

114TH CONGRESS  
2D SESSION

# H. R. 5802

To amend title 31, United States Code, to provide for the issuance of Green Bonds and to establish the United States Green Bank, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2016

Mr. VAN HOLLEN (for himself, Mr. BLUMENAUER, Mr. HIMES, Mr. CONNOLLY, Ms. NORTON, Mr. CARTWRIGHT, Mr. TONKO, and Ms. ESTY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title 31, United States Code, to provide for the issuance of Green Bonds and to establish the United States Green Bank, and for other purposes.

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

3 **SECTION 1. CAPITALIZATION, METHOD OF CAPITAL STOCK**

4 **PAYMENTS, ISSUANCE OF GREEN BONDS.**

5 Chapter 31 of title 31, United States Code, is amend-  
6 ed by adding after section 3102 the following new section:

1 **“§ 3102A. Green Bonds**

2       “(a) INITIAL CAPITALIZATION.—The Secretary of the  
3 Treasury shall issue bonds (in this section referred to as  
4 ‘Green Bonds’) in the amount of \$10,000,000,000 on the  
5 credit of the United States to acquire capital stock of the  
6 United States Green Bank (established under section  
7 9801 of this title). Stock certificates evidencing ownership  
8 in the United States Green Bank shall be issued by the  
9 Green Bank to the Secretary of the Treasury, to the ex-  
10 tent of payments made for the capital stock of the Green  
11 Bank.

12       “(b) FUTURE CAPITALIZATION.—Upon the request  
13 of the United States Green Bank, the Secretary of the  
14 Treasury shall issue additional Green Bonds on the credit  
15 of the United States to acquire additional capital stock  
16 of the United States Green Bank in an aggregate amount  
17 not to exceed \$50,000,000,000 outstanding at any one  
18 time.

19       “(c) DENOMINATIONS AND MATURITY.—Green  
20 Bonds shall be in such forms and denominations, and shall  
21 mature within such periods, as determined by the Sec-  
22 retary of the Treasury.

23       “(d) INTEREST.—Green Bonds shall bear interest at  
24 a rate not less than the current average yield on out-  
25 standing market obligations of the United States of com-  
26 parable maturity during the month preceding the issuance

1 of the obligation as determined by the Secretary of the  
2 Treasury.

3 “(e) **GUARANTEED.**—Green Bonds shall be fully and  
4 unconditionally guaranteed both as to interest and prin-  
5 cipal by the United States, and such guaranty shall be  
6 expressed on the face of each bond.

7 “(f) **LAWFUL INVESTMENTS.**—Green Bonds shall be  
8 lawful investments, and may be accepted as security for  
9 all fiduciary, trust, and public funds, the investment or  
10 deposit of which shall be under the authority or control  
11 of the United States or any officer or officers thereof.”.

12 **SEC. 2. GREEN BANK.**

13 Title 31, United States Code, is amended by adding  
14 the following new chapter at the end thereof:

15 **“CHAPTER 98—GREEN BANK**

16 **“§ 9801. United States Green Bank**

17 “(a) **SHORT TITLE.**—This section may be cited as the  
18 ‘United States Green Bank Act of 2016’.

19 “(b) **PURPOSES.**—The purposes of this section are as  
20 follows:

21 “(1) To significantly increase the pace and  
22 amount of investment in clean energy and energy ef-  
23 ficiency projects at the State and local level.

24 “(2) To improve the standard of living for  
25 Americans by delivering clean electricity more effi-

1       ciently and at lower cost and by funding projects  
2       that will create high-paying, long-term jobs.

3           “(3) To address the main impediment to invest-  
4       ment at the State and local level—limited capital  
5       and tight balance sheets—by establishing a national  
6       Green Bank to capitalize legitimate Regional, State,  
7       and Municipal Green Banks.

8           “(4) To facilitate—

9           “(A) efficient tax equity markets for quali-  
10       fied clean energy projects; and

11          “(B) the financing of long-term clean en-  
12       ergy purchasing by governmental and non-  
13       governmental not-for-profit entities.

