Union Calendar No. 94

117TH CONGRESS
1ST SESSION

H. R. 5376

[Report No. 117–130]

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

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 27, 2021

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AGRICULTURE

Subtitle A—General Provisions

SECTION 10001. DEFINITIONS.

In this title:

(1) The term ''insular area'' has the meaning given such term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

(2) The term ''Secretary'' means the Secretary of Agriculture.

Subtitle B—Forestry

SEC. 11001. NATIONAL FOREST SYSTEM RESTORATION AND FUELS REDUCTION PROJECTS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $10,000,000,000 for hazardous fuels reduction projects within the wildland-urban interface;

(2) $4,000,000,000 for, on a determination by the Secretary that hazardous fuels within the wildland-urban interface have been effectively treat-

ed to prevent the spread of wildfire to at-risk communities, hazardous fuels reduction projects outside the wildland-urban interface that are—

(A) noncommercial in nature, except on a determination by the Secretary, in accordance with the best available science, that the harvest of merchantable materials is ecologically necessary for restoration and to enhance ecological integrity, subject to the requirement that the sale of merchantable materials shall be limited to small diameter trees or biomass that are a byproduct of projects under this paragraph;

(B) collaboratively developed; and

(C) carried out in a manner that—

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

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

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

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

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

(A) a water source management plan; or

(B) a watershed protection and restoration action plan;

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

(A) maintain, or contribute toward the restoration of, old growth characteristics, including structure, composition, function, and connectivity, according to the reference old growth conditions characteristic of the forest type, taking into account—

(i) the contribution of the project to landscape fire adaptation and the ecological integrity of watershed and ecosystem health; and

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

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

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

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

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

(A) the assessment of watershed, ecological, and carbon conditions on National Forest System land; and

(B) the revision and amendment of older land management plans that present opportunities to protect, maintain, restore, and monitor ecological integrity, ecological conditions for at-risk species, and carbon storage;

(8) $100,000,000 for maintenance of trails on National Forest System land, with a focus on trails

that provide to underserved communities access to National Forest System land;

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

(10) $100,000,000 to provide for more efficient and more effective environmental reviews by the Chief of the Forest Service in satisfying the obligations of the Chief of the Forest Service under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) through—

(A) the hiring and training of additional personnel;

(B) the development of programmatic assessments or templates;

(C) the procurement of technical or scientific services;

(D) the development of data or technology systems;

(E) stakeholder and community engagement; and

(F) the purchase of new equipment;

(11) $50,000,000 to develop and carry out activities and tactics for the protection of older and mature forests on National Forest System land, including completing an inventory of older and mature forests within the National Forest System;

(12) $50,000,000 to develop and carry out activities and tactics for the maintenance and restoration of habitat conditions necessary for the protection and recovery of at-risk species on National Forest System land in implementing Forest Service hazardous fuels reduction and other vegetation management programs and projects based on a science-based analysis carried out by the Secretary;

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

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

(B) do not include salvage logging;

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

(15) $2,250,000,000 to be used for staffing, salaries, and other workforce needs to support the development of a Civilian Climate Corps for the pur-

poses of managing National Forest System land, subject to the conditions that—

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

(B) members of the Civilian Climate Corps shall be compensated at not less than 200 percent of the annual Federal poverty line.

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

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

(2) that are collaboratively developed; or

(3) that include opportunities to restore sustainable recreation infrastructure or access or accomplish other recreation outcomes, if the opportunities are compatible with the primary restoration purposes of the project.

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

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

(2) that includes the construction of a permanent road or permanent trail;

(3) that includes the construction of a temporary road, except in the case of a temporary road that is decommissioned by the Secretary not later than 3 years after the earlier of—

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

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

(4) inconsistent with the applicable land management plan;

(5) inconsistent with the prohibitions of the rule of the Forest Service entitled ''Special Areas; Roadless Area Conservation'' (66 Fed. Reg. 3244 (January 12, 2001)), as modified by subparts C and D of part 294 of title 36, Code of Federal Regulations; or

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

(d) DEFINITIONS.—In this section:

(1) AT-RISK COMMUNITY.—The term ''at-risk community'' has the meaning given the term in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).

