

H.R.1424

Emergency Economic Stabilization Act of 2008

SEC. 313. QUALIFIED ZONE ACADEMY BONDS.

(a) *IN GENERAL.*—*Subpart I of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:*

SEC. 54E. QUALIFIED ZONE ACADEMY BONDS.

- (a) Qualified Zone Academy Bonds-* For purposes of this subchapter, the term 'qualified zone academy 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 a qualified purpose with respect to a qualified zone academy established by an eligible local education agency,*
 - (2) the bond is issued by a State or local government within the jurisdiction of which such academy is located, and*
 - (3) the issuer--*
 - (A) designates such bond for purposes of this section,*
 - (B) certifies that it has written assurances that the private business contribution requirement of subsection (b) will be met with respect to such academy, and*
 - (C) certifies that it has the written approval of the eligible local education agency for such bond issuance.*
- (b) Private Business Contribution Requirement-* For purposes of subsection (a), the private business contribution requirement of this subsection is met with respect to any issue if the eligible local education agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.
- (c) Limitation on Amount of Bonds Designated-*
- (1) NATIONAL LIMITATION-* There is a national zone academy bond limitation for each calendar year. Such limitation is \$400,000,000 for 2008 and 2009, and, except as provided in paragraph (4), zero thereafter.
 - (2) ALLOCATION OF LIMITATION-* The national zone academy bond limitation for a calendar year shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). The limitation amount allocated to a State under the preceding sentence shall be allocated by the State education agency to qualified zone academies within such State.
 - (3) DESIGNATION SUBJECT TO LIMITATION AMOUNT-* The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under paragraph (2) for such calendar year.
 - (4) CARRYOVER OF UNUSED LIMITATION-*
 - (A) IN GENERAL-* If for any calendar year--
 - (i) the limitation amount for any State, exceeds*
 - (ii) the amount of bonds issued during such year which are designated under subsection (a) with respect to qualified*

zone academies within such State,
the limitation amount for such State for the following calendar year shall be increased by the amount of such excess.

(B) *LIMITATION ON CARRYOVER*- Any carryforward of a limitation amount may be carried only to the first 2 years following the unused limitation year. For purposes of the preceding sentence, a limitation amount shall be treated as used on a first-in first-out basis.

(C) *COORDINATION WITH SECTION 1397E*- Any carryover determined under section 1397E(e)(4) (relating to carryover of unused limitation) with respect to any State to calendar year 2008 or 2009 shall be treated for purposes of this section as a carryover with respect to such State for such calendar year under subparagraph (A), and the limitation of subparagraph (B) shall apply to such carryover taking into account the calendar years to which such carryover relates.

(d) *Definitions*- For purposes of this section--

(1) *QUALIFIED ZONE ACADEMY*- The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of an eligible local education agency to provide education or training below the postsecondary level if--

(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the eligible local education agency,

(C) the comprehensive education plan of such public school or program is approved by the eligible local education agency, and

(D)(i) such public school is located in an empowerment zone or enterprise community (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.’.

(b) Conforming Amendments-

(1) Paragraph (1) of section 54A(d), as amended by this Act, is amended by striking ‘or’ at the end of subparagraph (B), by inserting ‘or’ at the end of subparagraph (C), and by inserting after subparagraph (C) the following new subparagraph:

“(D) a qualified zone academy bond.’.

(2) Subparagraph (C) of section 54A(d)(2), as amended by this Act, is amended by striking ‘and’ at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ‘, and’, and by adding at the end the following new clause:

“(iv) in the case of a qualified zone academy bond, a purpose specified in section 54E(a)(1).’.

(3) Section 1397E is amended by adding at the end the following new subsection:

“(m) Termination- This section shall not apply to any obligation issued after the date of the enactment of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008.’.

(4) The table of sections for subpart I of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

‘Sec. 54E. Qualified zone academy bonds.’.

(c) Effective Date- The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.