14          “(5) To foster—

15          “(A) the development and consistent appli-  
16       cation of transparent underwriting standards,  
17       standard contractual terms, and measurement  
18       and verification protocols for qualified clean en-  
19       ergy projects and qualified energy efficiency  
20       projects;

21          “(B) the creation of performance data that  
22       enables effective underwriting, risk manage-  
23       ment, and pro forma modeling of financial per-  
24       formance of qualified clean energy projects and  
25       qualified energy efficiency projects to support

1 primary financing markets and stimulate devel-  
2 opment of secondary investment markets for  
3 clean energy projects and energy efficiency  
4 projects; and

5 “(C) the level of financing support for  
6 qualified clean energy projects and qualified en-  
7 ergy efficiency projects necessary to advance  
8 vital national objectives, including—

9 “(i) achieving energy independence  
10 from foreign energy sources;

11 “(ii) abating climate change by in-  
12 creasing zero or low carbon electricity gen-  
13 eration and transportation capabilities;

14 “(iii) realizing energy efficiency poten-  
15 tial in existing infrastructure;

16 “(iv) easing the economic effects of  
17 transitioning from a carbon-based economy  
18 to a clean energy economy;

19 “(v) achieving job creation through  
20 the construction and operation of qualified  
21 clean energy projects and qualified energy  
22 efficiency projects;

23 “(vi) fostering long-term domestic  
24 manufacturing capacity in the clean energy  
25 and energy efficiency industries; and

1                   “(vii)           complementing           and  
2                   supplementing other clean energy and en-  
3                   ergy efficiency legislation at the regional,  
4                   State, municipal, and county level.

5           “(c) DEFINITIONS.—In this section:

6                   “(1) BANK.—The term ‘Bank’ means the  
7                   United States Green Bank established under sub-  
8                   section (d).

9                   “(2) BOARD.—The term ‘Board’ means the  
10                  Board of Directors of the Bank.

11                  “(3) CLEAN ENERGY PROJECT.—The term  
12                  ‘clean energy project’ means any electricity genera-  
13                  tion, transmission, storage, heating, cooling, trans-  
14                  portation, distribution, industrial process, or manu-  
15                  facturing project whose primary purpose is the de-  
16                  ployment, development, or production of an energy  
17                  system or technology that avoids, reduces, or seques-  
18                  ters air pollutants or anthropogenic greenhouse  
19                  gases, including the following:

20                         “(A) Solar.

21                         “(B) Wind.

22                         “(C) Geothermal.

23                         “(D) Biomass.

24                         “(E) Hydropower.

25                         “(F) Ocean and hydrokinetic.

1 “(G) Fuel cell.

2 “(H) Advanced battery.

3 “(I) Carbon capture and sequestration.

4 “(J) Next generation biofuels from  
5 nonfood feedstocks.

6 “(K) Alternative vehicle fuel infrastruc-  
7 ture.

8 “(L) Alternative fuel vehicles.

9 “(4) ELIGIBLE CLEAN ENERGY FINANCING IN-  
10 STITUTION.—The term ‘Eligible Clean Energy Fi-  
11 nancing Institution’ means a not-for-profit, inde-  
12 pendent entity, quasi-independent entity, or a gov-  
13 ernmental entity within an agency or financing au-  
14 thority, established or designated by a State, group  
15 of States, the District of Columbia, or an Eligible  
16 State Political Subdivision to—

17 “(A) provide low-cost or long-term financ-  
18 ing support or credit enhancements, including  
19 loan guarantees and loan loss reserves, for  
20 Qualified Clean Energy Projects or Qualified  
21 Energy Efficiency Projects; and

22 “(B) create liquid markets for these  
23 projects including warehousing and  
24 securitization, or take other steps to reduce fi-  
25 nancial barriers to the deployment of existing

1 and innovative clean energy and energy effi-  
2 ciency projects. Eligible Clean Energy Financ-  
3 ing Institutions may enter into partnerships  
4 with private entities.

5 “(5) ELIGIBLE STATE POLITICAL SUBDIVI-  
6 SION.—The term ‘Eligible State Political Subdivi-  
7 sion’ shall mean any municipality, county or other  
8 political subdivision within a State that, based on  
9 the population data from the most recent U.S. Cen-  
10 sus Bureau, meets one of the following criteria:

11 “(A) A municipality with a population of  
12 no less than 200,000 people.

13 “(B) A county, parish or borough with a  
14 population of no less than 800,000 people.

15 “(C) A municipality, county, parish, or  
16 borough with a population—

17 “(i) of no less than 84,000 people;

18 and

19 “(ii) that constitutes no less than 5  
20 percent of that State’s total population.