(2) COLLABORATIVELY DEVELOPED.—The term ''collaboratively developed'' means, with respect to a project located exclusively on National Forest System land, that the project is developed and implemented through a collaborative process that—

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

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

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

(3) DECOMMISSION.—The term ''decommission'' means, with respect to a road—

(A) reestablishing native vegetation on the road;

(B) restoring any natural drainage, watershed function, or other ecological processes that were disrupted or adversely impacted by the road by removing or hydrologically dis-

connecting the road prism and reestablishing stable slope contours; and

(C) effectively blocking the road to vehicular traffic, where feasible.

(4) ECOLOGICAL INTEGRITY.—The term ''ecological integrity'' has the meaning given the term in section 219.19 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this Act).

(5) HAZARDOUS FUELS REDUCTION PROJECT.—The term ''hazardous fuels reduction project'' means an activity, including the use of prescribed fire, to protect structures and communities from wildfire that is carried out on National Forest System land.

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

(7) VEGETATION MANAGEMENT PROJECT.—The term ''vegetation management project'' means an activity carried out on National Forest System land to enhance the ecological integrity and achieve the restoration of a forest ecosystem through—

(A) the removal of vegetation;

(B) the use of prescribed fire;

(C) the restoration of aquatic habitat; or

(D) the decommissioning of an unauthorized, temporary, or system road.

(8) WATER SOURCE MANAGEMENT PLAN.—The term ''water source management plan'' means a plan developed under section 303(d)(1) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542(d)(1)).

(9) WATERSHED PROTECTION AND RESTORATION ACTION PLAN.—The term ''watershed protection and restoration action plan'' means a plan developed under section 304(a)(3) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6543(a)(3)).

(10) WILDLAND-URBAN INTERFACE.—The term ''wildland-urban interface''—

(A) in the case of the lower 48 States, means the areas mapped as the wildland-urban interface in the document entitled ''The Wildland-Urban Interface of the Conterminous United States'', and published by the Department of Agriculture in 2015; and

(B) in the case of the States of Alaska and Hawaii, has the meaning given the term in sec-

tion 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511).

SEC. 11002. NON-FEDERAL LAND FOREST RESTORATION AND FUELS REDUCTION PROJECTS AND RESEARCH.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $9,000,000,000 to award grants to a Tribal, State, or local government, a regional organization, a special district, or a nonprofit organization to support, on non-Federal land, forest restoration and resilience projects, including projects to reduce the risk of wildfires and establish defensible space around structures within at-risk communities;

(2) $1,000,000,000 to award grants to a Tribal, State, or local government, a regional organization, a special district, or a nonprofit organization to implement community wildfire protection plans (as defined in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511)), purchase firefighting equipment, provide firefighter training, and increase the capacity for planning, coordinating,

and monitoring projects on non-Federal land to protect at-risk communities (as defined in section 101 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511));

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

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

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

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

(7) $250,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program a cost share to carry out climate mitigation or forest resilience practices in the case of underserved forest landowners, subject to the condition that subsection (h) of that section shall not apply;

(8) $250,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program grants to support the participation of underserved forest landowners in emerging private markets for climate mitigation or forest resilience, subject to the condition that subsection (h) of that section shall not apply;

(9) $250,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) for providing through that program grants to support the participation of forest landowners who own less than 2,500 acres of forest land in emerging private markets for climate mitigation or forest resilience, subject to the condition that subsection (h) of that section shall not apply;

(10) $500,000,000 for the competitive grant program under section 13A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109a) to provide grants to states and other eligible entities to provide payments to owners of private forest land for implementation of forestry practices on private forest land, that are determined by the Secretary, based on the best available science, to provide measurable increases in carbon sequestration and storage beyond customary practices on comparable land, subject to the conditions that—

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

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

(11) $50,000,000 to carry out the healthy forests reserve program established under section 501 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571);

(12) $50,000,000 for the forest inventory and analysis program established under section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) for collabo-

rative partnerships with the National Association of University Forest Resources Programs;

