Act.”.

16 (b) ELIGIBLE TESTING MUST BE CONDUCTED BE-
17 FORE APPROVAL FOR ANY USE OR INDICATION.—Section
18 45C(b)(2)(A)(ii)(II) is amended to read as follows:

19 “(II) before the first date on
20 which an application (with respect to
21 any use or indication with respect to
22 any disease or condition) with respect
23 to such drug is approved under sec-
24 tion 505(c) of such Act or, if the drug
25 is a biological product, before the first
26 date on which a license (with respect

1 to any use or indication with respect
2 to any disease or condition) for such
3 drug is issued under section 351(a) of
4 the Public Health Service Act, and”.

5 (c) ELIGIBILITY OF BIOLOGICAL PRODUCTS.—

6 (1) IN GENERAL.—Section 45C(b)(2)(A)(i) is
7 amended by inserting “or, if the drug is a biological
8 product, section 351(a)(3) of the Public Health
9 Service Act” before the comma at the end.

10 (2) CONFORMING AMENDMENT.—Section
11 45C(b)(2)(A)(ii)(I) is amended by striking “such
12 Act” and inserting “the Federal Food, Drug, and
13 Cosmetic Act”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 138142. MODIFICATIONS TO TREATMENT OF CERTAIN**
18 **LOSSES.**

19 (a) LOSSES FROM CERTAIN CAPITAL ASSETS WHICH
20 BECOME WORTHLESS.—

21 (1) WHEN TREATED AS LOSS.—Section
22 165(g)(1) is amended by striking “on the last day
23 of the taxable year” and inserting “at the time of
24 the identifiable event establishing worthlessness”.

1 (2) TREATMENT OF PARTNERSHIP INDEBTED-
2 NESS.—Section 165(g)(2)(C) is amended by insert-
3 ing “, by a partnership,” after “by a corporation”.

4 (3) TREATMENT OF PARTNERSHIP INTEREST.—
5 Section 165 is amended by redesignating subsection
6 (m) as subsection (n) and by inserting after sub-
7 section (l) the following new subsection:

8 “(m) WORTHLESS PARTNERSHIP INTEREST.—If any
9 interest in a partnership becomes worthless during the
10 taxable year, the loss resulting therefrom shall, for pur-
11 poses of this subtitle, be treated as a loss from the sale
12 or exchange of the interest in the partnership, as provided
13 in section 741, at the time of the identifiable event estab-
14 lishing worthlessness.”.

15 (b) DEFERRAL OF LOSSES IN CERTAIN CONTROLLED
16 GROUP CORPORATE LIQUIDATIONS.—Section 267 is
17 amended by adding at the end the following new sub-
18 section:

19 “(h) DEFERRAL OF LOSSES IN CERTAIN CON-
20 TROLLED GROUP LIQUIDATIONS.—

21 “(1) IN GENERAL.—In the case of two corpora-
22 tions described in subsection (b)(3), no loss shall be
23 recognized on the stock or securities of the liqui-
24 dating corporation in a complete liquidation to which
25 section 331 applies until the other corporation re-

1 ceiving property distributed in such liquidation with
2 respect to such stock or in exchange for such securi-
3 ties has disposed of substantially all property such
4 other corporation received in such liquidation to one
5 or more persons who are not related to such other
6 corporation (within the meaning of subsection (b)(3)
7 or section 707(b)(1)).

8 “(2) REGULATIONS.—The Secretary shall issue
9 such regulations or other guidance as the Secretary
10 determines is necessary or appropriate to carry out
11 the purposes of this subsection, including to apply
12 the principles of this subsection to liquidating cor-
13 poration stock or securities owned by a corporation
14 indirectly through 1 or more partnerships.”.

15 (c) CROSS REFERENCE.—Section 331(c) is amend-
16 ed—

17 (1) by striking “CROSS REFERENCE” and all
18 that follows through “For general rule” and insert-
19 ing the following: “CROSS REFERENCE.—

20 “(1) For general rule”, and

21 (2) by adding at the end the following new
22 paragraph:

23 “(2) For losses in controlled group liquidations,
24 see section 267(h).”.

25 (d) EFFECTIVE DATE.—

1 (1) SUBSECTION (a).—The amendments made
2 by this section shall apply to losses arising in taxable
3 years beginning after December 31, 2021.

4 (2) SUBSECTION (b).—The amendment made
5 by subsection (b) shall apply to liquidations on or
6 after the date of the enactment of this Act.

7 **SEC. 138143. ADJUSTED BASIS LIMITATION FOR DIVISIVE**
8 **REORGANIZATION.**

9 (a) IN GENERAL.—Section 361 is amended by adding
10 at the end the following new subsections:

11 “(d) ADJUSTED BASIS LIMITATION FOR DIVISIVE
12 REORGANIZATIONS.—

13 “(1) IN GENERAL.—Except as provided para-
14 graph (2), in the case of a reorganization described
15 in section 368(a)(1)(D) with respect to which stock
16 or securities of the controlled corporation (within the
17 meaning of section 355) are distributed by the dis-
18 tributing corporation (within the meaning of such
19 section) in a transaction which qualifies under such
20 section, subsection (b)(3) and subsection (c)(3) shall
21 not apply to so much of the money and other prop-
22 erty transferred to creditors as equals an amount
23 equal to the excess (if any) of—

24 “(A) the sum of—

1 “(i) the total amount of the liabilities
2 assumed (within the meaning of section
3 357(e)) by the controlled corporation,

4 “(ii) in the case of subsection (b)(3),
5 the total amount of money and the fair
6 market value of other property (including
7 stock described in section 354(a)(2)(C))
8 transferred to the creditors, and

9 “(iii) in the case of subsection (c)(3),
10 the total principal amount of securities of
11 the controlled corporation which is quali-
12 fied property (as defined in subsection
13 (c)(2)(B)) transferred to the creditors,
14 over

15 “(B) the total adjusted bases of the assets
16 transferred by the distributing corporation to
17 the controlled corporation.

18 “(2) EXCEPTION REGARDING CERTAIN STOCK
19 OR RIGHTS TO ACQUIRE STOCK.—Paragraph (1)
20 shall not apply to any stock (or right to acquire
21 stock) described in subsection (c)(2)(B).

22 “(3) REGULATIONS.—The Secretary shall issue
23 such regulations as may be necessary or appropriate
24 to prevent avoidance of tax through abuse of sub-
25 section (b)(3), subsection (c)(3), or this subsection,

1 including to determine whether a disposition of prop-
2 erty or any other transaction is in connection with
3 the reorganization or pursuant to the plan of reorga-
4 nization.

5 “(e) CROSS-REFERENCES.—For provisions providing
6 for the inclusion of income or recognition of gain in certain
7 distributions, see subsections (d), (e), (f), (g), and (h) of
8 section 355.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 361(b)(3) is amended—

11 (A) in the first sentence, by inserting “,
12 and except as provided in subsection (d)” after
13 “paragraph (1)”, and

14 (B) by striking the second and third sen-
15 tences.

16 (2) Section 361(c) is amended—

17 (A) in paragraph (3), by inserting “, and
18 except as provided in subsection (d)” after “this
19 subsection”, and

20 (B) by striking paragraph (5).

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to reorganizations occurring on or
23 after the date of the enactment of this Act.

1 **SEC. 138144. RENTS FROM PRISON FACILITIES NOT TREAT-**
2 **ED AS QUALIFIED INCOME FOR PURPOSES OF**
3 **REIT INCOME TESTS.**

4 (a) IN GENERAL.—Section 856(d)(2) is amended by
5 striking “and” at the end of subparagraph (B), by striking
6 the period at the end of subparagraph (C) and inserting
7 “, and”, and by adding at the end the following new sub-
8 paragraph:

9 “(D) any amount received or accrued, di-
10 rectly or indirectly, with respect to any real or
11 personal property which is primarily used in
12 connection with any correctional, detention, or
13 penal facility.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2021.

17 **SEC. 138145. MODIFICATIONS TO EXEMPTION FOR PORT-**
18 **FOLIO INTEREST.**

19 (a) IN GENERAL.—Section 871(h)(3)(B)(i) is amend-
20 ed to read as follows:

21 “(i) in the case of an obligation issued
22 by a corporation—

23 “(I) any person who owns 10
24 percent or more of the total combined
25 voting power of all classes of stock of
26 such corporation entitled to vote, or

1 “(II) any person who owns 10
2 percent or more of the total value of
3 the stock of such corporation, and”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to obligations issued after the date
6 of the enactment of this Act.

7 **SEC. 138146. CERTAIN PARTNERSHIP INTEREST DERIVA-**
8 **TIVES.**

9 (a) IN GENERAL.—Section 871(m) is amended by
10 adding at the end the following new paragraphs:

11 “(8) SPECIFIED PARTNERSHIP INTEREST IN-

12 COME EQUIVALENT PAYMENTS.—

13 “(A) IN GENERAL.—For purposes of this
14 subsection, any payment made pursuant to a
15 sale-repurchase transaction, or a specified no-
16 tional principal contract, that is determined by
17 reference to any income or gain in respect of an
18 interest in a specified partnership (or any other
19 payment the Secretary determines to be sub-
20 stantially similar) shall be treated as a dividend
21 equivalent.

22 “(B) SPECIFIED PARTNERSHIP.—For pur-
23 poses of this paragraph, the term ‘specified
24 partnership’ means—

1 “(i) any publicly-traded partnership
2 (as defined in subsection (b) of section
3 7704) which is not treated as a corpora-
4 tion under such section, or

5 “(ii) any other partnership as the Sec-
6 retary may by regulation prescribe.

7 “(C) EXCEPTIONS.—

8 “(i) EXCEPTED CONTRACTS.—Sub-
9 paragraph (A) shall not apply to any con-
10 tract or transaction the Secretary deter-
11 mines does not have the potential for tax
12 avoidance.

13 “(ii) CERTAIN INCOME.—Under such
14 regulations as the Secretary shall pre-
15 scribe, there shall not be taken into ac-
16 count under subparagraph (A) any pay-
17 ment the income or gain from which would
18 (but for this paragraph) be—

19 “(I) exempt from taxes under
20 this subtitle, or

21 “(II) treated as income from
22 sources without the United States if
23 paid to a nonresident alien individual.

24 “(D) TREATMENT OF DEFINITIONS AND
25 SPECIAL RULES WITH RESPECT TO PARTNER-

1 SHIPS.—For purposes of this paragraph, rules
2 similar to the rules and definitions in para-
3 graphs (3), (4), (5), (6) and (7) shall apply to
4 an interest in a specified partnership in a man-
5 ner similar to an underlying security, and to in-
6 come or gain in respect of an interest in a spec-
7 ified partnership in a manner similar to a divi-
8 dend.

9 “(9) OTHER RULES RELATING TO TREATMENT
10 OF DIVIDEND EQUIVALENTS.—

11 “(A) IN GENERAL.—A dividend equivalent
12 amount under this subsection shall be treated
13 as a dividend paid by a domestic corporation.

14 “(B) RATE OF TAX FOR PUBLICLY TRADED
15 PARTNERSHIP INCOME PAYMENTS.—In the case
16 of a payment treated as a dividend equivalent
17 pursuant to paragraph (8), the rate of tax im-
18 posed on any nonresident alien individual or
19 foreign corporation with respect to such pay-
20 ment shall not be less than the rate that would
21 be imposed had such individual or foreign cor-
22 poration, as the case may be, received a divi-
23 dend from a domestic corporation in which such
24 individual or foreign corporation owned less
25 than 1 percent (by vote or value) of the stock.”.

1 (b) WITHHOLDING OF TAX ON NONRESIDENT
2 ALIENS.—Section 1441 is amended by redesignating sub-
3 section (g) as subsection (h) and by inserting after sub-
4 section (f) the following new subsection:

5 “(g) DEEMED DIVIDEND EQUIVALENT PAYMENTS IN
6 CASE OF CERTAIN PUBLICLY TRADED PARTNERSHIPS.—
7 The Secretary may prescribe regulations, under rules simi-
8 lar to the rules of section 1446(f), to determine the man-
9 ner in which the amount of income and gain is determined
10 for purposes of this section in the case of amounts treated
11 as a dividend equivalent under section 871(m)(8).”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to payments made on or after the
14 date that is 180 days after the date of the enactment of
15 this Act.

16 **SEC. 138147. ADJUSTMENTS TO EARNINGS AND PROFITS OF**
17 **CONTROLLED FOREIGN CORPORATIONS.**

18 (a) IN GENERAL.—Section 312(n) is amended by
19 adding at the end the following new paragraph:

20 “(9) SPECIAL RULES FOR CONTROLLED FOR-
21 EIGN CORPORATIONS.—Earnings and profits of any
22 controlled foreign corporation shall be determined
23 without regard to paragraphs (4), (5), and (6).”.

24 (b) CONFORMING AMENDMENT.—Section 952(c) is
25 amended by striking paragraph (3).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years of foreign corpora-
3 tions beginning after December 31, 2021, and to taxable
4 years of United States shareholders in which or with which
5 such taxable years of foreign corporations end.

6 **SEC. 138148. CERTAIN DIVIDENDS FROM CONTROLLED FOR-**
7 **EIGN CORPORATIONS TO UNITED STATES**
8 **SHAREHOLDERS TREATED AS EXTRAOR-**
9 **DINARY DIVIDENDS.**

10 (a) IN GENERAL.—Section 1059 is amended by re-
11 designating subsection (g) as subsection (h) and by insert-
12 ing after subsection (f) the following new subsection:

13 “(g) TREATMENT OF CERTAIN DIVIDENDS FROM
14 CONTROLLED FOREIGN CORPORATIONS TO UNITED
15 STATES SHAREHOLDERS.—

16 “(1) IN GENERAL.—Except as otherwise pro-
17 vided by the Secretary, any disqualified CFC divi-
18 dend shall be treated as an extraordinary dividend to
19 which paragraph (1) and (2) of subsection (a) ap-
20 plies without regard to the period the taxpayer held
21 the stock with respect to which such dividend is
22 paid.

23 “(2) DISQUALIFIED CFC DIVIDEND.— For pur-
24 poses of this subsection, the term ‘disqualified CFC
25 dividend’ means any dividend paid by a controlled

1 foreign corporation to a taxpayer which is a United
2 States shareholder of such foreign corporation if—

3 “(A) such dividend is attributable to earn-
4 ings and profits which—

5 “(i) were earned by such controlled
6 foreign corporation during a disqualified
7 period, or

8 “(ii) are attributable to gain on prop-
9 erty which accrued during a disqualified
10 period.

11 “(3) DISQUALIFIED PERIOD.—For purposes of
12 this subsection, the term ‘disqualified period’ means,
13 with respect to any dividend paid with respect to any
14 stock of a controlled foreign corporation, any period
15 during which—

16 “(A) such foreign corporation was not a
17 controlled foreign corporation, or

18 “(B) such stock was not owned by a
19 United States shareholder.”.

20 (b) REGULATIONS.—Section 1059(h), as redesign-
21 nated by subsection (a), is amended—

22 (1) by striking “regulations” both places it ap-
23 pears and inserting “regulations or other guidance”,
24 and

1 (2) by striking “and” at the end of paragraph
2 (1), by striking the period at the end of paragraph
3 (2) and inserting “, and”, and by adding at the end
4 the following new paragraph:

5 “(3) providing for the coordination of sub-
6 section (g) with the other provisions of this chapter,
7 including section 1248.”.

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

11 **SEC. 138149. MODIFICATION OF RULES FOR PARTNERSHIP**
12 **INTERESTS HELD IN CONNECTION WITH THE**
13 **PERFORMANCE OF SERVICES.**

14 (a) IN GENERAL.—Section 1061 is amended by strik-
15 ing subsections (a) and (b) and inserting the following new
16 subsections:

17 “(a) IN GENERAL.—If one or more applicable part-
18 nership interests are held by a taxpayer at any time during
19 the taxable year, the taxpayer’s net applicable partnership
20 gain for such taxable year shall be treated as short-term
21 capital gain.

22 “(b) NET APPLICABLE PARTNERSHIP GAIN.—For
23 purposes of this section—

24 “(1) IN GENERAL.—The term ‘net applicable
25 partnership gain’ means—

1 “(A) the taxpayer’s net long-term capital
2 gain determined by only taking into account
3 gains and losses with respect to one or more ap-
4 plicable partnership interests described in sub-
5 section (a), and

6 “(B) any other amounts which are—

7 “(i) includible in the gross income of
8 the taxpayer with respect to one or more
9 such applicable partnership interests, and

10 “(ii) treated as capital gain or subject
11 to tax at the rate applicable to capital
12 gain.

13 “(2) HOLDING PERIOD EXCEPTION.—

14 “(A) IN GENERAL.—Net applicable part-
15 nership gain shall be determined without regard
16 to any amount which is realized after the date
17 that is 5 years after the latest of:

18 “(i) The date on which the taxpayer
19 acquired substantially all of the applicable
20 partnership interest with respect to which
21 the amount is realized.

22 “(ii) The date on which the partner-
23 ship in which such applicable partnership
24 interest is held acquired substantially all of
25 the assets held by such partnership.

1 “(iii) If the partnership described in
2 clause (i) owns, directly or indirectly, inter-
3 ests in one or more other partnerships, the
4 dates determined by applying rules similar
5 to the rules in clauses (i) and (ii) in the
6 case of each such other partnership.

7 “(B) SHORTER HOLDING PERIOD IN CER-
8 TAIN CIRCUMSTANCES.—Subparagraph (A)
9 shall be applied by substituting ‘3 years’ for ‘5
10 years’ in the case of—

11 “(i) a taxpayer (other than a trust or
12 estate) with an adjusted gross income (de-
13 termined without regard to sections 911,
14 931 and 933) of less than \$400,000, and

15 “(ii) any income with respect to any
16 applicable partnership interest that is at-
17 tributable to a real property trade or busi-
18 ness within the meaning of section
19 469(c)(7)(C).

20 “(iii) The Secretary is directed to pro-
21 vide guidance regarding determination of
22 the amount described in subsection (a) as
23 applied in paragraph (1) hereof, and any
24 necessary and appropriate reporting by any

1 partnership to carry out the purposes of
2 this section. —

3 “(3) SECTION 83 TO NOT APPLY.—This section
4 shall be applied without regard to section 83 and
5 any election in effect under section 83(b).

6 “(4) SPECIAL RULE.—To the extent provided
7 by the Secretary, subsection (a) shall not apply to
8 income or gain attributable to any asset not held for
9 portfolio investment on behalf of third party inves-
10 tors.”.

11 (b) MODIFICATIONS RELATED TO DEFINITION OF
12 APPLICABLE PARTNERSHIP INTEREST.—Section 1061(c)
13 is amended—

14 (1) in paragraph (1), by striking “to such other
15 entity” and inserting “with respect to a trade or
16 business that is not an applicable trade or business”,

17 (2) in paragraph (3), by striking “an interest in
18 a partnership to the extent of the partnership’s pro-
19 portionate interest in any of the foregoing” and in-
20 serting “except as otherwise provided by the Sec-
21 retary, an interest in a partnership if such partner-
22 ship has a direct or indirect interest in any of the
23 foregoing”, and

24 (3) in paragraph (4)—

1 (A) by striking “The term” and inserting
2 “Except as otherwise provided by the Secretary,
3 the term”, and

4 (B) in subparagraph (A), by striking “cor-
5 poration” and inserting “C corporation”.

6 (c) RECOGNITION OF GAIN ON TRANSFERS OF AP-
7 PPLICABLE PARTNERSHIP INTERESTS TO UNRELATED
8 PARTIES.—Section 1061(d) is amended to read as follows:
9 “(d) TRANSFER OF APPLICABLE PARTNERSHIP IN-
10 TEREST.—If a taxpayer transfers any applicable partner-
11 ship interest, gain shall be recognized notwithstanding any
12 other provision of this subtitle.”.

13 (d) REGULATIONS.—Section 1061(e) is amended by
14 striking the period at the end and inserting the following:
15 “, including regulations or other guidance to—

16 “(1) to prevent the avoidance of the purposes of
17 this section, including through the distribution of
18 property by a partnership and through carry waiv-
19 ers, and

20 “(2) to provide for the application of this sec-
21 tion to financial instruments, contracts or interests
22 in entities other than partnerships to the extent nec-
23 essary or appropriate to carry out the purposes of
24 this section.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **SEC. 138150. LIMITATION ON CERTAIN SPECIAL RULES FOR**
5 **SECTION 1202 GAINS.**

6 (a) IN GENERAL.—Section 1202(a) is amended by
7 adding at the end the following new paragraph:

8 “(5) LIMITATION ON CERTAIN SPECIAL
9 RULES.—In the case of the sale or exchange of
10 qualified small business stock after September 13,
11 2021, paragraphs (3) and (4) shall not apply to any
12 taxpayer if—

13 “(A) the adjusted gross income of such
14 taxpayer (determined without regard to this
15 section and sections 911, 931, and 933) equals
16 or exceeds \$400,000, or

17 “(B) such taxpayer is a trust or estate.”.

18 (b) EFFECTIVE DATE.—Except as provided in sub-
19 section (c), the amendment made by this section shall
20 apply to sales and exchanges on or after September 13,
21 2021.

22 (c) BINDING CONTRACT EXCEPTION.—The amend-
23 ment made by this section shall not apply to any sale or
24 exchange which is made pursuant to written binding con-

1 tract which was in effect on September 12, 2021, and is
2 not modified in any material respect thereafter.

3 **SEC. 138151. CONSTRUCTIVE SALES.**

4 (a) APPLICATION TO APPRECIATED DIGITAL AS-
5 SETS.—

6 (1) IN GENERAL.—Section 1259(b)(1) is
7 amended by inserting “digital asset,” after “debt in-
8 strument,”.

9 (2) DIGITAL ASSET.—Section 1259(d) is
10 amended by adding at the end the following new
11 paragraph:

12 “(3) DIGITAL ASSET.—Except as otherwise pro-
13 vided by the Secretary, the term ‘digital asset’
14 means any digital representation of value which is
15 recorded on a cryptographically secured distributed
16 ledger or any similar technology as specified by the
17 Secretary.”.

18 (b) TREATMENT OF CERTAIN CONTRACTS.—Section
19 1259(c)(1)(D) is amended by inserting “or enters into a
20 contract to acquire” after “acquires”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by
23 subsection (a) shall apply to constructive sales (de-
24 termined after the application of the amendment

1 made by subsection (b)) after the date of the enact-
2 ment of this Act.

3 (2) TREATMENT OF CERTAIN CONTRACTS.—

4 The amendment made by subsection (b) shall apply
5 to contracts entered into after the date of the enact-
6 ment of this Act.

7 **SEC. 138152. RULES RELATING TO COMMON CONTROL.**

8 (a) CLARIFICATION OF TRADE OR BUSINESS.—Sec-
9 tion 52(b) is amended by adding at the end the following
10 new sentence: “For purposes of this subsection, the term
11 ‘trade or business’ includes any activity treated as a trade
12 or business under paragraph (5) or (6) of section 469(c).”

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to taxable years beginning after
15 December 31, 2021.

16 **SEC. 138153. WASH SALES BY RELATED PARTIES; WASH**
17 **SALES OF SPECIFIED ASSETS.**

18 (a) APPLICATION OF WASH SALE RULES TO RE-
19 LATED PARTIES.—Section 1091(a) is amended by striking
20 “the taxpayer has acquired” and inserting “the taxpayer
21 (or a related party) has acquired”.

22 (b) MODIFICATION OF BASIS ADJUSTMENT RULE TO
23 PREVENT TRANSFER OF LOSSES TO RELATED PAR-
24 TIES.—Section 1091(d) is amended to read as follows:

1 “(d) ADJUSTMENT TO BASIS IN CASE OF WASH
2 SALE.—If the taxpayer (or the taxpayer’s spouse) ac-
3 quires substantially identical specified assets during the
4 period which—

5 “(1) begins 30 days before the disposition with
6 respect to which a deduction was disallowed under
7 subsection (a), and

8 “(2) ends with the close of the taxpayer’s first
9 taxable year which begins after such disposition,
10 the basis of such specified assets shall be increased by the
11 amount of the deduction so disallowed (reduced by any
12 amount of such deduction taken into account under this
13 subsection to increase the basis of specified assets pre-
14 viously acquired).”

15 (c) RELATED PARTY.—Section 1091 is amended by
16 adding at the end the following new subsection:

17 “(g) RELATED PARTY.—For purposes of this sec-
18 tion—

19 “(1) IN GENERAL.—The term ‘related party’
20 means—

21 “(A) the taxpayer’s spouse,

22 “(B) any dependent of the taxpayer and
23 any other taxpayer with respect to whom the
24 taxpayer is a dependent,

1 “(C) any individual, corporation, partner-
2 ship, trust, or estate which controls, or is con-
3 trolled by, (within the meaning of section
4 954(d)(3)) the taxpayer or any individual de-
5 scribed in subparagraph (A) or (B) with respect
6 to the taxpayer (or any combination thereof),

7 “(D) any individual retirement plan, Ar-
8 cher MSA (as defined in section 220(d)), or
9 health savings account (as defined in section
10 223(d)), of the taxpayer or of any individual de-
11 scribed in subparagraph (A) or (B) with respect
12 to the taxpayer,

13 “(E) any account under a qualified tuition
14 program described in section 529 or a Coverdell
15 education savings account (as defined in section
16 530(b)) if the taxpayer, or any individual de-
17 scribed in subparagraph (A) or (B) with respect
18 to the taxpayer, is the designated beneficiary of
19 such account or has the right to make any deci-
20 sion with respect to the investment of any
21 amount in such account, and

22 “(F) any account under—

23 “(i) a plan described in section
24 401(a),

1 “(ii) an annuity plan described in sec-
2 tion 403(a),

3 “(iii) an annuity contract described in
4 section 403(b), or

5 “(iv) an eligible deferred compensa-
6 tion plan described in section 457(b) and
7 maintained by an employer described in
8 section 457(e)(1)(A),

9 if the taxpayer or any individual described in
10 subparagraph (A) or (B) with respect to the
11 taxpayer has the right to make any decision
12 with respect to the investment of any amount in
13 such account.

14 “(2) RULES FOR DETERMINING STATUS.—

15 “(A) RELATIONSHIPS DETERMINED AT
16 TIME OF ACQUISITION.—Determinations under
17 paragraph (1) shall be made as of the time of
18 the purchase or exchange referred to in sub-
19 section (a) except that determinations under
20 subparagraphs (A) and (B) of paragraph (1)
21 shall be made for the taxable year which in-
22 cludes such purchase or exchange.

23 “(B) DETERMINATION OF MARITAL STA-
24 TUS.—

1 “(i) IN GENERAL.—Except as pro-
2 vided in clause (ii), marital status shall be
3 determined under section 7703.

4 “(ii) SPECIAL RULE FOR MARRIED IN-
5 DIVIDUALS FILING SEPARATELY AND LIV-
6 ING APART.—A husband and wife who—

7 “(I) file separate returns for any
8 taxable year, and

9 “(II) live apart at all times dur-
10 ing such taxable year,

11 shall not be treated as married individuals.

12 “(3) REGULATIONS.—The Secretary shall issue
13 such regulations or other guidance as may be nec-
14 essary to prevent the avoidance of the purposes of
15 this subsection, including regulations which treat
16 persons as related parties if such persons are formed
17 or availed of to avoid the purposes of this sub-
18 section.”.

19 (d) WASH SALE RULES TO APPLY WITH RESPECT
20 TO SPECIFIED ASSETS.—

21 (1) SPECIFIED ASSETS.—Section 1091, as
22 amended by the preceding provisions of this section,
23 is amended by adding at the end the following new
24 subsection:

1 “(h) SPECIFIED ASSET.—For purposes of this sec-
2 tion, the term ‘specified asset’ means any of the following:

3 “(1) Any security described in subparagraph
4 (A), (B), (C), (D), or (E) of section 475(c)(2).

5 “(2) Any foreign currency.

6 “(3) Any commodity described in subparagraph
7 (A), (B), or (C) of section 475(e)(2).

8 “(4) Any digital representation of value which
9 is recorded on a cryptographically secured distrib-
10 uted ledger or any similar technology as specified by
11 the Secretary.

12 Such term shall, except as provided in regulations, include
13 contracts or options to acquire or sell any specified as-
14 sets.”.

15 (2) CONFORMING AMENDMENTS.—Section 1091
16 is amended—

17 (A) by striking the last sentence of sub-
18 section (a),

19 (B) by striking “stock or securities” each
20 place it appears and inserting “specified as-
21 sets”, and

22 (C) by striking “shares of” each place it
23 appears in subsections (a), (b), and (c).

24 (e) EXCEPTION FOR BUSINESS NEEDS AND HEDG-
25 ING TRANSACTIONS.—Section 1091, as amended by the

1 preceding provisions of this section, is amended by adding
2 at the end the following new subsection:

3 “(i) EXCEPTION FOR BUSINESS NEEDS AND HEDG-
4 ING TRANSACTIONS.—Except as provided in regulations
5 prescribed by the Secretary, subsection (a) shall not apply
6 in the case of any sale or other disposition—

7 “(1) of a foreign currency or commodity de-
8 scribed in subsection (h), and

9 “(2) which—

10 “(A) is directly related to the business
11 needs of a trade or business of the taxpayer
12 (other than the trade or business of trading for-
13 eign currencies or commodities described in
14 subsection (h)), or

15 “(B) is part of a hedging transaction (as
16 defined in section 1221(b)(2)).”.

17 (f) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to sales and other dispositions
19 after December 31, 2021.

20 **PART 2—TAX INCREASES FOR HIGH-INCOME**
21 **INDIVIDUALS**

22 **SEC. 138201. INCREASE IN TOP MARGINAL INDIVIDUAL IN-**
23 **COME TAX RATE.**

24 (a) RE-ESTABLISHMENT OF 39.6 PERCENT RATE
25 BRACKET.—

1 (1) MARRIED INDIVIDUALS FILING JOINT RE-
 2 TURNS AND SURVIVING SPOUSES.—The table con-
 3 tained in section 1(j)(2)(A) is amended by striking
 4 the last two rows and inserting the following: “

| | |
|--|--|
| “Over \$400,000 but not over \$450,000. | \$91,379, plus 35% of the excess over \$400,000 |
| Over \$450,000 | \$108,879, plus 39.6% of the excess over \$450,000.”. |

5 (2) HEADS OF HOUSEHOLDS.—The table con-
 6 tained in section 1(j)(2)(B) is amended by striking
 7 the last two rows and inserting the following: “

| | |
|--|--|
| “Over \$200,000 but not over \$425,000. | \$44,298, plus 35% of the excess over \$200,000 |
| Over \$425,000 | \$123,048, plus 39.6% of the excess over \$425,000.”. |

8 (3) UNMARRIED INDIVIDUALS OTHER THAN
 9 SURVIVING SPOUSES AND HEADS OF HOUSE-
 10 HOLDS.—The table contained in section 1(j)(2)(C) is
 11 amended by striking the last two rows and inserting
 12 the following: “

| | |
|--|---|
| “Over \$200,000 but not over \$400,000. | \$45,689.50, plus 35% of the excess over \$200,000 |
| Over \$400,000 | \$115,689.50, plus 39.6% of the ex- cess over \$400,000.”. |

13 (4) MARRIED INDIVIDUALS FILING SEPARATE
 14 RETURNS.—The table contained in section
 15 1(j)(2)(D) is amended by striking the last two rows
 16 and inserting the following: “

| | |
|--|--|
| “Over \$200,000 but not over \$225,000. | \$45,689.50, plus 35% of the excess over \$200,000 |
| Over \$225,000 | \$54,439.50, plus 39.6% of the excess over \$225,000.”. |

1 (5) ESTATES AND TRUSTS.—The table con-
2 tained in section 1(j)(2)(E) is amended by striking
3 the last row and inserting the following: “

| | |
|----------------------|--|
| “Over \$12,500 | \$3,011.50, plus 39.6% of the excess over \$12,500.”. |
|----------------------|--|

4 (b) APPLICATION OF ADJUSTMENTS.—Section
5 1(j)(3) is amended to read as follows:

6 “(3) ADJUSTMENTS.—For taxable years begin-
7 ning after December 31, 2021, the Secretary shall
8 prescribe tables which shall apply in lieu of the ta-
9 bles contained in paragraph (2) in the same manner
10 as under paragraphs (1) and (2) of subsection (f)
11 (applied without regard to clauses (i) and (ii) of sub-
12 section (f)(2)(A), except that in prescribing such ta-
13 bles—

14 “(A) except as provided in subparagraph
15 (B), subsection (f)(3) shall be applied by sub-
16 stituting ‘calendar year 2017’ for ‘calendar year
17 2016’ in subparagraph (A)(ii) thereof,

18 “(B) in the case of adjustments to the dol-
19 lar amounts at which the 39.6 percent rate
20 bracket begins (other than such dollar amount
21 in paragraph (2)(E))—

22 “(i) no adjustment shall be made for
23 taxable years beginning after December
24 31, 2021, and before January 1, 2023, and

1 “(ii) in the case of any taxable year
2 beginning after December 31, 2022, sub-
3 section (f)(3) shall be applied by sub-
4 stituting ‘calendar year 2021’ for ‘calendar
5 year 2016’,

6 “(C) subsection (f)(7)(B) shall apply to
7 any unmarried individual other than a surviving
8 spouse, and

9 “(D) subsection (f)(8) shall not apply.”.

10 (c) MODIFICATION TO 39.6 PERCENT RATE BRACK-
11 ET FOR HIGH-INCOME TAXPAYERS AFTER 2025.—Section
12 1(i)(3) is amended to read as follows:

13 “(3) MODIFICATIONS TO 39.6 PERCENT RATE
14 BRACKET.—In the case of taxable years beginning
15 after December 31, 2025—

16 “(A) IN GENERAL.—The rate of tax under
17 subsections (a), (b), (c), and (d) on a taxpayer’s
18 taxable income in excess of the 39.6 percent
19 rate bracket threshold shall be taxed at a rate
20 of 39.6 percent.

21 “(B) 39.6 PERCENT RATE BRACKET
22 THRESHOLD.—For purposes of this paragraph,
23 the term ‘39.6 percent rate bracket threshold’
24 means—

1 “(i) in the case any taxpayer de-
2 scribed in subsection (a), \$450,000,

3 “(ii) in the case of any taxpayer de-
4 scribed in subsection (b), \$425,000,

5 “(iii) in the case of any taxpayer de-
6 scribed in subsection (c), \$400,000, and

7 “(iv) in the case of any taxpayer de-
8 scribed in subsection (d), \$225,000.

9 “(C) INFLATION ADJUSTMENT.—For pur-
10 poses of this paragraph, with respect to taxable
11 years beginning in calendar years after 2025,
12 each of the dollar amounts in subparagraph (B)
13 shall be adjusted in the same manner as under
14 paragraph (1)(C)(i), except that subsection
15 (f)(3)(A)(ii) shall be applied by substituting
16 ‘2021’ for ‘2016’.”

17 (d) CONFORMING AMENDMENTS.—

18 (1) Section 1(j)(1) is amended by striking “De-
19 cember 31, 2017” and inserting “December 31,
20 2021”.

21 (2) The heading of section 1(j) is amended by
22 striking “2018” and inserting “2022”.

23 (3) The heading of section 1(i) is amended by
24 striking “RATE REDUCTIONS” and inserting “MODI-
25 FICATIONS”

1 (4) Section 15(f) is amended by striking “rate
2 reductions” and inserting “modifications”.

3 (e) SECTION 15 NOT TO APPLY.—For rules providing
4 that section 15 of the Internal Revenue Code of 1986 does
5 not apply to the amendments made by this section, see
6 sections 1(j)(6) and 15(f) of the Internal Revenue Code
7 of 1986.

8 (f) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2021.

11 **SEC. 138202. INCREASE IN CAPITAL GAINS RATE FOR CER-**
12 **TAIN HIGH INCOME INDIVIDUALS.**

13 (a) IN GENERAL.—Section 1(h)(1)(D) is amended by
14 striking “20 percent” and inserting “25 percent”.

15 (b) RE-ALIGNMENT OF 25 PERCENT CAPITAL GAINS
16 RATE THRESHOLD WITH 39.6 PERCENT INCOME TAX
17 RATE THRESHOLD.—Section 1(j)(5) is amended—

18 (1) by striking subparagraphs (A) and (B) and
19 inserting the following new subparagraphs:

20 “(A) IN GENERAL.—Section 1(h)(1) shall
21 be applied by substituting ‘below the maximum
22 zero rate amount’ for ‘which would (without re-
23 gard to this paragraph) be taxed at a rate
24 below 25 percent’ in subparagraph (B)(i).