21 “(6) ENERGY EFFICIENCY PROJECT.—The term  
22 ‘energy efficiency project’ means any project, tech-  
23 nology, function, or measure that results in the re-  
24 duction of energy use required to achieve the same  
25 level of service or output prior to the application of



1 such project, technology, function, or measure, or  
2 substantially reduces greenhouse gas emissions rel-  
3 ative to emissions that would have occurred prior to  
4 the application of such project, technology, function,  
5 or measure.

6 “(7) GREEN BOND.—The term ‘Green Bond’  
7 means a bond issued pursuant to section 3102A of  
8 this title.

9 “(8) QUALIFIED CLEAN ENERGY PROJECT.—  
10 The term ‘qualified clean energy project’ means a  
11 clean energy project that—

12 “(A) is a Clean Energy Project carried out  
13 domestically within the territorial borders of the  
14 United States;

15 “(B) stays current on interest and debt  
16 payment obligations;

17 “(C) to the extent otherwise required by  
18 law, pays wages in accordance with subchapter  
19 IV of chapter 31 of title 40, United States Code  
20 (commonly referred to as the Davis-Bacon Act);

21 “(D) if for nuclear power, is funded by the  
22 Bank only after all other existing Federal fi-  
23 nancial support has been expended;

1           “(E) if for Alternative fuel vehicles, is for  
2           the purchase or lease of eligible vehicles and not  
3           the design or manufacture thereof; and

4           “(F) satisfies any other conditions estab-  
5           lished by the Bank and published in the Fed-  
6           eral Register.

7           “(9)    QUALIFIED    ENERGY    EFFICIENCY  
8           PROJECT.—The term ‘qualified energy efficiency  
9           project’ means an energy efficiency project, includ-  
10          ing smart grid technologies and functions character-  
11          ized in section 1301 of the Energy Independence  
12          and Security Act of 2007 and end-use technologies  
13          for efficiency gains in new construction and across  
14          existing infrastructure that—

15               “(A) is an Energy Efficiency Project car-  
16               ried out domestically within the territorial bor-  
17               ders of the United States;

18               “(B) stays current on interest and debt  
19               payment obligations;

20               “(C) to the extent otherwise required by  
21               law, pays wages in accordance with subchapter  
22               IV of chapter 31 of title 40, United States Code  
23               (commonly referred to as the Davis-Bacon Act);  
24               and

1           “(D) satisfies any other conditions estab-  
2           lished by the Bank and published in the Fed-  
3           eral Register.

4           “(d) GREEN BANK.—

5           “(1) ESTABLISHMENT OF CORPORATION.—

6           There is established a corporation to be known as  
7           the United States Green Bank that shall be wholly  
8           owned by the United States.

9           “(2) OVERSIGHT.—The Bank shall be subject  
10          to the general supervision and direction of the Sec-  
11          retary of the Treasury. The Bank shall be an instru-  
12          mentality of the United States Government and shall  
13          maintain such offices as may be necessary or appro-  
14          priate in the conduct of its business.

15          “(3) CHARTER.—The Bank shall be chartered  
16          for 20 years from the date of enactment of this sec-  
17          tion.

18          “(4) GOVERNANCE.—

19                 “(A) BOARD OF DIRECTORS OF THE  
20                 BANK.—

21                         “(i) IN GENERAL.—The Bank shall be  
22                         under the direction of a Board of Directors  
23                         consisting of seven members and be subject  
24                         to the general supervision and direction of

1 the Secretary of the Treasury as Chairman  
2 of the Board.

3 “(ii) MEMBERSHIP.—The Board shall  
4 consist of seven members, as follows:

5 “(I) The Secretary of the Treas-  
6 ury or the Secretary’s designee as  
7 Chairman of the Board.

8 “(II) The Secretary of Energy or  
9 the Secretary’s designee.

10 “(III) The Secretary of Trans-  
11 portation or the Secretary’s designee.

12 “(IV) Four members appointed  
13 by the President of the United States  
14 including a Chief Executive Officer,  
15 one member with expertise regarding  
16 renewable energy and/or energy effi-  
17 ciency, one member with expertise re-  
18 garding finance, one member with ex-  
19 pertise regarding electric utilities, and  
20 one member with expertise regarding  
21 sustainable transportation.

22 “(iii) QUORUM.—Four members of  
23 the Board shall constitute a quorum.