(13) $50,000,000 for the forest inventory and analysis program established under section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) for activities and tactics to accelerate and expand existing research efforts to improve forest carbon monitoring technologies to better predict changes in forest carbon due to climate change;

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

(15) $50,000,000 for the forest inventory and analysis program established under section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) to provide

enhancements to the technology managed and used by the forest inventory and analysis program, including cloud computing and remote sensing for purposes such as small area estimation;

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

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

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

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

(17) $50,000,000 for the research mission area of the Forest Service to accelerate and expand existing research efforts relating to strategies to increase carbon stocks on National Forest System land;

(18) $50,000,000 for the research mission area of the Forest Service to accelerate and expand existing research efforts relating to the impacts of climate change and weather variability on national forest ecosystems;

(19) $50,000,000 for the research mission area of the Forest Service to accelerate and expand existing research efforts relating to strategies to ensure that national forest ecosystems, including forests, plants, aquatic ecosystems, and wildlife, are able to adapt to climate change and weather variability;

(20) $50,000,000 for the research mission area of the Forest Service to assess the quantity of carbon sequestration and storage accomplished by different forest practices when applied in diverse ecological and geographic settings;

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

(22) $50,000,000 for the Forest Health Monitoring Program of the Forest Service for activities and tactics to reduce the spread of invasive species on non-Federal forested land; and

(23) $2,250,000,000 to be used for staffing, salaries, and other workforce needs and expenses to

support the development of a Civilian Climate Corps for carrying out projects on non-Federal land through the Forest Service State and private forestry mission area and other Department of Agriculture programs, including rural and urban conservation and tree planting projects, subject to the conditions that—

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

(B) members of the Civilian Climate Corps shall be compensated at not less than 200 percent of the annual Federal poverty line.

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

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

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

(3) AUTHORIZATION.—On approval of a written request submitted under paragraph (1), a project may be carried out using amounts made available by this section on the non-Federal land in the State that is the subject of the request.

(c) COST-SHARING REQUIREMENT.—

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

(2) WAIVER.—The cost-sharing requirement under paragraph (1) may be waived, at the discretion of the Secretary, for high priority projects that—

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

(B) are located in counties where the average median household income of the population is less than 150 percent of the poverty line.

SEC. 11003. STATE AND PRIVATE FORESTRY CONSERVATION PROGRAMS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there are appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not

otherwise appropriated, to remain available until September 30, 2031—

(1) $1,250,000,000 to provide competitive grants to eligible entities through the Forest Legacy Program established under section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) to acquire land and interests in land that—

(A) offer significant natural carbon sequestration benefits; or

(B) contribute to the resilience of community infrastructure, local economies, or natural systems;

(2) $3,000,000,000 to provide multi-year, programmatic, competitive grants to a State agency, a local governmental entity, an Indian Tribe, or a nonprofit organization through the Urban and Community Forestry Assistance program established under section 9(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(c)) for tree planting and related activities to increase community tree canopy and associated societal and climate co-benefits, with a priority for projects that increase tree equity; and

(3) $100,000,000 for the acquisition of urban and community forests through the Community Forest and Open Space Program of the Forest Service.

(b) PRIORITY.—In providing grants under this section, the Secretary shall—

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

(A) a census block group in which 30 percent or more of the population lives below the poverty line; and

(B) a neighborhood with lower tree canopy and higher maximum daytime summer temperatures compared to surrounding neighborhoods, as determined by the Secretary, based on publicly available information;

(2) with respect to grants under paragraphs (1) and (2) of subsection (a), give priority to grant applications from underserved populations; and

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

SEC. 11004. LIMITATION.

The funds made available under this subtitle are subject to the condition that the Secretary shall not—

(1) enter into any agreement—

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

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

(2) use any other funds available to the Secretary to satisfy obligations initially made under this subtitle.

Subtitle C—Rural Development and Energy

SEC. 12001. ADDITIONAL SUPPORT FOR THE USDA BUSINESS AND INDUSTRY LOAN PROGRAM.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, and notwithstanding sections 381E through 381H and 381N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d through 2009g and 2009m), $40,000,000, to remain available until September 30, 2031, for the cost of direct loans and loan guarantees for the rural business development programs authorized under section 310B of the Consolidated Farm and Rural Devel-

opment Act and described in subsections (a) and (g) of section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a) and (g)).

