

(including any such zone or community designated after the date of the enactment of this section), or

(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

**(2) Eligible local education agency**

For purposes of this section, the term “eligible local education agency” means any local educational agency as defined in section 9101 of the Elementary and Secondary Education Act of 1965.

**(3) Qualified purpose**

The term “qualified purpose” means, with respect to any qualified zone academy—

(A) rehabilitating or repairing the public school facility in which the academy is established,

(B) providing equipment for use at such academy,

(C) developing course materials for education to be provided at such academy, and

(D) training teachers and other school personnel in such academy.

**(4) Qualified contributions**

The term “qualified contribution” means any contribution (of a type and quality acceptable to the eligible local education agency) of—

(A) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

(B) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

(C) services of employees as volunteer mentors,

(D) internships, field trips, or other educational opportunities outside the academy for students, or

(E) any other property or service specified by the eligible local education agency.

(Added Pub. L. 110-343, div. C, title III, §313(a), Oct. 3, 2008, 122 Stat. 3869; amended Pub. L. 111-5, div. B, title I, §1522(a), Feb. 17, 2009, 123 Stat. 358; Pub. L. 111-312, title VII, §758(a), Dec. 17, 2010, 124 Stat. 3322; Pub. L. 112-240, title III, §310(a), Jan. 2, 2013, 126 Stat. 2330.)

REFERENCES IN TEXT

The date of the enactment of this section, referred to in subsec. (d)(1)(D)(i), is the date of enactment of Pub. L. 110-343, which was approved Oct. 3, 2008.

The National School Lunch Act, referred to in subsec. (d)(1)(D)(ii), probably means the Richard B. Russell National School Lunch Act, act June 4, 1946, ch. 281, 60 Stat. 230, which is classified generally to chapter 13 (§1751 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 1751 of Title 42 and Tables.

Section 9101 of the Elementary and Secondary Education Act of 1965, referred to in subsec. (d)(2), is classified to section 7801 of Title 20, Education.

AMENDMENTS

2013—Subsec. (c)(1). Pub. L. 112-240 inserted “, 2012, and 2013” after “for 2011”.

2010—Subsec. (c)(1). Pub. L. 111-312 substituted “2008,” for “2008 and” and inserted “and \$400,000,000 for 2011” after “2010.”

2009—Subsec. (c)(1). Pub. L. 111-5 substituted “and \$1,400,000,000 for 2009 and 2010” for “and 2009”.

EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 112-240, title III, §310(b), Jan. 2, 2013, 126 Stat. 2330, provided that: “The amendments made by this section [amending this section] shall apply to obligations issued after December 31, 2011.”

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-312, title VII, §758(c), Dec. 17, 2010, 124 Stat. 3323, provided that: “The amendments made by this section [amending this section and section 6431 of this title] shall apply to obligations issued after December 31, 2010.”

EFFECTIVE DATE OF 2009 AMENDMENT

Pub. L. 111-5, div. B, title I, §1522(b), Feb. 17, 2009, 123 Stat. 358, provided that: “The amendment made by this section [amending this section] shall apply to obligations issued after December 31, 2008.”

EFFECTIVE DATE

Section applicable to obligations issued after Oct. 3, 2008, see section 313(c) of title III of div. C of Pub. L. 110-343, set out as an Effective Date of 2008 Amendment note under section 54A of this title.

**§ 54F. Qualified school construction bonds**

**(a) Qualified school construction bond**

For purposes of this subchapter, the term “qualified school construction bond” means any bond issued as part of an issue if—

(1) 100 percent of the available project proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds of such issue,

(2) the bond is issued by a State or local government within the jurisdiction of which such school is located, and

(3) the issuer designates such bond for purposes of this section.

**(b) Limitation on amount of bonds designated**

The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the limitation amount allocated under subsection (d) for such calendar year to such issuer.

**(c) National limitation on amount of bonds designated**

There is a national qualified school construction bond limitation for each calendar year. Such limitation is—

(1) \$11,000,000,000 for 2009,

(2) \$11,000,000,000 for 2010, and

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

**(d) Allocation of limitation**

**(1) Allocation among States**

Except as provided in paragraph (2)(C), the limitation applicable under subsection (c) for

any calendar year shall be allocated by the Secretary among the States in proportion to the respective amounts each such State is eligible to receive under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the most recent fiscal year ending before such calendar year. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State education agency (or such other agency as is authorized under State law to make such allocation) to issuers within such State.

**(2) 40 percent of limitation allocated among largest school districts**

**(A) In general**

40 percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under subparagraph (B) by the Secretary among local educational agencies which are large local educational agencies for such year.

**(B) Allocation formula**

The amount to be allocated under subparagraph (A) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the most recent fiscal year ending before such calendar year.

**(C) Reduction in State allocation**

The allocation to any State under paragraph (1) shall be reduced by the aggregate amount of the allocations under this paragraph to large local educational agencies within such State.

**(D) Allocation of unused limitation to State**

The amount allocated under this paragraph to a large local educational agency for any calendar year may be reallocated by such agency to the State in which such agency is located for such calendar year. Any amount reallocated to a State under the preceding sentence may be allocated as provided in paragraph (1).

**(E) Large local educational agency**

For purposes of this paragraph, the term “large local educational agency” means, with respect to a calendar year, any local educational agency if such agency is—

(i) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

(ii) 1 of not more than 25 local educational agencies (other than those described in clause (i)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enroll-

ment growth, or such other factors as the Secretary deems appropriate.

**(3) Allocations to certain possessions**

The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

**(4) Allocations for Indian schools**

In addition to the amounts otherwise allocated under this subsection, \$200,000,000 for calendar year 2009, and \$200,000,000 for calendar year 2010, shall be allocated by the Secretary of the Interior for purposes of the construction, rehabilitation, and repair of schools funded by the Bureau of Indian Affairs. In the case of amounts allocated under the preceding sentence, Indian tribal governments (as defined in section 7701(a)(40)) shall be treated as qualified issuers for purposes of this subchapter.

**(e) Carryover of unused limitation**

If for any calendar year—

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

(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under paragraphs (2) and (4) of subsection (d).

(Added Pub. L. 111-5, div. B, title I, §1521(a), Feb. 17, 2009, 123 Stat. 355; amended Pub. L. 111-147, title III, §301(b), Mar. 18, 2010, 124 Stat. 78.)

AMENDMENTS

2010—Subsec. (d)(1). Pub. L. 111-147, §301(b)(1), substituted “by the State education agency (or such other agency as is authorized under State law to make such allocation)” for “by the State”.

Subsec. (e). Pub. L. 111-147, §301(b)(2), substituted “paragraphs (2) and (4) of subsection (d)” for “subsection (d)(4)” in concluding provisions.

EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-147, title III, §301(c)(2), Mar. 18, 2010, 124 Stat. 78, provided that: “The amendments made by subsection (b) [amending this section] shall take effect as if included in section 1521 of the American Recovery and Reinvestment Tax Act of 2009 [Pub. L. 111-5].”

EFFECTIVE DATE

Section applicable to obligations issued after Feb. 17, 2009, see section 1521(c) of Pub. L. 111-5, set out as an Effective Date of 2009 Amendment note under section 54A of this title.

SUBPART J—BUILD AMERICA BONDS

Sec.

54AA. Build America bonds.