24 “(iv) BYLAWS.—The Board shall  
25 adopt, and may amend, such bylaws as are

1 necessary for the proper management and  
2 functioning of the Bank, and shall, in such  
3 bylaws, designate the vice presidents and  
4 other officers of the Bank and prescribe  
5 their duties.

6 “(v) TERMS.—The initial terms of the  
7 members of the Board shall be 4 years.  
8 For terms beginning after the first 4 years  
9 following the date of the enactment of this  
10 section, the Board shall create staggered  
11 terms of 2, 3, and 4 years for members of  
12 the Board.

13 “(vi) VACANCIES.—Any vacancy on  
14 the Board shall be filled in the same man-  
15 ner in which the original appointment was  
16 made.

17 “(vii) INTERIM APPOINTMENTS.—Any  
18 member appointed to fill a vacancy occur-  
19 ring before the expiration of the term for  
20 which such member’s predecessor was ap-  
21 pointed shall be appointed only for the re-  
22 mainder of such term.

23 “(viii) REAPPOINTMENT.—Members  
24 of the Board may be reappointed for addi-

1 tional terms of service as members of the  
2 Board.

3 “(ix) CONTINUATION OF SERVICE.—  
4 Any member of the Board whose term has  
5 expired may continue to serve on the  
6 Board until the earlier of—

7 “(I) the date on which such  
8 member’s successor is appointed; or

9 “(II) the end of the 6-month pe-  
10 riod beginning on the date such mem-  
11 ber’s term expires.

12 “(x) CHAIRMAN.—The Board shall se-  
13 lect a Chairman from among its members.

14 “(B) EXECUTIVE VICE PRESIDENT.—The  
15 Chief Executive Officer shall appoint an Execu-  
16 tive Vice President who—

17 “(i) shall serve as Chief Executive Of-  
18 ficer of the Bank during the absence or  
19 disability of, or in the event of a vacancy  
20 in the office, of Chief Executive Officer;  
21 and

22 “(ii) shall at other times perform such  
23 functions as the Chief Executive Officer  
24 may prescribe.

1           “(C) POLICIES AND PROCEDURES.—At the  
2 request of any two members of the Board, the  
3 Chairman shall place an item pertaining to the  
4 policies or procedures of the Bank on the agen-  
5 da for discussion by the Board. Not later than  
6 30 days after the date such a request is made,  
7 the Chairman shall hold a meeting of the Board  
8 at which such item shall be discussed.

9           “(D) CONFLICTS OF INTEREST.—No direc-  
10 tor, officer, attorney, agent, or employee of the  
11 Bank shall in any manner, directly or indi-  
12 rectly, participate in the deliberation upon, or  
13 the determination of, any question affecting  
14 such individual’s personal interests, or the in-  
15 terests of any corporation, partnership, or asso-  
16 ciation in which such individual is directly or  
17 indirectly personally interested.

18           “(5) HIRING AND CONTRACTING AUTHORITY.—

19           “(A) CONTRACTING.—The Bank may em-  
20 ploy or otherwise contract with banks, credit  
21 agencies, attorneys, and other third parties at  
22 customary commercial rates.

23           “(B) HIRING.—Notwithstanding any oth-  
24 erwise applicable Federal rules and regulations,  
25 the Bank may employ and otherwise contract

1 with employees and provide compensation to  
2 such employees at prevailing rates for com-  
3 pensation for similar positions in private indus-  
4 try.

5 “(6) SUNSET.—

6 “(A) EXPIRATION OF CHARTER.—The  
7 Bank shall continue to exercise its functions  
8 until all obligations and commitments of the  
9 Bank are discharged, even after its charter has  
10 expired.

11 “(B) PRIOR OBLIGATIONS.—No provisions  
12 of this subsection shall be construed as pre-  
13 venting the Bank from—

14 “(i) acquiring obligations prior to the  
15 date of the expiration of its charter which  
16 mature subsequent to such date;

17 “(ii) assuming, prior to the date of  
18 the expiration of its charter, liability as  
19 guarantor, endorser, or acceptor of obliga-  
20 tions which mature subsequent to such  
21 date;

22 “(iii) issuing, prior or subsequent to  
23 the date of the expiration of its charter,  
24 for purchase by the Secretary of the Treas-  
25 ury or any other purchasers, its notes, de-



1                   ventures, bonds, or other obligations which  
2                   mature subsequent to such date; or

3                   “(iv) continuing as a corporation and  
4                   exercising any of its functions subsequent  
5                   to the date of the expiration of its charter  
6                   for purposes of orderly liquidation, includ-  
7                   ing the administration of its assets and the  
8                   collection of any obligations held by the  
9                   Bank.