SEC. 12002. ADDITIONAL SUPPORT FOR USDA RURAL WATER PROGRAMS.

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

(1) persistent poverty counties or, notwithstanding any population limits specified in the Consolidated Farm and Rural Development Act, a county seat of a persistent poverty county with a population that does not exceed the authorized population limit by more than 10 percent; and

(2) insular areas.

SEC. 12003. SUBSIDY FOR CERTAIN USDA RURAL DEVELOPMENT LOAN PAYMENTS.

(a) APPROPRIATION.—In addition to the amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $390,000,000, to remain available until September 30, 2031, to carry out this section.

(b) USE OF FUNDS.—

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

(2) ADDITIONAL PAYMENTS.—To the extent that amounts made available by subsection (a) remain after making the payments under paragraph (1), the Secretary shall make additional loan payments on a covered loan.

(c) TERMS AND CONDITIONS.—

(1) WAIVER.—The Secretary shall waive statutory limits on maximum loan maturities for any covered loan durations, including those where the lender provides a deferral and extends the maturity of a covered loan during the 1-year period beginning with the date of enactment of this Act.

(2) EXTENSION.—The Secretary shall, when necessary to provide more time because of the potential of higher volumes, travel restrictions, and the inability to access some properties during the COVID-19 pandemic, extend lender site visit requirements to—

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

(B) not more than 90 days after a payment default.

(d) DEFINITION.—In this section, the term ''covered loan'' means—

(1) a business and industry loan made or guaranteed before January 1, 2021, under subsection (a) or (g) of section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a) or (g));

(2) a loan that is made by an intermediary lender before January 1, 2021, to an ultimate recipient using a loan received under section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99–198) or section 310H of the Consoli-

dated Farm and Rural Development Act (7 U.S.C. 1936b); and

(3) a loan that is made by a microenterprise development organization before January 1, 2021, to a microentrepreneur under section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s).

SEC. 12004. RURAL ENERGY SAVINGS PROGRAM.

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

(b) USE OF FUNDS.—

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

(A) applying for a loan received under section 6407(c) of such Act;

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

(C) making repairs to the property of a qualified consumer that facilitate the energy efficiency measures for the property financed through a loan under section 6407(d) of such Act;

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

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

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

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' has the meaning given the term in section 6407(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(b)).

(2) QUALIFIED CONSUMER.—The term ''qualified consumer'' has the meaning given the term in section 6407(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107a(b)).

SEC. 12005. RURAL ENERGY FOR AMERICA PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated, for eligible projects under the Rural Energy for America Program established under section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107)—

(1) $811,750,000 for fiscal year 2022, to remain available until September 30, 2031, and for which there may be no outlays after September 30, 2031; and

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

(b) UNDERUTILIZED RENEWABLE ENERGY TECHNOLOGIES.—In addition to amounts otherwise available, there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated, to provide grants and other financial assistance under the program

described in subsection (a) relating to underutilized renewable energy technologies, and to provide technical assistance for applying to such program, as determined by the Secretary, and to the extent the following amounts remain available at the end of each fiscal year, the Secretary shall use such amounts in accordance with subsection (a)—

(1) $143,250,000 for fiscal year 2022, to remain available until September 30, 2031, and for which there may be no outlays after September 30, 2031; and

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

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

SEC. 12006. BIOFUEL INFRASTRUCTURE AND AGRICULTURE PRODUCT MARKET EXPANSION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not

otherwise appropriated, $960,000,000, to remain available until September 30, 2031, to carry out this section.

(b) USE OF FUNDS.—The Secretary shall use the amounts made available by subsection (a) to provide grants, on a competitive basis, to eligible entities described in subsection (c)—

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

(2) to build and retrofit distribution systems for ethanol blends, traditional and pipeline biodiesel terminal operations (including rail lines), and home heating oil distribution centers or equivalent entities—

(A) to blend biodiesel; and

(B) to carry ethanol and biodiesel.