1 “(B) MAXIMUM ZERO RATE AMOUNT DE-
2 FINED.—For purposes of applying section 1(h)
3 with the modifications described in subpara-
4 graph (A), the maximum zero rate amount shall
5 be—

6 “(i) in the case of a joint return or
7 surviving spouse, \$77,200,

8 “(ii) in the case of an individual who
9 is a head of household (as defined in sec-
10 tion 2(b)), \$51,700,

11 “(iii) in the case of any other indi-
12 vidual (other than an estate or trust), an
13 amount equal to $\frac{1}{2}$ of the amount in effect
14 for the taxable year under subclause (I),
15 and

16 “(iv) in the case of an estate or trust,
17 \$2,600.”, and

18 (2) by striking “each of the dollar amounts in
19 clauses (i) and (ii)” in subparagraph (C) and insert-
20 ing “each dollar amount in clause (i), (ii), or (iv)”.

21 (c) CONFORMING AMENDMENTS.—

22 (1) Section 55(b)(3) is amended by striking
23 subparagraph (D) and redesignating subparagraph
24 (E) as subparagraph (D).

1 (2) The following provisions are each amended
2 by striking “20 percent” and inserting “25 per-
3 cent”:

4 (A) Section 531.

5 (B) Section 541.

6 (C) Section 1445(e)(1).

7 (D) Section 1445(e)(6).

8 (E) The second sentence of section
9 7518(g)(6)(A).

10 (3) Section 53511(f)(2) of title 46, United
11 States Code, is amended to read as follows:

12 “(2) MAXIMUM TAX RATE.—For that portion of
13 a nonqualified withdrawal made from the capital
14 gain account during a taxable year to which section
15 1(h) of such Code (26 U.S.C. 1(h)) applies, the tax
16 rate used under paragraph (1)(B) may not exceed
17 25 percent.”.

18 (d) SECTION 15 NOT TO APPLY.—The amendments
19 made by this section shall not be treated as a change in
20 a rate of tax for purposes of section 15 of the Internal
21 Revenue Code of 1986.

22 (e) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as otherwise pro-
24 vided in this subsection, the amendments made by

1 this section shall apply to taxable years ending after
2 September 13, 2021.

3 (2) RE-ALIGNMENT OF 25 PERCENT CAPITAL
4 GAINS RATE THRESHOLD WITH 39.6 PERCENT IN-
5 COME TAX RATE THRESHOLD.—The amendments
6 made by subsection (b) shall apply to taxable years
7 beginning after December 31, 2021.

8 (3) WITHHOLDING UNDER SECTIONS 1445 AND
9 1446.—The amendments made by subparagraphs
10 (C) and (D) of subsection (c)(2) shall apply to dis-
11 positions after the date of the enactment of this Act.

12 (f) TRANSITIONAL RULES FOR TAXABLE YEARS
13 WHICH INCLUDE SEPTEMBER 13, 2021.—

14 (1) IN GENERAL.—For purposes of applying
15 section 1(h) of the Internal Revenue Code of 1986
16 with respect to any taxable year which includes Sep-
17 tember 13, 2021, the amount determined under sub-
18 paragraph (D) of section 1(h)(1) of such Code shall
19 be the sum of—

20 (A) 20 percent of the lesser of—

21 (i) the amount on which a tax is de-
22 termined under such subparagraph (D)
23 (without regard to this subsection), or

24 (ii) the amount (if any) of net capital
25 gain determined by taking into account

1 only dividends, gains, and losses for the
2 portion of the taxable year on or before
3 September 13, 2021 (determined without
4 regard to collectibles gain or loss, gain de-
5 scribed in section 1(h)(6)(A)(i) of such
6 Code, and section 1202 gain), plus—

7 (B) 25 percent of the excess (if any) of the
8 amount described in subparagraph (A)(i) over
9 the amount described in subparagraph (A)(ii).

10 (2) SPECIAL RULE FOR BINDING CONTRACTS
11 ENTERED INTO PRIOR TO SEPTEMBER 13, 2021.—For
12 purposes of paragraph (1), a gain recognized in the
13 taxable year that includes September 13, 2021, shall
14 be treated as being with respect to the portion of
15 such taxable year on or before such date if such gain
16 arises from a transaction which occurs pursuant to
17 a written binding contract entered into on or before
18 such date (and which is not modified thereafter in
19 any material respect).

20 (3) ALTERNATIVE MINIMUM TAX.—Rules simi-
21 lar to the rules of paragraph (1) shall apply for pur-
22 poses of applying section 55(b)(3) of such Code.

23 (4) APPLICATION TO PASS-THRU ENTITIES.—In
24 applying this subsection with respect to any pass-
25 thru entity, the determination of when dividends,

1 gains, and losses are properly taken into account
2 shall be made at the entity level.

3 (5) DEFINITIONS OF CERTAIN TERMS.—Terms
4 used in this subsection which are also used in sec-
5 tion 1(h) of such Code shall have the respective
6 meanings that such terms have in such section.

7 **SEC. 138203. APPLICATION OF NET INVESTMENT INCOME**
8 **TAX TO TRADE OR BUSINESS INCOME OF**
9 **CERTAIN HIGH INCOME INDIVIDUALS.**

10 (a) IN GENERAL.—Section 1411 is amended by add-
11 ing at the end the following new subsection:

12 “(f) APPLICATION TO CERTAIN HIGH INCOME INDI-
13 VIDUALS.—

14 “(1) IN GENERAL.—In the case of any indi-
15 vidual whose modified adjusted gross income for the
16 taxable year exceeds the high income threshold
17 amount, subsection (a)(1) shall be applied by sub-
18 stituting ‘the greater of specified net income or net
19 investment income’ for ‘net investment income’ in
20 subparagraph (A) thereof.

21 “(2) PHASE-IN OF INCREASE.—The increase in
22 the tax imposed under subsection (a)(1) by reason of
23 the application of paragraph (1) of this subsection
24 shall not exceed the amount which bears the same

1 ratio to the amount of such increase (determined
2 without regard to this paragraph) as—

3 “(A) the excess described in paragraph (1),
4 bears to

5 “(B) \$100,000 ($\frac{1}{2}$ such amount in the
6 case of a married taxpayer (as defined in sec-
7 tion 7703) filing a separate return).

8 “(3) HIGH INCOME THRESHOLD AMOUNT.—For
9 purposes of this subsection, the term ‘high income
10 threshold amount’ means—

11 “(A) except as provided in subparagraph
12 (B) or (C), \$400,000,

13 “(B) in the case of a taxpayer making a
14 joint return under section 6013 or a surviving
15 spouse (as defined in section 2(a)), \$500,000,
16 and

17 “(C) in the case of a married taxpayer (as
18 defined in section 7703) filing a separate re-
19 turn, $\frac{1}{2}$ of the dollar amount determined under
20 subparagraph (B).

21 “(4) SPECIFIED NET INCOME.—For purposes of
22 this section, the term ‘specified net income’ means
23 net investment income determined—

24 “(A) without regard to the phrase ‘other
25 than such income which is derived in the ordi-

1 nary course of a trade or business not described
2 in paragraph (2),’ in subsection (c)(1)(A)(i),

3 “(B) without regard to the phrase ‘de-
4 scribed in paragraph (2)’ in subsection
5 (c)(1)(A)(ii),

6 “(C) without regard to the phrase ‘other
7 than property held in a trade or business not
8 described in paragraph (2)’ in subsection
9 (c)(1)(A)(iii),

10 “(D) without regard to paragraphs (2),
11 (3), and (4) of subsection (c), and

12 “(E) by treating paragraphs (5) and (6) of
13 section 469(c) as applying for purposes of sub-
14 section (c) of this section.”.

15 (b) APPLICATION TO TRUSTS AND ESTATES.—Sec-
16 tion 1411(a)(2)(A) is amended by striking “undistributed
17 net investment income” and inserting “the greater of un-
18 distributed specified net income or undistributed net in-
19 vestment income”.

20 (c) CLARIFICATIONS WITH RESPECT TO DETER-
21 MINATION OF NET INVESTMENT INCOME.—

22 (1) WAGES SUBJECT TO FICA NOT TAKEN INTO
23 ACCOUNT.—Section 1411(c)(6) is amended by in-
24 serting “or wages received with respect to employ-

1 ment on which a tax is imposed under section
2 3101(b)” before the period at the end.

3 (2) NET OPERATING LOSSES NOT TAKEN INTO
4 ACCOUNT.—Section 1411(c)(1)(B) is amended by in-
5 serting “(other than section 172)” after “this sub-
6 title”.

7 (3) INCLUSION OF CERTAIN FOREIGN IN-
8 COME.—

9 (A) IN GENERAL.—Section 1411(c)(1)(A)
10 is amended by striking “and” at the end of
11 clause (ii), by striking “over” at the end of
12 clause (iii) and inserting “and”, and by adding
13 at the end the following new clause:

14 “(iv) any amount includible in gross
15 income under section 951, 951A, 1293, or
16 1296, over”.

17 (B) PROPER TREATMENT OF CERTAIN
18 PREVIOUSLY TAXED INCOME.—Section 1411(c)
19 is amended by adding at the end the following
20 new paragraph:

21 “(7) CERTAIN PREVIOUSLY TAXED INCOME.—
22 The Secretary shall issue regulations or other guid-
23 ance providing for the treatment of distributions of
24 amounts previously included in gross income for pur-

1 poses of chapter 1 but not previously subject to tax
2 under this section.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2021.

6 (e) **TRANSITION RULE.**—The regulations or other
7 guidance issued by the Secretary under section 1411(e)(7)
8 of the Internal Revenue Code of 1986 (as added by this
9 section) shall include provisions which provide for the
10 proper coordination and application of clauses (i) and (iv)
11 of section 1411(e)(1)(A) with respect to—

12 (1) taxable years beginning on or before De-
13 cember 31, 2021, and

14 (2) taxable years beginning after such date.

15 **SEC. 138204. LIMITATION ON DEDUCTION OF QUALIFIED**
16 **BUSINESS INCOME FOR CERTAIN HIGH IN-**
17 **COME INDIVIDUALS.**

18 (a) **IN GENERAL.**—Section 199A(a) is amended by
19 striking “or” at the end of paragraph (1), by striking the
20 period at the end of paragraph (2) and inserting “, or”,
21 and by adding at the end the following new paragraph:

22 “(3) the following amount:

23 “(A) \$500,000 in the case of a joint return
24 or surviving spouse (as defined in section 2(a)),

1 “(B) \$400,000 in the case of any taxpayer
2 not described in subparagraph (A), (C), or (D),

3 “(C) \$250,000 in the case of a married in-
4 dividual filing a separate return, or

5 “(D) \$10,000 in the case of an estate or
6 trust.”.

7 (b) **EFFECTIVE DATE.**—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2021.

10 **SEC. 138205. LIMITATIONS ON EXCESS BUSINESS LOSSES**
11 **OF NONCORPORATE TAXPAYERS.**

12 (a) **LIMITATION MADE PERMANENT.**—

13 (1) **IN GENERAL.**—Section 461(l)(1) is amend-
14 ed to read as follows:

15 “(1) **LIMITATION.**—In the case of any taxpayer
16 other than a corporation, any excess business loss of
17 the taxpayer for the taxable year shall not be al-
18 lowed.”.

19 (2) **CONFORMING AMENDMENT.**—Section 461 is
20 amended by striking subsection (j).

21 (b) **MODIFICATION OF CARRYOVER OF DISALLOWED**
22 **LOSSES.**—Section 461(l)(2) is amended to read as follows:

23 “(2) **DISALLOWED LOSS CARRYOVER.**—Any loss
24 which is disallowed under paragraph (1) for any tax-
25 able year shall be treated (solely for purposes of this

1 chapter) as a deduction described in paragraph
2 (3)(A)(i) for the next taxable year.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2020.

6 **SEC. 138206. SURCHARGE ON HIGH INCOME INDIVIDUALS,**
7 **ESTATES, AND TRUSTS.**

8 (a) IN GENERAL.—Part I of subchapter A of chapter
9 1 is amended by inserting after section 1 the following
10 new section:

11 **“SEC. 1A. SURCHARGE ON HIGH INCOME INDIVIDUALS, ES-**
12 **TATES, AND TRUSTS.**

13 “(a) GENERAL RULE.—In the case of a taxpayer
14 other than a corporation, there is hereby imposed (in addi-
15 tion to any other tax imposed by this subtitle) a tax equal
16 to 3 percent of so much of the modified adjusted gross
17 income of the taxpayer as exceeds—

18 “(1) \$5,000,000, in the case of any taxpayer
19 not described in paragraph (2) or (3),

20 “(2) \$2,500,000, in the case of a married indi-
21 vidual filing a separate return, and

22 “(3) \$100,000, in the case of an estate or trust.

23 “(b) MODIFIED ADJUSTED GROSS INCOME.—For
24 purposes of this section, the term ‘modified adjusted gross
25 income’ means adjusted gross income reduced by any de-

1 duction (not taken into account in determining adjusted
2 gross income) allowed for investment interest (as defined
3 in section 163(d)). In the case of an estate or trust, ad-
4 justed gross income shall be determined as provided in sec-
5 tion 67(e).

6 “(c) SPECIAL RULES.—

7 “(1) NONRESIDENT ALIEN.—In the case of a
8 nonresident alien individual, only amounts taken
9 into account in connection with the tax imposed
10 under section 871(b) shall be taken into account
11 under this section.

12 “(2) CITIZENS AND RESIDENTS LIVING
13 ABROAD.—The dollar amount applicable to any tax-
14 payer under paragraph (1), (2), or (3) of subsection
15 (a) (as the case may be) shall be decreased (but not
16 below zero) by the excess (if any) of—

17 “(A) the amounts excluded from the tax-
18 payer’s gross income under section 911, over

19 “(B) the amounts of any deductions or ex-
20 clusions disallowed under section 911(d)(6)
21 with respect to the amounts described in sub-
22 paragraph (A).

23 “(3) CHARITABLE TRUSTS.—Subsection (a)
24 shall not apply to a trust all the unexpired interests

1 in which are devoted to one or more of the purposes
2 described in section 170(c)(2)(B).

3 “(4) NOT TREATED AS TAX IMPOSED BY THIS
4 CHAPTER FOR CERTAIN PURPOSES.—The tax im-
5 posed under this section shall not be treated as tax
6 imposed by this chapter for purposes of determining
7 the amount of any credit under this chapter or for
8 purposes of section 55.”

9 (b) CLERICAL AMENDMENT.—The table of sections
10 for part I of subchapter A of chapter 1 is amended by
11 inserting after the item relating to section 1 the following
12 new item:

“Sec. 1A. Surcharge on high income individuals.”

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2021.

16 **SEC. 138207. TERMINATION OF TEMPORARY INCREASE IN**
17 **UNIFIED CREDIT.**

18 (a) IN GENERAL.—Section 2010(c)(3) of the Internal
19 Revenue Code of 1986 is amended by striking subpara-
20 graph (C).

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to estates of decedents dying and
23 gifts made after December 31, 2021.

1 **SEC. 138208. INCREASE IN LIMITATION ON ESTATE TAX**
2 **VALUATION REDUCTION FOR CERTAIN REAL**
3 **PROPERTY USED IN FARMING OR OTHER**
4 **TRADES OR BUSINESSES.**

5 (a) IN GENERAL.—Section 2032A(a)(2) of the Inter-
6 nal Revenue Code of 1986 is amended by striking
7 “\$750,000” and inserting “\$11,700,000”.

8 (b) INFLATION ADJUSTMENT.—Section 2032A(a)(3)
9 of such Code is amended—

10 (1) by striking “\$750,000” both places it ap-
11 pears and inserting “\$11,700,000”,

12 (2) by striking “1998” in the matter preceding
13 subparagraph (A) and inserting “2021”, and

14 (3) by striking “1997” in subparagraph (B)
15 and inserting “2020”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to the estates of decedents dying
18 after December 31, 2021.

19 **SEC. 138209. CERTAIN TAX RULES APPLICABLE TO GRANT-**
20 **OR TRUSTS.**

21 (a) APPLICATION OF TRANSFER TAXES.—

22 (1) IN GENERAL.—Subtitle B of the Internal
23 Revenue Code of 1986 is amended by adding at the
24 end the following new chapter:

1 **“CHAPTER 16—SPECIAL RULES FOR**
2 **GRANTOR TRUSTS**

“Sec. 2901. Application of transfer taxes.

3 **“SEC. 2901. APPLICATION OF TRANSFER TAXES.**

4 “(a) IN GENERAL.—In the case of any portion of a
5 trust with respect to which the grantor is the deemed
6 owner—

7 “(1) the value of the gross estate of the de-
8 ceased deemed owner of such portion shall include
9 all assets attributable to that portion at the time of
10 the death of such owner,

11 “(2) any distribution (other than to the deemed
12 owner or the deemed owner’s spouse) from such por-
13 tion to one or more beneficiaries during the life of
14 the deemed owner of such portion (other than in dis-
15 charge of an obligation of the deemed owner) shall
16 be treated as a transfer by gift for purposes of chap-
17 ter 12,

18 “(3) if at any time during the life of the
19 deemed owner of such portion, such owner ceases to
20 be treated as the owner of such portion under sub-
21 part E of part 1 of subchapter J of chapter 1, all
22 assets attributable to such portion at such time shall
23 be treated for purposes of chapter 12 as a transfer
24 by gift made by the deemed owner, and

1 “(4) proper adjustment shall be made with re-
2 spect to amounts so included in the gross estate, or
3 treated as transferred by gift, pursuant to para-
4 graph (1), (2), or (3), as the case may be, to ac-
5 count for amounts treated previously as taxable gifts
6 under chapter 12 with respect to previous transfers
7 to the trust by the deemed owner.

8 “(b) EXCEPTIONS.—This section shall not apply to
9 any trust that is includible in the gross estate of the
10 deemed owner (without regard to subsection (a)(1)).

11 “(c) DEEMED OWNER DEFINED.—For purposes of
12 this chapter, the term ‘deemed owner’ means any person
13 who is treated as the owner of a portion of a trust under
14 subpart E of part 1 of subchapter J of chapter 1.”.

15 (2) CROSS-REFERENCE.—Section 2511 of such
16 Code is amended by adding at the end the following
17 new subsection:

18 “(c) CROSS-REFERENCE.—For treatment of transfers
19 to grantor trusts, see section 2901.”.

20 (3) CLERICAL AMENDMENT.—The table of
21 chapters for subtitle B of such Code is amended by
22 adding at the end the following new item:

 “CHAPTER 16. SPECIAL RULES FOR GRANTOR TRUSTS”.

23 (b) CERTAIN SALES TO GRANTOR TRUST.—

24 (1) IN GENERAL.—Part IV of subchapter O of
25 chapter 1 of such Code is amended by redesignating

1 section 1062 as section 1063 and inserting after sec-
2 tion 1061 the following new section:

3 **“SEC. 1062. CERTAIN SALES BETWEEN GRANTOR TRUST**
4 **AND DEEMED OWNER.**

5 “(a) IN GENERAL.—In the case of any transfer of
6 property between a trust and the a person who is the
7 deemed owner of the trust (or portion thereof), such treat-
8 ment of the person as the owner of the trust shall be dis-
9 regarded in determining whether the transfer is a sale or
10 exchange for purposes of this chapter.

11 “(b) EXCEPTION.—Subsection (a) shall not apply to
12 any trust that is fully revocable by the deemed owner.

13 “(c) DEEMED OWNER.—For purposes of this section,
14 the term ‘deemed owner’ means any person who is treated
15 as the owner of a portion of a trust under subpart E of
16 part 1 of subchapter J.”.

17 (2) RELATED TAXPAYERS.—Section 267(b) is
18 amended by striking “or” at the end of paragraph
19 (12), by striking the period at the end of paragraph
20 (13) and inserting “; or”, and by adding at the end
21 the following new paragraph:

22 “(14) A grantor trust and the person treated as
23 the owner of the trust (or portion thereof) under
24 subpart E of part 1 of subchapter J of this chap-
25 ter.”.

1 (3) CLERICAL AMENDMENT.—The table of sec-
2 tions for part IV of subchapter O of chapter 1 of
3 such Code is amended by striking the item relating
4 to section 1062 and inserting the following new
5 items:

“Sec. 1062. Certain sales to grantor trusts.
“Sec. 1063. Cross references.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply—

8 (1) to trusts created on or after the date of the
9 enactment of this Act, and

10 (2) to any portion of a trust established before
11 the date of the enactment of this Act which is attrib-
12 utable to a contribution made on or after such date.

13 **SEC. 138210. VALUATION RULES FOR CERTAIN TRANSFERS**
14 **OF NONBUSINESS ASSETS.**

15 (a) IN GENERAL.—Section 2031 of the Internal Rev-
16 enue Code of 1986 is amended by redesignating subsection
17 (d) as subsection (f) and by inserting after subsection (c)
18 the following new subsections:

19 “(d) VALUATION RULES FOR CERTAIN TRANSFERS
20 OF NONBUSINESS ASSETS.—For purposes of this chapter
21 and chapter 12—

22 “(1) IN GENERAL.—In the case of the transfer
23 of any interest in an entity other than an interest

1 which is actively traded (within the meaning of sec-
2 tion 1092)—

3 “(A) the value of any nonbusiness assets
4 held by the entity with respect to such interest
5 shall be determined as if the transferor had
6 transferred such assets directly to the trans-
7 feree (and no valuation discount shall be al-
8 lowed with respect to such nonbusiness assets),
9 and

10 “(B) such nonbusiness assets shall not be
11 taken into account in determining the value of
12 the interest in the entity.

13 “(2) NONBUSINESS ASSETS.—For purposes of
14 this subsection—

15 “(A) IN GENERAL.—The term ‘nonbusi-
16 ness asset’ means any passive asset which—

17 “(i) is held for the production or col-
18 lection of income, and

19 “(ii) is not used in the active conduct
20 of a trade or business.

21 “(B) PASSIVE ASSETS USED IN ACTIVE
22 CONDUCT OF TRADE OR BUSINESS.—Except as
23 provided in subparagraph (C), a passive asset
24 shall not be treated for purposes of subpara-

1 graph (A) as used in the active conduct of a
2 trade or business unless—

3 “(i) the asset is property described in
4 paragraph (1) or (4) of section 1221(a) or
5 is a hedge with respect to such property,
6 or

7 “(ii) the asset is real property used in
8 the active conduct of 1 or more real prop-
9 erty trades or businesses (within the mean-
10 ing of section 469(c)(7)(C)) in which the
11 transferor materially participates and with
12 respect to which the transferor meets the
13 requirements of section 469(c)(7)(B)(ii).

14 For purposes of clause (ii), material participa-
15 tion shall be determined under the rules of sec-
16 tion 469(h), except that section 469(h)(3) shall
17 be applied without regard to the limitation to
18 farming activity.

19 “(C) EXCEPTION FOR WORKING CAP-
20 ITAL.—Any passive asset which is held as a
21 part of the reasonably required working capital
22 needs of a trade or business shall be treated as
23 used in the active conduct of a trade or busi-
24 ness.

1 “(3) PASSIVE ASSET.—For purposes of this
2 subsection, the term ‘passive asset’ means any—
3 “(A) cash or cash equivalents,
4 “(B) except to the extent provided by the
5 Secretary, stock in a corporation or any other
6 equity, profits, or capital interest in a partner-
7 ship,
8 “(C) evidence of indebtedness, option, for-
9 ward or futures contract, notional principal con-
10 tract, or derivative,
11 “(D) asset described in clause (iii), (iv), or
12 (v) of section 351(e)(1)(B),
13 “(E) annuity,
14 “(F) real property,
15 “(G) asset (other than a patent, trade-
16 mark, or copyright) which produces royalty in-
17 come,
18 “(H) commodity,
19 “(I) collectible (within the meaning of sec-
20 tion 408(m)),
21 “(J) personal property (as defined in sec-
22 tion 1092(d)(1)) or position in personal prop-
23 erty (within the meaning of section
24 1092(d)(2)), or

1 “(K) other asset specified in regulations
2 prescribed by the Secretary.

3 “(4) LOOK-THRU RULES.—

4 “(A) IN GENERAL.—If a passive asset of
5 an entity consists of a 10-percent interest in
6 any other entity, this subsection shall be ap-
7 plied by disregarding the 10-percent interest
8 and by treating the entity as holding directly its
9 ratable share of the assets of the other entity.
10 This subparagraph shall be applied successively
11 to any 10-percent interest of such other entity
12 in any other entity.

13 “(B) 10-PERCENT INTEREST.—The term
14 ‘10-percent interest’ means—

15 “(i) in the case of an interest in a cor-
16 poration, ownership of at least 10 percent
17 (by vote or value) of the stock in such cor-
18 poration,

19 “(ii) in the case of an interest in a
20 partnership, ownership of at least 10 per-
21 cent of the capital or profits interest in the
22 partnership, and

23 “(iii) in any other case, ownership of
24 at least 10 percent of the beneficial inter-
25 ests in the entity.

1 For purposes of the preceding sentence, the
2 rules prescribed by section 318(a) shall apply.

3 “(5) COORDINATION WITH SUBSECTION (b).—
4 Subsection (b) shall apply after the application of
5 this subsection.

6 “(6) REGULATIONS.—The Secretary shall issue
7 such regulations or other guidance as the Secretary
8 determines is necessary or appropriate to carry out
9 this subsection, including regulations or other guid-
10 ance to—

11 “(A) determine whether a passive asset is
12 used in the active conduct of a trade or busi-
13 ness, in addition to the instances described in
14 paragraph (2)(B), and

15 “(B) determine whether a passive asset is
16 held as a part of the reasonably required work-
17 ing capital needs of a trade or business under
18 paragraph (2)(C).”.

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

1 **PART 3—MODIFICATIONS OF RULES RELATING**
2 **TO RETIREMENT PLANS**

3 **Subpart A—Limitations on High-income Taxpayers**
4 **With Large Retirement Account Balances**

5 **SEC. 138301. CONTRIBUTION LIMIT FOR INDIVIDUAL RE-**
6 **TIREMENT PLANS OF HIGH-INCOME TAX-**
7 **PAYERS WITH LARGE ACCOUNT BALANCES.**

8 (a) CONTRIBUTION LIMIT.—

9 (1) IN GENERAL.—Subpart A of part I of sub-
10 chapter D of chapter 1 is amended by adding at the
11 end the following:

12 **“SEC. 409B. CONTRIBUTION LIMIT ON INDIVIDUAL RETIRE-**
13 **MENT PLANS OF HIGH-INCOME TAXPAYERS**
14 **WITH LARGE ACCOUNT BALANCES.**

15 “(a) GENERAL RULE.—Notwithstanding any other
16 provision of this title, in the case of an individual who is
17 an applicable taxpayer for a taxable year, no annual addi-
18 tions which are allocable to such taxable year shall be
19 made by, or on behalf of, such individual to any individual
20 retirement plan to the extent such annual additions exceed
21 the excess (if any) of—

22 “(1) the applicable dollar amount for such tax-
23 able year, over

24 “(2) the aggregate vested balances to the credit
25 of the individual (whether as a participant, owner, or
26 beneficiary) in all applicable retirement plans (deter-

1 mined as of the close of the calendar year preceding
2 the calendar year in which such taxable year begins).

3 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
4 poses of this section—

5 “(1) ANNUAL ADDITION.—

6 “(A) IN GENERAL.—Except as provided in
7 this paragraph, the term ‘annual addition’
8 means any contribution to an individual retire-
9 ment plan.

10 “(B) CONTRIBUTIONS TO SEP AND SIMPLE
11 PLANS.—In the case of any employer or em-
12 ployee contributions by, or on behalf of, an indi-
13 vidual to a simplified employee pension under
14 section 408(k) or a simple retirement account
15 under section 408(p)—

16 “(i) such contributions shall not be
17 treated as annual additions for purposes of
18 applying the limitation under subsection
19 (a), but

20 “(ii) the excess described in sub-
21 section (a) shall be reduced by the amount
22 of such contributions in applying such limi-
23 tation to other annual additions with re-
24 spect to such individual.

1 “(C) ROLLOVER CONTRIBUTIONS DIS-
2 REGARDED.—A rollover contribution under sec-
3 tion 402(c), 402A(c)(3)(A), 403(a)(4),
4 403(b)(8), 408(d)(3)(A), 408A(e)(1), or
5 457(e)(16) shall not be treated as an annual
6 addition.

7 “(D) ACCOUNTS ACQUIRED BY DEATH OR
8 DIVORCE OR SEPARATION.—The acquisition of
9 an individual retirement plan (or the transfer to
10 or contribution of amounts to an individual re-
11 tirement plan) by reason of—

12 “(i) the death of another individual,
13 or

14 “(ii) divorce or separation (pursuant
15 to section 408(d)(6)),

16 shall not be treated as an annual addition.

17 “(2) APPLICABLE DOLLAR AMOUNT.—The term
18 ‘applicable dollar amount’ means \$10,000,000.

19 “(3) APPLICABLE RETIREMENT PLAN.—The
20 term ‘applicable retirement plan’ means—

21 “(A) a defined contribution plan to which
22 section 401(a) or 403(a) applies,

23 “(B) an annuity contract under section
24 403(b),

1 “(C) an eligible deferred compensation
2 plan described in section 457(b) which is main-
3 tained by an eligible employer described in sec-
4 tion 457(e)(1)(A), or

5 “(D) an individual retirement plan.

6 “(4) APPLICABLE TAXPAYER.—

7 “(A) IN GENERAL.—The term ‘applicable
8 taxpayer’ means, with respect to any taxable
9 year, a taxpayer whose adjusted taxable income
10 for such taxable year exceeds the amount deter-
11 mined under subparagraph (B).

12 “(B) DOLLAR LIMIT.—The amount deter-
13 mined under this subparagraph for any taxable
14 year is—

15 “(i) \$400,000 for an individual who is
16 a taxpayer not described in clause (ii) or
17 (iii),

18 “(ii) \$425,000 in the case of an indi-
19 vidual who is a head of household (as de-
20 fined in section 2(b)), and

21 “(iii) \$450,000 in the case of an indi-
22 vidual who is a married individual filing a
23 joint return or a surviving spouse (as de-
24 fined in section 2(a)).

1 “(C) ADJUSTED TAXABLE INCOME.—The
2 term ‘adjusted taxable income’ means taxable
3 income determined without regard to—

4 “(i) any deduction for annual addi-
5 tions to individual retirement plans to
6 which subsection (a) applies, and

7 “(ii) any increase in minimum re-
8 quired distributions by reason of section
9 4974(e).

10 “(5) ADJUSTMENTS FOR INFLATION.—

11 “(A) IN GENERAL.—In the case of any
12 taxable year beginning after 2022, each of the
13 dollar amounts under paragraph (2) and para-
14 graph (4)(B) shall be increased by an amount
15 equal to the product of—

16 “(i) such dollar amount, and

17 “(ii) the cost-of-living adjustment
18 under section 1(f)(3) for the calendar year
19 in which such taxable year begins, deter-
20 mined by substituting ‘calendar year 2021’
21 for ‘calendar year 1992’ in subparagraph
22 (B) thereof.

23 “(B) ROUNDING.—If any amount as ad-
24 justed under subparagraph (A) is not—

1 “(i) in the case of the dollar amount
2 under paragraph (2), a multiple of
3 \$250,000, such amount shall be rounded
4 to the next lowest multiple of \$250,000,
5 and

6 “(ii) in the case of a dollar amount
7 under paragraph (4), a multiple of \$1,000,
8 such amount shall be rounded to the next
9 lowest multiple of \$1,000.

10 “(c) REGULATIONS.—The Secretary shall prescribe
11 such regulations and guidance as are necessary or appro-
12 priate to carry out the purposes of this section, including
13 regulations or guidance that provide for the application
14 of this section and section 4974(e) in the case of plans
15 with a valuation date other than the last day of a calendar
16 year.”.

17 (2) CONFORMING AMENDMENTS.—

18 (A) The table of contents for subpart A of
19 part I of subchapter D of chapter 1 is amended
20 by adding after the item relating to section
21 409A the following new item:

“Sec. 409B. Contribution limit on individual retirement plans of high-income taxpayers with large account balances.”.

22 (B) Section 408(r) is amended by adding
23 at the end the following new paragraph:

1 “(3) For additional limitation on contributions
2 to individual retirement plans with large account
3 balances, see sections 402A(c)(3)(A) and 409B.”.

4 (b) EXCISE TAX ON EXCESS ANNUAL ADDITIONS.—

5 (1) IN GENERAL.—Section 4973 is amended by
6 adding at the end the following new subsection:

7 “(i) SPECIAL RULE FOR INDIVIDUAL RETIREMENT
8 PLANS WITH EXCESS ANNUAL ADDITIONS.—For pur-
9 poses of this section, in the case of individual retirement
10 plans, the term ‘excess contributions’ with respect to any
11 taxable year means the sum of—

12 “(1) the excess of the annual additions (within
13 the meaning of section 409B(b)(1)) to such plans
14 over the limitation under section 409B(a) for such
15 taxable year, reduced by the amount of any excess
16 contributions determined under subsections (b) and
17 (f), and

18 “(2) the lesser of—

19 “(A) the amount determined under this
20 subsection for the preceding taxable year with
21 respect to such plans, reduced by the aggregate
22 distributions from such plans for the taxable
23 year (including distributions required under sec-
24 tion 4974(e)) to the extent not contributed in
25 a rollover contribution to another eligible retire-

1 ment plan in accordance with section 402(c),
2 402A(c)(3)(A), 403(a)(4), 403(b)(8),
3 457(e)(16), 408(d)(3), or 408A(d)(3), or

4 “(B) the amount (if any) by which the
5 amount determined under section 409B(a)(2)
6 for the taxable year exceeds the applicable dol-
7 lar amount under section 409B(b)(2) for the
8 taxable year.”.

9 (2) CONFORMING AMENDMENTS.—Subsections
10 (b) and (f) of section 4973 are each amended by in-
11 serting “, except as further provided in subsection
12 (i)” after “For purposes of this section”.

13 (c) REPORTING REQUIREMENTS.—Section 6057(a) is
14 amended by adding at the end the following:

15 “(3) ADDITIONAL INFORMATION REGARDING
16 HIGH ACCOUNT BALANCES.—

17 “(A) IN GENERAL.—If, as of the close of
18 any plan year, 1 or more participants in an ap-
19 plicable retirement plan (as defined in section
20 409B(b)(3) without regard to subparagraph
21 (D) thereof) have a vested account balance of at
22 least \$2,500,000, the plan administrator shall
23 file a statement with the Secretary which in-
24 cludes—

1 “(i) the name and identifying number
2 of each such participant (without regard to
3 whether such participant has separated
4 from employment), and

5 “(ii) the amount to which each such
6 participant is entitled.

7 “(B) INCLUSION IN REGISTRATION STATE-
8 MENT.—If both subparagraph (A) and para-
9 graph (1) apply to a plan, the plan adminis-
10 trator shall include the information required
11 under subparagraph (A) in the registration
12 statement under paragraph (1) rather than file
13 a statement under subparagraph (A).

14 “(C) ADJUSTMENTS FOR INFLATION.—In
15 the case of any plan year beginning after 2022,
16 the \$2,500,000 amount under subparagraph
17 (A) shall be increased by an amount equal to
18 the product of—

19 “(i) such dollar amount, and

20 “(ii) the cost-of-living adjustment
21 under section 1(f)(3) for the calendar year
22 in which such taxable year begins, deter-
23 mined by substituting ‘calendar year 2021’
24 for ‘calendar year 1992’ in subparagraph
25 (B) thereof.

1 If the amount as adjusted under the preceding
2 sentence is not a multiple of \$250,000, such
3 amount shall be rounded to the next lowest
4 multiple of \$250,000.”.

5 (d) EFFECTIVE DATES.—

6 (1) IN GENERAL.—The amendments made by
7 subsections (a) and (b) shall apply to taxable years
8 beginning after December 31, 2021.

9 (2) PLAN REQUIREMENTS.—The amendments
10 made by subsection (c) shall apply to plan years be-
11 ginning after December 31, 2021.

12 **SEC. 138302. INCREASE IN MINIMUM REQUIRED DISTRIBU-**
13 **TIONS FOR HIGH-INCOME TAXPAYERS WITH**
14 **LARGE RETIREMENT ACCOUNT BALANCES.**

15 (a) IN GENERAL.—Section 4974 is amended by add-
16 ing at the end the following:

17 “(e) INCREASE IN MINIMUM REQUIRED DISTRIBU-
18 TIONS FOR HIGH-INCOME TAXPAYERS WITH LARGE AG-
19 GREGATE ACCOUNT BALANCES.—

20 “(1) IN GENERAL.—If this subsection applies to
21 a payee who is an applicable taxpayer (as defined in
22 section 409B(b)(4)) for a taxable year—

23 “(A) all qualified retirement plans and eli-
24 gible deferred compensation plans of the payee
25 which are applicable retirement plans taken into

1 account in computing the excess described in
2 paragraph (3)(A) shall be treated as 1 plan
3 solely for purposes of applying this section to
4 the increase in minimum required distributions
5 for such taxable year determined under sub-
6 paragraph (B), and

7 “(B) the minimum required distributions
8 under this section for all plans treated as 1
9 plan under subparagraph (A) with respect to
10 such payee for such taxable year shall be in-
11 creased by the excess (if any) of—

12 “(i) the sum of—

13 “(I) if paragraph (2) applies to
14 such taxable year, the applicable Roth
15 excess amount, plus

16 “(II) 50 percent of the excess de-
17 termined under paragraph (3)(A), re-
18 duced by the applicable Roth excess
19 amount, over

20 “(ii) the sum of the minimum re-
21 quired distributions (determined without
22 regard to this subsection) for all such
23 plans.