10                  “(e) GREEN BANK ESTABLISHMENT FUND.—

11                   “(1) ESTABLISHMENT.—There is established in  
12                   the Treasury of the United States a revolving fund,  
13                   to be known as the ‘Green Bank Establishment  
14                   Fund’ (hereinafter referred to as the ‘Fund’), con-  
15                   sisting of—

16                   “(A) such amounts as are deposited in the  
17                   Fund under this subtitle, including but not lim-  
18                   ited to proceeds from the Green Bonds issued  
19                   under section 3102A; and

20                   “(B) such sums as may be appropriated to  
21                   supplement the Fund.

22                   “(2) AUTHORIZATION OF APPROPRIATIONS.—  
23                   There are authorized to be appropriated to the Fund  
24                   such sums as are necessary to carry out this sub-  
25                   title.

1           “(3) EXPENDITURES FROM THE FUND.—  
2           Amounts in the Fund shall be available to the Chief  
3           Executive for obligation without fiscal year limita-  
4           tion, to remain available until expended.

5           “(f) LENDING, FINANCING, EXPENDITURES.—

6           “(1) IN GENERAL.—The Bank shall establish a  
7           program to provide, on a competitive basis loans,  
8           loan guarantees or credit buy downs from the Fund,  
9           as the Bank determines appropriate, solely to pro-  
10          vide capitalization to an Eligible Clean Energy Fi-  
11          nancing Institution for the establishment or con-  
12          tinuing operation of that entity.

13          “(2) REQUIREMENTS.—The Bank may only  
14          provide loans, loan guarantees or credit buy downs  
15          under paragraph (1) if—

16                 “(A) APPLICATION.—The applicant sub-  
17                 mits an application for loans, loan guarantees  
18                 or credit buy downs in accordance with applica-  
19                 tion criteria established by the Bank.

20                 “(B) ELIGIBLE CLEAN ENERGY FINANCING  
21                 INSTITUTIONS.—An entity is eligible to receive  
22                 loans, loan guarantees or credit buy downs  
23                 under this section only if it—

24                         “(i) meets the definition of Eligible  
25                         Clean Energy Financing Institution;

1           “(ii) uses the funding from the Bank  
2           solely for the purposes described in this  
3           section; and

4           “(iii) satisfies the capitalization and  
5           funding requirements as described in this  
6           section.

7           “(C) PROJECT FINANCE.—The Bank shall  
8           not directly lend or otherwise provide financial  
9           products to any individual projects, nor shall it  
10          be required to examine individual projects for  
11          the purposes of lending under paragraph (1)  
12          other than as necessary to determine whether  
13          an applicant meets the criteria for Eligible  
14          Clean Energy Financing Institutions.

15          “(D) CAPITALIZATION AND CO-FUND-  
16          ING.—The Eligible Clean Energy Financing In-  
17          stitution—

18                 “(i) must provide, at the time of re-  
19                 ceipt of any initial funding for capitaliza-  
20                 tion by the Bank, an amount from funding  
21                 sources other than the Bank equivalent to  
22                 no less than \$1,000,000 and no less than  
23                 20 percent of the total initial funding pro-  
24                 vided by the Bank; and

1                   “(ii) may not receive any subsequent  
2                   funding for capitalization by the Bank, in  
3                   addition to any initial funding for capital-  
4                   ization provided by the Bank in accordance  
5                   with clause (i) above, of amounts greater  
6                   than two times the amount of capital com-  
7                   mitted for use by the Eligible Clean En-  
8                   ergy Financing Institution for Qualified  
9                   Clean Energy Projects and Qualified En-  
10                  ergy Efficiency Projects at the time of ap-  
11                  plication.

12                  “(3) REGULATIONS.—The Bank shall establish  
13                  regulations to carry out the activities and operations  
14                  set out in this chapter.

15                  “(g) LENDING ACTIVITIES.—

16                  “(1) FEES.—The Bank shall assess reasonable  
17                  fees on its activities so as to cover its reasonable  
18                  costs and expenses, consistent with the Federal  
19                  Credit Reform Act of 1990 (2 U.S.C. 661 et seq.),  
20                  provided the Bank operates as a not-for-profit enti-  
21                  ty.