(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section are transportation fueling facilities and distribution facilities, including fueling stations,

convenience stores, hypermarket retailer fueling stations, fleet facilities, as well as fuel terminal operations, midstream partners, and heating oil distribution facilities or equivalent entities.

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

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

SEC. 12007. CLEAN ENERGY REPOWERING FOR RURAL UTILITIES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $9,700,000,000, to remain available until September 30, 2031, to provide to an eligible entity assistance under paragraphs (1) and (2) by prioritizing such assistance to eligible entities that will achieve the greatest reduction in greenhouse gas emissions using such assistance and that will otherwise aid disadvantaged communities (as determined by the Secretary) when—

(1) making grants and loans (including the cost of loans and modifications thereof as defined in section 502 of the Congressional Budget Act of 1974) to purchase renewable energy or renewable energy systems (as defined in section 9001(15) and (16) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101(15) and (16))), deploy renewable energy systems, or make energy efficiency improvements after the date of enactment of this Act; and

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

(A) facilities with high greenhouse gas emissions; and

(B) related transmission assets.

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

(c) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ''eligible entity'' means—

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

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

SEC. 12008. RURAL PARTNERSHIP PROGRAM.

(a) RURAL PROSPERITY DEVELOPMENT GRANTS.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,500,000,000, to remain available until September 30, 2031, to carry out this subsection to provide grants to support rural development under this subsection.

(2) ALLOCATION OF FUNDS.—

(A) FORMULA.—The Secretary shall establish a formula pursuant to which the Secretary shall allocate, for each State and for Indian Tribes, an amount to be provided under this subsection to eligible applicants described in paragraph (3).

(B) REQUIREMENTS.—

(i) FORMULA.—The formula established under subparagraph (A) shall include a graduated scale for the amount to be allocated under this subsection for eligible applicants in each State and eligible

applicants of Indian Tribes, with higher amounts provided based on lower populations and lower income levels, as determined by the Secretary.

(ii) PRIORITY.—In awarding grants under this subsection to eligible applicants in each State and eligible applicants of Indian Tribes, the Secretary shall give priority to eligible applicants representing a micropolitan statistical area (as defined by the Office of Management and Budget) and 1 or more rural areas contiguous to that micropolitan statistical area.

(3) ELIGIBLE APPLICANTS.—The Secretary may make a grant under this subsection to a partnership no member of which has received a grant under subsection (b) and that—

(A) is composed of—

(i) entities representing a region composed of 1 or more rural areas, including—

(I) except as provided in subparagraph (B), 1 or more of—

(aa) a unit of local government;

(bb) a Tribal government; or

(cc) an authority, agency, or instrumentality of an entity described in item (aa) or (bb); and

(II) a nonprofit or for-profit organization, including a public benefit corporation, an economic development organization, a community or labor organization, an institution of higher education, a community development financial institution, a philanthropic organization, an instrumentality of a State agency relevant to community and rural development, a cooperative extension, an institution in the Farm Credit System, and a local food policy council; and

(ii) such other entities as the Secretary or the partnership may determine to be appropriate;

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

(C) demonstrates, as determined by the Secretary, cooperation among the members of the partnership necessary to complete comprehensive, asset-based rural development to align Federal, State, regional, and Tribal investment, while leveraging nongovernmental resources, to build economic resilience and aid economic recovery, including in communities impacted by economic transitions and climate change.

(4) ELIGIBLE ACTIVITIES.—The use of grant funds provided under this subsection may be used for the following purposes, provided that, where applicable, the performance of any construction work completed with the grant funds shall meet the condition described section 9003(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(f)):

(A) Conducting comprehensive rural development and pre-development activities and planning.

(B) Supporting organizational operating expenses relating to the rural development activities for which the grant was provided.

(C) Implementing planned rural development activities and projects.

(5) TERMS AND CONDITIONS.—

(A) IN GENERAL.—The recipient of a grant under this subsection may not receive an additional grant under this subsection or funding to implement activities pursuant to a rural development plan unless the recipient provides to the Secretary an annual plan and report, which the Secretary has approved, on the use of each grant provided to the recipient under this subsection.