24 “(2) APPLICABLE ROTH EXCESS AMOUNT.—

1 “(A) APPLICATION.—For purposes of
2 paragraph (1)(B)(i), this paragraph applies to a
3 taxable year of a payee if the aggregate vested
4 balances to the credit of the payee (whether as
5 a participant, owner, or beneficiary) in all appli-
6 cable retirement plans (determined as of the
7 close of the calendar year preceding the cal-
8 endar year in which the taxable year begins) ex-
9 ceed 200 percent of the applicable dollar
10 amount for the calendar year in which the tax-
11 able year begins.

12 “(B) APPLICABLE ROTH EXCESS
13 AMOUNT.—The applicable Roth excess amount
14 for any taxable year to which this paragraph
15 applies is an amount equal to the lesser of—

16 “(i) the excess determined under sub-
17 paragraph (A), or

18 “(ii) the aggregate balances to the
19 credit of the payee (whether as a partici-
20 pant, owner, or beneficiary) in all Roth
21 IRAs and designated Roth accounts (with-
22 in the meaning of section 402A) as of the
23 time described in subparagraph (A).

24 “(3) APPLICATION.—This subsection shall
25 apply to a payee for a taxable year—

1 “(A) if the aggregate vested balances to
2 the credit of the payee (whether as a partici-
3 pant, owner, or beneficiary) in all applicable re-
4 tirement plans (determined as of the close of
5 the calendar year preceding the calendar year
6 in which the taxable year begins) exceed the ap-
7 plicable dollar amount for the calendar year in
8 which the taxable year begins, and

9 “(B) without regard to whether amounts
10 with respect to the payee are otherwise required
11 to be distributed under section 401(a)(9),
12 403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2).

13 “(4) COORDINATION AND ALLOCATION.—

14 “(A) MINIMUM DISTRIBUTION REQUIRE-
15 MENTS.—If this subsection applies to a payee
16 for any taxable year—

17 “(i) this section shall apply first to
18 minimum required distributions deter-
19 mined without regard to this subsection
20 and then to any increase in minimum re-
21 quired distributions by reason of this sub-
22 section, and

23 “(ii) nothing in this subsection shall
24 be construed to affect the amount of any
25 minimum required distribution determined

1 without regard to this subsection or the
2 plan or plans from which it is required to
3 be distributed from.

4 “(B) ALLOCATION OF INCREASE IN MIN-
5 IMUM REQUIRED DISTRIBUTIONS.—

6 “(i) IN GENERAL.—Except as pro-
7 vided in clauses (ii) and (iii), the taxpayer
8 may, in such form and manner as the Sec-
9 retary may prescribe, allocate any increase
10 in minimum required distributions by rea-
11 son of this subsection to applicable retire-
12 ment plans treated as 1 plan under sub-
13 paragraph (A) in such manner as the tax-
14 payer chooses.

15 “(ii) ALLOCATION TO ROTH IRAS AND
16 ACCOUNTS.—In the case of a taxable year
17 to which paragraph (2) applies, the portion
18 of any increase in minimum required dis-
19 tributions by reason of this subsection
20 equal to the applicable Roth excess amount
21 shall be allocated first to Roth IRAs and
22 then to designated Roth accounts (within
23 the meaning of section 402A) of the payee.

24 “(iii) SPECIAL RULES FOR EMPLOYEE
25 STOCK OWNERSHIP PLANS.—If any payee

1 to which this subsection applies for any
2 taxable year has account balances in 1 or
3 more employee stock ownership plans (as
4 defined in section 4975(e)(7)) any portion
5 of which is invested in employer securities
6 which are not readily tradable on a secu-
7 rities market, the increase in minimum re-
8 quired distributions by reason of this sub-
9 section shall be allocated—

10 “(I) first to all account balances
11 (other than such portions) of the
12 payee in all applicable retirement
13 plans in the manner provided by this
14 subparagraph (without regard to this
15 clause), and

16 “(II) then to such portions in
17 such manner as the taxpayer chooses.

18 The Secretary shall prescribe regulations
19 which provide that if any such increase is
20 allocated to any such portion of an account
21 balance for the first taxable year of the
22 payee beginning in 2022, the payee may
23 elect to have such portion distributed over
24 a period of years not greater than the pe-
25 riod specified by the Secretary in such reg-

1 ulations (and any distributions made in ac-
2 cordance with such election shall be treated
3 for purposes of this section as made in
4 such first taxable year).

5 “(5) DISTRIBUTIONS NOT ELIGIBLE FOR ROLL-
6 OVERS.—For purposes of determining whether a dis-
7 tribution is an eligible rollover distribution, any dis-
8 tribution from an applicable retirement plan which is
9 attributable to any increase in minimum required
10 distributions by reason of this subsection shall be
11 treated as a distribution required under section
12 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or
13 457(d)(2), whichever is applicable.

14 “(6) DEFINITIONS.—For purposes of this sub-
15 section, any term used in this subsection which is
16 also used in section 409B shall have the same mean-
17 ing as when such term is used in such section.”.

18 (b) SPECIAL RULES.—

19 (1) DISTRIBUTION RIGHTS.—

20 (A) QUALIFIED TRUSTS.—Section 401(a)
21 is amended by inserting after paragraph (38)
22 the following new paragraph:

23 “(39) IMMEDIATE DISTRIBUTION RIGHT.—A
24 trust forming part of a defined contribution plan
25 shall not constitute a qualified trust under this sec-

1 tion unless an employee who certifies to the plan
2 that the employee is a taxpayer who is subject to the
3 distribution requirements of section 4974(e) may
4 elect to receive a distribution from the employee’s
5 account balance under the plan in such amount as
6 the employee may elect, including any amounts at-
7 tributable to a qualified cash or deferred arrange-
8 ment (as defined in subsection (k)(2)).”.

9 (B) ANNUITY CONTRACTS.—

10 (i) CUSTODIAL ACCOUNTS.—Section
11 403(b)(7)(A) is amended by adding at the
12 end the following new flush sentence:

13 “Notwithstanding clause (i), the custodial ac-
14 count shall permit an employee who certifies
15 that the employee is a taxpayer who is subject
16 to the distribution requirements of section
17 4974(e) to elect to receive a distribution from
18 the employee’s custodial account in such
19 amount as the employee may elect.”.

20 (ii) ANNUITY CONTRACTS.—Section
21 403(b)(11) is amended by adding at the
22 end the following new sentence: “Notwith-
23 standing subparagraphs (A), (B), (C), and
24 (D), the annuity contract shall permit an
25 employee who certifies that the employee is

1 a taxpayer who is subject to the distribu-
2 tion requirements of section 4974(e) to
3 elect to receive a distribution of contribu-
4 tions made pursuant to a salary reduction
5 agreement (within the meaning of section
6 402(g)(3)) from the employee's annuity
7 contract in such amount as the employee
8 may elect.”

9 (C) GOVERNMENTAL PLANS.—Section
10 457(d)(1) is amended by adding at the end the
11 following new flush sentence:

12 “Notwithstanding subparagraph (A), an eligible de-
13 ferred compensation plan of an employer described
14 in subsection (e)(1)(A) shall permit an employee who
15 certifies that the employee is a taxpayer who is sub-
16 ject to the distribution requirements of section
17 4974(e) to elect to receive a distribution from the
18 plan in such amount as the employee may elect.”.

19 (2) EXCEPTION FROM 10 PERCENT ADDITIONAL
20 TAX ON EARLY DISTRIBUTIONS.—Section 72(t)(2) is
21 amended by adding at the end the following new
22 subparagraph:

23 “(I) DISTRIBUTIONS OF EXCESS BAL-
24 ANCES.—Distributions from an applicable re-
25 tirement plan (within the meaning of section

1 409B)) to the extent such distributions for the
2 taxable year do not exceed the amount required
3 to be distributed from such plan under section
4 4974(e).”.

5 (3) WITHHOLDING.—Section 3405(b) is amend-
6 ed by adding at the end the following new para-
7 graph:

8 “(3) ADDITIONAL WITHHOLDING FOR RE-
9 QUIRED DISTRIBUTIONS FROM HIGH BALANCE RE-
10 TIREMENT ACCOUNTS.—

11 “(A) IN GENERAL.—For purposes of this
12 section, a distribution pursuant to section
13 401(a)(39), the last sentence of section
14 403(b)(7)(A), the last sentence of section
15 403(b)(11), and the last sentence of section
16 457(d)(1) shall be treated as a nonperiodic dis-
17 tribution, except that in applying this sub-
18 section to such distribution—

19 “(i) paragraph (1) shall be applied by
20 substituting ‘35 percent’ for ‘10 percent’,
21 and

22 “(ii) no election may be made under
23 paragraph (2) with respect to such dis-
24 tribution.

1 “(B) EXCEPTION.—Subparagraph (A)
2 shall not apply to any qualified distribution
3 from a designated Roth account (within the
4 meaning of section 402A).”.

5 (c) EFFECTIVE DATES.—

6 (1) IN GENERAL.—The amendments made by
7 subsection (a) shall apply to taxable years beginning
8 after December 31, 2021.

9 (2) PLAN REQUIREMENTS.—The amendments
10 made by subsection (b) shall apply to plan years be-
11 ginning after December 31, 2021.

12 (d) PROVISIONS RELATING TO PLAN AMEND-
13 MENTS.—

14 (1) IN GENERAL.—If this subsection applies to
15 any plan or contract amendment, such plan or con-
16 tract shall be treated as being operated in accord-
17 ance with the terms of the plan during the period
18 described in paragraph (2)(B)(i).

19 (2) AMENDMENTS TO WHICH SUBSECTION AP-
20 PLIES.—

21 (A) IN GENERAL.—This subsection shall
22 apply to any amendment to any plan or annuity
23 contract which is made—

24 (i) pursuant to any amendment made
25 by this section or pursuant to any regula-

1 tion issued by the Secretary of the Treas-
2 ury under this section or such amend-
3 ments, and

4 (ii) on or before the last day of the
5 first plan year beginning after December
6 31, 2022, or such later date as the Sec-
7 retary of the Treasury may prescribe.

8 In the case of a governmental or collectively
9 bargained plan to which subparagraph (B) or
10 (C) of subsection (a)(4) applies, clause (ii) shall
11 be applied by substituting the date which is 2
12 years after the date otherwise applied under
13 such clause.

14 (B) CONDITIONS.—This subsection shall
15 not apply to any amendment unless—

16 (i) during the period—

17 (I) beginning on the date the leg-
18 islative or regulatory amendment de-
19 scribed in paragraph (1)(A) takes ef-
20 fect (or in the case of a plan or con-
21 tract amendment not required by such
22 legislative or regulatory amendment,
23 the effective date specified in such
24 amendment), and

1 (II) ending on the date described
2 in subparagraph (A)(ii) (or, if earlier,
3 the date the plan or contract amend-
4 ment is adopted),
5 the plan or contract is operated as if such
6 plan or contract amendment were in effect;
7 and
8 (ii) such plan or contract amendment
9 applies retroactively for such period.

10 **Subpart B—Other Provisions Relating to Individual**
11 **Retirement Plans**

12 **SEC. 138311. TAX TREATMENT OF ROLLOVERS TO ROTH**
13 **IRAS AND ACCOUNTS.**

14 (a) ROLLOVERS AND CONVERSIONS LIMITED TO
15 TAXABLE AMOUNTS.—

16 (1) ROTH IRAS.—

17 (A) IN GENERAL.—Paragraph (1) of sec-
18 tion 408A(e) is amended by adding at the end
19 the following new sentence: “A qualified rollover
20 contribution shall not include any rollover con-
21 tribution from any eligible retirement plan de-
22 scribed in subparagraph (B) (other than from a
23 designated Roth account (within the meaning of
24 section 402A)) if any portion of the distribution
25 from which such contribution is made would

1 (without regard to such contribution) be treated
2 as not includible in gross income.”

3 (B) CONVERSIONS.—Subparagraph (C) of
4 section 408A(d)(3) is amended by adding at the
5 end the following new sentence: “This subpara-
6 graph shall not apply if any portion of the plan
7 being converted would be treated as not includ-
8 ible in gross income if distributed at the time
9 of the conversion.”

10 (2) DESIGNATED ROTH ACCOUNTS.—Section
11 402A(c)(4)(B) is amended by inserting “, deter-
12 mined after the application of the last sentence of
13 paragraph (1) thereof” after “section 408A(e)”.

14 (3) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to distributions, trans-
16 fers, and contributions made after December 31,
17 2021.

18 (b) NO ROLLOVERS OR CONVERSIONS FOR HIGH-IN-
19 COME TAXPAYERS.—

20 (1) ROTH IRAS.—

21 (A) QUALIFIED ROLLOVER CONTRIBU-
22 TION.—Section 408A(e), as amended by sub-
23 section (a), is amended by adding at the end
24 the following:

1 “(3) HIGH-INCOME TAXPAYERS MAY ONLY
2 ROLLOVER FROM ROTH IRAS AND ACCOUNTS.—If—

3 “(A) a taxpayer is an applicable taxpayer
4 (as defined in section 409B(b)(4)) for the tax-
5 able year in which a distribution is made, and

6 “(B) such distribution is contributed to a
7 Roth IRA in a rollover contribution,
8 such contribution shall be treated as a qualified roll-
9 over contribution under paragraph (1) only if it is
10 made from another Roth IRA or from a designated
11 Roth account (within the meaning of section
12 402A).”.

13 (B) ELIMINATION OF CONVERSIONS.—
14 Paragraph (3) of section 408A(d), as amended
15 by subsection (a), is amended by adding at the
16 end the following:

17 “(G) PARAGRAPH NOT TO APPLY TO HIGH-
18 INCOME TAXPAYERS.—If a taxpayer is an appli-
19 cable taxpayer (as defined in section
20 409B(b)(4)) for any taxable year, this para-
21 graph shall not apply to any distribution to
22 which this paragraph otherwise applies (or to
23 any conversion described in subparagraph (C))
24 which is made during such taxable year.”.

1 (2) DESIGNATED ROTH ACCOUNTS.—Paragraph
2 (4) of section 402A(c) is amended by adding at the
3 end the following:

4 “(F) PARAGRAPH NOT TO APPLY TO HIGH-
5 INCOME TAXPAYERS.—If a taxpayer is an appli-
6 cable taxpayer (as defined in section
7 409B(b)(4)) for any taxable year, this para-
8 graph shall not apply to any distribution to
9 which this paragraph otherwise applies and
10 which is made during such taxable year.”.

11 (3) EFFECTIVE DATE.—The amendments made
12 by this subsection shall apply to distributions, trans-
13 fers, and contributions made in taxable years begin-
14 ning after December 31, 2031.

15 **SEC. 138312. PROHIBITION OF IRA INVESTMENTS CONDI-**
16 **TIONED ON ACCOUNT HOLDER’S STATUS.**

17 (a) IN GENERAL.—Subsection (a) of section 408 is
18 amended by adding at the end the following new para-
19 graph:

20 “(7) No part of the trust funds will be invested
21 in any security if the issuer of such security (or any
22 other person specified by the Secretary) requires the
23 individual on whose behalf the trust is maintained to
24 make a representation to the issuer or such other
25 person that such individual—

1 “(A) has a specified minimum amount of
2 income or assets,

3 “(B) has completed a specified minimum
4 level of education, or

5 “(C) holds a specific license or creden-
6 tial.”.

7 (b) LOSS OF EXEMPTION OF ACCOUNT.—Paragraph
8 (2) of section 408(e) is amended—

9 (1) by striking “” each place it appears in sub-
10 paragraph (A) and inserting “maintained”,

11 (2) by redesignating subparagraph (B) as sub-
12 paragraph (C),

13 (3) by inserting after subparagraph (A) the fol-
14 lowing new subparagraph:

15 “(B) PROHIBITED INVESTMENT.—If, dur-
16 ing any taxable year of the individual for whose
17 benefit any individual retirement account is
18 maintained, the investment of any part of the
19 funds of such individual retirement account
20 does not comply with subsection (a)(7), such
21 account ceases to be an individual retirement
22 account as of the first day of such taxable year.
23 Rules similar to the rules of clauses (i) and (ii)
24 of subparagraph (A) shall apply for purposes of
25 this subparagraph.”,

1 (4) by striking “WHERE EMPLOYEE ENGAGES
2 IN PROHIBITED TRANSACTION” in the heading and
3 inserting “IN CASE OF CERTAIN PROHIBITED TRANS-
4 ACTIONS AND INVESTMENTS”,

5 (5) by striking “IN GENERAL” in the heading of
6 subparagraph (A) and inserting “EMPLOYEE EN-
7 GAGING IN PROHIBITED TRANSACTION”, and

8 (6) by striking “(A)” in subparagraph (C), as
9 so redesignated, and inserting “(A) or (B)”.

10 (c) CONFORMING AMENDMENTS.—

11 (1) Paragraph (1) of section 408(c) is amended
12 by striking “(1) through (6)” and inserting “(1)
13 through (7)”.

14 (2) Paragraph (3) of section 4975(c) is amend-
15 ed—

16 (A) striking “” and inserting “main-
17 tained”,

18 (B) by striking “transaction” both places
19 it appears and inserting “transaction or invest-
20 ment”, and

21 (C) by striking “section 408(e)(2)(A)” and
22 inserting “subparagraph (A) or (B) of section
23 408(e)(2)”.

24 (d) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to taxable years beginning after Decem-
4 ber 31, 2021.

5 (2) SPECIAL RULE FOR EXISTING INVEST-
6 MENTS.—If, on the date of the enactment of this
7 Act, an individual retirement account holds an in-
8 vestment prohibited under section 408(a)(7) of the
9 Internal Revenue Code of 1986 (as added by sub-
10 section (a)), the amendments made by this section
11 shall apply to such investment for taxable years be-
12 ginning after December 31, 2023.

13 **SEC. 138313. STATUTE OF LIMITATIONS WITH RESPECT TO**
14 **IRA NONCOMPLIANCE.**

15 (a) IN GENERAL.—Subsection (c) of section 6501 is
16 amended by adding at the end the following new para-
17 graph:

18 “(13) NONCOMPLIANCE RELATING TO AN INDI-
19 VIDUAL RETIREMENT PLAN.—

20 “(A) MISREPORTING.—In the case of any
21 substantial error (willful or otherwise) in the re-
22 porting on a return of any information relating
23 to the valuation of investment assets with re-
24 spect to an individual retirement plan, the time
25 for assessment of any tax imposed by this title

1 with respect to such plan shall not expire before
2 the date which is 6 years after the return con-
3 taining such error was filed (whether or not
4 such return was filed on or after the date pre-
5 scribed).

6 “(B) PROHIBITED TRANSACTIONS.—The
7 time for assessment of any tax imposed by sec-
8 tion 4975 shall not expire before the date which
9 is 6 years after the return was filed (whether
10 or not such return was filed on or after the
11 date prescribed).”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to taxes with respect to which the
14 3-year period under section 6501(a) of the Internal Rev-
15 enue Code of 1986 (without regard to the amendment
16 made by this section) ends after December 31, 2021.

17 **SEC. 138314. PROHIBITION OF INVESTMENT OF IRA ASSETS**
18 **IN ENTITIES IN WHICH THE OWNER HAS A**
19 **SUBSTANTIAL INTEREST.**

20 (a) IN GENERAL.—Subsection (a) of section 408, as
21 amended by the preceding provisions of this Act, is amend-
22 ed by adding at the end the following new paragraph:

23 “(8) No part of the trust funds will be invested
24 in a corporation, partnership or other unincor-
25 porated enterprise, or trust or estate if—

1 “(A) in the case of an entity with respect
2 to which interests described in clause (i), (ii), or
3 (iii) are not readily tradable on an securities
4 market, 10 percent or more of—

5 “(i) the combined voting power of all
6 classes of stock entitled to vote or the total
7 value of shares of all classes of stock of
8 such corporation,

9 “(ii) the capital interest or profits in-
10 terest of such partnership or enterprise, or

11 “(iii) the beneficial interest of such
12 trust or estate,

13 is owned (directly or indirectly) or held by the
14 individual on whose behalf the trust is main-
15 tained, or

16 “(B) the individual on whose behalf the
17 trust is maintained is an officer or director (or
18 an individual having powers or responsibilities
19 similar to officers or directors) of such corpora-
20 tion, partnership, or other unincorporated en-
21 terprise.

22 For purposes of subparagraph (A), the constructive
23 ownership rules of paragraphs (4) and (5) of section
24 4975(e) shall apply, and any asset or interest held

1 by the trust shall be treated as held by the indi-
2 vidual described in such subparagraph.”.

3 (b) LOSS OF EXEMPTION OF ACCOUNT.—Subpara-
4 graph (B) of section 408(e)(2), as added by this Act, is
5 amended by striking “(a)(7)” and inserting “(a)(7) or
6 (a)(8)”.

7 (c) CONFORMING AMENDMENT.—Paragraph (1) of
8 section 408(c), as amended by the preceding provisions of
9 this Act, is amended by striking “(1) through (7)” and
10 inserting “(1) through (8)”.

11 (d) EFFECTIVE DATES.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), the amendments made by this section
14 shall apply to investments made in taxable years be-
15 ginning after December 31, 2021.

16 (2) SPECIAL RULE FOR EXISTING INVEST-
17 MENTS.—If, on the date of the enactment of this
18 Act, an individual retirement account holds an in-
19 vestment prohibited under section 408(a)(8) of the
20 Internal Revenue Code of 1986 (as added by sub-
21 section (a)), the amendments made by this section
22 shall apply to such investment for taxable years be-
23 ginning after December 31, 2023.

1 **SEC. 138315. IRA OWNERS TREATED AS DISQUALIFIED PER-**
2 **SONS FOR PURPOSES OF PROHIBITED**
3 **TRANSACTION RULES.**

4 (a) IN GENERAL.—Paragraph (2) of section 4975(e)
5 is amended—

6 (1) by striking “or” at the end of subparagraph
7 (H),

8 (2) by striking the period at the end of sub-
9 paragraph (I) and inserting “; or”,

10 (3) by inserting after subparagraph (I) the fol-
11 lowing new subparagraph:

12 “(J) the individual for whose benefit a
13 plan described in subparagraph (B) or (C) of
14 paragraph (1) is maintained.”,

15 (4) by striking “or (E)” both places it appears
16 in subparagraphs (F) and (G) and inserting “(E), or
17 (J) (in the case of a plan described in subparagraph
18 (B) or (C) of paragraph (1))”,

19 (5) by striking “or (G)” in subparagraph (I)
20 and inserting “(G), or (J) (in the case of a plan de-
21 scribed in subparagraph (B) or (C) of paragraph
22 (1))”, and

23 (6) by adding at the end the following: “For
24 purposes of subparagraphs (G) and (I), any asset or
25 interest held by a plan described in subparagraph
26 (B) or (C) of paragraph (1) shall be treated as

1 owned by the individual described in subparagraph
2 (J) with respect to such plan.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Subparagraph (A) of section 408(e)(2), as
5 amended by the preceding provisions of this Act, is
6 amended to read as follows:

7 “(A) EMPLOYEE ENGAGING IN PROHIB-
8 ITED TRANSACTION.—If, during any taxable
9 year of the individual for whose benefit any in-
10 dividual retirement account is maintained, that
11 individual engages in any transaction prohibited
12 by section 4975 with respect to such account,
13 such account ceases to be an individual retire-
14 ment account as of the first day of such taxable
15 year. For purposes of this paragraph, the sepa-
16 rate account for the benefit of any individual
17 within an individual retirement account main-
18 tained by an employer or association of employ-
19 ees is treated as a separate individual retire-
20 ment account.”.

21 (2) Subparagraph (B) of section 408(e)(2), as
22 added by this Act, is amended by striking the last
23 sentence.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to transactions occurring after De-
3 cember 31, 2021.

4 **PART 4—FUNDING THE INTERNAL REVENUE**
5 **SERVICE AND IMPROVING TAXPAYER COM-**
6 **PLIANCE**

7 **SEC. 138401. FUNDING OF THE INTERNAL REVENUE SERV-**
8 **ICE.**

9 In addition to amounts otherwise available, there are
10 appropriated for fiscal year 2022, out of any money in
11 the Treasury not otherwise appropriated:

12 (1) \$78,935,000,000, to remain available until
13 September 30, 2031, for necessary expenses for the
14 Internal Revenue Service (IRS) for strengthening
15 tax enforcement activities and increasing voluntary
16 compliance, expanding audits and other enforcement
17 activities, and modernizing information technology to
18 effectively support enforcement activities, except that
19 no use of these funds is intended to increase taxes
20 on any taxpayer with taxable income below
21 \$400,000;

22 (2) \$410,000,000, to remain available until
23 September 30, 2031, for necessary expenses for the
24 Treasury Inspector General for Tax Administration
25 to provide oversight of the IRS, including ensuring

1 that taxpayer privacy is protected and that no undue
2 burden is imposed on small businesses from IRS en-
3 forcement activities; and

4 (3) \$157,000,000, to remain available until
5 September 30, 2031, for the Tax Court for adjudi-
6 cating tax disputes.

7 **SEC. 138402. APPLICATION OF BACKUP WITHHOLDING**
8 **WITH RESPECT TO THIRD PARTY NETWORK**
9 **TRANSACTIONS.**

10 (a) IN GENERAL.—Section 3406(b) is amended by
11 adding at the end the following new paragraph:

12 “(8) OTHER REPORTABLE PAYMENTS INCLUDE
13 PAYMENTS IN SETTLEMENT OF THIRD PARTY NET-
14 WORK TRANSACTIONS ONLY WHERE AGGREGATE FOR
15 CALENDAR YEAR IS \$600 OR MORE.—Any payment in
16 settlement of a third party network transaction re-
17 quired to be shown on a return required under sec-
18 tion 6050W which is made during any calendar year
19 shall be treated as a reportable payment only if—

20 “(A) the aggregate amount of such pay-
21 ment and all previous such payments made by
22 the third party settlement organization to the
23 participating payee during such calendar year
24 equals or exceeds \$600, or

1 “(7) LIMITATION ON DEDUCTION FOR QUALI-
2 FIED CONSERVATION CONTRIBUTIONS MADE BY
3 PASS-THROUGH ENTITIES.—

4 “(A) IN GENERAL.—A contribution by a
5 partnership (whether directly or as a distribu-
6 tive share of a contribution of another partner-
7 ship) shall not be treated as a qualified con-
8 servation contribution for purposes of this sec-
9 tion if the amount of such contribution exceeds
10 2.5 times the sum of each partner’s relevant
11 basis in such partnership.

12 “(B) RELEVANT BASIS.—For purposes of
13 this paragraph—

14 “(i) IN GENERAL.—The term ‘relevant
15 basis’ means, with respect to any partner,
16 the portion of such partner’s modified
17 basis in the partnership which is allocable
18 (under rules similar to the rules of section
19 755) to the portion of the real property
20 with respect to which the contribution de-
21 scribed in subparagraph (A) is made.

22 “(ii) MODIFIED BASIS.—The term
23 ‘modified basis’ means, with respect to any
24 partner, such partner’s adjusted basis in
25 the partnership as determined—

1 “(I) immediately before the con-
2 tribution described in subparagraph
3 (A),

4 “(II) without regard to section
5 752, and

6 “(III) by the partnership after
7 taking into account the adjustments
8 described in subclauses (I) and (II)
9 and such other adjustments as the
10 Secretary may provide.

11 “(C) EXCEPTION FOR CONTRIBUTIONS
12 OUTSIDE 3-YEAR HOLDING PERIOD.—Subpara-
13 graph (A) shall not apply to any contribution
14 which is made at least 3 years after the latest
15 of—

16 “(i) the last date on which the part-
17 nership that made such contribution ac-
18 quired any portion of the real property
19 with respect to which such contribution is
20 made,

21 “(ii) the last date on which any part-
22 ner in the partnership that made such con-
23 tribution acquired any interest in such
24 partnership, and

1 “(iii) if the interest in the partnership
2 that made such contribution is held
3 through one or more partnerships—

4 “(I) the last date on which any
5 such partnership acquired any interest
6 in any other such partnership, and

7 “(II) the last date on which any
8 partner in any such partnership ac-
9 quired any interest in such partner-
10 ship.

11 “(D) EXCEPTION FOR FAMILY PARTNER-
12 SHIPS.—

13 “(i) IN GENERAL.—Subparagraph (A)
14 shall not apply with respect to any con-
15 tribution made by any partnership if sub-
16 stantially all of the partnership interests in
17 such partnership are held, directly or indi-
18 rectly, by an individual and members of
19 the family of such individual.

20 “(ii) MEMBERS OF THE FAMILY.—For
21 purposes of this subparagraph, the term
22 ‘members of the family’ means, with re-
23 spect to any individual—

24 “(I) the spouse of such indi-
25 vidual, and

1 “(II) any individual who bears a
2 relationship to such individual which
3 is described in subparagraphs (A)
4 through (G) of section 152(d)(2).

5 “(E) APPLICATION TO OTHER PASS-
6 THROUGH ENTITIES.—Except as may be other-
7 wise provided by the Secretary, the rules of this
8 paragraph shall apply to S corporations and
9 other pass-through entities in the same manner
10 as such rules apply to partnerships.

11 “(F) REGULATIONS.—The Secretary shall
12 prescribe such regulations or other guidance as
13 may be necessary or appropriate to carry out
14 the purposes of this paragraph, including regu-
15 lations or other guidance—

16 “(i) to require reporting, including re-
17 porting related to tiered partnerships and
18 the modified basis of partners, and

19 “(ii) to prevent the avoidance of the
20 purposes of this paragraph.

21 “(8) NOTICE OF CERTAIN FAILURES.—

22 “(A) IN GENERAL.—If a donor is found by
23 the Secretary to have failed to meet the require-
24 ment that a qualified conservation contribution
25 shall be granted and protected in perpetuity by

1 reason of defective language in the deed relat-
2 ing to property line adjustments or extinguish-
3 ment clauses, the donor shall have 90 days
4 from the written notice by the Secretary to cor-
5 rect such failure, unless the Secretary can dem-
6 onstrate that the donor's failure to meet those
7 requirements was intentional.

8 “(B) EXCEPTION.—Subparagraph (A)
9 shall not apply to any reportable transaction or
10 any contribution that is not treated as a quali-
11 fied conservation contribution by reason of
12 paragraph (7).”.

13 (b) APPLICATION OF ACCURACY-RELATED PEN-
14 ALTIES.—

15 (1) IN GENERAL.—Section 6662(b) is amended
16 by inserting after paragraph (9) the following new
17 paragraph:

18 “(10) Any disallowance of a deduction by rea-
19 son of section 170(h)(7).”.

20 (2) TREATMENT AS GROSS VALUATION
21 MISSTATEMENT.—Section 6662(h)(2) is amended by
22 striking “and” at the end of subparagraph (B), by
23 striking the period at the end of subparagraph (C)
24 and inserting “, and”, and by adding at the end the
25 following new subparagraph:

1 “(D) any disallowance of a deduction de-
2 scribed in subsection (b)(10).”.

3 (3) NO REASONABLE CAUSE EXCEPTION.—Sec-
4 tion 6664(c)(2) is amended by inserting “or to any
5 disallowance of a deduction described in section
6 6662(b)(10)” before the period at the end.

7 (4) APPROVAL OF ASSESSMENT NOT RE-
8 QUIRED.—Section 6751(b)(2)(A) is amended by
9 striking “subsection (b)(9)” and inserting “para-
10 graph (9) or (10) of subsection (b)”.

11 (c) APPLICATION OF STATUTE OF LIMITATIONS ON
12 ASSESSMENT AND COLLECTION.—

13 (1) EXTENSION FOR CERTAIN ADJUSTMENTS
14 MADE UNDER PRIOR LAW.—In the case of any dis-
15 allowance of a deduction by reason of section
16 170(h)(7) of the Internal Revenue Code of 1986 (as
17 added by this section) or any penalty imposed under
18 section 6662 of such Code with respect to such dis-
19 allowance, section 6229(d)(2) of such Code (as in ef-
20 fect before its repeal) shall be applied by sub-
21 stituting “2 years” for “1 year”.

22 (2) EXTENSION FOR LISTED TRANSACTIONS.—
23 Any contribution described in section 170(h)(7)(A)
24 of the Internal Revenue Code of 1986 (as added by
25 this section) shall be treated for purposes of sections

1 6501(c)(10) and 6235(c)(6) of such Code as a
2 transaction specifically identified by the Secretary on
3 December 23, 2016, as a tax avoidance transaction
4 for purposes of section 6011 of such Code.

5 (d) APPLICATION TO CERTAIN TRANSACTIONS DIS-
6 ALLOWED UNDER OTHER PROVISIONS OF LAW.—In the
7 case of any disallowance of a deduction under section 170
8 of the Internal Revenue Code of 1986 with respect to a
9 transaction described in Internal Revenue Service Notice
10 2017–10 with respect to a taxable year ending before the
11 date of the enactment of this Act, such disallowance shall
12 be treated for purposes of section 6662(b)(10) of such
13 Code (as added by this section) and subsection (c)(1) as
14 being by reason of section 170(h)(7) of such Code (as
15 added by this section).

16 (e) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-
18 graphs (2) and (3), the amendments made by this
19 section shall apply to contributions made after De-
20 cember 23, 2016, in taxable years ending after such
21 date.

22 (2) NOTICE OF CERTAIN FAILURES.—So much
23 of the amendment made by subsection (a) as relates
24 to section 170(h)(8) of the Internal Revenue Code of
25 1986, as added by such subsection, shall apply to—

1 (A) returns filed after the date of the en-
2 actment of this Act, and

3 (B) returns filed on or before such date if
4 the period specified in section 6501 for assess-
5 ment of the taxes with respect to which such re-
6 turn relates has not expired as of such date.

7 (3) CERTIFIED HISTORIC STRUCTURES.—In the
8 case of contributions the conservation purpose (as
9 defined in section 170(h)(4) of the Internal Revenue
10 Code of 1986) of which is the preservation of a cer-
11 tified historic structure (as defined in section
12 170(h)(4)(C) of such Code), the amendments made
13 by this section shall apply to contributions made in
14 taxable years beginning after December 31, 2018.

15 (4) NO INFERENCE.—No inference is intended
16 as to the appropriate treatment of contributions
17 made in taxable years ending on or before the date
18 specified in paragraph (1) or (3), whichever is appli-
19 cable, or as to any activity not described in section
20 170(h)(7) of the Internal Revenue Code of 1986, as
21 added by this section.

1 **SEC. 138404. MODIFICATION OF PROCEDURAL REQUIRE-**
2 **MENTS RELATING TO ASSESSMENT OF PEN-**
3 **ALTIES.**

4 (a) REPEAL OF APPROVAL REQUIREMENT.—Section
5 6751, as amended by the preceding provision of this Act,
6 is amended by striking subsection (b).

7 (b) QUARTERLY CERTIFICATIONS OF COMPLIANCE
8 WITH PROCEDURAL REQUIREMENTS.—Section 6751, as
9 amended by subsection (a) of this section, is amended by
10 inserting after subsection (a) the following new subsection:

11 “(b) QUARTERLY CERTIFICATIONS OF COMPLI-
12 ANCE.—Each appropriate supervisor of employees of the
13 Internal Revenue Service shall certify quarterly by letter
14 to the Commissioner of Internal Revenue whether or not
15 the requirements of subsection (a) have been met with re-
16 spect to notices of penalty issued by such employees.”.

17 (c) EFFECTIVE DATES.—

18 (1) REPEAL OF APPROVAL REQUIREMENT.—
19 The amendment made by subsection (a) shall take
20 effect as if included in section 3306 of the Internal
21 Revenue Service Restructuring and Reform Act of
22 1998.

23 (2) QUARTERLY CERTIFICATIONS OF COMPLI-
24 ANCE WITH PROCEDURAL REQUIREMENTS.—The
25 amendment made by subsection (b) shall apply to

1 notices of penalty issued after the date of the enact-
2 ment of this Act.

3 **PART 5—OTHER PROVISIONS**

4 **SEC. 138501. MODIFICATIONS TO LIMITATION ON DEDUC-**
5 **TION OF EXCESSIVE EMPLOYEE REMUNERA-**
6 **TION.**

7 (a) IN GENERAL.—Section 162(m) is amended by
8 adding at the end the following new paragraph:

9 “(7) SPECIAL RULES RELATED TO LIMITATION
10 ON DEDUCTION OF EXCESSIVE EMPLOYEE REMU-
11 NERATION.—

12 “(A) AGGREGATION RULE.—A rule similar
13 to the rule of paragraph (6)(C)(ii) shall apply
14 for purposes of paragraph (1).