22                  “(2) APPROPRIATIONS AND RETENTION OF RE-  
23                  CEIPTS.—For purposes of the Federal Credit Re-  
24                  form Act, funds made available to the Green Bank  
25                  pursuant to section 3102A for carrying out this sec-

1       tion are appropriated to the Green Bank for the  
2       purposes described in the section. Receipts collected  
3       by the Green Bank, consistent with the Federal  
4       Credit Reform Act, shall be considered to have been  
5       provided in advance in an appropriations Act, and  
6       shall remain available to the Green Bank until ex-  
7       pended.

8               “(3) IMMUNITY FROM IMPAIRMENT, LIMITA-  
9       TION, OR RESTRICTION.—

10               “(A) IN GENERAL.—All rights and rem-  
11       edies of the Bank shall be immune from impair-  
12       ment, limitation, or restrictions by or under—

13               “(i) any law (other than a law enacted  
14       by Congress expressly in limitation of this  
15       paragraph) that becomes effective after the  
16       acquisition by the Bank of the subject or  
17       property on, under, or with respect to  
18       which the right or remedy arises or exists  
19       or would so arise or exist in the absence of  
20       the law; or

21               “(ii) any administrative or other ac-  
22       tion that becomes effective after the acqui-  
23       sition.

24               “(B) STATE LAW.—The Bank may con-  
25       duct its business without regard to any quali-

1           fication or law of any State relating to incorpo-  
2           ration.

3           “(4) TAXATION.—

4                   “(A) IN GENERAL.—Subject to subpara-  
5                   graph (B), the Bank (including its activities,  
6                   capital, reserves, surplus and income) shall be  
7                   exempt from all taxation imposed by any State  
8                   or local political subdivision of a State.

9                   “(B) REAL PROPERTY.—Any real property  
10                  of the Bank shall be subject to taxation by a  
11                  State or political subdivision of a State to the  
12                  same extent according to the value of the real  
13                  property as other real property is taxed.

14                  “(5) POWER TO REMOVE; JURISDICTION.—Not-  
15                  withstanding any other provision of law, any civil ac-  
16                  tion, suit, or proceeding to which the Bank is a  
17                  party shall be deemed to arise under the laws of the  
18                  United States, and the United States district courts  
19                  shall have original jurisdiction. The Bank may, with-  
20                  out bond or security, remove any such action, suit,  
21                  or proceeding from a State court to a United States  
22                  district court or to the United States District Court  
23                  for the District of Columbia.

24                  “(6) SPENDING SAFEGUARDS.—

1           “(A) IN GENERAL.—The Chief Executive  
2           Officer of the Bank—

3           “(i) shall require any Eligible Clean  
4           Energy Financing Institution receiving fi-  
5           nancial support pursuant to this section to  
6           report quarterly, in a format specified by  
7           the Chief Executive Officer, on such enti-  
8           ty’s use of such support and its progress  
9           fulfilling the objectives for which such sup-  
10          port was granted, and the Chief Executive  
11          Officer shall make these reports available  
12          to the public;

13          “(ii) may establish additional report-  
14          ing and information requirements for any  
15          recipient of financing support made avail-  
16          able pursuant to this section;

17          “(iii) shall establish appropriate mech-  
18          anisms to ensure appropriate use and com-  
19          pliance with all terms of any financing  
20          support made available pursuant to this  
21          section;

22          “(iv) may, in addition to and con-  
23          sistent with any other authority under ap-  
24          plicable law, deobligate financing support  
25          made available pursuant to this section to

1 entities that demonstrate an insufficient  
2 level of performance, or wasteful or fraud-  
3 ulent spending, as defined in advance by  
4 the Chief Executive Officer, and award  
5 these funds competitively to new or exist-  
6 ing applicants consistent with this section;

7 “(v) shall create and maintain a fully  
8 searchable database, accessible on the  
9 Internet (or successor protocol) at no cost  
10 to the public, that contains at least—

11 “(I) a list of each entity that has  
12 applied for loans, loan guarantees or  
13 credit buy downs under this section;

14 “(II) a description of each appli-  
15 cation;

16 “(III) the status of each such ap-  
17 plication;

18 “(IV) the name of each entity re-  
19 ceiving funds made available pursuant  
20 to this section;

21 “(V) the purpose for which such  
22 entity is receiving such funds;

23 “(VI) each quarterly report sub-  
24 mitted by the entity pursuant to this  
25 section; and