(B) LIMITATION.—Not more than 25 percent of amounts received by a recipient of a grant under this subsection may be used to satisfy a Federal matching requirement of any other program.

(6) MATCHING REQUIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), the recipient of a grant under this subsection shall contribute a non-Federal match of 25 percent of the amount of the grant, which may be satisfied through an in-kind contribution.

(B) WAIVER.—The Secretary may waive any portion of the matching requirement described in subparagraph (A) on a finding that the recipient of the applicable grant is economically distressed.

(b) RURAL PROSPERITY INNOVATION GRANTS.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $370,000,000, to remain available until September 30, 2031, to carry out this subsection.

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

(A) serves rural areas; and

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

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

(A) to support activities of the recipient relating to—

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

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

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

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

(c) DEFINITIONS.—In this section:

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

(2) STATE.—The term ''State'' means—

(A) the 50 States of the United States;

(B) the District of Columbia; and

(C) the insular areas.

SEC. 12009. ADDITIONAL USDA RURAL DEVELOPMENT ADMINISTRATIVE FUNDS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $545,000,000, to remain available until September 30,

2031, for administrative costs and salaries and expenses for the Rural Development mission area and for research, data collection, and other associated costs for section 12008.

Subtitle D—Research and Urban Agriculture

SEC. 13001. DEPARTMENT OF AGRICULTURE RESEARCH FUNDING.

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

(1) to the Agricultural Research Service, $250,000,000 for fiscal year 2022, to carry out agricultural research relating to climate change, including through climate hubs, long-term agroecosystem research, nutrient uses and outcomes, soil carbon data collection, and other related agricultural climate science;

(2) to the Economic Research Service, $45,000,000 for fiscal year 2022, to carry out economic analysis and economic agricultural research relating to climate change;

(3) to the Office of the Chief Economist, $3,200,000 for each of fiscal years 2022 through

2026, to carry out economic analysis and economic agricultural research relating to climate change and environmental services markets;

(4) to the National Agricultural Statistics Service—

(A) $40,000,000 for fiscal year 2022, to carry out data collection and agricultural research relating to climate change; and

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

(5) to the National Institute of Food and Agriculture—

(A) to carry out agricultural education, extension, and research relating to climate change—

(i) through the Agriculture and Food Research Initiative established by subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 3157(b))—

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

(II) $150,000,000 for each of fiscal years 2024 through 2026;

(ii) through the sustainable agriculture research education program established under sections 1619, 1621, 1622, 1628, and 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801, 5811, 5812, 5831, 5832)—

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

(II) $150,000,000 for each of fiscal years 2024 through 2026;

(iii) through the crop protection pest management competitive grant program authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626), $30,000,000 for fiscal year 2022;

(iv) through the Agricultural Genome to Phenome Initiative established under section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7

U.S.C. 5924), $20,000,000 for fiscal year 2022;

(v) through the organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b)—

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

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

(III) $60,000,000 for each of fiscal years 2024 through 2026;

(vi) through the urban, indoor, and other emerging agricultural production research, education, and extension initiative established under section 1672E of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925g), $65,000,000 for fiscal year 2022;

(vii) through the centers of excellence led by 1890 Institutions established under section 1673(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7

U.S.C. 5926(d)), $15,000,000 for fiscal year 2022;

(viii) through the specialty crop research and extension initiative established by section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632)—

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

(II) $60,000,000 for each of fiscal years 2024 through 2026;

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

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

(II) $160,000,000 for each of fiscal years 2024 through 2026;

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

(xi) through the cooperative extension at 1890 Institutions under section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221), $25,200,000 for each of fiscal years 2022 through 2026;

(B) $2,664,500,000 for fiscal year 2022, for grants for construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities, including related building costs associated with compliance with applicable Federal and State law, under section 4 of the Research Facilities Act (7 U.S.C. 390b), subject to the condition that, notwithstanding section 3(c)(2)(A) of that Act (7 U.S.C. 390a(c)(2)(A)), the recipient of a grant provided using those amounts shall not be required to provide any non-Federal share of total funding provided under this subparagraph;