15 “(B) REGULATIONS.—The Secretary shall
16 prescribe such regulations or other guidance as
17 may be necessary or appropriate to carry out
18 the purposes of paragraph (1), including regula-
19 tions or other guidance to prevent the avoidance
20 of such purposes, including through the per-
21 formance of services other than as an employee
22 or by providing compensation through a pass-
23 through or other entity.”.

24 (b) ACCELERATION OF APPLICATION TO 5 HIGHEST
25 COMPENSATED EMPLOYEES.—Section 162(m)(3)(C) is

1 amended by striking “December 31, 2026” and inserting
2 “December 31, 2021”.

3 (c) APPLICABLE EMPLOYEE REMUNERATION.—Sec-
4 tion 162(m)(4)(A) is amended—

5 (1) by inserting “(including performance-based
6 compensation, commissions, post-termination com-
7 pensation, and beneficiary payments)” after “remu-
8 neration for services”, and

9 (2) by inserting “and whether or not such re-
10 munerated is paid directly by the publicly held cor-
11 poration” after “whether or not during the taxable
12 year”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2021.

16 **SEC. 138502. EXTENSION OF TAX TO FUND BLACK LUNG**
17 **DISABILITY TRUST FUND.**

18 (a) IN GENERAL.—Section 4121(e)(2)(A) is amended
19 by striking “December 31, 2021” and inserting “Decem-
20 ber 31, 2025”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall apply to sales after December 31, 2021.

1 **SEC. 138503. PROHIBITED TRANSACTIONS RELATING TO**
2 **HOLDING DISC OR FSC IN INDIVIDUAL RE-**
3 **TIREMENT ACCOUNT.**

4 (a) IN GENERAL.—Section 4975(c)(1) is amended by
5 striking “or” at the end of subparagraph (E), by striking
6 the period at the end of subparagraph (F) and inserting
7 “; or”, and by adding at the end the following new sub-
8 paragraph:

9 “(G) in the case of a DISC or FSC that
10 receives any commission, or other payment,
11 from an entity any stock or interest in which is
12 owned by the individual for whose benefit an in-
13 dividual retirement account is maintained, hold-
14 ing of an interest in such DISC or FSC by the
15 individual retirement account.”.

16 (b) SPECIAL RULES OF APPLICATION.—Section
17 4975(c) is amended by adding at the end the following
18 new paragraph:

19 “(8) SPECIAL RULES OF APPLICATION FOR
20 DISC AND FSC HOLDINGS.—

21 “(A) INDIRECT HOLDING OF DISC OR
22 FSC.—For purposes of paragraph (1)(G), if an
23 individual retirement account holds an interest
24 in an entity that owns (directly or indirectly) an
25 interest in a DISC or FSC, the account shall

1 be treated as holding an interest in such DISC
2 or FSC.

3 “(B) CONSTRUCTIVE OWNERSHIP.—For
4 purposes of determining ownership of stock (or
5 any other interest) in an entity under para-
6 graph (1)(G) and ownership of an interest in a
7 DISC or FSC under subparagraph (A), the
8 rules prescribed by section 318 for determining
9 ownership shall apply, except that such section
10 shall be applied by substituting ‘10 percent’ for
11 ‘50 percent’ each place it appears.

12 “(C) DISC AND FSC.—For purposes of
13 his subsection, the terms ‘DISC’ and ‘FSC’
14 shall have the respective meanings given such
15 terms by section 992(a)(1)) and section 922(a)
16 (as in effect before its repeal by the FSC Re-
17 peal and Extraterritorial Income Exclusion Act
18 of 2000).”.

19 (c) APPLICATION OF TAX TO TERMINATED INDI-
20 VIDUAL RETIREMENT ACCOUNTS.—Section 4975(c)(3) is
21 amended by adding at the end the following: “The pre-
22 ceding sentence shall not apply in the case of a prohibited
23 transaction described in paragraph (1)(G).”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to stock and other interests ac-
3 quired or held on or after December 31, 2021.

4 **SEC. 138504. INCREASE IN TAX ON CERTAIN TOBACCO**
5 **PRODUCTS AND IMPOSITION OF TAX ON NIC-**
6 **OTINE.**

7 (a) INCREASING TAX ON CIGARETTES.—

8 (1) SMALL CIGARETTES.—Section 5701(b)(1) is
9 amended by striking “\$50.33” and inserting
10 “\$100.66”.

11 (2) LARGE CIGARETTES.—Section 5701(b)(2) is
12 amended by striking “\$105.69” and inserting
13 “\$211.39”.

14 (b) TAX PARITY FOR SMALL CIGARS.—Section
15 5701(a)(1) is amended by striking “\$50.33” and inserting
16 “\$100.66”.

17 (c) TAX PARITY FOR LARGE CIGARS.—Section
18 5701(a)(2) is amended by striking “52.75 percent” and
19 all that follows through the period and inserting “\$49.56
20 per pound and a proportionate tax at the like rate on all
21 fractional parts of a pound but not less than 10.06 cents
22 per cigar.”.

23 (d) TAX PARITY FOR SMOKELESS TOBACCO.—

24 (1) Section 5701(e) is amended—

1 (A) in paragraph (1), by striking “\$1.51”
2 and inserting “\$26.84”,

3 (B) in paragraph (2), by striking “50.33
4 cents” and inserting “\$10.70”, and

5 (C) by adding at the end the following new
6 paragraph:

7 “(3) SMOKELESS TOBACCO SOLD IN DISCRETE
8 SINGLE-USE UNITS.—On discrete single-use units,
9 \$100 per thousand.”.

10 (2) Section 5702(m) is amended—

11 (A) in paragraph (1), by striking “or chew-
12 ing tobacco” and inserting “, chewing tobacco,
13 or discrete single-use unit”,

14 (B) in paragraphs (2) and (3), by inserting
15 “and that is not a discrete single-use unit” be-
16 fore the period at the end of each such para-
17 graph, and

18 (C) by adding at the end the following new
19 paragraph:

20 “(4) DISCRETE SINGLE-USE UNIT.—The term
21 ‘discrete single-use unit’ means any product con-
22 taining tobacco that—

23 “(A) is not intended to be smoked, and

1 “(B) is in the form of a lozenge, tablet,
2 pill, pouch, dissolvable strip, or other discrete
3 single-use or single-dose unit.”.

4 (e) TAX PARITY FOR PIPE TOBACCO.—Section
5 5701(f) is amended by striking “\$2.8311 cents” and in-
6 serting “\$49.56”.

7 (f) TAX PARITY FOR ROLL-YOUR-OWN TOBACCO.—
8 Section 5701(g) is amended by striking “\$24.78” and in-
9 serting “\$49.56”.

10 (g) TAX PARITY FOR ROLL-YOUR-OWN TOBACCO
11 AND CERTAIN PROCESSED TOBACCO.—Section 5702(o) is
12 amended by inserting “, and includes processed tobacco
13 that is removed for delivery or delivered to a person other
14 than a person with a permit provided under section 5713,
15 but does not include removals of processed tobacco for ex-
16 portation” after “wrappers thereof”.

17 (h) IMPOSITION OF TAX ON NICOTINE FOR USE IN
18 VAPING, ETC.—

19 (1) IN GENERAL.—Section 5701 is amended by
20 redesignating subsection (h) as subsection (i) and by
21 inserting after subsection (g) the following new sub-
22 section:

23 “(h) NICOTINE.—On taxable nicotine, manufactured
24 in or imported into the United States, there shall be im-
25 posed a tax equal to the dollar amount specified in section

1 5701(b)(1) per 1,810 milligrams of nicotine (and a pro-
2 portionate tax at the like rate on any fractional part there-
3 of).”.

4 (2) TAXABLE NICOTINE.—Section 5702 is
5 amended by adding at the end the following new
6 subsection:

7 “(q) TAXABLE NICOTINE.—

8 “(1) IN GENERAL.—Except as otherwise pro-
9 vided in this subsection, the term ‘taxable nicotine’
10 means any nicotine which has been extracted, con-
11 centrated, or synthesized.

12 “(2) EXCEPTION FOR PRODUCTS APPROVED BY
13 FOOD AND DRUG ADMINISTRATION.—Such term
14 shall not include any nicotine if the manufacturer or
15 importer thereof demonstrates to the satisfaction of
16 the Secretary of Health and Human Services that
17 such nicotine will be used in—

18 “(A) a drug—

19 “(i) that is approved under section
20 505 of the Federal Food, Drug, and Cos-
21 metic Act or licensed under section 351 of
22 the Public Health Service Act; or

23 “(ii) for which an investigational use
24 exemption has been authorized under sec-
25 tion 505(i) of the Federal Food, Drug, and

1 Cosmetic Act or under section 351(a) of
2 the Public Health Service Act; or

3 “(B) a combination product (as described
4 in section 503(g) of the Federal Food, Drug,
5 and Cosmetic Act), the constituent parts of
6 which were approved or cleared under section
7 505, 510(k), or 515 of such Act.

8 “(3) COORDINATION WITH TAXATION OF OTHER
9 TOBACCO PRODUCTS.—Tobacco products meeting
10 the definition of cigars, cigarettes, smokeless to-
11 bacco, pipe tobacco, and roll-your-own tobacco in
12 this section shall be classified and taxed as such de-
13 spite any concentration of the nicotine inherent in
14 those products or any addition of nicotine to those
15 products during the manufacturing process.

16 “(4) REGULATIONS.—The Secretary shall pre-
17 scribe such regulations or other guidance as is nec-
18 essary or appropriate to carry out the purposes of
19 this subsection, including regulations or other guid-
20 ance for coordinating the taxation of tobacco prod-
21 ucts and taxable nicotine to protect revenue and pre-
22 vent double taxation.”.

23 (3) TAXABLE NICOTINE TREATED AS A TO-
24 BACCO PRODUCT.—Section 5702(c) is amended by

1 striking “and roll-your-own tobacco” and inserting
2 “roll-your-own tobacco, and taxable nicotine”.

3 (4) MANUFACTURER OF TAXABLE NICOTINE.—
4 Section 5702, as amended by paragraph (2), is
5 amended by adding at the end the following new
6 subsection:

7 “(r) MANUFACTURER OF TAXABLE NICOTINE.—

8 “(1) IN GENERAL.—Any person who extracts,
9 concentrates, or synthesizes nicotine shall be treated
10 as a manufacturer of taxable nicotine (and as manu-
11 facturing such taxable nicotine).

12 “(2) APPLICATION OF RULES RELATED TO
13 MANUFACTURERS OF TOBACCO PRODUCTS.—Any
14 reference to a manufacturer of tobacco products, or
15 to manufacturing tobacco products, shall be treated
16 as including a reference to a manufacturer of tax-
17 able nicotine, or to manufacturing taxable nicotine,
18 respectively.”.

19 (j) REPEAL OF SPECIAL RULES FOR DETERMINING
20 PRICE OF CIGARS.—Section 5702 is amended by striking
21 subsection (l).

22 (k) FLOOR STOCKS TAXES.—

23 (1) IMPOSITION OF TAX.—On covered tobacco
24 products, and cigarette papers and tubes, manufac-
25 tured in or imported into the United States which

1 are removed before the tax increase date and held on
2 such date for sale by any person, there is hereby im-
3 posed a tax in an amount equal to the excess of—

4 (A) the tax which would be imposed under
5 section 5701 of the Internal Revenue Code of
6 1986 on the article if the article had been re-
7 moved on such date, over

8 (B) the prior tax (if any) imposed under
9 section 5701 of such Code on such article.

10 (2) COVERED TOBACCO PRODUCTS.—For pur-
11 poses of this subsection, the term “covered tobacco
12 products” means any tobacco product other than—

13 (A) cigars described in section 5701(a)(2)
14 of the Internal Revenue Code of 1986,

15 (B) discrete single-use units (as defined in
16 section 5702(m)(4) of such Code, as amended
17 by this section), and

18 (C) taxable nicotine (as defined in section
19 5702(q) of such Code, as amended by this sec-
20 tion).

21 (3) CREDIT AGAINST TAX.—Each person shall
22 be allowed as a credit against the taxes imposed by
23 paragraph (1) an amount equal to the lesser of
24 \$1,000 or the amount of such taxes. For purposes
25 of the preceding sentence, all persons treated as a

1 single employer under subsection (b), (c), (m), or (o)
2 of section 414 of the Internal Revenue Code of 1986
3 shall be treated as 1 person for purposes of this
4 paragraph.

5 (4) LIABILITY FOR TAX AND METHOD OF PAY-
6 MENT.—

7 (A) LIABILITY FOR TAX.—The person re-
8 ferred to in paragraph (1) shall be liable for the
9 tax imposed by such paragraph.

10 (B) METHOD OF PAYMENT.—The tax im-
11 posed by paragraph (1) shall be paid in such
12 manner as the Secretary may provide.

13 (5) ARTICLES IN FOREIGN TRADE ZONES.—

14 (A) IN GENERAL.—Notwithstanding the
15 Act of June 18, 1934 (commonly known as the
16 Foreign Trade Zone Act, 48 Stat. 998, 19
17 U.S.C. 81a et seq.) or any other provision of
18 law, any covered tobacco products, or cigarette
19 papers and tubes, which are located in a foreign
20 trade zone on the tax increase date, shall be
21 subject to the tax imposed by paragraph (1)
22 if—

23 (i) internal revenue taxes have been
24 determined, or customs duties liquidated,
25 with respect to such article before such

1 date pursuant to a request made under the
2 1st proviso of section 3(a) of such Act, or
3 (ii) such article is held on such date
4 under the supervision of an officer of the
5 United States Customs and Border Protec-
6 tion of the Department of Homeland Secu-
7 rity pursuant to the 2d proviso of such sec-
8 tion 3(a).

9 (6) TAX INCREASE DATE.—For purposes of this
10 subsection, the term “tax increase date” means the
11 first day of the first calendar quarter described in
12 subsection (k)(1).

13 (7) CERTAIN OTHER DEFINITIONS.—Terms
14 used in this subsection which are also used in sec-
15 tion 5702 of the Internal Revenue Code of 1986
16 shall have the same meaning as when used in such
17 section.

18 (l) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as otherwise pro-
20 vided in this subsection, the amendments made by
21 this section shall apply to articles removed in cal-
22 endar quarters beginning after the date of the enact-
23 ment of this Act.

24 (2) DELAYED EFFECTIVE DATE FOR CERTAIN
25 PRODUCTS.—The amendments made by subsections

1 (c), (d)(1)(C), (d)(2), and (h) shall apply to articles
2 removed in calendar quarters beginning after the
3 date which is 180 days after the date of the enact-
4 ment of this Act.

5 (m) **TRANSITION RULE FOR PERMIT AND BOND RE-**
6 **QUIREMENTS.**—A person which is lawfully engaged in
7 business as a manufacturer or importer of taxable nicotine
8 (within the meaning of subchapter A of chapter 52 of the
9 Internal Revenue Code of 1986, as amended by this sec-
10 tion) on the date of the enactment of this Act, first be-
11 comes subject to the requirements of subchapter B of
12 chapter 52 of such Code by reason of the amendments
13 made by this section, and submits an application under
14 such subchapter B to engage in such business not later
15 than 90 days after the date of the enactment of this Act,
16 shall not be denied the right to carry on such business
17 by reason of such requirements before final action on such
18 application.

19 **SEC. 138505. CLARIFICATION OF RULES REGARDING TO-**
20 **BACCO DRAWBACK.**

21 (a) **IN GENERAL.**—Section 5706 is amended by add-
22 ing at the end the following: “Exemption from tax under
23 section 5704 is drawback, and no further drawback shall
24 be allowed based on merchandise that has not been subject
25 to tax.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to drawback claims made on or
3 after December 18, 2018.

4 (c) NO INFERENCE.—Nothing contained in this sub-
5 section or the amendments made by this subsection shall
6 be construed to create any inference with respect to any
7 drawback claim made before December 18, 2018.

8 **SEC. 138506. TERMINATION OF EMPLOYER CREDIT FOR**
9 **PAID FAMILY AND MEDICAL LEAVE.**

10 Section 45S(i) is amended by striking “December 31,
11 2025” and inserting “December 31, 2023”.

12 **SEC. 138507. CLARIFICATION OF TREATMENT OF DISC**
13 **GAINS AND DISTRIBUTIONS OF CERTAIN**
14 **FOREIGN SHAREHOLDERS.**

15 (a) IN GENERAL.—Section 996(g) of the Internal
16 Revenue Code of 1986 is amended by striking “of such
17 shareholder” and inserting “deemed to be had by such
18 shareholder”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) shall apply to gains and distributions after
21 December 31, 2021.

22 (c) APPLICATION TO FOREIGN SALES CORPORA-
23 TIONS.—In the case of any distribution after December
24 31, 2021, section 926(b)(1) of the Internal Revenue Code
25 of 1986 (prior to its repeal by the FSC Repeal and

1 Extraterritorial Income Exclusion Act of 2000) shall be
2 applied by substituting “deemed to be had by such share-
3 holder” for “of such shareholder”.

4 **SEC. 138508. ACCESS TO SELF-EMPLOYMENT INCOME IN-**
5 **FORMATION FOR PAID LEAVE ADMINISTRA-**
6 **TION.**

7 Section 6103(l) of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new para-
9 graph:

10 “(23) DISCLOSURE OF CERTAIN RETURN IN-
11 FORMATION TO CARRY OUT PAID FAMILY AND MED-
12 ICAL LEAVE BENEFIT PROGRAM.—

13 “(A) IN GENERAL.—The Secretary shall,
14 upon written request, disclose to officers and
15 employees of the Department of the Treasury
16 return information with respect to a taxpayer
17 whose self-employment income is relevant in de-
18 termining eligibility for, or the correct amount
19 of, a paid family and medical leave benefit
20 under title XXII of the Social Security Act.
21 Such information shall be limited to—

22 “(i) the taxpayer identity information
23 with respect to the taxpayer,

24 “(ii) the self-employment income of
25 the taxpayer, and

1 “(iii) the taxable year to which such
2 self-employment income relates.

3 “(B) RESTRICTION ON DISCLOSURE.—Re-
4 turn information disclosed under subparagraph
5 (A) may be used by officers and employees of
6 the Department of the Treasury solely for the
7 purpose of administering the paid family and
8 medical leave benefit program under title XXII
9 of the Social Security Act.

10 “(C) SELF-EMPLOYMENT INCOME.—For
11 purposes of this paragraph, the term ‘self-em-
12 ployment income’ has the meaning given such
13 term in section 1402(b) for purposes of the
14 taxes imposed by section 1401(b).”.

15 **SECTION 138509. TEMPORARY RULE TO ALLOW CERTAIN S**
16 **CORPORATIONS TO REORGANIZE AS PART-**
17 **NERSHIPS WITHOUT TAX.**

18 (a) IN GENERAL.—A qualified liquidation of an eligi-
19 ble S corporation shall be treated for purposes of the In-
20 ternal Revenue Code of 1986 in the same manner as if—

21 (1) such liquidation were a complete liquidation
22 described in section 332(b) of such Code, and

23 (2) the domestic partnership referred to in sub-
24 section (c)(2) were a corporation which is an 80-per-

1 cent distributee (within the meaning of section
2 337(c) of such Code).

3 (b) ELIGIBLE S CORPORATION.—For purposes of
4 this section, the term “eligible S corporation” means any
5 corporation (including any predecessor corporation) that
6 was an S corporation on May 13, 1996, and at all times
7 thereafter through the date on which the qualified liquida-
8 tion is completed.

9 (c) QUALIFIED LIQUIDATION.—For purposes of this
10 section, the term “qualified liquidation” means one or
11 more transactions occurring during the 2-year period be-
12 ginning on December 31, 2021 if—

13 (1) such transactions constitute the complete
14 liquidation of an eligible S corporation, and

15 (2) substantially all of the assets and liabilities
16 of such eligible S corporation are, as a result of such
17 transactions, transferred to a domestic partnership.

18 (d) ELECTION.—This section shall apply to any
19 qualified liquidation only if the eligible S corporation elects
20 the application of this section in such manner as the Sec-
21 retary may require and not later than the due date for
22 filing the return of tax under chapter 1 of such Code for
23 the taxable year in which such liquidation is completed.

24 (e) APPLICATION OF RESTRICTION ON SUBSECTION
25 S CORPORATION ELECTIONS.—In the case of any quali-

1 fied liquidation to which this section applies, the domestic
2 partnership referred to in subsection (c)(2) shall not fail
3 to be treated as a successor corporation of the eligible S
4 corporation for purposes of section 1362(g) of such Code.

5 (f) OTHER DEFINITIONS.—Terms used in this sec-
6 tion which are also used in the Internal Revenue Code of
7 1986 shall have the same meaning as when used in such
8 Code.

9 (g) REGULATIONS.—The Secretary shall prescribe
10 such regulations or other guidance as may be necessary
11 or appropriate to carry out this section.

12 **SEC. 138510. TREATMENT OF CERTAIN QUALIFIED SOUND**
13 **RECORDING PRODUCTIONS.**

14 (a) ELECTION TO TREAT COSTS AS EXPENSES.—
15 Section 181(a)(1) is amended by striking “qualified film
16 or television production, and any qualified live theatrical
17 production,” and inserting “qualified film or television
18 production, any qualified live theatrical production, and
19 any qualified sound recording production”.

20 (b) DOLLAR LIMITATION.—Section 181(a)(2) is
21 amended by adding at the end the following new subpara-
22 graph:

23 “(C) QUALIFIED SOUND RECORDING PRO-
24 Duction.—Paragraph (1) shall not apply to so
25 much of the aggregate cost of any qualified

1 sound recording production, or to so much of
2 the aggregate, cumulative cost of all such quali-
3 fied sound recording productions in the taxable
4 year, as exceeds \$150,000.”.

5 (c) NO OTHER DEDUCTION OR AMORTIZATION DE-
6 DEDUCTION ALLOWABLE.—Section 181(b) is amended by
7 striking “qualified film or television production or any
8 qualified live theatrical production” and inserting “quali-
9 fied film or television production, any qualified live theat-
10 rical production, or any qualified sound recording produc-
11 tion”.

12 (d) ELECTION.—Section 181(c)(1) is amended by
13 striking “qualified film or television production or any
14 qualified live theatrical production” and inserting “quali-
15 fied film or television production, any qualified live theat-
16 rical production, or any qualified sound recording produc-
17 tion”.

18 (e) QUALIFIED SOUND RECORDING PRODUCTION
19 DEFINED.—Section 181 is amended by redesignating sub-
20 sections (f) and (g) as subsections (g) and (h), respec-
21 tively, and by inserting after subsection (e) the following
22 new subsection:

23 “(f) QUALIFIED SOUND RECORDING PRODUCTION.—
24 For purposes of this section, the term ‘qualified sound re-
25 cording production’ means a sound recording (as defined

1 in section 101 of title 17, United States Code) produced
2 and recorded in the United States.”.

3 (f) TERMINATION.—Section 181(h) (as redesignated
4 by subsection (e)) is amended by striking “qualified film
5 or television production or any qualified live theatrical pro-
6 duction” and inserting “qualified film or television produc-
7 tion, any qualified live theatrical production, or any quali-
8 fied sound recording production”.

9 (g) BONUS DEPRECIATION.—

10 (1) QUALIFIED SOUND RECORDING PRODUC-
11 TION AS QUALIFIED PROPERTY.—Section
12 168(k)(2)(A)(i) is amended—

13 (A) by striking “or” at the end of sub-
14 clause (IV), by adding “or” at the end of sub-
15 clause (V), and by inserting after subclause (V)
16 the following:

17 “(VI) which is a qualified sound
18 recording production (as defined in
19 subsection (f) of section 181) for
20 which a deduction would have been al-
21 lowable under section 181 without re-
22 gard to subsections (a)(2) and (h) of
23 such section or this subsection,” and

24 (B) in subclauses (IV) and (V) (as amend-
25 ed) by striking “without regard to subsections

1 (a)(2) and (g)” both places it appears and in-
2 serting “without regard to subsections (a)(2)
3 and (h)”.

4 (2) PRODUCTION PLACED IN SERVICE.—Section
5 168(k)(2)(H) is amended by striking “and” at the
6 end of clause (i), by striking the period at the end
7 of clause (ii) and inserting “, and”, and by adding
8 after clause (ii) the following:

9 “(iii) a qualified sound recording pro-
10 duction shall be considered to be placed in
11 service at the time of initial release or
12 broadcast.”.

13 (h) CONFORMING AMENDMENTS.—

14 (1) The heading for section 181 is amended to
15 read as follows: “**TREATMENT OF CERTAIN**
16 **QUALIFIED PRODUCTIONS.**”.

17 (2) The table of sections for part VI of sub-
18 chapter B of chapter 1 is amended by striking the
19 item relating to section 181 and inserting the fol-
20 lowing new item:

“Sec. 181. Treatment of certain qualified productions.”.

21 (i) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to productions commencing in tax-
23 able years ending after the date of the enactment of this
24 Act.

1 **SECTION 138511. PAYMENT TO CERTAIN INDIVIDUALS WHO**
2 **DYE FUEL.**

3 (a) IN GENERAL.—Subchapter B of chapter 65 is
4 amended by adding at the end the following new sub-
5 section:

6 **“SEC. 6433. DYED FUEL.**

7 “(a) IN GENERAL.—If a person establishes to the
8 satisfaction of the Secretary that such person meets the
9 requirements of subsection (b) with respect to diesel fuel
10 or kerosene, then the Secretary shall pay to such person
11 an amount (without interest) equal to the tax described
12 in subsection (b)(2)(A) with respect to such diesel fuel or
13 kerosene.

14 “(b) REQUIREMENTS.—

15 “(1) IN GENERAL.—A person meets the re-
16 quirements of this subsection with respect to diesel
17 fuel or kerosene if such person removes from a ter-
18 minal eligible indelibly dyed diesel fuel or kerosene.

19 “(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL
20 OR KEROSENE DEFINED.—The term ‘eligible indeli-
21 bly dyed diesel fuel or kerosene’ means diesel fuel or
22 kerosene—

23 “(A) with respect to which a tax under sec-
24 tion 4081 was previously paid (and not credited
25 or refunded), and

1 “(B) which is exempt from taxation under
2 section 4082(a).

3 “(c) CROSS REFERENCE.—For civil penalty for ex-
4 cessive claims under this section, see section 6675.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) Section 6206 is amended—

7 (A) by striking “or 6427” each place it ap-
8 pears and inserting “6427, or 6433”, and

9 (B) by striking “6420 and 6421” and in-
10 serting “6420, 6421, and 6433”.

11 (2) Section 6430 is amended—

12 (A) by striking “or” at the end of para-
13 graph (2), by striking the period at the end of
14 paragraph (3) and inserting “or”, and by add-
15 ing at the end the following new paragraph:

16 “(4) which are removed as eligible indelibly
17 dyed diesel fuel or kerosene under section 6433.”.

18 (3) Section 6675 is amended—

19 (A) in subsection (a), by striking “or 6427
20 (relating to fuels not used for taxable pur-
21 poses)” and inserting “6427 (relating to fuels
22 not used for taxable purposes), or 6433 (relat-
23 ing to eligible indelibly dyed fuel)”, and

1 (B) in subsection (b)(1), by striking
2 “6421, or 6427,” and inserting “6421, 6427,
3 or 6433”.

4 (4) The table of sections for subchapter B of
5 chapter 65 is amended by adding at the end the fol-
6 lowing new item:

“Sec. 6433. Dyed fuel.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to eligible indelibly dyed diesel fuel
9 or kerosene removed on or after the date that is 180 days
10 after the date of the enactment of this section.

11 **SEC. 138512. EXTENSION OF CREDIT FOR PORTION OF EM-**
12 **PLOYER SOCIAL SECURITY TAXES PAID WITH**
13 **RESPECT TO EMPLOYEE TIPS TO BEAUTY**
14 **SERVICE ESTABLISHMENTS.**

15 (a) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE
16 BUSINESS.—

17 (1) IN GENERAL.—Section 45B(b)(2) is amend-
18 ed to read as follows:

19 “(2) APPLICATION ONLY TO CERTAIN LINES OF
20 BUSINESS.—In applying paragraph (1), there shall
21 be taken into account only tips received from cus-
22 tomers or clients in connection with the following
23 services:

24 “(A) The providing, delivering, or serving
25 of food or beverages for consumption, if the tip-

1 ping of employees delivering or serving food or
2 beverages by customers is customary.

3 “(B) The providing of beauty services to a
4 customer or client if the tipping of employees
5 providing such services is customary.”.

6 (2) BEAUTY SERVICE DEFINED.—Section 45B
7 is amended by adding at the end the following new
8 subsection:

9 “(e) BEAUTY SERVICE.—For purposes of this sec-
10 tion, the term ‘beauty service’ means any of the following:

11 “(1) Barbering and hair care.

12 “(2) Nail care.

13 “(3) Esthetics.

14 “(4) Body and spa treatments.”.

15 (b) CREDIT DETERMINED WITH RESPECT TO MIN-
16 IMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is
17 amended—

18 (1) by striking “as in effect on January 1,
19 2007, and”, and

20 (2) by inserting “, and in the case of food or
21 beverage establishments, as in effect on January 1,
22 2007” after “without regard to section 3(m) of such
23 Act”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2021.

4 **SEC. 138513. ENHANCEMENT OF WORK OPPORTUNITY**
5 **CREDIT DURING COVID-19 RECOVERY PE-**
6 **RIOD.**

7 (a) IN GENERAL.—Section 51 is amended by adding
8 at the end the following new subsection:

9 “(1) ADJUSTMENT TO CREDIT DURING COVID-19
10 RECOVERY PERIOD.—In the case of individuals (other
11 than any individual who is a qualified summer youth em-
12 ployee) hired after the date of the enactment of this sub-
13 section and before January 1, 2023—

14 “(1) INCREASED AMOUNT OF CREDIT.—Sub-
15 section (a) shall be applied by substituting ‘50 per-
16 cent’ for ‘40 percent’.

17 “(2) AVAILABILITY OF CREDIT IN SECOND
18 YEAR OF EMPLOYMENT.—

19 “(A) IN GENERAL.—Subsection (a) shall
20 be applied by inserting ‘or qualified second-year
21 wages’ after ‘wages’.

22 “(B) QUALIFIED SECOND-YEAR WAGES.—
23 For the purposes of this paragraph, the term
24 ‘qualified second-year wages’ means qualified
25 wages which are attributable to service rendered

1 during the 1-year period beginning on the day
2 after the last day of the 1-year period with re-
3 spect to the recipient determined under sub-
4 section (b)(2).

5 “(3) INCREASE IN LIMITATION ON WAGES
6 TAKEN INTO ACCOUNT.—Subsection (b)(3) shall be
7 applied by substituting ‘\$10,000’ for ‘\$6,000’.

8 “(4) ELIGIBILITY OF REHIRES.—

9 “(A) IN GENERAL.—Subsection (i)(2) shall
10 not apply.

11 “(B) REGULATIONS.—The Secretary shall
12 issue such regulations as the Secretary deter-
13 mines appropriate to ensure a reasonable appli-
14 cation of subparagraph (A), including prohib-
15 iting attempts to claim the benefit of this sec-
16 tion through the termination and rehiring of an
17 employee.”.

18 (b) EFFECTIVE DATE.—The amendment made by
19 this section shall apply to taxable years ending after the
20 date of enactment of this Act.

1 **SEC. 138514. ALLOWANCE OF DEDUCTION FOR CERTAIN EX-**
2 **PENSES OF THE TRADE OR BUSINESS OF**
3 **BEING AN EMPLOYEE.**

4 (a) ABOVE-THE-LINE DEDUCTION FOR UNION
5 DUES.—Section 62(a)(2) is amended by adding at the end
6 the following new subparagraph:

7 “(F) UNION DUES.—The deductions allowed by
8 section 162 which are both—

9 “(A) not in excess of \$250, and

10 “(B) attributable to a trade or business
11 consisting of the performance of services by the
12 taxpayer as an employee if such deductions are
13 for dues paid to a labor organization described
14 in section 501(c)(5) and with respect to which
15 such taxpayer remained a member through the
16 end of the taxable year.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2021.

20 **SECTION 138515. COVER OVER OF CERTAIN DISTILLED**
21 **SPIRITS TAXES.**

22 (a) REPEAL OF LIMITATION ON COVER OVER OF
23 DISTILLED SPIRITS TAXES TO PUERTO RICO AND VIRGIN
24 ISLANDS.—

25 (1) IN GENERAL.—Section 7652 is amended by
26 striking subsection (f) and by redesignating sub-

1 sections (g) and (h) as subsections (f) and (g), re-
2 spectively.

3 (2) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to distilled spirits
5 brought into the United States after December 31,
6 2021.

7 (b) REQUIRED TRANSFER TO PUERTO RICO CON-
8 SERVATION TRUST FUND OF PORTION OF PUERTO RICO
9 RUM COVER OVER.—

10 (1) IN GENERAL.—Section 7652(a) is amended
11 by adding at the end the following new paragraph:

12 “(4) REQUIRED TRANSFER TO PUERTO RICO
13 CONSERVATION TRUST FUND OF PORTION OF RUM
14 TAXES COVERED OVER.—

15 “(A) IN GENERAL.—From any taxes col-
16 lected on rum transported to the United States
17 that are covered into the treasury of Puerto
18 Rico under paragraph (3) at a rate equal to or
19 greater than \$10.50 per proof gallon, Puerto
20 Rico shall transfer to the Puerto Rico Con-
21 servation Trust Fund an amount per proof gal-
22 lon equal to or greater than $\frac{1}{6}$ of the difference
23 between \$10.50 and the rate, not to exceed
24 \$13.25, at which such taxes are covered into
25 such treasury. Puerto Rico’s obligations under

1 this paragraph shall not modify or impair pay-
2 ment priorities established under Puerto Rico
3 law and in effect on May 21, 2021.

4 “(B) PUERTO RICO CONSERVATION TRUST
5 FUND.—For purposes of this section, the term
6 ‘Puerto Rico Conservation Trust Fund’ means
7 the fund established pursuant to a Memo-
8 randum of Understanding between the United
9 States Department of the Interior and the
10 Commonwealth of Puerto Rico, dated December
11 24, 1968.”.

12 (2) COVER OVER DETERMINED WITHOUT RE-
13 GARD TO CERTAIN RATE REDUCTIONS.—Section
14 7652(h), as amended by subsections (a) and (c), is
15 amended by inserting “(a)(4),” after “(a)(3),”.

16 (3) EFFECTIVE DATE.—The amendments made
17 by this subsection shall apply to distilled spirits
18 brought into the United States after December 31,
19 2021.

20 (c) COVER OVER DETERMINED WITHOUT REGARD
21 TO CERTAIN RATE REDUCTIONS.—

22 (1) IN GENERAL.—Section 7652, as amended
23 by subsection (a), is amended by inserting after sub-
24 section (g) the following new subsection:

1 “(h) COVER OVER DETERMINED WITHOUT REGARD
2 TO CERTAIN RATE REDUCTIONS.—For purposes of sub-
3 sections (a)(3), (b)(3), and (e)(1), refunds under section
4 5001(c)(4) shall not be taken into account as a refund,
5 and the amount of taxes imposed and collected under sec-
6 tion 5001(a)(1) shall be determined without regard to sec-
7 tion 5001(c).”.

8 (2) EFFECTIVE DATE.—The amendment made
9 by paragraph (1) shall take effect as if included in
10 section 13807 of Public Law 116–260.

11 (3) CONFORMING AMENDMENTS.—

12 (A) 7652(E).—

13 (i) IN GENERAL.—Section 7652(e) is
14 amended by striking paragraph (5).

15 (ii) EFFECTIVE DATE.—The amend-
16 ment made by this subparagraph shall take
17 effect as if included in section 13807 of
18 Public Law 115–97.

19 (B) 7652(I).—

20 (i) IN GENERAL.—Section 7652 is
21 amended by striking subsection (i).

22 (ii) EFFECTIVE DATE.—The amend-
23 ment made by this subparagraph shall take
24 effect as if included in section 107 of Pub-
25 lic Law 116–260.

1 **SEC. 138516. RESEARCH AND EXPERIMENTAL EXPENDI-**
2 **TURES.**

3 (a) IN GENERAL.—Section 13206 of Public Law
4 115–97 is amended—

5 (1) in subsection (b)(3), by striking “2021”
6 and inserting “2025”, and

7 (2) in subsection (e), by striking “2021” and
8 inserting “2025”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall take effect on the date of the enactment
11 of this Act.

12 **SEC. 138517. PAYROLL CREDIT FOR COMPENSATION OF**
13 **LOCAL NEWS JOURNALISTS.**

14 (a) IN GENERAL.—In the case of an eligible local
15 newspaper publisher, there shall be allowed as a credit
16 against applicable employment taxes for each calendar
17 quarter an amount equal to the applicable percentage of
18 wages paid by such publisher to local news journalists for
19 such calendar quarter.