1                   “(VII) information related to  
2                   Qualifying Clean Energy Projects and  
3                   Qualifying Energy Efficiency Projects  
4                   funded by Eligible Clean Energy Fi-  
5                   nancing Institutions using funding re-  
6                   ceived from the Bank;

7                   “(vi) to the extent practicable, data  
8                   maintained under clause (v) shall be used  
9                   to inform private capital markets, includ-  
10                  ing the development of underwriting stand-  
11                  ards for the financing of clean energy  
12                  projects and energy efficiency projects;

13                  “(vii) shall make all financing trans-  
14                  actions available for public inspection, in-  
15                  cluding formal annual reviews by both a  
16                  private auditor and the Comptroller Gen-  
17                  eral; and

18                  “(viii) shall at all times be available to  
19                  receive public comment in writing on the  
20                  activities of the Bank.

21                  “(B) PROTECTION OF CONFIDENTIAL  
22                  BUSINESS INFORMATION.—To the extent nec-  
23                  essary and appropriate, the Chief Executive Of-  
24                  ficer may redact any information regarding ap-

1           plicants and borrowers to protect confidential  
2           business information.

3           “(7) GUARANTEE.—Except as provided in sec-  
4           tion 3102A(e) with respect to Green Bonds, finan-  
5           cial support provided by the Bank shall not be fully  
6           and unconditionally guaranteed by the United  
7           States.”.

8   **SEC. 3. CONFORMING AMENDMENTS.**

9           (a) TAX EXEMPT STATUS.—Section 501(l) of the In-  
10          ternal Revenue Code of 1986 is amended by adding at the  
11          end the following:

12                   “(4) The Green Bank established under section  
13                   9801 of title 31, United States Code.”.

14          (b) WHOLLY OWNED GOVERNMENT CORPORA-  
15          TION.—Section 9101(3) of title 31, United States Code,  
16          is amended by adding at the end the following:

17                   “(S) the Green Bank.”.

18          (c) CLERICAL AMENDMENTS.—

19                   (1) The table of sections for chapter 31 of title  
20                   31, United States Code, is amended by inserting  
21                   after the item relating to section 3102 the following  
22                   new item:

“3102A. Green Bonds.”.

1           (2) The table of chapters for subtitle VI of title  
2           31, United States Code, is amended by adding at  
3           the end the following new item:

“98. Green Bank ..... 9801”.

4 **SEC. 4. DEFER DEDUCTION OF INTEREST EXPENSE RE-**  
5 **LATED TO DEFERRED INCOME.**

6           (a) IN GENERAL.—Section 163 of the Internal Rev-  
7           enue Code of 1986 is amended by redesignating subsection  
8           (n) as subsection (o) and by inserting after subsection (m)  
9           the following new subsection:

10           “(n) DEFERRAL OF DEDUCTION FOR INTEREST EX-  
11           PENSE RELATED TO DEFERRED INCOME.—

12           “(1) GENERAL RULE.—In the case of any tax-  
13           payer, the amount of foreign-related interest expense  
14           allowed as a deduction under this chapter for any  
15           taxable year shall not exceed an amount that bears  
16           the same ratio to the sum of the foreign-related in-  
17           terest expense for such year and the deferred for-  
18           eign-related interest expense as the current inclusion  
19           ratio.

20           “(2) TREATMENT OF DEFERRED DEDUC-  
21           TIONS.—If, for any taxable year—

22           “(A) the amount that bears the same ratio  
23           to the sum of the foreign-related interest ex-  
24           pense for such year and the deferred foreign-re-

1           lated interest expense as the current inclusion  
2           ratio, exceeds

3                   “(B) the foreign-related interest expense  
4           for such year, there shall be allowed as a deduc-  
5           tion for such year an amount equal to the lesser  
6           of such excess and the deferred foreign-related  
7           interest expense.

8                   “(3) DEFINITIONS AND SPECIAL RULE.—For  
9           purposes of this subsection—

10                   “(A) FOREIGN-RELATED INTEREST EX-  
11           PENSE.—The term ‘foreign-related interest ex-  
12           pense’ means, for any taxable year, an amount  
13           of interest expense for such taxable year allo-  
14           cated and apportioned under sections 861 and  
15           864(e) to income from sources outside the  
16           United States which bears the same proportion  
17           to such interest expense as the value of all  
18           stock held by the taxpayer in all section 902  
19           corporations (as defined in section 909(d)(5))  
20           with respect to which the taxpayer meets the  
21           ownership requirements of subsection (a) or (b)  
22           of section 902 bears to the value of all assets  
23           of the taxpayer which generate gross income  
24           from sources outside the United States.

