

county shall be determined in the same manner as determining the State employment decline under paragraph (2), except that in the case of a municipality any portion of which is in a county, such portion shall be treated as part of such municipality and not part of such county.

(4) National limitations

(A) Recovery zone economic development bonds

There is a national recovery zone economic development bond limitation of \$10,000,000,000.

(B) Recovery zone facility bonds

There is a national recovery zone facility bond limitation of \$15,000,000,000.

(b) Recovery zone

For purposes of this part, the term “recovery zone” means—

(1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress,

(2) any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, and

(3) any area for which a designation as an empowerment zone or renewal community is in effect.

(Added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 348.)

REFERENCES IN TEXT

The Defense Base Closure and Realignment Act of 1990, referred to in subsec. (b)(2), is part A of title XXIX of div. B of Pub. L. 101-510, Nov. 5, 1990, 104 Stat. 1808, which is set out as a note under section 2687 of Title 10, Armed Forces. For complete classification of this Act to the Code, see Tables.

EFFECTIVE DATE

Pub. L. 111-5, div. B, title I, §1401(c), Feb. 17, 2009, 123 Stat. 351, provided that: “The amendments made by this section [enacting this part] shall apply to obligations issued after the date of the enactment of this Act [Feb. 17, 2009].”

§ 1400U-2. Recovery zone economic development bonds

(a) In general

In the case of a recovery zone economic development bond—

(1) such bond shall be treated as a qualified bond for purposes of section 6431,¹ and

(2) subsection (b) of such section shall be applied by substituting “45 percent” for “35 percent”.

(b) Recovery zone economic development bond

(1) In general

For purposes of this section, the term “recovery zone economic development bond” means any build America bond (as defined in section 54AA(d))¹ issued before January 1, 2011, as part of issue if—

(A) 100 percent of the excess of—

(i) the available project proceeds (as defined in section 54A)¹ of such issue, over

(ii) the amounts in a reasonably required reserve (within the meaning of section 150(a)(3)) with respect to such issue,

are to be used for one or more qualified economic development purposes, and

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

(2) Limitation on amount of bonds designated

The maximum aggregate face amount of bonds which may be designated by any issuer under paragraph (1) shall not exceed the amount of the recovery zone economic development bond limitation allocated to such issuer under section 1400U-1.

(c) Qualified economic development purpose

For purposes of this section, the term “qualified economic development purpose” means expenditures for purposes of promoting development or other economic activity in a recovery zone, including—

(1) capital expenditures paid or incurred with respect to property located in such zone,

(2) expenditures for public infrastructure and construction of public facilities, and

(3) expenditures for job training and educational programs.

(Added Pub. L. 111-5, div. B, title I, §1401(a), Feb. 17, 2009, 123 Stat. 349.)

REFERENCES IN TEXT

Section 6431, referred to in subsec. (a)(1), was repealed by Pub. L. 115-97, title I, §13404(b), Dec. 22, 2017, 131 Stat. 2138, applicable to bonds issued after Dec. 31, 2017.

Sections 54AA(d) and 54A, referred to in subsec. (b)(1), were repealed by Pub. L. 115-97, title I, §13404(a), Dec. 22, 2017, 131 Stat. 2138.

APPLICATION OF CERTAIN LABOR STANDARDS TO PROJECTS FINANCED WITH CERTAIN TAX-FAVORED BONDS

Pub. L. 111-5, div. B, title I, §1601, Feb. 17, 2009, 123 Stat. 362, provided that: “Subchapter IV of chapter 31 of the [sic] title 40, United States Code, shall apply to projects financed with the proceeds of—

“(1) any new clean renewable energy bond (as defined in [former] section 54C of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act [Feb. 17, 2009],

“(2) any qualified energy conservation bond (as defined in [former] section 54D of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act,

“(3) any qualified zone academy bond (as defined in [former] section 54E of the Internal Revenue Code of 1986) issued after the date of the enactment of this Act,

“(4) any qualified school construction bond (as defined in [former] section 54F of the Internal Revenue Code of 1986), and

“(5) any recovery zone economic development bond (as defined in section 1400U-2 of the Internal Revenue Code of 1986).”

§ 1400U-3. Recovery zone facility bonds

(a) In general

For purposes of part IV of subchapter B (relating to tax exemption requirements for State and local bonds), the term “exempt facility bond” includes any recovery zone facility bond.

¹ See References in Text note below.