20 (b) LIMITATIONS AND REFUNDABILITY.—

21 (1) WAGES TAKEN INTO ACCOUNT.—The
22 amount of wages paid with respect to any individual
23 which may be taken into account under subsection
24 (a) during any calendar quarter by the eligible local
25 newspaper publisher shall not exceed \$12,500.

1 (2) CREDIT LIMITED TO EMPLOYMENT
2 TAXES.—The credit allowed by subsection (a) with
3 respect to any calendar quarter shall not exceed the
4 applicable employment taxes (reduced by any credits
5 allowed under sections 3131, 3132, 3134, and 6432
6 of the Internal Revenue Code of 1986) on the wages
7 paid with respect to the employment of all the em-
8 ployees of the eligible local newspaper publisher for
9 such calendar quarter.

10 (3) REFUNDABILITY OF EXCESS CREDIT.—

11 (A) IN GENERAL.—If the amount of the
12 credit under subsection (a) exceeds the limita-
13 tion of paragraph (2) for any calendar quarter,
14 such excess shall be treated as an overpayment
15 that shall be refunded under sections 6402(a)
16 and 6413(b) of the Internal Revenue Code of
17 1986.

18 (B) TREATMENT OF PAYMENTS.—For pur-
19 poses of section 1324 of title 31, United States
20 Code, any amounts due to the employer under
21 this paragraph shall be treated in the same
22 manner as a refund due from a credit provision
23 referred to in subsection (b)(2) of such section.

24 (c) DEFINITIONS.—For purposes of this section—

1 (1) APPLICABLE PERCENTAGE.—The term “ap-
2 plicable percentage” means—

3 (A) in the case of each of the first 4 cal-
4 endar quarters to which this section applies, 50
5 percent, and

6 (B) in the case of each calendar quarter
7 thereafter, 30 percent.

8 (2) APPLICABLE EMPLOYMENT TAXES.—The
9 term “applicable employment taxes” means the taxes
10 imposed under section 3111(b) of the Internal Rev-
11 enue Code of 1986.

12 (3) ELIGIBLE LOCAL NEWSPAPER PUB-
13 LISHER.—The term “eligible local newspaper pub-
14 lisher” means, with respect to any calendar quarter,
15 any employer if substantially all of the gross receipts
16 of such employer for such calendar quarter are de-
17 rived in the trade or business of publishing a local
18 newspaper.

19 (4) LOCAL NEWSPAPER.—The term “local
20 newspaper” means any print or digital publication
21 if—

22 (A) the primary content of such publica-
23 tion is original content derived from primary
24 sources and relating to news and current
25 events,

1 (B) such publication primarily serves the
2 needs of a regional or local community,

3 (C) the publisher of such publication em-
4 ploys at least one local news journalist who re-
5 sides in such regional or local community, and

6 (D) the publisher of such publication em-
7 ploys no more than 750 employees during the
8 calendar quarter with respect to which a credit
9 is allowed under this section.

10 (5) LOCAL NEWS JOURNALIST.—The term
11 “local news journalist” means, with respect to any
12 eligible local newspaper publisher for any calendar
13 quarter, an individual who provides at least 100
14 hours of service during such calendar quarter to
15 such eligible local newspaper publisher, during which
16 time such individual regularly gathers, collects, pho-
17 tographs, records, writes, or reports news or infor-
18 mation that concerns local events or other matters
19 of local public interest.

20 (6) SECRETARY.—The term “Secretary” means
21 the Secretary of the Treasury or the Secretary’s del-
22 egate.

23 (7) WAGES.—The term “wages” means wages
24 (as defined in section 3121(a) of the Internal Rev-
25 enue Code of 1986).

1 (8) OTHER TERMS.—Any term used in this sec-
2 tion which is also used in chapter 21 or chapter 22
3 of the Internal Revenue Code of 1986 shall have the
4 same meaning as when used in such chapter.

5 (d) AGGREGATION RULE.—

6 (1) IN GENERAL.—All persons treated as a sin-
7 gle employer under subsection (a) or (b) of section
8 52 of the Internal Revenue Code of 1986, or sub-
9 section (m) or (o) of section 414 of such Code, shall
10 be treated as one employer for purposes of this sec-
11 tion.

12 (2) EXCEPTION.—Paragraph (1) shall not
13 apply unless such persons are involved in the pro-
14 duction of the same print or digital publication.

15 (e) CERTAIN RULES TO APPLY.—For purposes of
16 this section, rules similar to the rules of sections 51(i)(1)
17 and 280C(a) of the Internal Revenue Code of 1986 shall
18 apply.

19 (f) CERTAIN GOVERNMENTAL EMPLOYERS.—This
20 credit shall not apply to the Government of the United
21 States, the government of any State or political subdivi-
22 sion thereof, or any agency or instrumentality of any of
23 the foregoing.

24 (g) ELECTION TO HAVE SECTION NOT APPLY.—
25 This section shall not apply with respect to any eligible

1 local newspaper publisher for any calendar quarter if such
2 person elects (at such time and in such manner as the
3 Secretary may prescribe) not to have this section apply.

4 (h) SPECIAL RULES.—

5 (1) EMPLOYEE NOT TAKEN INTO ACCOUNT
6 MORE THAN ONCE.—An employee shall not be in-
7 cluded for purposes of this section for any period
8 with respect to any employer if such employer is al-
9 lowed a credit under section 51 of the Internal Rev-
10 enue Code of 1986 with respect to such employee for
11 such period.

12 (2) DENIAL OF DOUBLE BENEFIT.—Any wages
13 taken into account in determining the credit allowed
14 under this section shall not be taken into account for
15 purposes of determining the credits allowed under
16 section 41, 45A, 45P, 45S, 51, 1396, 3131, 3132,
17 3134, and 6432 of such Code.

18 (3) THIRD-PARTY PAYORS.—Any credit allowed
19 under this section shall be treated as a credit de-
20 scribed in section 3511(d)(2) of such Code.

21 (i) TREATMENT OF DEPOSITS.—The Secretary shall
22 waive any penalty under section 6656 of the Internal Rev-
23 enue Code of 1986 for any failure to make a deposit of
24 any applicable employment taxes if the Secretary deter-

1 mines that such failure was due to the reasonable anticipa-
2 tion of the credit allowed under this section.

3 (j) REGULATIONS AND GUIDANCE.—The Secretary
4 shall issue such forms, instructions, regulations, and guid-
5 ance as are necessary to implement the purposes of this
6 section, including with respect to the application of the
7 credit under subsection (a) to third-party payors (includ-
8 ing professional employer organizations, certified profes-
9 sional employer organizations, or agents under section
10 3504 of the Internal Revenue Code of 1986), including
11 regulations or guidance allowing such payors to submit
12 documentation necessary to substantiate the eligible em-
13 ployer status of employers that use such payors.

14 (k) APPLICATION.—This section shall only apply to
15 calendar quarters during the first 5 calendar years begin-
16 ning after the date of the enactment of this Act.

17 **SECTION 138518. TREATMENT OF FINANCIAL GUARANTY IN-**
18 **SURANCE COMPANIES AS QUALIFYING IN-**
19 **SURANCE CORPORATIONS UNDER PASSIVE**
20 **FOREIGN INVESTMENT COMPANY RULES.**

21 (a) IN GENERAL.—Section 1297(f)(3) is amended by
22 adding at the end the following new subparagraph:

23 “(C) SPECIAL RULES FOR FINANCIAL
24 GUARANTY INSURANCE COMPANIES.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraphs (A)(ii) and (B), the applica-
3 ble insurance liabilities of a financial guar-
4 anty insurance company shall include its
5 unearned premium reserves if—

6 “(I) such company is prohibited
7 under generally accepted accounting
8 principles from reporting on its appli-
9 cable financial statements reserves for
10 losses and loss adjustment expenses
11 with respect to a financial guaranty
12 insurance or reinsurance contract ex-
13 cept to the extent that losses and loss
14 adjustment expenses are expected to
15 exceed the unearned premium reserves
16 on the contract,

17 “(II) the applicable financial
18 statement of such company reports fi-
19 nancial guaranty exposure of at least
20 15-to-1 or State or local bond expo-
21 sure of at least 9-to-1 (8-to-1 in the
22 case of a taxable year of such com-
23 pany which ends on or before Decem-
24 ber 31, 2018), and

1 “(III) such company includes in
2 its insurance liabilities only its un-
3 earned premium reserves relating to
4 insurance written or assumed that is
5 within the single risk limits set forth
6 in subsection (D) of section 4 of the
7 Financial Guaranty Insurance Guide-
8 line (modified by using total share-
9 holder’s equity as reported on the ap-
10 plicable financial statement of the
11 company rather than aggregate of the
12 surplus to policyholders and contin-
13 gency reserves).

14 “(ii) APPLICATION OF ALTERNATIVE
15 FACTS AND CIRCUMSTANCES TEST.—A fi-
16 nancial guaranty insurance company shall
17 be treated as satisfying the requirements
18 of paragraph (2)(B).

19 “(iii) FINANCIAL GUARANTY INSUR-
20 ANCE COMPANY.—For purposes of this
21 subparagraph, the term ‘financial guaranty
22 insurance company’ means any insurance
23 company the sole business of which is writ-
24 ing or reinsuring financial guaranty insur-
25 ance (as defined in subsection (A) of sec-

1 tion 1 of the Financial Guaranty Insurance
2 Guideline) which is permitted under sub-
3 section (B) of section 4 of such Guideline.

4 “(iv) FINANCIAL GUARANTY EXPO-
5 SURE.—For purposes of this subpara-
6 graph, the term ‘financial guaranty expo-
7 sure’ means the ratio of—

8 “(I) the net debt service out-
9 standing insured or reinsured by the
10 company that is within the single risk
11 limits set forth in the Financial Guar-
12 anty Insurance Guideline (as reported
13 on such company’s applicable financial
14 statement), to

15 “(II) the company’s total assets
16 (as so reported).

17 “(v) STATE OR LOCAL BOND EXPO-
18 SURE.—For purposes of this subpara-
19 graph, the term ‘State or local bond expo-
20 sure’ means the ratio of—

21 “(I) the net unpaid principal of
22 State or local bonds (as defined in
23 section 103(c)(1)) insured or rein-
24 sured by the company that is within
25 the single risk limits set forth in the

1 Financial Guaranty Insurance Guide-
2 line (as reported on such company’s
3 applicable financial statement), to

4 “(II) the company’s total assets
5 (as so reported).”

6 “(vi) FINANCIAL GUARANTY INSUR-
7 ANCE GUIDELINE.—For purposes of this
8 subparagraph—

9 “(I) IN GENERAL.—The term
10 ‘Financial Guaranty Insurance Guide-
11 line’ means the October 2008 model
12 regulation that was adopted by the
13 National Association of Insurance
14 Commissioners on December 4, 2007.

15 “(II) DETERMINATIONS MADE BY
16 SECRETARY.—The determination of
17 whether any provision of the Financial
18 Guaranty Insurance Guideline has
19 been satisfied shall be made by the
20 Secretary.”

21 (b) REPORTING OF CERTAIN ITEMS.—Section
22 1297(f)(4) is amended by adding at the end the following
23 new subparagraph:

24 “(C) CLARIFICATION THAT CERTAIN ITEMS
25 ON APPLICABLE FINANCIAL STATEMENT BE

1 SEPARATELY REPORTED WITH RESPECT TO
2 CORPORATION.—An amount described in para-
3 graph (1)(B) or clause (i)(II), (i)(III), (iv)(I),
4 (iv)(II), (v)(I), or (v)(II) of paragraph (3)(C)
5 shall be treated as reported on an applicable fi-
6 nancial statement for purposes of this section
7 if—

8 “(i) such amount is separately re-
9 ported on such statement with respect to
10 the corporation referred to in paragraph
11 (1), or

12 “(ii) such amount is separately deter-
13 mined for purposes of calculating an
14 amount which is reported on such state-
15 ment.

16 “(D) AUTHORITY OF SECRETARY TO RE-
17 QUIRE REPORTING.—

18 “(i) IN GENERAL.—Each United
19 States person who owns an interest in a
20 specified non-publicly traded foreign cor-
21 poration and who takes the position that
22 such corporation is not a passive foreign
23 investment company shall report to the
24 Secretary such information with respect to

1 such corporation as the Secretary may re-
2 quire.

3 “(ii) SPECIFIED NON-PUBLICLY TRAD-
4 ED FOREIGN CORPORATION.—For purposes
5 of this subparagraph, the term ‘specified
6 non-publicly traded foreign corporation’
7 means any foreign corporation—

8 “(I) which would be a passive
9 foreign investment company if sub-
10 section (b)(2)(B) did not apply, and

11 “(II) no interest in which is trad-
12 ed on an established securities mar-
13 ket.”.

14 (c) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall take effect as if included in section
18 14501 of Public Law 115–97.

19 (2) REPORTING.—The amendment made by
20 subsection (b) shall apply to reports made after the
21 date of the enactment of this Act.

1 **SEC. 138519. CREDIT FOR QUALIFIED ACCESS TECHNOLOGY**
2 **FOR THE BLIND.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1 is amended by inserting after sec-
5 tion 36G the following new section:

6 **“SEC. 36H. CREDIT FOR QUALIFIED ACCESS TECHNOLOGY**
7 **FOR THE BLIND.**

8 “(a) ALLOWANCE OF CREDIT.—There shall be al-
9 lowed as a credit against the tax imposed by this subtitle
10 an amount equal to amounts paid or incurred during the
11 taxable year, not compensated for by insurance or other-
12 wise, by the taxpayer for qualified access technology for
13 use by a qualified blind individual who is the taxpayer,
14 the taxpayer’s spouse, or any dependent (as defined in sec-
15 tion 152) of the taxpayer.

16 “(b) LIMITATION.—The aggregate amount of the
17 credit allowed under subsection (a) with respect to any
18 qualified blind individual shall not exceed \$2,000 in any
19 3-consecutive-taxable-year period.

20 “(c) DEFINITIONS.—For purposes of this section—

21 “(1) QUALIFIED BLIND INDIVIDUAL.—The term
22 ‘qualified blind individual’ means an individual who
23 is blind within the meaning of section 63(f)(4).

24 “(2) QUALIFIED ACCESS TECHNOLOGY DE-
25 FINED.—The term ‘qualified access technology’
26 means hardware, software, or other information

1 technology the primary function of which is to con-
2 vert or adapt information which is visually rep-
3 resented into forms or formats useable by blind indi-
4 viduals.

5 “(d) DENIAL OF DOUBLE BENEFIT.—No credit shall
6 be allowed under subsection (a) for any expense for which
7 a deduction or credit is allowed under any other provision
8 of this chapter.

9 “(e) INFLATION ADJUSTMENT.—

10 “(1) IN GENERAL.—In the case of a taxable
11 year beginning after 2022, the \$2,000 amount in
12 subsection (b) shall be increased by an amount equal
13 to—

14 “(A) such dollar amount, multiplied by

15 “(B) the cost-of-living adjustment deter-
16 mined under section 1(f)(3) for the calendar
17 year in which the taxable year begins, deter-
18 mined by substituting ‘calendar year 2021’ for
19 ‘calendar year 2016’ in subparagraph (A)(ii)
20 thereof.

21 “(2) ROUNDING.—If the amount as adjusted
22 under subparagraph (A) is not a multiple of \$100,
23 such amount shall be rounded to the next lowest
24 multiple of \$100.

1 “(f) TERMINATION.—This section shall not apply
2 with respect to amounts paid or incurred in taxable years
3 beginning after December 31, 2026.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Section 6211(b)(4)(A), as amended by the
6 preceding provisions of this Act, is amended by in-
7 serting “, 36H” after “36G”.

8 (2) Section 1324(b)(2) of title 31, United
9 States Code, is amended by inserting “, 36H” after
10 “, 36G”.

11 (3) The table of sections for subpart C of part
12 IV of subchapter A is amended by inserting after
13 the item relating to section 36G the following new
14 item:

“Sec. 36H. Credit for qualified access technology for the blind.”

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2021.

18 **SEC. 138520. MODIFICATION OF REIT CONSTRUCTIVE OWN-**
19 **ERSHIP RULES.**

20 (a) IN GENERAL.—Section 856(d)(5) is amended by
21 striking “and” at the end of subparagraph (A), by striking
22 the period at the end of subparagraph (B) and inserting
23 “, and”, and by adding at the end the following:

24 “(C) except as otherwise provided by the
25 Secretary, stock, assets, and net profits con-

1 structively owned by a partnership, estate,
2 trust, or corporation by reason of the applica-
3 tion of section 318(a)(3) (after application of
4 subparagraphs (A) and (B)) shall not be con-
5 sidered as owned by it for purposes of again ap-
6 plying such section in order to make another
7 person the constructive owner of such stock, as-
8 sets, or net profits.

9 Subparagraph (C) shall not prevent any person from
10 being the constructive owner of stock, assets, or net
11 profits of any person as the result of any other ap-
12 plication of section 318(a) (as modified by this para-
13 graph).”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to taxable years ending after the
16 date of the enactment of this Act.

17 (c) **NO INFERENCE.**—Nothing in this section or the
18 amendments made by this section shall be construed to
19 create any inference with respect to the proper application
20 of section 318 of the Internal Revenue Code of 1986 to
21 cases other than cases to which such amendments apply.

1 **Subtitle J—Drug Pricing**

2 **PART 1—LOWERING PRICES THROUGH FAIR**

3 **DRUG PRICE NEGOTIATION**

4 **SEC. 139001. PROVIDING FOR LOWER PRICES FOR CERTAIN**

5 **HIGH-PRICED SINGLE SOURCE DRUGS.**

6 (a) PROGRAM TO LOWER PRICES FOR CERTAIN
7 HIGH-PRICED SINGLE SOURCE DRUGS.—Title XI of the
8 Social Security Act (42 U.S.C. 1301 et seq.) is amended
9 by adding at the end the following new part:

10 **“PART E—FAIR PRICE NEGOTIATION PROGRAM**

11 **TO LOWER PRICES FOR CERTAIN HIGH-**

12 **PRICED SINGLE SOURCE DRUGS**

13 **“SEC. 1191. ESTABLISHMENT OF PROGRAM.**

14 “(a) IN GENERAL.—The Secretary shall establish a
15 Fair Price Negotiation Program (in this part referred to
16 as the ‘program’). Under the program, with respect to
17 each price applicability period, the Secretary shall—

18 “(1) publish a list of selected drugs in accord-
19 ance with section 1192;

20 “(2) enter into agreements with manufacturers
21 of selected drugs with respect to such period, in ac-
22 cordance with section 1193;

23 “(3) negotiate and, if applicable, renegotiate
24 maximum fair prices for such selected drugs, in ac-
25 cordance with section 1194; and

1 “(4) carry out the administrative duties de-
2 scribed in section 1196.

3 “(b) DEFINITIONS RELATING TO TIMING.—For pur-
4 poses of this part:

5 “(1) INITIAL PRICE APPLICABILITY YEAR.—The
6 term ‘initial price applicability year’ means a plan
7 year (beginning with plan year 2025) or, if agreed
8 to in an agreement under section 1193 by the Sec-
9 retary and manufacturer involved, a period of more
10 than one plan year (beginning on or after January
11 1, 2025).

12 “(2) PRICE APPLICABILITY PERIOD.—The term
13 ‘price applicability period’ means, with respect to a
14 drug, the period beginning with the initial price ap-
15 plicability year with respect to which such drug is a
16 selected drug and ending with the last plan year
17 during which the drug is a selected drug.

18 “(3) SELECTED DRUG PUBLICATION DATE.—
19 The term ‘selected drug publication date’ means,
20 with respect to each initial price applicability year,
21 April 15 of the plan year that begins 2 years prior
22 to such year.

23 “(4) VOLUNTARY NEGOTIATION PERIOD.—The
24 term ‘voluntary negotiation period’ means, with re-

1 spect to an initial price applicability year with re-
2 spect to a selected drug, the period—

3 “(A) beginning on the sooner of—

4 “(i) the date on which the manufac-
5 turer of the drug and the Secretary enter
6 into an agreement under section 1193 with
7 respect to such drug; or

8 “(ii) June 15 following the selected
9 drug publication date with respect to such
10 selected drug; and

11 “(B) ending on March 31 of the year that
12 begins one year prior to the initial price appli-
13 cability year.

14 “(c) OTHER DEFINITIONS.—For purposes of this
15 part:

16 “(1) FAIR PRICE ELIGIBLE INDIVIDUAL.—The
17 term ‘fair price eligible individual’ means, with re-
18 spect to a selected drug—

19 “(A) in the case such drug is furnished or
20 dispensed to the individual at a pharmacy or by
21 a mail order service—

22 “(i) an individual who is enrolled
23 under a prescription drug plan under part
24 D of title XVIII or an MA–PD plan under
25 part C of such title if coverage is provided

1 under such plan for such selected drug;
2 and

3 “(ii) an individual who is enrolled
4 under a group health plan or health insur-
5 ance coverage offered in the group or indi-
6 vidual market (as such terms are defined
7 in section 2791 of the Public Health Serv-
8 ice Act) with respect to which there is in
9 effect an agreement with the Secretary
10 under section 1197 with respect to such se-
11 lected drug as so furnished or dispensed;
12 and

13 “(B) in the case such drug is furnished or
14 administered to the individual by a hospital,
15 physician, or other provider of services or sup-
16 plier—

17 “(i) an individual who is entitled to
18 benefits under part A of title XVIII or en-
19 rolled under part B of such title if such se-
20 lected drug is covered under the respective
21 part; and

22 “(ii) an individual who is enrolled
23 under a group health plan or health insur-
24 ance coverage offered in the group or indi-
25 vidual market (as such terms are defined

1 in section 2791 of the Public Health Serv-
2 ice Act) with respect to which there is in
3 effect an agreement with the Secretary
4 under section 1197 with respect to such se-
5 lected drug as so furnished or adminis-
6 tered.

7 “(2) MAXIMUM FAIR PRICE.—The term ‘max-
8 imum fair price’ means, with respect to a plan year
9 during a price applicability period and with respect
10 to a selected drug (as defined in section 1192(e))
11 with respect to such period, the price published pur-
12 suant to section 1195 in the Federal Register for
13 such drug and year.

14 “(3) AVERAGE INTERNATIONAL MARKET PRICE
15 DEFINED.—

16 “(A) IN GENERAL.—The terms ‘average
17 international market price’ and ‘AIM price’
18 mean, with respect to a drug, the average price
19 (which shall be the net average price, if prac-
20 ticable, and volume-weighted, if practicable) for
21 a unit (as defined in paragraph (4)) of the drug
22 for sales of such drug (calculated across dif-
23 ferent dosage forms and strengths of the drug
24 and not based on the specific formulation or
25 package size or package type), as computed (as

1 of the date of publication of such drug as a se-
2 lected drug under section 1192(a)) in all coun-
3 tries described in clause (ii) of subparagraph
4 (B) that are applicable countries (as described
5 in clause (i) of such subparagraph) with respect
6 to such drug.

7 “(B) APPLICABLE COUNTRIES.—

8 “(i) IN GENERAL.—For purposes of
9 subparagraph (A), a country described in
10 clause (ii) is an applicable country de-
11 scribed in this clause with respect to a
12 drug if there is available an average price
13 for any unit for the drug for sales of such
14 drug in such country.

15 “(ii) COUNTRIES DESCRIBED.—For
16 purposes of this paragraph, the following
17 are countries described in this clause:

18 “(I) Australia.

19 “(II) Canada.

20 “(III) France.

21 “(IV) Germany.

22 “(V) Japan.

23 “(VI) The United Kingdom.

24 “(4) UNIT.—The term ‘unit’ means, with re-
25 spect to a drug, the lowest identifiable quantity

1 (such as a capsule or tablet, milligram of molecules,
2 or grams) of the drug that is dispensed.

3 **“SEC. 1192. SELECTION OF NEGOTIATION-ELIGIBLE DRUGS**
4 **AS SELECTED DRUGS.**

5 “(a) IN GENERAL.—Not later than the selected drug
6 publication date with respect to an initial price applica-
7 bility year, subject to subsection (h), the Secretary shall
8 select and publish in the Federal Register a list of—

9 “(1)(A) with respect to an initial price applica-
10 bility year during 2025, at least 25 negotiation-eli-
11 gible drugs described in subparagraphs (A) and (B),
12 but not subparagraph (C), of subsection (d)(1) (or,
13 with respect to an initial price applicability year dur-
14 ing such period beginning after 2025, the maximum
15 number (if such number is less than 25) of such ne-
16 gotation-eligible drugs for the year) with respect to
17 such year; and

18 “(B) with respect to an initial price applica-
19 bility year during 2026 or a subsequent year, at
20 least 50 negotiation-eligible drugs described in sub-
21 paragraphs (A) and (B), but not subparagraph (C),
22 of subsection (d)(1) (or, with respect to an initial
23 price applicability year during such period, the max-
24 imum number (if such number is less than 50) of

1 such negotiation-eligible drugs for the year) with re-
2 spect to such year;

3 “(2) all negotiation-eligible drugs described in
4 subparagraph (C) of such subsection with respect to
5 such year; and

6 “(3) all new-entrant negotiation-eligible drugs
7 (as defined in subsection (g)(1)) with respect to such
8 year.

9 Each drug published on the list pursuant to the previous
10 sentence shall be subject to the negotiation process under
11 section 1194 for the voluntary negotiation period with re-
12 spect to such initial price applicability year (and the re-
13 negotiation process under such section as applicable for
14 any subsequent year during the applicable price applica-
15 bility period). In applying this subsection, any negotiation-
16 eligible drug that is selected under this subsection for an
17 initial price applicability year shall not count toward the
18 required minimum amount of drugs to be selected under
19 paragraph (1) for any subsequent year, including such a
20 drug so selected that is subject to renegotiation under sec-
21 tion 1194.

22 “(b) SELECTION OF DRUGS.—In carrying out sub-
23 section (a)(1) the Secretary shall select for inclusion on
24 the published list described in subsection (a) with respect
25 to a price applicability period, the negotiation-eligible

1 drugs that the Secretary projects will result in the greatest
2 savings to the Federal Government or fair price eligible
3 individuals during the price applicability period. In making
4 this projection of savings for drugs for which there is an
5 AIM price for a price applicability period, the savings shall
6 be projected across different dosage forms and strengths
7 of the drugs and not based on the specific formulation or
8 package size or package type of the drugs, taking into con-
9 sideration both the volume of drugs for which payment
10 is made, to the extent such data is available, and the
11 amount by which the net price for the drugs exceeds the
12 AIM price for the drugs.

13 “(c) SELECTED DRUG.—For purposes of this part,
14 each drug included on the list published under subsection
15 (a) with respect to an initial price applicability year shall
16 be referred to as a ‘selected drug’ with respect to such
17 year and each subsequent plan year beginning before the
18 first plan year beginning after the date on which the Sec-
19 retary determines two or more drug products—

20 “(1) are approved or licensed (as applicable)—

21 “(A) under section 505(j) of the Federal
22 Food, Drug, and Cosmetic Act using such drug
23 as the listed drug; or

1 “(B) under section 351(k) of the Public
2 Health Service Act using such drug as the ref-
3 erence product; and

4 “(2) continue to be marketed.

5 “(d) NEGOTIATION-ELIGIBLE DRUG.—

6 “(1) IN GENERAL.—For purposes of this part,
7 the term ‘negotiation-eligible drug’ means, with re-
8 spect to the selected drug publication date with re-
9 spect to an initial price applicability year, a quali-
10 fying single source drug, as defined in subsection
11 (e), that meets any of the following criteria:

12 “(A) COVERED PART D DRUGS.—The drug
13 is among the 125 covered part D drugs (as de-
14 fined in section 1860D–2(e)) for which there
15 was an estimated greatest net spending under
16 parts C and D of title XVIII, as determined by
17 the Secretary, during the most recent plan year
18 prior to such drug publication date for which
19 data are available.

20 “(B) OTHER DRUGS.—The drug is among
21 the 125 drugs for which there was an estimated
22 greatest net spending in the United States (in-
23 cluding the 50 States, the District of Columbia,
24 and the territories of the United States), as de-
25 termined by the Secretary, during the most re-

1 cent plan year prior to such drug publication
2 date for which data are available.

3 “(C) INSULIN.—The drug is a qualifying
4 single source drug described in subsection
5 (e)(3).

6 “(2) CLARIFICATION.—In determining whether
7 a qualifying single source drug satisfies any of the
8 criteria described in paragraph (1), the Secretary
9 shall, to the extent practicable, use data that is ag-
10 gregated across dosage forms and strengths of the
11 drug and not based on the specific formulation or
12 package size or package type of the drug.

13 “(3) PUBLICATION.—Not later than the se-
14 lected drug publication date with respect to an ini-
15 tial price applicability year, the Secretary shall pub-
16 lish in the Federal Register a list of negotiation-eli-
17 gible drugs with respect to such selected drug publi-
18 cation date.

19 “(e) QUALIFYING SINGLE SOURCE DRUG.—For pur-
20 poses of this part, the term ‘qualifying single source drug’
21 means any of the following:

22 “(1) DRUG PRODUCTS.—A drug that—

23 “(A) is approved under section 505(c) of
24 the Federal Food, Drug, and Cosmetic Act and

1 continues to be marketed pursuant to such ap-
2 proval; and

3 “(B) is not the listed drug for any drug
4 that is approved and continues to be marketed
5 under section 505(j) of such Act.

6 “(2) BIOLOGICAL PRODUCTS.—A biological
7 product that—

8 “(A) is licensed under section 351(a) of
9 the Public Health Service Act, including any
10 product that has been deemed to be licensed
11 under section 351 of such Act pursuant to sec-
12 tion 7002(e)(4) of the Biologics Price Competi-
13 tion and Innovation Act of 2009, and continues
14 to be marketed under section 351 of such Act;
15 and

16 “(B) is not the reference product for any
17 biological product that is licensed and continues
18 to be marketed under section 351(k) of such
19 Act.

20 “(3) INSULIN PRODUCT.—Notwithstanding
21 paragraphs (1) and (2), any insulin product that is
22 approved under subsection (c) or (j) of section 505
23 of the Federal Food, Drug, and Cosmetic Act or li-
24 censed under subsection (a) or (k) of section 351 of
25 the Public Health Service Act and continues to be

1 marketed under such section 505 or 351, including
2 any insulin product that has been deemed to be li-
3 censed under section 351(a) of the Public Health
4 Service Act pursuant to section 7002(e)(4) of the
5 Biologics Price Competition and Innovation Act of
6 2009 and continues to be marketed pursuant to such
7 licensure.

8 For purposes of applying paragraphs (1) and (2), a drug
9 or biological product that is marketed by the same sponsor
10 or manufacturer (or an affiliate thereof or a cross-licensed
11 producer or distributor) as the listed drug or reference
12 product described in such respective paragraph shall not
13 be taken into consideration.

14 “(f) INFORMATION ON INTERNATIONAL DRUG
15 PRICES.—For purposes of determining which negotiation-
16 eligible drugs to select under subsection (a) and, in the
17 case of such drugs that are selected drugs, to determine
18 the maximum fair price for such a drug and whether such
19 maximum fair price should be renegotiated under section
20 1194, the Secretary shall use data relating to the AIM
21 price with respect to such drug as available or provided
22 to the Secretary and shall on an ongoing basis request
23 from manufacturers of selected drugs information on the
24 AIM price of such a drug.

1 “(g) NEW-~~ENTRANT~~ NEGOTIATION-~~ELIGIBLE~~
2 DRUGS.—

3 “(1) IN GENERAL.—For purposes of this part,
4 the term ‘new-entrant negotiation-eligible drug’
5 means, with respect to the selected drug publication
6 date with respect to an initial price applicability
7 year, a qualifying single source drug—

8 “(A) that is first approved or licensed, as
9 described in paragraph (1), (2), or (3) of sub-
10 section (e), as applicable, during the year pre-
11 ceeding such selected drug publication date; and

12 “(B) that the Secretary determines under
13 paragraph (2) is likely to be included as a nego-
14 tiation-eligible drug with respect to the subse-
15 quent selected drug publication date.

16 “(2) DETERMINATION.—In the case of a quali-
17 fying single source drug that meets the criteria de-
18 scribed in subparagraph (A) of paragraph (1), with
19 respect to an initial price applicability year, if the
20 wholesale acquisition cost at which such drug is first
21 marketed in the United States is equal to or greater
22 than the median household income (as determined
23 according to the most recent data collected by the
24 United States Census Bureau), the Secretary shall
25 determine before the selected drug publication date

1 with respect to the initial price applicability year, if
2 the drug is likely to be included as a negotiation-eli-
3 gible drug with respect to the subsequent selected
4 drug publication date, based on the projected spend-
5 ing under title XVIII or in the United States on
6 such drug. For purposes of this paragraph the term
7 ‘United States’ includes the 50 States, the District
8 of Columbia, and the territories of the United
9 States.

10 “(h) CONFLICT OF INTEREST.—

11 “(1) IN GENERAL.—In the case the Inspector
12 General of the Department of Health and Human
13 Services determines the Secretary has a conflict,
14 with respect to a matter described in paragraph (2),
15 the individual described in paragraph (3) shall carry
16 out the duties of the Secretary under this part, with
17 respect to a negotiation-eligible drug, that would
18 otherwise be such a conflict.

19 “(2) MATTER DESCRIBED.—A matter described
20 in this paragraph is—

21 “(A) a financial interest (as described in
22 section 2635.402 of title 5, Code of Federal
23 Regulations, as in effect on the date of the en-
24 actment of this section, (except for an interest
25 described in subsection (b)(2)(iv) of such sec-

1 tion)) on the date of the selected drug publica-
2 tion date, with respect the price applicability
3 year (as applicable);

4 “(B) a personal or business relationship
5 (as described in section 2635.502 of such title)
6 on the date of the selected drug publication
7 date, with respect the price applicability year;

8 “(C) employment by a manufacturer of a
9 negotiation-eligible drug during the preceding
10 10-year period beginning on the date of the se-
11 lected drug publication date, with respect to
12 each price applicability year; and

13 “(D) any other matter the General Counsel
14 determines appropriate.

15 “(3) INDIVIDUAL DESCRIBED.—An individual
16 described in this paragraph is—

17 “(A) the highest-ranking officer or em-
18 ployee of the Department of Health and
19 Human Services (as determined by the organi-
20 zational chart of the Department) that does not
21 have a conflict under this subsection; and

22 “(B) is nominated by the President and
23 confirmed by the Senate with respect to the po-
24 sition.

1 **“SEC. 1193. MANUFACTURER AGREEMENTS.**

2 “(a) IN GENERAL.—For purposes of section
3 1191(a)(2), the Secretary shall enter into agreements with
4 manufacturers of selected drugs with respect to a price
5 applicability period, by not later than June 15 following
6 the selected drug publication date with respect to such se-
7 lected drug, under which—

8 “(1) during the voluntary negotiation period for
9 the initial price applicability year for the selected
10 drug, the Secretary and manufacturer, in accordance
11 with section 1194, negotiate to determine (and, by
12 not later than the last date of such period and in ac-
13 cordance with subsection (c), agree to) a maximum
14 fair price for such selected drug of the manufacturer
15 in order to provide access to such price—

16 “(A) to fair price eligible individuals who
17 with respect to such drug are described in sub-
18 paragraph (A) of section 1191(c)(1) and are
19 furnished or dispensed such drug during, sub-
20 ject to subparagraph (2), the price applicability
21 period; and

22 “(B) to hospitals, physicians, and other
23 providers of services and suppliers with respect
24 to fair price eligible individuals who with re-
25 spect to such drug are described in subpara-
26 graph (B) of such section and are furnished or

1 administered such drug during, subject to sub-
2 paragraph (2), the price applicability period;

3 “(2) the Secretary and the manufacturer shall,
4 in accordance with a process and during a period
5 specified by the Secretary pursuant to rulemaking,
6 renegotiate (and, by not later than the last date of
7 such period and in accordance with subsection (c),
8 agree to) the maximum fair price for such drug if
9 the Secretary determines that there is a material
10 change in any of the factors described in section
11 1194(d) relating to the drug, including changes in
12 the AIM price for such drug, in order to provide ac-
13 cess to such maximum fair price (as so renegoti-
14 ated)—

15 “(A) to fair price eligible individuals who
16 with respect to such drug are described in sub-
17 paragraph (A) of section 1191(c)(1) and are
18 furnished or dispensed such drug during any
19 year during the price applicability period (be-
20 ginning after such renegotiation) with respect
21 to such selected drug; and

22 “(B) to hospitals, physicians, and other
23 providers of services and suppliers with respect
24 to fair price eligible individuals who with re-
25 spect to such drug are described in subpara-

1 graph (B) of such section and are furnished or
2 administered such drug during any year de-
3 scribed in subparagraph (A);

4 “(3) the maximum fair price (including as re-
5 negotiated pursuant to paragraph (2)), with respect
6 to such a selected drug, shall be provided to fair
7 price eligible individuals, who with respect to such
8 drug are described in subparagraph (A) of section
9 1191(c)(1), at the pharmacy or by a mail order serv-
10 ice at the point-of-sale of such drug;

11 “(4) the manufacturer, subject to subsection
12 (d), submits to the Secretary, in a form and manner
13 specified by the Secretary—

14 “(A) for the voluntary negotiation period
15 for the price applicability period (and, if appli-
16 cable, before any period of renegotiation speci-
17 fied pursuant to paragraph (2)) with respect to
18 such drug all information that the Secretary re-
19 quires to carry out the negotiation (or renegoti-
20 ation process) under this part, including infor-
21 mation described in section 1192(f) and section
22 1194(d)(1); and

23 “(B) on an ongoing basis, information on
24 changes in prices for such drug that would af-
25 fect the AIM price for such drug or otherwise

1 provide a basis for renegotiation of the max-
2 imum fair price for such drug pursuant to
3 paragraph (2);

4 “(5) the manufacturer agrees that in the case
5 the selected drug of a manufacturer is a drug de-
6 scribed in subsection (c), the manufacturer will, in
7 accordance with such subsection, make any payment
8 required under such subsection with respect to such
9 drug; and

10 “(6) the manufacturer complies with require-
11 ments imposed by the Secretary for purposes of ad-
12 ministering the program, including with respect to
13 the duties described in section 1196.