1           “(B) DEFERRED FOREIGN-RELATED IN-  
2           TEREST EXPENSE.—The term ‘deferred foreign-  
3           related interest expense’ means the excess, if  
4           any, of the aggregate foreign-related interest  
5           expense for all prior taxable years, over the ag-  
6           gregate amount allowed as a deduction under  
7           paragraphs (1) and (2) for all prior taxable  
8           years.

9           “(C) VALUE OF ASSETS.—Except as other-  
10          wise provided by the Secretary, for purposes of  
11          paragraph (3)(A)(i), the value of any asset shall  
12          be the amount with respect to such asset used  
13          as determined for purposes of allocating and  
14          apportioning interest expense under sections  
15          861 and 864(e).

16          “(D) CURRENT INCLUSION RATIO.—The  
17          term ‘current inclusion ratio’ means, with re-  
18          spect to any domestic corporation which meets  
19          the ownership requirements of subsection (a) or  
20          (b) of section 902 with respect to one or more  
21          section 902 corporations for any taxable year,  
22          the ratio (expressed as a percentage) of—

23                 “(i) the sum of all dividends received  
24                 by the domestic corporation from a section  
25                 902 corporation during the taxable year

1 plus amounts includible in gross income  
2 under section 951(a) from such section  
3 902 corporation, in each case computed  
4 without regard to section 78, divided by

5 “(ii) the aggregate amount of post-  
6 1986 undistributed earnings for the tax-  
7 able year.

8 “(E) AGGREGATE AMOUNT OF POST-1986  
9 UNDISTRIBUTED EARNINGS.—The term ‘aggre-  
10 gate amount of post-1986 undistributed earn-  
11 ings’ means, with respect to any domestic cor-  
12 poration which meets the ownership require-  
13 ments of subsection (a) or (b) of section 902  
14 with respect to one or more section 902 cor-  
15 porations, the domestic corporation’s pro rata  
16 share of the post-1986 undistributed earnings  
17 (as defined in section 902(c)(1)) of all such sec-  
18 tion 902 corporations.

19 “(F) FOREIGN CURRENCY CONVERSION.—  
20 For purposes of determining the current inclu-  
21 sion ratio, and except as otherwise provided by  
22 the Secretary, the aggregate amount of post-  
23 1986 undistributed earnings for the taxable  
24 year shall be determined by translating each  
25 section 902 corporation’s post-1986 undistrib-

1           uted earnings into dollars using the average ex-  
2           change rate for such year.

3           “(4) TREATMENT OF AFFILIATED GROUPS.—

4           The current inclusion ratio of each member of an af-  
5           filiated group (as defined in section 864(e)(5)(A))  
6           shall be determined as if all members of such group  
7           were a single corporation.

8           “(5) APPLICATION TO SEPARATE CATEGORIES

9           OF INCOME.—This subsection shall be applied sepa-  
10          rately with respect to the categories of income speci-  
11          fied in section 904(d)(1).

12          “(6) REGULATIONS.—The Secretary may pre-

13          scribe such regulations or other guidance as is nec-  
14          essary or appropriate to carry out the purposes of  
15          this subsection, including regulations or other guid-  
16          ance providing—

17                  “(A) for the proper application of this sub-

18                  section with respect to changes in ownership of  
19                  a section 902 corporation,

20                  “(B) that certain corporations that other-

21                  wise would not be members of the affiliated  
22                  group will be treated as members of the affili-  
23                  ated group for purposes of this subsection,

24                  “(C) for the proper application of this sub-

25                  section with respect to the taxpayer’s share of

1 a deficit in earnings and profits of a section  
2 902 corporation,

3 “(D) for appropriate adjustments to the  
4 determination of the value of stock in any sec-  
5 tion 902 corporation for purposes of this sub-  
6 section or to the foreign-related interest expense  
7 to account for income that is subject to tax  
8 under section 882(a)(1), and

9 “(E) for the proper application of this sub-  
10 section with respect to interest expense that is  
11 directly allocable to income with respect to cer-  
12 tain assets.”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to taxable years beginning on or  
15 after January 1, 2017.

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