14 “(b) AGREEMENT IN EFFECT UNTIL DRUG IS NO
15 LONGER A SELECTED DRUG.—An agreement entered into
16 under this section shall be effective, with respect to a drug,
17 until such drug is no longer considered a selected drug
18 under section 1192(c).

19 “(c) SPECIAL RULE FOR CERTAIN SELECTED DRUGS
20 WITHOUT AIM PRICE.—

21 “(1) IN GENERAL.—In the case of a selected
22 drug for which there is no AIM price available with
23 respect to the initial price applicability year for such
24 drug and for which an AIM price becomes available
25 beginning with respect to a subsequent plan year

1 during the price applicability period for such drug,
2 if the Secretary determines that the amount de-
3 scribed in paragraph (2)(A) for a unit of such drug
4 is greater than the amount described in paragraph
5 (2)(B) for a unit of such drug, then by not later
6 than one year after the date of such determination,
7 the manufacturer of such selected drug shall pay to
8 the Treasury an amount equal to the product of—

9 “(A) the difference between such amount
10 described in paragraph (2)(A) for a unit of
11 such drug and such amount described in para-
12 graph (2)(B) for a unit of such drug; and

13 “(B) the number of units of such drug sold
14 in the United States, including the 50 States,
15 the District of Columbia, and the territories of
16 the United States, during the period described
17 in paragraph (2)(B).

18 “(2) AMOUNTS DESCRIBED.—

19 “(A) WEIGHTED AVERAGE PRICE BEFORE
20 AIM PRICE AVAILABLE.—For purposes of para-
21 graph (1), the amount described in this sub-
22 paragraph for a selected drug described in such
23 paragraph, is the amount equal to the weighted
24 average manufacturer price (as defined in sec-
25 tion 1927(k)(1)) for such dosage strength and

1 form for the drug during the period beginning
2 with the first plan year for which the drug is
3 included on the list of negotiation-eligible drugs
4 published under section 1192(d) and ending
5 with the last plan year during the price applica-
6 bility period for such drug with respect to which
7 there is no AIM price available for such drug.

8 “(B) AMOUNT MULTIPLIER AFTER AIM
9 PRICE AVAILABLE.—For purposes of paragraph
10 (1), the amount described in this subparagraph
11 for a selected drug described in such paragraph,
12 is the amount equal to 200 percent of the AIM
13 price for such drug with respect to the first
14 plan year during the price applicability period
15 for such drug with respect to which there is an
16 AIM price available for such drug.

17 “(d) CONFIDENTIALITY OF INFORMATION.—Infor-
18 mation submitted to the Secretary under this part by a
19 manufacturer of a selected drug that is proprietary infor-
20 mation of such manufacturer (as determined by the Sec-
21 retary) may be used only by the Secretary or disclosed
22 to and used by the Comptroller General of the United
23 States or the Medicare Payment Advisory Commission for
24 purposes of carrying out this part.

25 “(e) REGULATIONS.—

1 “(1) IN GENERAL.—The Secretary shall, pursu-
2 ant to rulemaking, specify, in accordance with para-
3 graph (2), the information that must be submitted
4 under subsection (a)(4).

5 “(2) INFORMATION SPECIFIED.—Information
6 described in paragraph (1), with respect to a se-
7 lected drug, shall include information on sales of the
8 drug (by the manufacturer of the drug or by another
9 entity under license or other agreement with the
10 manufacturer, with respect to the sales of such drug,
11 regardless of the name under which the drug is sold)
12 in any foreign country that is part of the AIM price.
13 The Secretary shall verify, to the extent practicable,
14 such sales from appropriate officials of the govern-
15 ment of the foreign country involved.

16 “(f) COMPLIANCE WITH REQUIREMENTS FOR AD-
17 MINISTRATION OF PROGRAM.—Each manufacturer with
18 an agreement in effect under this section shall comply with
19 requirements imposed by the Secretary or a third party
20 with a contract under section 1196(e)(1), as applicable,
21 for purposes of administering the program.

22 **“SEC. 1194. NEGOTIATION AND RENEGOTIATION PROCESS.**

23 “(a) IN GENERAL.—For purposes of this part, under
24 an agreement under section 1193 between the Secretary
25 and a manufacturer of a selected drug, with respect to

1 the period for which such agreement is in effect and in
2 accordance with subsections (b) and (c), the Secretary and
3 the manufacturer—

4 “(1) shall during the voluntary negotiation pe-
5 riod with respect to the initial price applicability
6 year for such drug, in accordance with this section,
7 negotiate a maximum fair price for such drug for
8 the purpose described in section 1193(a)(1); and

9 “(2) as applicable pursuant to section
10 1193(a)(2) and in accordance with the process speci-
11 fied pursuant to such section, renegotiate such max-
12 imum fair price for such drug for the purpose de-
13 scribed in such section.

14 “(b) NEGOTIATING METHODOLOGY AND OBJEC-
15 TIVE.—

16 “(1) IN GENERAL.—The Secretary shall develop
17 and use a consistent methodology for negotiations
18 under subsection (a) that, in accordance with para-
19 graph (2) and subject to paragraph (3), achieves the
20 lowest maximum fair price for each selected drug
21 while appropriately rewarding innovation.

22 “(2) PRIORITIZING FACTORS.—In considering
23 the factors described in subsection (d) in negotiating
24 (and, as applicable, renegotiating) the maximum fair
25 price for a selected drug, the Secretary shall, to the

1 extent practicable, consider all of the available fac-
2 tors listed but shall prioritize the following factors:

3 “(A) RESEARCH AND DEVELOPMENT
4 COSTS.—The factor described in paragraph
5 (1)(A) of subsection (d).

6 “(B) MARKET DATA.—The factor de-
7 scribed in paragraph (1)(B) of such subsection.

8 “(C) UNIT COSTS OF PRODUCTION AND
9 DISTRIBUTION.—The factor described in para-
10 graph (1)(C) of such subsection.

11 “(D) COMPARISON TO EXISTING THERA-
12 PEUTIC ALTERNATIVES.—The factor described
13 in paragraph (2)(A) of such subsection.

14 “(3) REQUIREMENT.—

15 “(A) IN GENERAL.—In negotiating the
16 maximum fair price of a selected drug, with re-
17 spect to an initial price applicability year for
18 the selected drug, and, as applicable, in renego-
19 tiating the maximum fair price for such drug,
20 with respect to a subsequent year during the
21 price applicability period for such drug, in the
22 case that the manufacturer of the selected drug
23 offers under the negotiation or renegotiation, as
24 applicable, a price for such drug that is not
25 more than the target price described in sub-

1 paragraph (B) for such drug for the respective
2 year, the Secretary shall agree under such ne-
3 gotiation or renegotiation, respectively, to such
4 offered price as the maximum fair price.

5 “(B) TARGET PRICE.—

6 “(i) IN GENERAL.—Subject to clause
7 (ii), the target price described in this sub-
8 paragraph for a selected drug with respect
9 to a year, is the average price (which shall
10 be the net average price, if practicable, and
11 volume-weighted, if practicable) for a unit
12 of such drug for sales of such drug, as
13 computed (across different dosage forms
14 and strengths of the drug and not based
15 on the specific formulation or package size
16 or package type of the drug) in the appli-
17 cable country described in section
18 1191(c)(3)(B) with respect to such drug
19 that, with respect to such year, has the
20 lowest average price for such drug as com-
21 pared to the average prices (as so com-
22 puted) of such drug with respect to such
23 year in the other applicable countries de-
24 scribed in such section with respect to such
25 drug.

1 “(ii) SELECTED DRUGS WITHOUT AIM
2 PRICE.—In applying this paragraph in the
3 case of negotiating the maximum fair price
4 of a selected drug for which there is no
5 AIM price available with respect to the ini-
6 tial price applicability year for such drug,
7 or, as applicable, renegotiating the max-
8 imum fair price for such drug with respect
9 to a subsequent year during the price ap-
10 plicability period for such drug before the
11 first plan year for which there is an AIM
12 price available for such drug, the target
13 price described in this subparagraph for
14 such drug and respective year is the
15 amount that is 80 percent of the average
16 manufacturer price (as defined in section
17 1927(k)(1)) for such drug and year.

18 “(c) LIMITATION.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
20 the maximum fair price negotiated (including as re-
21 negotiated) under this section for a selected drug,
22 with respect to each plan year during a price appli-
23 cability period for such drug, shall not exceed 120
24 percent of the AIM price applicable to such drug
25 with respect to such year.

1 “(2) SELECTED DRUGS WITHOUT AIM PRICE.—

2 In the case of a selected drug for which there is no
3 AIM price available with respect to the initial price
4 applicability year for such drug, for each plan year
5 during the price applicability period before the first
6 plan year for which there is an AIM price available
7 for such drug, the maximum fair price negotiated
8 (including as renegotiated) under this section for the
9 selected drug shall not exceed the amount equal to
10 85 percent of the average manufacturer price for the
11 drug with respect to such year.

12 “(d) CONSIDERATIONS.—For purposes of negotiating
13 and, as applicable, renegotiating (including for purposes
14 of determining whether to renegotiate) the maximum fair
15 price of a selected drug under this part with the manufac-
16 turer of the drug, the Secretary, consistent with sub-
17 section (b)(2), shall take into consideration the factors de-
18 scribed in paragraphs (1), (2), (3), and (5), and may take
19 into consideration the factor described in paragraph (4):

20 “(1) MANUFACTURER-SPECIFIC INFORMA-
21 TION.—The following information, including as sub-
22 mitted by the manufacturer:

23 “(A) Research and development costs of
24 the manufacturer for the drug and the extent to

1 which the manufacturer has recouped research
2 and development costs.

3 “(B) Market data for the drug, including
4 the distribution of sales across different pro-
5 grams and purchasers and projected future rev-
6 enues for the drug.

7 “(C) Unit costs of production and distribu-
8 tion of the drug.

9 “(D) Prior Federal financial support for
10 novel therapeutic discovery and development
11 with respect to the drug.

12 “(E) Data on patents and on existing and
13 pending exclusivity for the drug.

14 “(F) National sales data for the drug.

15 “(G) Information on clinical trials for the
16 drug in the United States or in applicable coun-
17 tries described in section 1191(c)(3)(B).

18 “(2) INFORMATION ON ALTERNATIVE PROD-
19 UCTS.—The following information:

20 “(A) The extent to which the drug rep-
21 resents a therapeutic advance as compared to
22 existing therapeutic alternatives and, to the ex-
23 tent such information is available, the costs of
24 such existing therapeutic alternatives.

1 “(B) Information on approval by the Food
2 and Drug Administration of alternative drug
3 products.

4 “(C) Information on comparative effective-
5 ness analysis for such products, taking into
6 consideration the effects of such products on
7 specific populations, such as individuals with
8 disabilities, the elderly, terminally ill, children,
9 and other patient populations.

10 In considering information described in subpara-
11 graph (C), the Secretary shall not use evidence or
12 findings from comparative clinical effectiveness re-
13 search in a manner that treats extending the life of
14 an elderly, disabled, or terminally ill individual as of
15 lower value than extending the life of an individual
16 who is younger, nondisabled, or not terminally ill.
17 Nothing in the previous sentence shall affect the ap-
18 plication or consideration of an AIM price for a se-
19 lected drug.

20 “(3) FOREIGN SALES INFORMATION.—To the
21 extent available on a timely basis, including as pro-
22 vided by a manufacturer of the selected drug or oth-
23 erwise, information on sales of the selected drug in
24 each of the countries described in section
25 1191(e)(3)(B).

1 “(4) VA DRUG PRICING INFORMATION.—Infor-
2 mation disclosed to the Secretary pursuant to sub-
3 section (f).

4 “(5) ADDITIONAL INFORMATION.—Information
5 submitted to the Secretary, in accordance with a
6 process specified by the Secretary, by other parties
7 that are affected by the establishment of a maximum
8 fair price for the selected drug.

9 “(e) REQUEST FOR INFORMATION.—For purposes of
10 negotiating and, as applicable, renegotiating (including for
11 purposes of determining whether to renegotiate) the max-
12 imum fair price of a selected drug under this part with
13 the manufacturer of the drug, with respect to a price ap-
14 plicability period, and other relevant data for purposes of
15 this section—

16 “(1) the Secretary shall, not later than the se-
17 lected drug publication date with respect to the ini-
18 tial price applicability year of such period, request
19 drug pricing information from the manufacturer of
20 such selected drug, including information described
21 in subsection (d)(1); and

22 “(2) by not later than October 1 following the
23 selected drug publication date, the manufacturer of
24 such selected drug shall submit to the Secretary

1 such requested information in such form and man-
2 ner as the Secretary may require.

3 The Secretary shall request, from the manufacturer or
4 others, such additional information as may be needed to
5 carry out the negotiation and renegotiation process under
6 this section.

7 “(f) DISCLOSURE OF INFORMATION.—For purposes
8 of this part, the Secretary of Veterans Affairs may disclose
9 to the Secretary of Health and Human Services the price
10 of any negotiation-eligible drug that is purchased pursuant
11 to section 8126 of title 38, United States Code.

12 **“SEC. 1195. PUBLICATION OF MAXIMUM FAIR PRICES.**

13 “(a) IN GENERAL.—With respect to an initial price
14 applicability year and selected drug with respect to such
15 year, not later than April 1 of the plan year prior to such
16 initial price applicability year, the Secretary shall publish
17 in the Federal Register the maximum fair price for such
18 drug negotiated under this part with the manufacturer of
19 such drug.

20 “(b) UPDATES.—

21 “(1) SUBSEQUENT YEAR MAXIMUM FAIR
22 PRICES.—For a selected drug, for each plan year
23 subsequent to the initial price applicability year for
24 such drug with respect to which an agreement for

1 such drug is in effect under section 1193, the Sec-
2 retary shall publish in the Federal Register—

3 “(A) subject to subparagraph (B), the
4 amount equal to the maximum fair price pub-
5 lished for such drug for the previous year, in-
6 creased by the annual percentage increase in
7 the consumer price index for all urban con-
8 sumers (all items; U.S. city average) as of Sep-
9 tember of such previous year; or

10 “(B) in the case the maximum fair price
11 for such drug was renegotiated, for the first
12 year for which such price as so renegotiated ap-
13 plies, such renegotiated maximum fair price.

14 “(2) PRICES NEGOTIATED AFTER DEADLINE.—
15 In the case of a selected drug with respect to an ini-
16 tial price applicability year for which the maximum
17 fair price is determined under this part after the
18 date of publication under this section, the Secretary
19 shall publish such maximum fair price in the Fed-
20 eral Register by not later than 30 days after the
21 date such maximum price is so determined.

22 **“SEC. 1196. ADMINISTRATIVE DUTIES; COORDINATION PRO-**
23 **VISIONS.**

24 “(a) ADMINISTRATIVE DUTIES.—

1 “(1) IN GENERAL.—For purposes of section
2 1191, the administrative duties described in this sec-
3 tion are the following:

4 “(A) The establishment of procedures (in-
5 cluding through agreements with manufacturers
6 under this part, contracts with prescription
7 drug plans under part D of title XVIII and
8 MA–PD plans under part C of such title, and
9 agreements under section 1197 with group
10 health plans and health insurance issuers of
11 health insurance coverage offered in the indi-
12 vidual or group market) under which the max-
13 imum fair price for a selected drug is provided
14 to fair price eligible individuals, who with re-
15 spect to such drug are described in subpara-
16 graph (A) of section 1191(c)(1), at pharmacies
17 or by mail order service at the point-of-sale of
18 the drug for the applicable price period for such
19 drug and providing that such maximum fair
20 price is used for determining cost-sharing under
21 such plans or coverage for the selected drug.

22 “(B) The establishment of procedures (in-
23 cluding through agreements with manufacturers
24 under this part and contracts with hospitals,
25 physicians, and other providers of services and

1 suppliers and agreements under section 1197
2 with group health plans and health insurance
3 issuers of health insurance coverage offered in
4 the individual or group market) under which, in
5 the case of a selected drug furnished or admin-
6 istered by such a hospital, physician, or other
7 provider of services or supplier to fair price eli-
8 gible individuals (who with respect to such drug
9 are described in subparagraph (B) of section
10 1191(c)(1)), the maximum fair price for the se-
11 lected drug is provided to such hospitals, physi-
12 cians, and other providers of services and sup-
13 pliers (as applicable) with respect to such indi-
14 viduals and providing that such maximum fair
15 price is used for determining cost-sharing under
16 the respective part, plan, or coverage for the se-
17 lected drug.

18 “(C) The establishment of procedures (in-
19 cluding through agreements and contracts de-
20 scribed in subparagraphs (A) and (B)) to en-
21 sure that, not later than 90 days after the dis-
22 pensing of a selected drug to a fair price eligi-
23 ble individual by a pharmacy or mail order serv-
24 ice, the pharmacy or mail order service is reim-

1 bursed for an amount equal to the difference
2 between—

3 “(i) the lesser of—

4 “(I) the wholesale acquisition
5 cost of the drug;

6 “(II) the national average drug
7 acquisition cost of the drug; and

8 “(III) any other similar deter-
9 mination of pharmacy acquisition
10 costs of the drug, as determined by
11 the Secretary; and

12 “(ii) the maximum fair price for the
13 drug.

14 “(D) The establishment of procedures to
15 ensure that the maximum fair price for a se-
16 lected drug is applied before—

17 “(i) any coverage or financial assist-
18 ance under other health benefit plans or
19 programs that provide coverage or finan-
20 cial assistance for the purchase or provi-
21 sion of prescription drug coverage on be-
22 half of fair price eligible individuals as the
23 Secretary may specify; and

24 “(ii) any other discounts.

1 “(E) The establishment of procedures to
2 enter into appropriate agreements and protocols
3 for the ongoing computation of AIM prices for
4 selected drugs, including, to the extent possible,
5 to compute the AIM price for selected drugs
6 and including by providing that the manufac-
7 turer of such a selected drug should provide in-
8 formation for such computation not later than
9 3 months after the first date of the voluntary
10 negotiation period for such selected drug.

11 “(F) The establishment of procedures to
12 compute and apply the maximum fair price
13 across different strengths and dosage forms of
14 a selected drug and not based on the specific
15 formulation or package size or package type of
16 the drug.

17 “(G) The establishment of procedures to
18 negotiate and apply the maximum fair price in
19 a manner that does not include any dispensing
20 or similar fee.

21 “(H) The establishment of procedures to
22 carry out the provisions of this part, as applica-
23 ble, with respect to—

24 “(i) fair price eligible individuals who
25 are enrolled under a prescription drug plan

1 under part D of title XVIII or an MA–PD
2 plan under part C of such title;

3 “(ii) fair price eligible individuals who
4 are enrolled under a group health plan or
5 health insurance coverage offered by a
6 health insurance issuer in the individual or
7 group market with respect to which there
8 is an agreement in effect under section
9 1197; and

10 “(iii) fair price eligible individuals who
11 are entitled to benefits under part A of
12 title XVIII or enrolled under part B of
13 such title.

14 “(I) The establishment of a negotiation
15 process and renegotiation process in accordance
16 with section 1194, including a process for ac-
17 quiring information described in subsection (d)
18 of such section and determining amounts de-
19 scribed in subsection (b) of such section.

20 “(J) The provision of a reasonable dispute
21 resolution mechanism to resolve disagreements
22 between manufacturers, fair price eligible indi-
23 viduals, and the third party with a contract
24 under subsection (c)(1).

25 “(2) MONITORING COMPLIANCE.—

1 “(A) IN GENERAL.—The Secretary shall
2 monitor compliance by a manufacturer with the
3 terms of an agreement under section 1193, in-
4 cluding by establishing a mechanism through
5 which violations of such terms may be reported.

6 “(B) NOTIFICATION.—If a third party
7 with a contract under subsection (c)(1) deter-
8 mines that the manufacturer is not in compli-
9 ance with such agreement, the third party shall
10 notify the Secretary of such noncompliance for
11 appropriate enforcement under section 4192 of
12 the Internal Revenue Code of 1986 or section
13 1198, as applicable.

14 “(b) COLLECTION OF DATA.—

15 “(1) FROM PRESCRIPTION DRUG PLANS AND
16 MA–PD PLANS.—The Secretary may collect appro-
17 priate data from prescription drug plans under part
18 D of title XVIII and MA–PD plans under part C of
19 such title in a timeframe that allows for maximum
20 fair prices to be provided under this part for selected
21 drugs.

22 “(2) FROM HEALTH PLANS.—The Secretary
23 may collect appropriate data from group health
24 plans or health insurance issuers offering group or
25 individual health insurance coverage in a timeframe

1 that allows for maximum fair prices to be provided
2 under this part for selected drugs.

3 “(3) COORDINATION OF DATA COLLECTION.—

4 To the extent feasible, as determined by the Sec-
5 retary, the Secretary shall ensure that data collected
6 pursuant to this subsection is coordinated with, and
7 not duplicative of, other Federal data collection ef-
8 forts.

9 “(c) CONTRACT WITH THIRD PARTIES.—

10 “(1) IN GENERAL.—The Secretary may enter
11 into a contract with 1 or more third parties to ad-
12 minister the requirements established by the Sec-
13 retary in order to carry out this part. At a min-
14 imum, the contract with a third party under the pre-
15 ceding sentence shall require that the third party—

16 “(A) receive and transmit information be-
17 tween the Secretary, manufacturers, and other
18 individuals or entities the Secretary determines
19 appropriate;

20 “(B) receive, distribute, or facilitate the
21 distribution of funds of manufacturers to ap-
22 propriate individuals or entities in order to
23 meet the obligations of manufacturers under
24 agreements under this part;

1 erage (as such terms are defined in section 2791 of
2 the Public Health Service Act), with respect to a
3 price applicability period and a selected drug with
4 respect to such period—

5 “(A) with respect to such selected drug
6 furnished or dispensed at a pharmacy or by
7 mail order service if coverage is provided under
8 such plan or coverage during such period for
9 such selected drug as so furnished or dispensed;
10 and

11 “(B) with respect to such selected drug
12 furnished or administered by a hospital, physi-
13 cian, or other provider of services or supplier if
14 coverage is provided under such plan or cov-
15 erage during such period for such selected drug
16 as so furnished or administered.

17 “(2) OPTING OUT OF AGREEMENT.—The Sec-
18 retary shall not be treated as having in effect an
19 agreement under the program under this part with
20 a group health plan or health insurance issuer offer-
21 ing group or individual health insurance coverage
22 with respect to a price applicability period and a se-
23 lected drug with respect to such period if such a
24 plan or issuer affirmatively elects, through a process

1 specified by the Secretary, not to participate under
2 the program with respect to such period and drug.

3 “(b) PUBLICATION OF ELECTION.—With respect to
4 each price applicability period and each selected drug with
5 respect to such period, the Secretary and the Secretary
6 of Labor and the Secretary of the Treasury, as applicable,
7 shall make public a list of each group health plan and each
8 health insurance issuer offering group or individual health
9 insurance coverage, with respect to which coverage is pro-
10 vided under such plan or coverage for such drug, that has
11 elected under subsection (a) not to participate under the
12 program with respect to such period and drug.

13 **“SEC. 1198. CIVIL MONETARY PENALTY.**

14 “(a) VIOLATIONS RELATING TO OFFERING OF MAX-
15 IMUM FAIR PRICE.—Any manufacturer of a selected drug
16 that has entered into an agreement under section 1193,
17 with respect to a plan year during the price applicability
18 period for such drug, that does not provide access to a
19 price that is not more than the maximum fair price (or
20 a lesser price) for such drug for such year—

21 “(1) to a fair price eligible individual who with
22 respect to such drug is described in subparagraph
23 (A) of section 1191(c)(1) and who is furnished or
24 dispensed such drug during such year; or

1 “(2) to a hospital, physician, or other provider
2 of services or supplier with respect to fair price eligi-
3 ble individuals who with respect to such drug is de-
4 scribed in subparagraph (B) of such section and is
5 furnished or administered such drug by such hos-
6 pital, physician, or provider or supplier during such
7 year;

8 shall be subject to a civil monetary penalty equal to ten
9 times the amount equal to the difference between the price
10 for such drug made available for such year by such manu-
11 facturer with respect to such individual or hospital, physi-
12 cian, provider, or supplier and the maximum fair price for
13 such drug for such year.

14 “(b) VIOLATIONS OF CERTAIN TERMS OF AGREE-
15 MENT.—Any manufacturer of a selected drug that has en-
16 tered into an agreement under section 1193, with respect
17 to a plan year during the price applicability period for
18 such drug, that is in violation of a requirement imposed
19 pursuant to section 1193(a)(6) shall be subject to a civil
20 monetary penalty of not more than \$1,000,000 for each
21 such violation.

22 “(c) APPLICATION.—The provisions of section 1128A
23 (other than subsections (a) and (b)) shall apply to a civil
24 monetary penalty under this section in the same manner

1 as such provisions apply to a penalty or proceeding under
2 section 1128A(a).

3 **“SEC. 1199. MISCELLANEOUS PROVISIONS.**

4 “(a) PAPERWORK REDUCTION ACT.—Chapter 35 of
5 title 44, United States Code, shall not apply to data col-
6 lected under this part.

7 “(b) LIMITATION ON JUDICIAL REVIEW.—The fol-
8 lowing shall not be subject to judicial review:

9 “(1) The selection of drugs for publication
10 under section 1192(a).

11 “(2) The determination of whether a drug is a
12 negotiation-eligible drug under section 1192(d).

13 “(3) The determination of the maximum fair
14 price of a selected drug under section 1194.

15 “(4) The determination of units of a drug for
16 purposes of section 1191(c)(3).

17 “(c) COORDINATION.—In carrying out this part with
18 respect to group health plans or health insurance coverage
19 offered in the group market that are subject to oversight
20 by the Secretary of Labor or the Secretary of the Treas-
21 ury, the Secretary of Health and Human Services shall
22 coordinate with such respective Secretary.

23 “(d) DATA SHARING.—The Secretary shall share
24 with the Secretary of the Treasury such information as

1 is necessary to determine the tax imposed by section 4192
2 of the Internal Revenue Code of 1986.”.

3 (b) APPLICATION OF MAXIMUM FAIR PRICES AND
4 CONFORMING AMENDMENTS.—

5 (1) UNDER MEDICARE.—

6 (A) APPLICATION TO PAYMENTS UNDER
7 PART B.—Section 1847A(b)(1)(B) of the Social
8 Security Act (42 U.S.C. 1395w–3a(b)(1)(B)) is
9 amended by inserting “or in the case of such a
10 drug or biological that is a selected drug (as de-
11 fined in section 1192(c)), with respect to a
12 price applicability period (as defined in section
13 1191(b)(2)), 106 percent of the maximum fair
14 price (as defined in section 1191(c)(2)) applica-
15 ble for such drug and a plan year during such
16 period” after “paragraph (4)”.

17 (B) EXCEPTION TO PART D NON-INTER-
18 FERENCE.—Section 1860D–11(i) of the Social
19 Security Act (42 U.S.C. 1395w–111(i)) is
20 amended by inserting “, except as provided
21 under part E of title XI” after “the Secretary”.

22 (C) APPLICATION AS NEGOTIATED PRICE
23 UNDER PART D.—Section 1860D–2(d)(1) of the
24 Social Security Act (42 U.S.C. 1395w–
25 102(d)(1)) is amended—

1 (i) in subparagraph (B), by inserting
2 “, subject to subparagraph (D),” after
3 “negotiated prices”; and

4 (ii) by adding at the end the following
5 new subparagraph:

6 “(D) APPLICATION OF MAXIMUM FAIR
7 PRICE FOR SELECTED DRUGS.—In applying this
8 section, in the case of a covered part D drug
9 that is a selected drug (as defined in section
10 1192(c)), with respect to a price applicability
11 period (as defined in section 1191(b)(2)), the
12 negotiated prices used for payment (as de-
13 scribed in this subsection) shall be the max-
14 imum fair price (as defined in section
15 1191(c)(2)) for such drug and for each plan
16 year during such period.”.

17 (D) INFORMATION FROM PRESCRIPTION
18 DRUG PLANS AND MA-PD PLANS REQUIRED.—

19 (i) PRESCRIPTION DRUG PLANS.—Sec-
20 tion 1860D-12(b) of the Social Security
21 Act (42 U.S.C. 1395w-112(b)) is amended
22 by adding at the end the following new
23 paragraph:

24 “(8) PROVISION OF INFORMATION RELATED TO
25 MAXIMUM FAIR PRICES.—Each contract entered into

1 with a PDP sponsor under this part with respect to
2 a prescription drug plan offered by such sponsor
3 shall require the sponsor to provide information to
4 the Secretary as requested by the Secretary in ac-
5 cordance with section 1196(b).”.

6 (ii) MA–PD PLANS.—Section
7 1857(f)(3) of the Social Security Act (42
8 U.S.C. 1395w–27(f)(3)) is amended by
9 adding at the end the following new sub-
10 paragraph:

11 “(E) PROVISION OF INFORMATION RE-
12 LATED TO MAXIMUM FAIR PRICES.—Section
13 1860D–12(b)(8).”.

14 (2) UNDER GROUP HEALTH PLANS AND
15 HEALTH INSURANCE COVERAGE.—

16 (A) PHSA.—Part D of title XXVII of the
17 Public Health Service Act (42 U.S.C. 300gg–
18 111 et seq.) is amended by adding at the end
19 the following new section:

20 **“SEC. 2799A–11. FAIR PRICE NEGOTIATION PROGRAM AND**
21 **APPLICATION OF MAXIMUM FAIR PRICES.**

22 “(a) IN GENERAL.—In the case of a group health
23 plan or health insurance issuer offering group or indi-
24 vidual health insurance coverage that is treated under sec-
25 tion 1197 of the Social Security Act as having in effect

1 an agreement with the Secretary under the Fair Price Ne-
2 gotiation Program under part E of title XI of such Act,
3 with respect to a price applicability period (as defined in
4 section 1191(b) of such Act) and a selected drug (as de-
5 fined in section 1192(c) of such Act) with respect to such
6 period with respect to which coverage is provided under
7 such plan or coverage—

8 “(1) the provisions of such part shall apply—

9 “(A) if coverage of such selected drug is
10 provided under such plan or coverage if the
11 drug is furnished or dispensed at a pharmacy
12 or by a mail order service, to the plans or cov-
13 erage offered by such plan or issuer, and to the
14 individuals enrolled under such plans or cov-
15 erage, during such period, with respect to such
16 selected drug, in the same manner as such pro-
17 visions apply to prescription drug plans and
18 MA-PD plans, and to individuals enrolled
19 under such prescription drug plans and MA-
20 PD plans during such period; and

21 “(B) if coverage of such selected drug is
22 provided under such plan or coverage if the
23 drug is furnished or administered by a hospital,
24 physician, or other provider of services or sup-
25 plier, to the plans or coverage offered by such

1 plan or issuers, to the individuals enrolled
2 under such plans or coverage, and to hospitals,
3 physicians, and other providers of services and
4 suppliers during such period, with respect to
5 such drug in the same manner as such provi-
6 sions apply to the Secretary, to individuals enti-
7 tled to benefits under part A of title XVIII or
8 enrolled under part B of such title, and to hos-
9 pitals, physicians, and other providers and sup-
10 pliers participating under title XVIII during
11 such period;

12 “(2) the plan or issuer shall apply any cost-
13 sharing responsibilities under such plan or coverage,
14 with respect to such selected drug, by substituting
15 an amount not more than the maximum fair price
16 negotiated under such part E of title XI for such
17 drug in lieu of the drug price upon which the cost-
18 sharing would have otherwise applied, and such cost-
19 sharing responsibilities with respect to such selected
20 drug may not exceed such maximum fair price; and

21 “(3) the Secretary shall apply the provisions of
22 such part E to such plan, issuer, and coverage, such
23 individuals so enrolled in such plans and coverage,
24 and such hospitals, physicians, and other providers

1 and suppliers participating in such plans and cov-
2 erage.

3 “(b) NOTIFICATION REGARDING NONPARTICIPATION
4 IN FAIR PRICE NEGOTIATION PROGRAM.—A group health
5 plan or a health insurance issuer offering group or indi-
6 vidual health insurance coverage shall publicly disclose in
7 a manner and in accordance with a process specified by
8 the Secretary any election made under section 1197 of the
9 Social Security Act by the plan or issuer to not participate
10 in the Fair Price Negotiation Program under part E of
11 title XI of such Act with respect to a selected drug (as
12 defined in section 1192(c) of such Act) for which coverage
13 is provided under such plan or coverage before the begin-
14 ning of the plan year for which such election was made.”.

15 (B) ERISA.—

16 (i) IN GENERAL.—Subpart B of part
17 7 of subtitle B of title I of the Employee
18 Retirement Income Security Act of 1974
19 (29 U.S.C. 1181 et seq.) is amended by
20 adding at the end the following new sec-
21 tion:

22 **“SEC. 726. FAIR PRICE NEGOTIATION PROGRAM AND APPLI-
23 CATION OF MAXIMUM FAIR PRICES.**

24 “(a) IN GENERAL.—In the case of a group health
25 plan or health insurance issuer offering group health in-

1 surance coverage that is treated under section 1197 of the
2 Social Security Act as having in effect an agreement with
3 the Secretary under the Fair Price Negotiation Program
4 under part E of title XI of such Act, with respect to a
5 price applicability period (as defined in section 1191(b)
6 of such Act) and a selected drug (as defined in section
7 1192(c) of such Act) with respect to such period with re-
8 spect to which coverage is provided under such plan or
9 coverage—

10 “(1) the provisions of such part shall apply, as
11 applicable—

12 “(A) if coverage of such selected drug is
13 provided under such plan or coverage if the
14 drug is furnished or dispensed at a pharmacy
15 or by a mail order service, to the plans or cov-
16 erage offered by such plan or issuer, and to the
17 individuals enrolled under such plans or cov-
18 erage, during such period, with respect to such
19 selected drug, in the same manner as such pro-
20 visions apply to prescription drug plans and
21 MA-PD plans, and to individuals enrolled
22 under such prescription drug plans and MA-
23 PD plans during such period; and

24 “(B) if coverage of such selected drug is
25 provided under such plan or coverage if the

1 drug is furnished or administered by a hospital,
2 physician, or other provider of services or sup-
3 plier, to the plans or coverage offered by such
4 plan or issuers, to the individuals enrolled
5 under such plans or coverage, and to hospitals,
6 physicians, and other providers of services and
7 suppliers during such period, with respect to
8 such drug in the same manner as such provi-
9 sions apply to the Secretary, to individuals enti-
10 tled to benefits under part A of title XVIII or
11 enrolled under part B of such title, and to hos-
12 pitals, physicians, and other providers and sup-
13 pliers participating under title XVIII during
14 such period;

15 “(2) the plan or issuer shall apply any cost-
16 sharing responsibilities under such plan or coverage,
17 with respect to such selected drug, by substituting
18 an amount not more than the maximum fair price
19 negotiated under such part E of title XI for such
20 drug in lieu of the drug price upon which the cost-
21 sharing would have otherwise applied, and such cost-
22 sharing responsibilities with respect to such selected
23 drug may not exceed such maximum fair price; and

1 “(3) the Secretary shall apply the provisions of
2 such part E to such plan, issuer, and coverage, and
3 such individuals so enrolled in such plans.

4 “(b) NOTIFICATION REGARDING NONPARTICIPATION
5 IN FAIR PRICE NEGOTIATION PROGRAM.—A group health
6 plan or a health insurance issuer offering group health in-
7 surance coverage shall publicly disclose in a manner and
8 in accordance with a process specified by the Secretary
9 any election made under section 1197 of the Social Secu-
10 rity Act by the plan or issuer to not participate in the
11 Fair Price Negotiation Program under part E of title XI
12 of such Act with respect to a selected drug (as defined
13 in section 1192(c) of such Act) for which coverage is pro-
14 vided under such plan or coverage before the beginning
15 of the plan year for which such election was made.”.

16 (ii) APPLICATION TO RETIREE AND
17 CERTAIN SMALL GROUP HEALTH PLANS.—
18 Section 732(a) of the Employee Retire-
19 ment Income Security Act of 1974 (29
20 U.S.C. 1191a(a)) is amended by striking
21 “section 711” and inserting “sections 711
22 and 726”.

23 (iii) CLERICAL AMENDMENT.—The
24 table of sections for subpart B of part 7 of
25 subtitle B of title I of the Employee Re-

1 tirement Income Security Act of 1974 is
2 amended by adding at the end the fol-
3 lowing:

“Sec. 726. Fair Price Negotiation Program and application of maximum fair prices.”.

4 (C) IRC.—

5 (i) IN GENERAL.—Subchapter B of
6 chapter 100 of the Internal Revenue Code
7 of 1986 is amended by adding at the end
8 the following new section:

9 **“SEC. 9826. FAIR PRICE NEGOTIATION PROGRAM AND AP-**
10 **PLICATION OF MAXIMUM FAIR PRICES.**

11 “(a) IN GENERAL.—In the case of a group health
12 plan that is treated under section 1197 of the Social Secu-
13 rity Act as having in effect an agreement with the Sec-
14 retary under the Fair Price Negotiation Program under
15 part E of title XI of such Act, with respect to a price
16 applicability period (as defined in section 1191(b) of such
17 Act) and a selected drug (as defined in section 1192(c)
18 of such Act) with respect to such period with respect to
19 which coverage is provided under such plan—

20 “(1) the provisions of such part shall apply, as
21 applicable—

22 “(A) if coverage of such selected drug is
23 provided under such plan if the drug is fur-
24 nished or dispensed at a pharmacy or by a mail

1 order service, to the plan, and to the individuals
2 enrolled under such plan during such period,
3 with respect to such selected drug, in the same
4 manner as such provisions apply to prescription
5 drug plans and MA–PD plans, and to individ-
6 uals enrolled under such prescription drug
7 plans and MA–PD plans during such period;
8 and

9 “(B) if coverage of such selected drug is
10 provided under such plan if the drug is fur-
11 nished or administered by a hospital, physician,
12 or other provider of services or supplier, to the
13 plan, to the individuals enrolled under such
14 plan, and to hospitals, physicians, and other
15 providers of services and suppliers during such
16 period, with respect to such drug in the same
17 manner as such provisions apply to the Sec-
18 retary, to individuals entitled to benefits under
19 part A of title XVIII or enrolled under part B
20 of such title, and to hospitals, physicians, and
21 other providers and suppliers participating
22 under title XVIII during such period;

23 “(2) the plan shall apply any cost-sharing re-
24 sponsibilities under such plan, with respect to such
25 selected drug, by substituting an amount not more

1 than the maximum fair price negotiated under such
2 part E of title XI for such drug in lieu of the drug
3 price upon which the cost-sharing would have other-
4 wise applied, and such cost-sharing responsibilities
5 with respect to such selected drug may not exceed
6 such maximum fair price; and

7 “(3) the Secretary shall apply the provisions of
8 such part E to such plan and such individuals so en-
9 rolled in such plan.

10 “(b) NOTIFICATION REGARDING NONPARTICIPATION
11 IN FAIR PRICE NEGOTIATION PROGRAM.—A group health
12 plan shall publicly disclose in a manner and in accordance
13 with a process specified by the Secretary any election
14 made under section 1197 of the Social Security Act by
15 the plan to not participate in the Fair Price Negotiation
16 Program under part E of title XI of such Act with respect
17 to a selected drug (as defined in section 1192(c) of such
18 Act) for which coverage is provided under such plan before
19 the beginning of the plan year for which such election was
20 made.”.

21 (ii) APPLICATION TO RETIREE AND
22 CERTAIN SMALL GROUP HEALTH PLANS.—
23 Section 9831(a)(2) of the Internal Revenue
24 Code of 1986 is amended by inserting

1 “other than with respect to section 9826,”
2 before “any group health plan”.

3 (iii) CLERICAL AMENDMENT.—The
4 table of sections for subchapter B of chap-
5 ter 100 of such Code is amended by add-
6 ing at the end the following new item:

“Sec. 9826. Fair Price Negotiation Program and application of maximum fair prices.”.

7 (3) FAIR PRICE NEGOTIATION PROGRAM PRICES
8 INCLUDED IN BEST PRICE AND AMP.—Section 1927
9 of the Social Security Act (42 U.S.C. 1396r–8) is
10 amended—

11 (A) in subsection (c)(1)(C)(ii)—

12 (i) in subclause (III), by striking at
13 the end “; and”;

14 (ii) in subclause (IV), by striking at
15 the end the period and inserting “; and”;
16 and

17 (iii) by adding at the end the fol-
18 lowing new subclause:

19 “(V) in the case of a rebate pe-
20 riod and a covered outpatient drug
21 that is a selected drug (as defined in
22 section 1192(c)) during such rebate
23 period, shall be inclusive of the price
24 for such drug made available from the

1 manufacturer during the rebate period
2 by reason of application of part E of
3 title XI to any wholesaler, retailer,
4 provider, health maintenance organi-
5 zation, nonprofit entity, or govern-
6 mental entity within the United
7 States.”; and

8 (B) in subsection (k)(1)(B), by adding at
9 the end the following new clause:

10 “(iii) CLARIFICATION.—Notwith-
11 standing clause (i), in the case of a rebate
12 period and a covered outpatient drug that
13 is a selected drug (as defined in section
14 1192(c)) during such rebate period, any
15 reduction in price paid during the rebate
16 period to the manufacturer for the drug by
17 a wholesaler or retail community pharmacy
18 described in subparagraph (A) by reason of
19 application of part E of title XI shall be
20 included in the average manufacturer price
21 for the covered outpatient drug.”.

22 (4) FEHBP.—Section 8902 of title 5, United
23 States Code, is amended by adding at the end the
24 following:

1 “(p) A contract may not be made or a plan approved
2 under this chapter with any carrier that has affirmatively
3 elected, pursuant to section 1197 of the Social Security
4 Act, not to participate in the Fair Price Negotiation Pro-
5 gram established under section 1191 of such Act for any
6 selected drug (as that term is defined in section 1192(c)
7 of such Act).”.

8 (5) OPTION OF SECRETARY OF VETERANS AF-
9 FAIRS TO PURCHASE COVERED DRUGS AT MAXIMUM
10 FAIR PRICES.—Section 8126 of title 38, United
11 States Code, is amended—

12 (A) in subsection (a)(2), by inserting “,
13 subject to subsection (j),” after “may not ex-
14 ceed”;

15 (B) in subsection (d), in the matter pre-
16 ceeding paragraph (1), by inserting “, subject to
17 subsection (j)” after “for the procurement of
18 the drug”; and

19 (C) by adding at the end the following new
20 subsection:

21 “(j)(1) In the case of a covered drug that is a selected
22 drug, for any year during the price applicability period for
23 such drug, if the Secretary determines that the maximum
24 fair price of such drug for such year is less than the price
25 for such drug otherwise in effect pursuant to this section

1 (including after application of any reduction under sub-
2 section (a)(2) and any discount under subsection (c)), at
3 the option of the Secretary, in lieu of the maximum price
4 (determined after application of the reduction under sub-
5 section (a)(2) and any discount under subsection (c), as
6 applicable) that would be permitted to be charged during
7 such year for such drug pursuant to this section without
8 application of this subsection, the maximum price per-
9 mitted to be charged during such year for such drug pur-
10 suant to this section shall be such maximum fair price for
11 such drug and year.

12 “(2) For purposes of this subsection:

13 “(A) The term ‘maximum fair price’ means,
14 with respect to a selected drug and year during the
15 price applicability period for such drug, the max-
16 imum fair price (as defined in section 1191(c)(2) of
17 the Social Security Act) for such drug and year.

18 “(B) The term ‘negotiation eligible drug’ has
19 the meaning given such term in section 1192(d)(1)
20 of the Social Security Act.

21 “(C) The term ‘price applicability period’ has,
22 with respect to a selected drug, the meaning given
23 such term in section 1191(b)(2) of such Act.

1 “(D) The term ‘selected drug’ means, with re-
2 spect to a year, a drug that is a selected drug under
3 section 1192(c) of such Act for such year.”.

4 **SEC. 139002. SELECTED DRUG MANUFACTURER EXCISE TAX**
5 **IMPOSED DURING NONCOMPLIANCE PERI-**
6 **ODS.**

7 (a) IN GENERAL.—Subchapter E of chapter 32 of the
8 Internal Revenue Code of 1986 is amended by adding at
9 the end the following new section:

10 **“SEC. 4192. SELECTED DRUGS DURING NONCOMPLIANCE**
11 **PERIODS.**

12 “(a) IN GENERAL.—There is hereby imposed on the
13 sale by the manufacturer, producer, or importer of any
14 selected drug during a day described in subsection (b) a
15 tax in an amount such that the applicable percentage is
16 equal to the ratio of—

17 “(1) such tax, divided by

18 “(2) the sum of such tax and the price for
19 which so sold.

20 “(b) NONCOMPLIANCE PERIODS.—A day is described
21 in this subsection with respect to a selected drug if it is
22 a day during one of the following periods:

23 “(1) The period beginning on the June 16th
24 immediately following the selected drug publication
25 date and ending on the first date during which the

1 manufacturer of the drug has in place an agreement
2 described in subsection (a) of section 1193 of the
3 Social Security Act with respect to such drug.

4 “(2) The period beginning on the April 1st im-
5 mediately following the June 16th described in para-
6 graph (1) and ending on the first date during which
7 the manufacturer of the drug has agreed to a max-
8 imum fair price under such agreement.

9 “(3) In the case of a selected drug with respect
10 to which the Secretary of Health and Human Serv-
11 ices has specified a renegotiation period under such
12 agreement, the period beginning on the first date
13 after the last date of such renegotiation period and
14 ending on the first date during which the manufac-
15 turer of the drug has agreed to a renegotiated max-
16 imum fair price under such agreement.

17 “(4) With respect to information that is re-
18 quired to be submitted to the Secretary of Health
19 and Human Services under such agreement, the pe-
20 riod beginning on the date on which such Secretary
21 certifies that such information is overdue and ending
22 on the date that such information is so submitted.

23 “(5) In the case of a selected drug with respect
24 to which a payment is due under subsection (c) of
25 such section 1193, the period beginning on the date

1 on which the Secretary of Health and Human Serv-
2 ices certifies that such payment is overdue and end-
3 ing on the date that such payment is made in full.

4 “(c) APPLICABLE PERCENTAGE.—For purposes of
5 this section, the term ‘applicable percentage’ means—

6 “(1) in the case of sales of a selected drug dur-
7 ing the first 90 days described in subsection (b) with
8 respect to such drug, 65 percent,

9 “(2) in the case of sales of such drug during
10 the 91st day through the 180th day described in
11 subsection (b) with respect to such drug, 75 percent,

12 “(3) in the case of sales of such drug during
13 the 181st day through the 270th day described in
14 subsection (b) with respect to such drug, 85 percent,
15 and

16 “(4) in the case of sales of such drug during
17 any subsequent day, 95 percent.

18 “(d) SELECTED DRUG.—For purposes of this sec-
19 tion—

20 “(1) IN GENERAL.—The term ‘selected drug’
21 means any selected drug (within the meaning of sec-
22 tion 1192 of the Social Security Act) which is manu-
23 factured or produced in the United States or entered
24 into the United States for consumption, use, or
25 warehousing.

1 “(2) UNITED STATES.—The term ‘United
2 States’ has the meaning given such term by section
3 4612(a)(4).

4 “(3) COORDINATION WITH RULES FOR POSSES-
5 SIONS OF THE UNITED STATES.—Rules similar to
6 the rules of paragraphs (2) and (4) of section
7 4132(e) shall apply for purposes of this section.

8 “(e) OTHER DEFINITIONS.—For purposes of this
9 section, the terms ‘selected drug publication date’ and
10 ‘maximum fair price’ have the meaning given such terms
11 in section 1191 of the Social Security Act.

12 “(f) ANTI-ABUSE RULE.—In the case of a sale which
13 was timed for the purpose of avoiding the tax imposed by
14 this section, the Secretary may treat such sale as occur-
15 ring during a day described in subsection (b).”.

16 (b) NO DEDUCTION FOR EXCISE TAX PAYMENTS.—
17 Section 275 of the Internal Revenue Code of 1986 is
18 amended by adding “or by section 4192” before the period
19 at the end of subsection (a)(6).

20 (c) CONFORMING AMENDMENTS.—

21 (1) Section 4221(a) of the Internal Revenue
22 Code of 1986 is amended by inserting “or 4192”
23 after “section 4191”.

24 (2) Section 6416(b)(2) of such Code is amend-
25 ed by inserting “or 4192” after “section 4191”.

1 (d) CLERICAL AMENDMENTS.—

2 (1) The heading of subchapter E of chapter 32
3 of the Internal Revenue Code of 1986 is amended by
4 striking “**Medical Devices**” and inserting
5 “**Other Medical Products**”.

6 (2) The table of subchapters for chapter 32 of
7 such Code is amended by striking the item relating
8 to subchapter E and inserting the following new
9 item:

“SUBCHAPTER E. OTHER MEDICAL PRODUCTS”.

10 (3) The table of sections for subchapter E of
11 chapter 32 of such Code is amended by adding at
12 the end the following new item:

“Sec. 4192. Selected drugs during noncompliance periods.”.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to sales after the date of the enact-
15 ment of this Act.

16 **SEC. 139003. FAIR PRICE NEGOTIATION IMPLEMENTATION**
17 **FUND.**

18 (a) IN GENERAL.—There is hereby established a Fair
19 Price Negotiation Implementation Fund (referred to in
20 this section as the “Fund”). The Secretary of Health and
21 Human Services may obligate and expend amounts in the
22 Fund to carry out this part and parts 2 and 3 (and the
23 amendments made by such parts).

1 (b) FUNDING.—There is authorized to be appro-
2 priated, and there is hereby appropriated, out of any mon-
3 ies in the Treasury not otherwise appropriated, to the
4 Fund \$3,000,000,000, to remain available until expended,
5 of which—

6 (1) \$600,000,000 shall become available on the
7 date of the enactment of this Act;

8 (2) \$600,000,000 shall become available on Oc-
9 tober 1, 2023;

10 (3) \$600,000,000 shall become available on Oc-
11 tober 1, 2024;

12 (4) \$600,000,000 shall become available on Oc-
13 tober 1, 2025; and

14 (5) \$600,000,000 shall become available on Oc-
15 tober 1, 2026.

16 (c) SUPPLEMENT NOT SUPPLANT.—Any amounts
17 appropriated pursuant to this section shall be in addition
18 to any other amounts otherwise appropriated pursuant to
19 any other provision of law.

1 **PART 2—PRESCRIPTION DRUG INFLATION**

2 **REBATES**

3 **SEC. 139101. MEDICARE PART B REBATE BY MANUFACTUR-**
4 **ERS.**

5 (a) IN GENERAL.—Section 1834 of the Social Secu-
6 rity Act (42 U.S.C. 1395m) is amended by adding at the
7 end the following new subsection:

8 “(z) REBATE BY MANUFACTURERS FOR SINGLE
9 SOURCE DRUGS WITH PRICES INCREASING FASTER
10 THAN INFLATION.—

11 “(1) REQUIREMENTS.—

12 “(A) SECRETARIAL PROVISION OF INFOR-
13 MATION.—Not later than 6 months after the
14 end of each calendar quarter beginning on or
15 after July 1, 2023, the Secretary shall, for each
16 part B rebatable drug, report to each manufac-
17 turer of such part B rebatable drug the fol-
18 lowing for such calendar quarter:

19 “(i) Information on the total number
20 of units of the billing and payment code
21 described in subparagraph (A)(i) of para-
22 graph (3) with respect to such drug and
23 calendar quarter.

24 “(ii) Information on the amount (if
25 any) of the excess average sales price in-
26 crease described in subparagraph (A)(ii) of

1 such paragraph for such drug and calendar
2 quarter.

3 “(iii) The rebate amount specified
4 under such paragraph for such part B
5 rebtable drug and calendar quarter.

6 “(B) MANUFACTURER REQUIREMENT.—
7 For each calendar quarter beginning on or after
8 July 1, 2023, the manufacturer of a part B
9 rebtable drug shall, for such drug, not later
10 than 30 days after the date of receipt from the
11 Secretary of the information described in sub-
12 paragraph (A) for such calendar quarter, pro-
13 vide to the Secretary a rebate that is equal to
14 the amount specified in paragraph (3) for such
15 drug for such calendar quarter.

16 “(2) PART B REBATABLE DRUG DEFINED.—

17 “(A) IN GENERAL.—In this subsection, the
18 term ‘part B rebatable drug’ means a single
19 source drug or biological (as defined in sub-
20 paragraph (D) of section 1847A(e)(6)), includ-
21 ing a biosimilar biological product (as defined
22 in subparagraph (H) of such section), payable
23 (if such drug were furnished to an individual
24 enrolled under this part) under this part, except

1 such term shall not include such a drug or bio-
2 logical—

3 “(i) if the average total allowed
4 charges under this part as determined by
5 the Secretary for a year per individual that
6 uses such a drug or biological, as deter-
7 mined by the Secretary, are less than, sub-
8 ject to subparagraph (B), \$100; or

9 “(ii) that is a vaccine described in
10 subparagraph (A) or (B) of section
11 1861(s)(10).

12 “(B) INCREASE.—The dollar amount ap-
13 plied under subparagraph (A)(i)—

14 “(i) for 2024, shall be the dollar
15 amount specified under such subparagraph
16 for 2023, increased by the percentage in-
17 crease in the consumer price index for all
18 urban consumers (United States city aver-
19 age) for the 12-month period ending with
20 June of the previous year; and

21 “(ii) for a subsequent year, shall be
22 the dollar amount specified in this clause
23 (or clause (i)) for the previous year, in-
24 creased by the percentage increase in the
25 consumer price index for all urban con-

1 sumers (United States city average) for
2 the 12-month period ending with June of
3 the previous year.

4 Any dollar amount specified under this sub-
5 paragraph that is not a multiple of \$10 shall be
6 rounded to the nearest multiple of \$10.

7 “(3) REBATE AMOUNT.—

8 “(A) IN GENERAL.—For purposes of para-
9 graph (1), the amount specified in this para-
10 graph for a part B rebatable drug assigned to
11 a billing and payment code for a calendar quar-
12 ter is, subject to subparagraph (B) and para-
13 graph (4), the amount equal to the product
14 of—

15 “(i) the total number of units, as de-
16 scribed in section 1847A(c)(1)(B), with re-
17 spect to such drug during the calendar
18 quarter; and

19 “(ii) the amount (if any) by which—

20 “(I) the payment amount under
21 subparagraph (B) or (C) of section
22 1847A(b)(1), as applicable, for such
23 part B rebatable drug during the cal-
24 endar quarter; exceeds

1 “(II) the inflation-adjusted pay-
2 ment amount determined under sub-
3 paragraph (C) for such part B
4 rebtable drug during the calendar
5 quarter.

6 “(B) EXCLUDED UNITS.—For purposes of
7 subparagraph (A)(i), the Secretary shall exclude
8 from the total number of units with respect to
9 a part B rebtable drug and calendar quarter
10 units of such part B rebtable drug for which
11 payment was made under a State plan under
12 title XIX (or waiver of such plan), as reported
13 by States under section 1927(b)(2)(A) for the
14 most recent rebate period.

15 “(C) DETERMINATION OF INFLATION-AD-
16 JUSTED PAYMENT AMOUNT.—The inflation-ad-
17 justed payment amount determined under this
18 subparagraph for a part B rebtable drug for
19 a calendar quarter is—

20 “(i) the payment amount for the bill-
21 ing and payment code for such drug in the
22 payment amount benchmark quarter (as
23 defined in subparagraph (D)); increased by

24 “(ii) the percentage by which the re-
25 bate period CPI-U (as defined in subpara-

1 graph (F)) for the calendar quarter ex-
2 ceeds the benchmark period CPI-U (as de-
3 fined in subparagraph (E)).

4 “(D) PAYMENT AMOUNT BENCHMARK
5 QUARTER.—The term ‘payment amount bench-
6 mark quarter’ means the calendar quarter be-
7 ginning January 1, 2016.

8 “(E) BENCHMARK PERIOD CPI-U.—The
9 term ‘benchmark period CPI-U’ means the con-
10 sumer price index for all urban consumers
11 (United States city average) for July 2015.

12 “(F) REBATE PERIOD CPI-U.—The term
13 ‘rebate period CPI-U’ means, with respect to a
14 calendar quarter described in subparagraph
15 (C), the greater of the benchmark period CPI-
16 U and the consumer price index for all urban
17 consumers (United States city average) for the
18 first month of the calendar quarter that is two
19 calendar quarters prior to such described cal-
20 endar quarter.

21 “(4) SPECIAL TREATMENT OF CERTAIN DRUGS
22 AND EXEMPTION.—

23 “(A) SUBSEQUENTLY APPROVED DRUGS.—
24 Subject to subparagraph (B), in the case of a
25 part B rebatable drug first approved or licensed

1 by the Food and Drug Administration after
2 July 1, 2015, clause (i) of paragraph (3)(C)
3 shall be applied as if the term ‘payment amount
4 benchmark quarter’ were defined under para-
5 graph (3)(D) as the third full calendar quarter
6 after the day on which the drug was first mar-
7 keted and clause (ii) of paragraph (3)(C) shall
8 be applied as if the term ‘benchmark period
9 CPI-U’ were defined under paragraph (3)(E)
10 as if the reference to ‘July 2015’ under such
11 paragraph were a reference to ‘the first month
12 of the first full calendar quarter after the day
13 on which the drug was first marketed’.

14 “(B) TIMELINE FOR PROVISION OF RE-
15 BATES FOR SUBSEQUENTLY APPROVED
16 DRUGS.—In the case of a part B rebatable drug
17 first approved or licensed by the Food and
18 Drug Administration after July 1, 2015, para-
19 graph (1)(B) shall be applied as if the reference
20 to ‘July 1, 2023’ under such paragraph were a
21 reference to the later of the 6th full calendar
22 quarter after the day on which the drug was
23 first marketed or July 1, 2023.

24 “(C) EXEMPTION FOR SHORTAGES.—The
25 Secretary may reduce or waive the rebate

1 amount under paragraph (1)(B) with respect to
2 a part B rebatable drug that is described as
3 currently in shortage on the shortage list in ef-
4 fect under section 506E of the Federal Food,
5 Drug, and Cosmetic Act or in the case of other
6 exigent circumstances, as determined by the
7 Secretary.

8 “(D) SELECTED DRUGS.—In the case of a
9 part B rebatable drug that is a selected drug
10 (as defined in section 1192(e)) for a price appli-
11 cability period (as defined in section
12 1191(b)(2))—

13 “(i) for calendar quarters during such
14 period for which a maximum fair price (as
15 defined in section 1191(c)(2)) for such
16 drug has been determined and is applied
17 under part E of title XI, the rebate
18 amount under paragraph (1)(B) shall be
19 waived; and

20 “(ii) in the case such drug is deter-
21 mined (pursuant to such section 1192(e))
22 to no longer be a selected drug, for each
23 applicable year beginning after the price
24 applicability period with respect to such
25 drug, clause (i) of paragraph (3)(C) shall

1 be applied as if the term ‘payment amount
2 benchmark quarter’ were defined under
3 paragraph (3)(D) as the calendar quarter
4 beginning January 1 of the last year be-
5 ginning during such price applicability pe-
6 riod with respect to such selected drug and
7 clause (ii) of paragraph (3)(C) shall be ap-
8 plied as if the term ‘benchmark period
9 CPI-U’ were defined under paragraph
10 (3)(E) as if the reference to ‘July 2015’
11 under such paragraph were a reference to
12 the July of the year preceding such last
13 year.

14 “(5) APPLICATION TO BENEFICIARY COINSUR-
15 ANCE.—In the case of a part B rebatable drug, if
16 the payment amount under this part for a quarter
17 exceeds the inflation adjusted payment for such
18 quarter—

19 “(A) in computing the amount of any coin-
20 surance applicable under this part to an indi-
21 vidual to whom such drug is furnished, the
22 computation of such coinsurance shall be based
23 on the inflation-adjusted payment amount de-
24 termined under paragraph (3)(C) for such part
25 B rebatable drug; and

1 “(B) the amount of such coinsurance is
2 equal to 20 percent of such inflation-adjusted
3 payment amount so determined.

4 “(6) REBATE DEPOSITS.—Amounts paid as re-
5 bates under paragraph (1)(B) shall be deposited into
6 the Federal Supplementary Medical Insurance Trust
7 Fund established under section 1841.

8 “(7) CIVIL MONEY PENALTY.—If a manufac-
9 turer of a part B rebatable drug has failed to com-
10 ply with the requirements under paragraph (1)(B)
11 for such drug for a calendar quarter, the manufac-
12 turer shall be subject to, in accordance with a proc-
13 ess established by the Secretary pursuant to regula-
14 tions, a civil money penalty in an amount equal to
15 at least 125 percent of the amount specified in para-
16 graph (3) for such drug for such calendar quarter.
17 The provisions of section 1128A (other than sub-
18 sections (a) (with respect to amounts of penalties or
19 additional assessments) and (b)) shall apply to a
20 civil money penalty under this paragraph in the
21 same manner as such provisions apply to a penalty
22 or proceeding under section 1128A(a).

23 “(8) APPLICATION TO MULTIPLE SOURCE
24 DRUGS.—The Secretary may, pursuant to rule-
25 making, apply the provisions of this subsection to

1 multiple source drugs (as defined in section
2 1847A(c)(6)(C)), including, for purposes of deter-
3 mining the rebate amount under paragraph (3), by
4 calculating manufacturer-specific average sales
5 prices for the benchmark period and the rebate pe-
6 riod.”.

7 (b) AMOUNTS PAYABLE; COST-SHARING.—Section
8 1833 of the Social Security Act (42 U.S.C. 1395l) is
9 amended—

10 (1) in subsection (a)—

11 (A) in paragraph (1)—

12 (i) in subparagraph (G), by inserting
13 “, subject to subsection (i)(9),” after “the
14 amounts paid”;

15 (ii) in subparagraph (S), by striking
16 “with respect to” and inserting “subject to
17 subparagraph (DD), with respect to”;

18 (iii) by striking “and (DD)” and in-
19 serting “(EE)”;

20 (iv) by inserting before the semicolon
21 at the end the following: “, and (EE) with
22 respect to a part B rebatable drug (as de-
23 fined in paragraph (2) of section 1834(z))
24 for which the payment amount for a cal-
25 endar quarter under paragraph

1 (3)(A)(ii)(I) of such section for such quar-
2 ter exceeds the inflation-adjusted payment
3 under paragraph (3)(A)(ii)(II) of such sec-
4 tion for such quarter, the amounts paid
5 shall be the difference between (i) the pay-
6 ment amount under paragraph
7 (3)(A)(ii)(I) of such section for such drug,
8 and (ii) 20 percent of the inflation-ad-
9 justed payment amount under paragraph
10 (3)(A)(ii)(II) of such section for such
11 drug”; and

12 (B) by adding at the end of the flush left
13 matter following paragraph (9), the following:

14 “For purposes of applying paragraph (1)(EE), sub-
15 sections (i)(9) and (t)(8)(F), and section 1834(z)(5), the
16 Secretary shall make such estimates and use such data
17 as the Secretary determines appropriate, and may do so
18 by program instruction or otherwise.”;

19 (2) in subsection (i), by adding at the end the
20 following new paragraph:

21 “(9) In the case of a part B rebatable drug (as de-
22 fined in paragraph (2) of section 1834(z)) for which pay-
23 ment under this subsection is not packaged into a payment
24 for a covered OPD service (as defined in subsection
25 (t)(1)(B)) (or group of services) furnished on or after July

1 1, 2023, under the system under this subsection, in lieu
2 of calculation of coinsurance and the amount of payment
3 otherwise applicable under this subsection, the provisions
4 of section 1834(z)(5), paragraph (1)(EE) of subsection
5 (a), and the flush left matter following paragraph (9) of
6 subsection (a), shall, as determined appropriate by the
7 Secretary, apply under this subsection in the same manner
8 as such provisions of section 1834(z)(5) and subsection
9 (a) apply under such section and subsection.”; and

10 (3) in subsection (t)(8), by adding at the end
11 the following new subparagraph:

12 “(F) PART B REBATABLE DRUGS.—In the
13 case of a part B rebatable drug (as defined in
14 paragraph (2) of section 1834(z)) for which
15 payment under this part is not packaged into a
16 payment for a service furnished on or after July
17 1, 2023, under the system under this sub-
18 section, in lieu of calculation of coinsurance and
19 the amount of payment otherwise applicable
20 under this subsection, the provisions of section
21 1834(z)(5), paragraph (1)(EE) of subsection
22 (a), and the flush left matter following para-
23 graph (9) of subsection (a), shall, as determined
24 appropriate by the Secretary, apply under this
25 subsection in the same manner as such provi-

1 **“SEC. 1860D–14B. MANUFACTURER REBATE FOR CERTAIN**
2 **DRUGS WITH PRICES INCREASING FASTER**
3 **THAN INFLATION.**

4 “(a) REQUIREMENTS.—

5 “(1) SECRETARIAL PROVISION OF INFORMA-
6 TION.—Not later than 9 months after the end of
7 each applicable year (as defined in subsection
8 (g)(7)), the Secretary shall, for each part D
9 rebatable drug, report to each manufacturer of such
10 part D rebatable drug the following for such year:

11 “(A) Information on the amount (if any)
12 of the excess average manufacturer price in-
13 crease described in subsection (b)(1)(B) for
14 each dosage form and strength with respect to
15 such drug and year.

16 “(B) The rebate amount specified under
17 subsection (b) for each dosage form and
18 strength with respect to such drug and year.

19 “(2) MANUFACTURER REQUIREMENTS.—For
20 each applicable year, the manufacturer of a part D
21 rebatable drug, for each dosage form and strength
22 with respect to such drug, not later than 30 days
23 after the date of receipt from the Secretary of the
24 information described in paragraph (1) for such
25 year, shall provide to the Secretary a rebate that is
26 equal to the amount specified in subsection (b) for

1 such dosage form and strength with respect to such
2 drug for such year.

3 “(b) REBATE AMOUNT.—

4 “(1) IN GENERAL.—

5 “(A) CALCULATION.—For purposes of this
6 section, the amount specified in this subsection
7 for a dosage form and strength with respect to
8 a part D rebatable drug and applicable year is,
9 subject to subparagraph (B) of this paragraph
10 and subparagraphs (B) and (C) of paragraph
11 (5), the amount equal to the product of—

12 “(i) the total number of units that are
13 used to calculate the average manufacturer
14 price of such dosage form and strength
15 with respect to such part D rebatable
16 drug, as reported by the manufacturer of
17 such drug under section 1927 for each re-
18 cent rebate period under such section, with
19 respect to such year, under such section
20 for which such information is available;
21 and

22 “(ii) the amount (if any) by which—

23 “(I) the annual manufacturer
24 price (as determined in paragraph
25 (2)) paid for such dosage form and

1 strength with respect to such part D
2 rebatable drug for the year; exceeds

3 “(II) the inflation-adjusted pay-
4 ment amount determined under para-
5 graph (3) for such dosage form and
6 strength with respect to such part D
7 rebatable drug for the year.

8 “(B) EXCLUDED UNITS.—For purposes of
9 subparagraph (A)(i), the Secretary shall exclude
10 from the total number of units for a dosage
11 form and strength with respect to a part D
12 rebatable drug and the most recent rebate pe-
13 riod under section 1927, with respect to an ap-
14 plicable year, for which such information is
15 available, units of each dosage form and
16 strength of such part D rebatable drug, for
17 which payment was made under a State plan
18 under title XIX (or waiver of such plan), as re-
19 ported by States under section 1927(b)(2)(A)
20 for such rebate period.

21 “(2) DETERMINATION OF ANNUAL MANUFAC-
22 Turer PRICE.—The annual manufacturer price de-
23 termined under this paragraph for a dosage form
24 and strength, with respect to a part D rebatable

1 drug and an applicable year, is the sum of the prod-
2 ucts of—

3 “(A) the average manufacturer price (as
4 defined in subsection (g)(6)) of such dosage
5 form and strength, as calculated for a unit of
6 such drug, with respect to each of the calendar
7 quarters of such year; and

8 “(B) the ratio of—

9 “(i) the total number of units of such
10 dosage form and strength reported for the
11 purpose of calculating average manufac-
12 turer price under section 1927 during each
13 such calendar quarter of such year; to

14 “(ii) the total number of units of such
15 dosage form and strength reported for the
16 purpose of calculating average manufac-
17 turer price under section 1927 during such
18 year, as determined by the Secretary.

19 “(3) DETERMINATION OF INFLATION-ADJUSTED
20 PAYMENT AMOUNT.—The inflation-adjusted payment
21 amount determined under this paragraph for a dos-
22 age form and strength with respect to a part D
23 rebatable drug for an applicable year, subject to sub-
24 paragraphs (A) and (D) of paragraph (5), is—

1 “(A) the benchmark year manufacturer
2 price determined under paragraph (4) for such
3 dosage form and strength with respect to such
4 drug and year; increased by

5 “(B) the percentage by which the applica-
6 ble year CPI-U (as defined in subsection
7 (g)(5)) for the year exceeds the benchmark pe-
8 riod CPI-U (as defined in subsection (g)(4)).

9 “(4) DETERMINATION OF BENCHMARK YEAR
10 MANUFACTURER PRICE.—The benchmark year man-
11 ufacturer price determined under this paragraph for
12 a dosage form and strength, with respect to a part
13 D rebatable drug and an applicable year, is the sum
14 of the products of—

15 “(A) the average manufacturer price (as
16 defined in subsection (g)(6)) of such dosage
17 form and strength, as calculated for a unit of
18 such drug, with respect to each of the calendar
19 quarters of the payment amount benchmark
20 year (as defined in subsection (g)(3)); and

21 “(B) the ratio of—

22 “(i) the total number of units of such
23 dosage form and strength dispensed during
24 each such calendar quarter of such pay-
25 ment amount benchmark year; to

1 “(ii) the total number of units of such
2 dosage form and strength dispensed during
3 such payment amount benchmark year.

4 “(5) SPECIAL TREATMENT OF CERTAIN DRUGS
5 AND EXEMPTION.—

6 “(A) SUBSEQUENTLY APPROVED DRUGS.—

7 In the case of a part D rebatable drug first ap-
8 proved or licensed by the Food and Drug Ad-
9 ministration after January 1, 2016, subpara-
10 graphs (A) and (B) of paragraph (4) shall be
11 applied as if the term ‘payment amount bench-
12 mark year’ were defined under subsection
13 (g)(3) as the first calendar year beginning after
14 the day on which the drug was first marketed
15 by any manufacturer and subparagraph (B) of
16 paragraph (3) shall be applied as if the term
17 ‘benchmark period CPI-U’ were defined under
18 subsection (g)(4) as if the reference to ‘January
19 2016’ under such subsection were a reference to
20 ‘January of the first year beginning after the
21 date on which the drug was first marketed by
22 any manufacturer’.

23 “(B) EXEMPTION FOR SHORTAGES.—The
24 Secretary may reduce or waive the rebate under
25 paragraph (1) with respect to a part D

1 rebatable drug that is described as currently in
2 shortage on the shortage list in effect under
3 section 506E of the Federal Food, Drug, and
4 Cosmetic Act or in the case of other exigent cir-
5 cumstances, as determined by the Secretary.

6 “(C) TREATMENT OF NEW FORMULA-
7 TIONS.—

8 “(i) IN GENERAL.—In the case of a
9 part D rebatable drug that is a line exten-
10 sion of a part D rebatable drug that is an
11 oral solid dosage form, the Secretary shall
12 establish a formula for determining the
13 amount specified in this subsection with
14 respect to such part D rebatable drug and
15 an applicable year with consideration of
16 the original part D rebatable drug.

17 “(ii) LINE EXTENSION DEFINED.—In
18 this subparagraph, the term ‘line exten-
19 sion’ means, with respect to a part D
20 rebatable drug, a new formulation of the
21 drug, such as an extended release formula-
22 tion, but does not include an abuse-deter-
23 rent formulation of the drug (as deter-
24 mined by the Secretary), regardless of

1 whether such abuse-deterrent formulation
2 is an extended release formulation.

3 “(D) SELECTED DRUGS.—In the case of a
4 part D rebatable drug that is a selected drug
5 (as defined in section 1192(c)) for a price appli-
6 cability period (as defined in section
7 1191(b)(2))—

8 “(i) for plan years during such period
9 for which a maximum fair price (as defined
10 in section 1191(c)(2)) for such drug has
11 been determined and is applied under part
12 E of title XI, the rebate under subsection
13 (a)(1)(B) shall be waived; and

14 “(ii) in the case such drug is deter-
15 mined (pursuant to such section 1192(c))
16 to no longer be a selected drug, for each
17 applicable year beginning after the price
18 applicability period with respect to such
19 drug, subparagraphs (A) and (B) of para-
20 graph (4) shall be applied as if the term
21 ‘payment amount benchmark year’ were
22 defined under subsection (g)(3) as the last
23 year beginning during such price applica-
24 bility period with respect to such selected
25 drug and subparagraph (B) of paragraph

1 (3) shall be applied as if the term ‘bench-
2 mark period CPI-U’ were defined under
3 subsection (g)(4) as if the reference to
4 ‘January 2016’ under such subsection were
5 a reference to January of the last year be-
6 ginning during such price applicability pe-
7 riod with respect to such drug.

8 “(c) REBATE DEPOSITS.—Amounts paid as rebates
9 under subsection (b) shall be deposited into the Medicare
10 Prescription Drug Account in the Federal Supplementary
11 Medical Insurance Trust Fund established under section
12 1841.

13 “(d) INFORMATION.—For purposes of carrying out
14 this section, the Secretary shall use information submitted
15 by manufacturers under section 1927(b)(3) and informa-
16 tion submitted by States under section 1927(b)(2)(A).

17 “(e) CIVIL MONEY PENALTY.—If a manufacturer of
18 a part D rebatable drug has failed to comply with the re-
19 quirement under subsection (a)(1)(B) with respect to such
20 drug for an applicable year, the manufacturer shall be
21 subject to, in accordance with a process established by the
22 Secretary pursuant to regulations, a civil money penalty
23 in an amount equal to 125 percent of the amount specified
24 in subsection (b) for such drug for such year. The provi-
25 sions of section 1128A (other than subsections (a) (with

1 respect to amounts of penalties or additional assessments)
2 and (b)) shall apply to a civil money penalty under this
3 subsection in the same manner as such provisions apply
4 to a penalty or proceeding under section 1128A(a).

5 “(f) JUDICIAL REVIEW.—There shall be no judicial
6 review of the following:

7 “(1) The determination of units under this sec-
8 tion.

9 “(2) The determination of whether a drug is a
10 part D rebatable drug under this section.

11 “(3) The calculation of the rebate amount
12 under this section.

13 “(g) DEFINITIONS.—In this section:

14 “(1) PART D REBATABLE DRUG DEFINED.—

15 “(A) IN GENERAL.—The term ‘part D
16 rebatable drug’ means a drug or biological that
17 would (without application of this section) be a
18 covered part D drug, except such term shall,
19 with respect to an applicable year, not include
20 such a drug or biological if the average annual
21 total cost under this part for such year per in-
22 dividual who uses such a drug or biological, as
23 determined by the Secretary, is less than, sub-
24 ject to subparagraph (B), \$100, as determined
25 by the Secretary using the most recent data

1 available or, if data is not available, as esti-
2 mated by the Secretary.

3 “(B) INCREASE.—The dollar amount ap-
4 plied under subparagraph (A)—

5 “(i) for 2024, shall be the dollar
6 amount specified under such subparagraph
7 for 2023, increased by the percentage in-
8 crease in the consumer price index for all
9 urban consumers (United States city aver-
10 age) for the 12-month period beginning
11 with January of 2023; and

12 “(ii) for a subsequent year, shall be
13 the dollar amount specified in this sub-
14 paragraph for the previous year, increased
15 by the percentage increase in the consumer
16 price index for all urban consumers
17 (United States city average) for the 12-
18 month period beginning with January of
19 the previous year.

20 Any dollar amount specified under this sub-
21 paragraph that is not a multiple of \$10 shall be
22 rounded to the nearest multiple of \$10.

23 “(2) UNIT DEFINED.—The term ‘unit’ means,
24 with respect to a part D rebatable drug, the lowest
25 identifiable quantity (such as a capsule or tablet,

1 milligram of molecules, or grams) of the part D
2 rebatable drug, including data reported under sec-
3 tion 1927.

4 “(3) PAYMENT AMOUNT BENCHMARK YEAR.—
5 The term ‘payment amount benchmark year’ means
6 the year beginning January 1, 2016.

7 “(4) BENCHMARK PERIOD CPI–U.—The term
8 ‘benchmark period CPI–U’ means the consumer
9 price index for all urban consumers (United States
10 city average) for January 2016.

11 “(5) APPLICABLE YEAR CPI–U.—The term ‘ap-
12 plicable year CPI–U’ means, with respect to an ap-
13 plicable year, the consumer price index for all urban
14 consumers (United States city average) for January
15 of such year.

16 “(6) AVERAGE MANUFACTURER PRICE.—The
17 term ‘average manufacturer price’ has the meaning,
18 with respect to a part D rebatable drug of a manu-
19 facturer, given such term in section 1927(k)(1), with
20 respect to a covered outpatient drug of a manufac-
21 turer for a rebate period under section 1927.

22 “(7) APPLICABLE YEAR.—The term ‘applicable
23 year’ means a year beginning with 2023.”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TO PART B ASP CALCULATION.—Section
2 1847A(c)(3) of the Social Security Act (42 U.S.C.
3 1395w-3a(c)(3)), as amended by section
4 139101(c)(1), is further amended by striking “sec-
5 tion 1927 or section 1834(z)” and inserting “section
6 1927, section 1834(z), or section 1860D-14B”.

7 (2) EXCLUDING PART D DRUG INFLATION RE-
8 BATE FROM BEST PRICE.—Section
9 1927(c)(1)(C)(ii)(I) of the Social Security Act (42
10 U.S.C. 1396r-8(c)(1)(C)(ii)(I)), as amended by sec-
11 tion 139101(c)(2), is further amended by striking
12 “or section 1834(z)” and inserting “, section
13 1834(z), or section 1860D-14B”.

14 (3) COORDINATION WITH MEDICAID REBATE IN-
15 FORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i)
16 of the Social Security Act (42 U.S.C. 1396r-
17 8(b)(3)(D)(i)), as amended by section 139101(c)(3),
18 is further amended by striking “or section 1834(z)”
19 and inserting “, section 1834(z), or section 1860D-
20 14B”.

1 **PART 3—PART D IMPROVEMENTS AND MAXIMUM**
2 **OUT-OF-POCKET CAP FOR MEDICARE BENE-**
3 **FICIARIES**

4 **SEC. 139201. MEDICARE PART D BENEFIT REDESIGN.**

5 (a) **BENEFIT STRUCTURE REDESIGN.**—Section
6 1860D–2(b) of the Social Security Act (42 U.S.C. 1395w–
7 102(b)) is amended—

8 (1) in paragraph (2)—

9 (A) in subparagraph (A), in the matter
10 preceding clause (i), by inserting “for a year
11 preceding 2024 and for costs above the annual
12 deductible specified in paragraph (1) and up to
13 the annual out-of-pocket threshold specified in
14 paragraph (4)(B) for 2024 and each subsequent
15 year” after “paragraph (3)”;

16 (B) in subparagraph (C)—

17 (i) in clause (i), in the matter pre-
18 ceding subclause (I), by inserting “for a
19 year preceding 2024,” after “paragraph
20 (4),”; and

21 (ii) in clause (ii)(III), by striking
22 “and each subsequent year” and inserting
23 “through 2023”; and

24 (C) in subparagraph (D)—

25 (i) in clause (i)—

1 (I) in the matter preceding sub-
2 clause (I), by inserting “for a year
3 preceding 2024,” after “paragraph
4 (4),”; and

5 (II) in subclause (I)(bb), by
6 striking “a year after 2018” and in-
7 serting “each of years 2018 through
8 2023”; and

9 (ii) in clause (ii)(V), by striking
10 “2019 and each subsequent year” and in-
11 serting “each of years 2019 through
12 2023”;

13 (2) in paragraph (3)(A)—

14 (A) in the matter preceding clause (i), by
15 inserting “for a year preceding 2024,” after
16 “and (4),”; and

17 (B) in clause (ii), by striking “for a subse-
18 quent year” and inserting “for each of years
19 2007 through 2023”; and

20 (3) in paragraph (4)—

21 (A) in subparagraph (A)—

22 (i) in clause (i)—

23 (I) by redesignating subclauses
24 (I) and (II) as items (aa) and (bb),
25 respectively, and moving the margin

1 of each such redesignated item 2 ems
2 to the right;

3 (II) in the matter preceding item
4 (aa), as redesignated by subclause (I),
5 by striking “is equal to the greater
6 of—” and inserting “is equal to—

7 “(I) for a year preceding 2024,
8 the greater of—”;

9 (III) by striking the period at the
10 end of item (bb), as redesignated by
11 subclause (I), and inserting “; and”;
12 and

13 (IV) by adding at the end the fol-
14 lowing:

15 “(II) for 2024 and each suc-
16 ceeding year, \$0.”; and

17 (ii) in clause (ii), by striking “clause
18 (i)(I)” and inserting “clause (i)(I)(aa)”;

19 (B) in subparagraph (B)—

20 (i) in clause (i)—

21 (I) in subclause (V), by striking
22 “or” at the end;

23 (II) in subclause (VI)—

24 (aa) by striking “for a sub-
25 sequent year” and inserting “for

2440

1 each of years 2021 through
2 2023”; and

3 (bb) by striking the period
4 at the end and inserting a semi-
5 colon; and

6 (III) by adding at the end the
7 following new subclauses:

8 “(VII) for 2024, is equal to
9 \$2,000; or

10 “(VIII) for a subsequent year, is
11 equal to the amount specified in this
12 subparagraph for the previous year,
13 increased by the annual percentage in-
14 crease described in paragraph (6) for
15 the year involved.”; and

16 (ii) in clause (ii), by striking “clause
17 (i)(II)” and inserting “clause (i)”;

18 (C) in subparagraph (C)(i), by striking
19 “and for amounts” and inserting “and, for a
20 year preceding 2024, for amounts”; and

21 (D) in subparagraph (E), by striking “In
22 applying” and inserting “For each of years
23 2011 through 2023, in applying”.

24 (b) DECREASING REINSURANCE PAYMENT
25 AMOUNT.—Section 1860D–15(b)(1) of the Social Security

1 Act (42 U.S.C. 1395w–115(b)(1)) is amended by inserting
2 after “80 percent” the following: “(or, with respect to a
3 coverage year after 2023, 20 percent)”.

4 (c) MANUFACTURER DISCOUNT PROGRAM.—

5 (1) IN GENERAL.—Part D of title XVIII of the
6 Social Security Act (42 U.S.C. 1395w–101 et seq.),
7 as amended by section 139102, is further amended
8 by inserting after section 1860D–14B the following
9 new section:

10 **“SEC. 1860D–14C. MANUFACTURER DISCOUNT PROGRAM.**

11 “(a) ESTABLISHMENT.—The Secretary shall estab-
12 lish a manufacturer discount program (in this section re-
13 ferred to as the ‘program’). Under the program, the Sec-
14 retary shall enter into agreements described in subsection
15 (b) with manufacturers and provide for the performance
16 of the duties described in subsection (c). The Secretary
17 shall establish a model agreement for use under the pro-
18 gram by not later than January 1, 2023, in consultation
19 with manufacturers, and allow for comment on such model
20 agreement.

21 “(b) TERMS OF AGREEMENT.—

22 “(1) IN GENERAL.—

23 “(A) AGREEMENT.—An agreement under
24 this section shall require the manufacturer to
25 provide applicable beneficiaries access to dis-

1 counted prices for applicable drugs of the man-
2 ufacturer that are dispensed on or after Janu-
3 ary 1, 2024.

4 “(B) PROVISION OF DISCOUNTED PRICES
5 AT THE POINT-OF-SALE.—The discounted prices
6 described in subparagraph (A) shall be provided
7 to the applicable beneficiary at the pharmacy or
8 by the mail order service at the point-of-sale of
9 an applicable drug.

10 “(C) TIMING OF AGREEMENT.—

11 “(i) SPECIAL RULE FOR 2024.—In
12 order for an agreement with a manufac-
13 turer to be in effect under this section with
14 respect to the period beginning on January
15 1, 2024, and ending on December 31,
16 2024, the manufacturer shall enter into
17 such agreement not later than 30 days
18 after the date of the establishment of a
19 model agreement under subsection (a).

20 “(ii) 2025 AND SUBSEQUENT
21 YEARS.—In order for an agreement with a
22 manufacturer to be in effect under this
23 section with respect to plan year 2025 or
24 a subsequent plan year, the manufacturer
25 shall enter into such agreement (or such

1 agreement shall be renewed under para-
2 graph (4)(A)) not later than January 30 of
3 the preceding year.

4 “(2) PROVISION OF APPROPRIATE DATA.—Each
5 manufacturer with an agreement in effect under this
6 section shall collect and have available appropriate
7 data, as determined by the Secretary, to ensure that
8 it can demonstrate to the Secretary compliance with
9 the requirements under the program.

10 “(3) COMPLIANCE WITH REQUIREMENTS FOR
11 ADMINISTRATION OF PROGRAM.—Each manufac-
12 turer with an agreement in effect under this section
13 shall comply with requirements imposed by the Sec-
14 retary or a third party with a contract under sub-
15 section (d)(3), as applicable, for purposes of admin-
16 istering the program, including any determination
17 under subparagraph (A) of subsection (c)(1) or pro-
18 cedures established under such subsection (c)(1).

19 “(4) LENGTH OF AGREEMENT.—

20 “(A) IN GENERAL.—An agreement under
21 this section shall be effective for an initial pe-
22 riod of not less than 12 months and shall be
23 automatically renewed for a period of not less
24 than 1 year unless terminated under subpara-
25 graph (B).

1 “(B) TERMINATION.—

2 “(i) BY THE SECRETARY.—The Sec-
3 retary may provide for termination of an
4 agreement under this section for a knowing
5 and willful violation of the requirements of
6 the agreement or other good cause shown.
7 Such termination shall not be effective ear-
8 lier than 30 days after the date of notice
9 to the manufacturer of such termination.
10 The Secretary shall provide, upon request,
11 a manufacturer with a hearing concerning
12 such a termination, and such hearing shall
13 take place prior to the effective date of the
14 termination with sufficient time for such
15 effective date to be repealed if the Sec-
16 retary determines appropriate.

17 “(ii) BY A MANUFACTURER.—A man-
18 ufacturer may terminate an agreement
19 under this section for any reason. Any
20 such termination shall be effective, with re-
21 spect to a plan year—

22 “(I) if the termination occurs be-
23 fore January 30 of a plan year, as of
24 the day after the end of the plan year;
25 and

1 “(II) if the termination occurs on
2 or after January 30 of a plan year, as
3 of the day after the end of the suc-
4 ceeding plan year.

5 “(iii) EFFECTIVENESS OF TERMI-
6 NATION.—Any termination under this sub-
7 paragraph shall not affect discounts for
8 applicable drugs of the manufacturer that
9 are due under the agreement before the ef-
10 fective date of its termination.

11 “(iv) NOTICE TO THIRD PARTY.—The
12 Secretary shall provide notice of such ter-
13 mination to a third party with a contract
14 under subsection (d)(3) within not less
15 than 30 days before the effective date of
16 such termination.

17 “(c) DUTIES DESCRIBED.—The duties described in
18 this subsection are the following:

19 “(1) ADMINISTRATION OF PROGRAM.—Admin-
20 istering the program, including—

21 “(A) the determination of the amount of
22 the discounted price of an applicable drug of a
23 manufacturer;

24 “(B) the establishment of procedures
25 under which discounted prices are provided to

1 applicable beneficiaries at pharmacies or by
2 mail order service at the point-of-sale of an ap-
3 plicable drug;

4 “(C) the establishment of procedures to
5 ensure that, not later than the applicable num-
6 ber of calendar days after the dispensing of an
7 applicable drug by a pharmacy or mail order
8 service, the pharmacy or mail order service is
9 reimbursed for an amount equal to the dif-
10 ference between—

11 “(i) the negotiated price of the appli-
12 cable drug; and

13 “(ii) the discounted price of the appli-
14 cable drug;

15 “(D) the establishment of procedures to
16 ensure that the discounted price for an applica-
17 ble drug under this section is applied before any
18 coverage or financial assistance under other
19 health benefit plans or programs that provide
20 coverage or financial assistance for the pur-
21 chase or provision of prescription drug coverage
22 on behalf of applicable beneficiaries as the Sec-
23 retary may specify; and

24 “(E) providing a reasonable dispute resolu-
25 tion mechanism to resolve disagreements be-

1 tween manufacturers, applicable beneficiaries,
2 and the third party with a contract under sub-
3 section (d)(3).

4 “(2) MONITORING COMPLIANCE.—

5 “(A) IN GENERAL.—The Secretary shall
6 monitor compliance by a manufacturer with the
7 terms of an agreement under this section.

8 “(B) NOTIFICATION.—If a third party
9 with a contract under subsection (d)(3) deter-
10 mines that the manufacturer is not in compli-
11 ance with such agreement, the third party shall
12 notify the Secretary of such noncompliance for
13 appropriate enforcement under subsection (e).

14 “(3) COLLECTION OF DATA FROM PRESCRIP-
15 TION DRUG PLANS AND MA–PD PLANS.—The Sec-
16 retary may collect appropriate data from prescrip-
17 tion drug plans and MA–PD plans in a timeframe
18 that allows for discounted prices to be provided for
19 applicable drugs under this section.

20 “(d) ADMINISTRATION.—

21 “(1) IN GENERAL.—Subject to paragraph (2),
22 the Secretary shall provide for the implementation of
23 this section, including the performance of the duties
24 described in subsection (c).

1 “(2) LIMITATION.—In providing for the imple-
2 mentation of this section, the Secretary shall not re-
3 ceive or distribute any funds of a manufacturer
4 under the program.

5 “(3) CONTRACT WITH THIRD PARTIES.—The
6 Secretary shall enter into a contract with 1 or more
7 third parties to administer the requirements estab-
8 lished by the Secretary in order to carry out this
9 section. At a minimum, the contract with a third
10 party under the preceding sentence shall require
11 that the third party—

12 “(A) receive and transmit information be-
13 tween the Secretary, manufacturers, and other
14 individuals or entities the Secretary determines
15 appropriate;

16 “(B) receive, distribute, or facilitate the
17 distribution of funds of manufacturers to ap-
18 propriate individuals or entities in order to
19 meet the obligations of manufacturers under
20 agreements under this section;

21 “(C) provide adequate and timely informa-
22 tion to manufacturers, consistent with the
23 agreement with the manufacturer under this
24 section, as necessary for the manufacturer to
25 fulfill its obligations under this section; and

1 “(D) permit manufacturers to conduct
2 periodic audits, directly or through contracts, of
3 the data and information used by the third
4 party to determine discounts for applicable
5 drugs of the manufacturer under the program.

6 “(4) PERFORMANCE REQUIREMENTS.—The
7 Secretary shall establish performance requirements
8 for a third party with a contract under paragraph
9 (3) and safeguards to protect the independence and
10 integrity of the activities carried out by the third
11 party under the program under this section.

12 “(5) IMPLEMENTATION.—The Secretary may
13 implement the program under this section by pro-
14 gram instruction or otherwise.

15 “(6) ADMINISTRATION.—Chapter 35 of title 44,
16 United States Code, shall not apply to the program
17 under this section.

18 “(e) ENFORCEMENT.—

19 “(1) AUDITS.—Each manufacturer with an
20 agreement in effect under this section shall be sub-
21 ject to periodic audit by the Secretary.

22 “(2) CIVIL MONEY PENALTY.—

23 “(A) IN GENERAL.—The Secretary may
24 impose a civil money penalty on a manufacturer
25 that fails to provide applicable beneficiaries dis-

1 counts for applicable drugs of the manufacturer
2 in accordance with such agreement for each
3 such failure in an amount the Secretary deter-
4 mines is equal to the sum of—

5 “(i) the amount that the manufac-
6 turer would have paid with respect to such
7 discounts under the agreement, which will
8 then be used to pay the discounts which
9 the manufacturer had failed to provide;
10 and

11 “(ii) 25 percent of such amount.

12 “(B) APPLICATION.—The provisions of
13 section 1128A (other than subsections (a) and
14 (b)) shall apply to a civil money penalty under
15 this paragraph in the same manner as such
16 provisions apply to a penalty or proceeding
17 under section 1128A(a).

18 “(f) CLARIFICATION REGARDING AVAILABILITY OF
19 OTHER COVERED PART D DRUGS.—Nothing in this sec-
20 tion shall prevent an applicable beneficiary from pur-
21 chasing a covered part D drug that is not an applicable
22 drug (including a generic drug or a drug that is not on
23 the formulary of the prescription drug plan or MA–PD
24 plan that the applicable beneficiary is enrolled in).

25 “(g) DEFINITIONS.—In this section:

1 “(1) APPLICABLE BENEFICIARY.—The term
2 ‘applicable beneficiary’ means an individual who, on
3 the date of dispensing a covered part D drug—

4 “(A) is enrolled in a prescription drug plan
5 or an MA–PD plan;

6 “(B) is not enrolled in a qualified retiree
7 prescription drug plan; and

8 “(C) has incurred costs, as determined in
9 accordance with section 1860D–2(b)(4)(C), for
10 covered part D drugs in the year that exceed
11 the annual deductible with respect to such indi-
12 vidual for such year, as specified in section
13 1860D–2(b)(1), section 1860D–14(a)(1)(B), or
14 section 1860D–14(a)(2)(B), as applicable.

15 “(2) APPLICABLE DRUG.—The term ‘applicable
16 drug’, with respect to an applicable beneficiary—

17 “(A) means a covered part D drug—

18 “(i) approved under a new drug appli-
19 cation under section 505(c) of the Federal
20 Food, Drug, and Cosmetic Act or, in the
21 case of a biologic product, licensed under
22 section 351 of the Public Health Service
23 Act; and

24 “(ii)(I) if the PDP sponsor of the pre-
25 scription drug plan or the MA organization

1 offering the MA–PD plan uses a for-
2 mulary, which is on the formulary of the
3 prescription drug plan or MA–PD plan
4 that the applicable beneficiary is enrolled
5 in;

6 “(II) if the PDP sponsor of the pre-
7 scription drug plan or the MA organization
8 offering the MA–PD plan does not use a
9 formulary, for which benefits are available
10 under the prescription drug plan or MA–
11 PD plan that the applicable beneficiary is
12 enrolled in; or

13 “(III) is provided through an excep-
14 tion or appeal; and

15 “(B) does not include a selected drug (as
16 defined in section 1192(c)) during a price appli-
17 cability period (as defined in section
18 1191(b)(2)) with respect to such drug.

19 “(3) APPLICABLE NUMBER OF CALENDAR
20 DAYS.—The term ‘applicable number of calendar
21 days’ means—

22 “(A) with respect to claims for reimburse-
23 ment submitted electronically, 14 days; and

24 “(B) with respect to claims for reimburse-
25 ment submitted otherwise, 30 days.

1 “(4) DISCOUNTED PRICE.—

2 “(A) IN GENERAL.—The term ‘discounted
3 price’ means, with respect to an applicable drug
4 of a manufacturer dispensed during a year to
5 an applicable beneficiary—

6 “(i) who has not incurred costs, as de-
7 termined in accordance with section
8 1860D–2(b)(4)(C), for covered part D
9 drugs in the year that are equal to or ex-
10 ceed the annual out-of-pocket threshold
11 specified in section 1860D–2(b)(4)(B)(i)
12 for the year, 90 percent of the negotiated
13 price of such drug; and

14 “(ii) who has incurred such costs, as
15 so determined, in the year that are equal
16 to or exceed such threshold for the year,
17 70 percent of the negotiated price of such
18 drug.

19 “(B) CLARIFICATION.—Nothing in this
20 section shall be construed as affecting the re-
21 sponsibility of an applicable beneficiary for pay-
22 ment of a dispensing fee for an applicable drug.

23 “(C) SPECIAL CASE FOR CERTAIN
24 CLAIMS.—

1 “(i) CLAIMS SPANNING DEDUCT-
2 IBLE.—In the case where the entire
3 amount of the negotiated price of an indi-
4 vidual claim for an applicable drug with re-
5 spect to an applicable beneficiary does not
6 fall above the annual deductible specified
7 in section 1860D–2(b)(1) for the year, the
8 manufacturer of the applicable drug shall
9 provide the discounted price under this
10 section on only the portion of the nego-
11 tiated price of the applicable drug that
12 falls above such annual deductible.

13 “(ii) CLAIMS SPANNING OUT-OF-POCK-
14 ET THRESHOLD.—In the case where the
15 entire amount of the negotiated price of an
16 individual claim for an applicable drug
17 with respect to an applicable beneficiary
18 does not fall entirely below or entirely
19 above the annual out-of-pocket threshold
20 specified in section 1860D–2(b)(4)(B)(i)
21 for the year, the manufacturer of the ap-
22 plicable drug shall provide the discounted
23 price—

24 “(I) in accordance with subpara-
25 graph (A)(i) on the portion of the ne-

1 negotiated price of the applicable drug
2 that falls below such threshold; and

3 “(II) in accordance with subpara-
4 graph (A)(ii) on the portion of such
5 price of such drug that falls at or
6 above such threshold.

7 “(5) MANUFACTURER.—The term ‘manufac-
8 turer’ means any entity which is engaged in the pro-
9 duction, preparation, propagation, compounding,
10 conversion, or processing of prescription drug prod-
11 ucts, either directly or indirectly by extraction from
12 substances of natural origin, or independently by
13 means of chemical synthesis, or by a combination of
14 extraction and chemical synthesis. Such term does
15 not include a wholesale distributor of drugs or a re-
16 tail pharmacy licensed under State law.

17 “(6) NEGOTIATED PRICE.—The term ‘nego-
18 tiated price’ has the meaning given such term in sec-
19 tion 423.100 of title 42, Code of Federal Regula-
20 tions (or any successor regulation), except that, with
21 respect to an applicable drug, such negotiated price
22 shall not include any dispensing fee for the applica-
23 ble drug.

24 “(7) QUALIFIED RETIREE PRESCRIPTION DRUG
25 PLAN.—The term ‘qualified retiree prescription drug

1 plan' has the meaning given such term in section
2 1860D-22(a)(2).”.

3 (2) SUNSET OF MEDICARE COVERAGE GAP DIS-
4 COUNT PROGRAM.—Section 1860D-14A of the So-
5 cial Security Act (42 U.S.C. 1395-114a) is amend-
6 ed—

7 (A) in subsection (a), in the first sentence,
8 by striking “The Secretary” and inserting
9 “Subject to subsection (h), the Secretary”; and

10 (B) by adding at the end the following new
11 subsection:

12 “(h) SUNSET OF PROGRAM.—

13 “(1) IN GENERAL.—The program shall not
14 apply with respect to applicable drugs dispensed on
15 or after January 1, 2024, and, subject to paragraph
16 (2), agreements under this section shall be termi-
17 nated as of such date.

18 “(2) CONTINUED APPLICATION FOR APPLICA-
19 BLE DRUGS DISPENSED PRIOR TO SUNSET.—The
20 provisions of this section (including all responsibil-
21 ities and duties) shall continue to apply after Janu-
22 ary 1, 2024, with respect to applicable drugs dis-
23 pensed prior to such date.”.

24 (3) INCLUSION OF ACTUARIAL VALUE OF MANU-
25 FACTURER DISCOUNTS IN BIDS.—Section 1860D-11

1 of the Social Security Act (42 U.S.C. 1395w-111)
2 is amended—

3 (A) in subsection (b)(2)(C)(iii)—

4 (i) by striking “assumptions regarding
5 the reinsurance” and inserting “assump-
6 tions regarding—

7 “(I) the reinsurance”; and

8 (ii) by adding at the end the fol-
9 lowing:

10 “(II) for 2024 and each subse-
11 quent year, the manufacturer dis-
12 counts provided under section 1860D-
13 14C subtracted from the actuarial
14 value to produce such bid; and”; and

15 (B) in subsection (c)(1)(C)—

16 (i) by striking “an actuarial valuation
17 of the reinsurance” and inserting “an ac-
18 tuarial valuation of—

19 “(i) the reinsurance”;

20 (ii) in clause (i), as inserted by clause
21 (i) of this subparagraph, by adding “and”
22 at the end; and

23 (iii) by adding at the end the fol-
24 lowing:

1 “(ii) for 2024 and each subsequent
2 year, the manufacturer discounts provided
3 under section 1860D–14C;”.

4 (d) CONFORMING AMENDMENTS.—

5 (1) Section 1860D–2 of the Social Security Act
6 (42 U.S.C. 1395w–102) is amended—

7 (A) in subsection (a)(2)(A)(i)(I), by strik-
8 ing “, or an increase in the initial” and insert-
9 ing “or, for a year preceding 2024, an increase
10 in the initial”;

11 (B) in subsection (c)(1)(C)—

12 (i) in the subparagraph heading, by
13 striking “AT INITIAL COVERAGE LIMIT”;
14 and

15 (ii) by inserting “for a year preceding
16 2024 or the annual out-of-pocket threshold
17 specified in subsection (b)(4)(B) for the
18 year for 2024 and each subsequent year”
19 after “subsection (b)(3) for the year” each
20 place it appears; and

21 (C) in subsection (d)(1)(A), by striking “or
22 an initial” and inserting “or, for a year pre-
23 ceding 2024, an initial”.

24 (2) Section 1860D–4(a)(4)(B)(i) of the Social
25 Security Act (42 U.S.C. 1395w–104(a)(4)(B)(i)) is

1 amended by striking “the initial” and inserting “for
2 a year preceding 2024, the initial”.

3 (3) Section 1860D–14(a) of the Social Security
4 Act (42 U.S.C. 1395w–114(a)) is amended—

5 (A) in paragraph (1)—

6 (i) in subparagraph (C), by striking
7 “The continuation” and inserting “For a
8 year preceding 2024, the continuation”;

9 (ii) in subparagraph (D)(iii), by strik-
10 ing “1860D–2(b)(4)(A)(i)(I)” and insert-
11 ing “1860D–2(b)(4)(A)(i)(I)(aa)”;

12 (iii) in subparagraph (E), by striking
13 “The elimination” and inserting “For a
14 year preceding 2024, the elimination”;

15 (B) in paragraph (2)—

16 (i) in subparagraph (C), by striking
17 “The continuation” and inserting “For a
18 year preceding 2024, the continuation”;

19 and

20 (ii) in subparagraph (E), by striking
21 “1860D–2(b)(4)(A)(i)(I)” and inserting
22 “1860D–2(b)(4)(A)(i)(I)(aa)”.

23 (4) Section 1860D–21(d)(7) of the Social Secu-
24 rity Act (42 U.S.C. 1395w–131(d)(7)) is amended

1 by striking “section 1860D–2(b)(4)(B)(i)” and in-
2 sserting “section 1860D–2(b)(4)(C)(i)”.

3 (5) Section 1860D–22(a)(2)(A) of the Social
4 Security Act (42 U.S.C. 1395w–132(a)(2)(A)) is
5 amended—

6 (A) by striking “the value of any discount”
7 and inserting the following: “the value of—

8 “(i) for years prior to 2024, any dis-
9 count”;

10 (B) in clause (i), as inserted by subpara-
11 graph (A) of this paragraph, by striking the pe-
12 riod at the end and inserting “; and”; and

13 (C) by adding at the end the following new
14 clause:

15 “(ii) for 2024 and each subsequent
16 year, any discount provided pursuant to
17 section 1860D–14C.”.

18 (6) Section 1860D–41(a)(6) of the Social Secu-
19 rity Act (42 U.S.C. 1395w–151(a)(6)) is amended—

20 (A) by inserting “for a year before 2024”
21 after “1860D–2(b)(3)”; and

22 (B) by inserting “for such year” before the
23 period.

24 (7) Section 1860D–43 of the Social Security
25 Act (42 U.S.C. 1395w–153) is amended—

1 (A) in subsection (a)—

2 (i) by striking paragraph (1) and in-
3 serting the following:

4 “(1) participate in—

5 “(A) for 2011 through 2023, the Medicare
6 coverage gap discount program under section
7 1860D–14A; and

8 “(B) for 2024 and each subsequent year,
9 the manufacturer discount program under sec-
10 tion 1860D–14C;”;

11 (ii) by striking paragraph (2) and in-
12 serting the following:

13 “(2) have entered into and have in effect—

14 “(A) for 2011 through 2023, an agreement
15 described in subsection (b) of section 1860D–
16 14A with the Secretary; and

17 “(B) for 2024 and each subsequent year,
18 an agreement described in subsection (b) of sec-
19 tion 1860D–14C with the Secretary; and”;

20 (iii) by striking paragraph (3) and in-
21 serting the following:

22 “(3) have entered into and have in effect, under
23 terms and conditions specified by the Secretary—

24 “(A) for 2011 through 2023, a contract
25 with a third party that the Secretary has en-

1 tered into a contract with under subsection
2 (d)(3) of section 1860D–14A; and

3 “(B) for 2024 and each subsequent year,
4 a contract with a third party that the Secretary
5 has entered into a contract with under sub-
6 section (d)(3) of section 1860D–14C.”; and

7 (B) by striking subsection (b) and insert-
8 ing the following:

9 “(b) EFFECTIVE DATE.—Paragraphs (1)(A), (2)(A),
10 and (3)(A) of subsection (a) shall apply to covered part
11 D drugs dispensed under this part on or after January
12 1, 2011, and before January 1, 2024, and paragraphs
13 (1)(B), (2)(B), and (3)(B) of such subsection shall apply
14 to covered part D drugs dispensed under this part on or
15 after January 1, 2024.”.

16 (8) Section 1927 of the Social Security Act (42
17 U.S.C. 1396r–8) is amended—

18 (A) in subsection (c)(1)(C)(i)(VI), by in-
19 serting before the period at the end the fol-
20 lowing: “or under the manufacturer discount
21 program under section 1860D–14C”; and

22 (B) in subsection (k)(1)(B)(i)(V), by in-
23 serting before the period at the end the fol-
24 lowing: “or under section 1860D–14C”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to plan year 2024 and
3 subsequent plan years.

4 **SEC. 139202. ALLOWING CERTAIN ENROLLEES OF PRE-**
5 **SCRIPTION DRUG PLANS AND MA-PD PLANS**
6 **UNDER MEDICARE PROGRAM TO SPREAD**
7 **OUT COST-SHARING UNDER CERTAIN CIR-**
8 **CUMSTANCES.**

9 Section 1860D–2(b)(2) of the Social Security Act (42
10 U.S.C. 1395w–102(b)(2)), as amended by section 139201,
11 is further amended—

12 (1) in subparagraph (A), by striking “Subject
13 to subparagraphs (C) and (D)” and inserting “Sub-
14 ject to subparagraphs (C), (D), and (E)”; and

15 (2) by adding at the end the following new sub-
16 paragraph:

17 “(E) ENROLLEE OPTION REGARDING
18 SPREADING COST-SHARING.—The Secretary
19 shall establish by regulation a process under
20 which, with respect to plan year 2024 and sub-
21 sequent plan years, a prescription drug plan or
22 an MA–PD plan shall, in the case of a part D
23 eligible individual enrolled with such plan for
24 such plan year who is not a subsidy eligible in-
25 dividual (as defined in section 1860D–14(a)(3))

1 and with respect to whom the plan projects that
2 the dispensing of the first fill of a covered part
3 D drug to such individual will result in the indi-
4 vidual incurring costs that are equal to or above
5 the annual out-of-pocket threshold specified in
6 paragraph (4)(B) for such plan year, provide
7 such individual with the option to make the co-
8 insurance payment required under subpara-
9 graph (A) (for the portion of such costs that
10 are not above such annual out-of-pocket thresh-
11 old) in the form of periodic installments over
12 the remainder of such plan year.”.

13 **PART 4—REPEAL OF CERTAIN PRESCRIPTION**

14 **DRUG REBATE RULE**

15 **SEC. 139301. PROHIBITING IMPLEMENTATION OF RULE RE-**
16 **LATING TO ELIMINATING THE ANTI-KICK-**
17 **BACK STATUTE SAFE HARBOR PROTECTION**
18 **FOR PRESCRIPTION DRUG REBATES.**

19 Beginning January 1, 2026, the Secretary of Health
20 and Human Services shall not implement, administer, or
21 enforce the provisions of the final rule published by the
22 Office of the Inspector General of the Department of
23 Health and Human Services on November 30, 2020, and
24 titled “Fraud and Abuse; Removal of Safe Harbor Protec-
25 tion for Rebates Involving Prescription Pharmaceuticals

1 and Creation of New Safe Harbor Protection for Certain
2 Point-of-Sale Reductions in Price on Prescription Phar-
3 maceuticals and Certain Pharmacy Benefit Manager Serv-
4 ice Fees” (85 Fed. Reg. 76666).