(C) $985,500,000 for fiscal year 2022, for grants to covered institutions for construction, alteration, acquisition, modernization, renovation, or remodeling of agricultural research facilities, including related building costs associated with compliance with applicable Federal

and State law, under section 4 of the Research Facilities Act (7 U.S.C. 390b), subject to the condition that notwithstanding section 3(c)(2)(A) of that Act (7 U.S.C. 390a(c)(2)(A)), the recipient of a grant provided using those amounts shall not be required to provide any non-Federal share of total funding provided under this subparagraph;

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

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

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

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

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

(F) $10,000,000 for each of fiscal years 2022 through 2026, for grants to land-grant

colleges and universities to support Tribal students under section 1450 of that Act (7 U.S.C. 3222e) and for purposes of this subparagraph, section 1450(b)(4) of such Act shall not apply; and

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

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

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

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

(7) to the Foundation for Food and Agriculture Research, to carry out activities relating to climate change in accordance with section 7601 of the Agricultural Act of 2014 (7 U.S.C. 5939), to be considered as provided pursuant to subsection (g)(1)(A) of

that section, and subject to the condition that the Foundation shall not secure funds from any institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) to fulfill the matching funds requirement under section 7601(g)(1)(B)(i) of the Agricultural Act of 2014 (7 U.S.C. 5939(g)(1)(B)(i))—

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

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

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

(9) to the Office of Urban Agriculture and Innovative Production, $62,000,000 for each of fiscal years 2022 and 2023, to carry out activities in accordance with section 222 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6923).

(b) COVERED INSTITUTION DEFINED.—In this section, the term ''covered institution'' means—

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

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

(3) an Alaska Native serving institution or Native Hawaiian serving institution eligible to receive grants under subsections (a) and (b), respectively, of section 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3156);

(4) Hispanic-serving agricultural colleges and universities and Hispanic-serving institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

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

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

(commonly known as the ''First Morrill Act'') (7 U.S.C. 301 et seq.).

SEC. 13002. LIMITATION.

The funds made available under this subtitle are subject to the condition that the Secretary shall not—

(1) enter into any agreement—

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

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

(2) use any other funds available to the Secretary to satisfy obligations initially made under this subtitle.

Subtitle E—Miscellaneous

SEC. 14001. ADDITIONAL SUPPORT FOR USDA OFFICE THE INSPECTOR GENERAL.

In addition to amounts otherwise made available, there is appropriated to the Office of the Inspector General of the Department of Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000 to remain available until September 30, 2031, for audits, investigations, and other oversight activities of projects and activities carried out with funds

made available to the Department of Agriculture under this title.

TITLE II—COMMITTEE ON EDUCATION AND LABOR

Subtitle A—Education Matters

PART 1—ELEMENTARY AND SECONDARY EDUCATION

SEC. 20001. REBUILD AMERICA'S SCHOOLS GRANT PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Department of Education—

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

(2) for each of fiscal years 2023 through 2024, out of any money in the Treasury not otherwise appropriated, $39,643,650,000, to remain available until September 30, 2026, for carrying out this section.

(b) REBUILD AMERICA'S SCHOOLS GRANTS AUTHORIZED.—From funds provided under paragraphs (1) and (2) of subsection (a), the Secretary shall award grants in

fiscal years 2022 through 2024 to State educational agencies in accordance with subsection (c).

(c) REBUILD AMERICA'S SCHOOLS GRANTS.—

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

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

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

(2) ALLOCATIONS TO STATES.—The amount allocated to each State educational agency under paragraph (1) shall be in the same proportion as the amounts distributed to the State under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311) in the most recent fiscal year, relative to the total amount received under such part by all other States receiving an allocation under this section in such fiscal year.

(3) STATE USES OF FUNDS.—A State educational agency that receives an allocation under paragraph (1)—

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

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

(I) the development and publication of a local facilities master plan to address the health, safety, education equity, enrollment diversity, environmental sustainability, and climate resiliency of the public school facilities operated by such agency; and

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

cy to support implementation of the State school facilities database; and

(ii) not more than 20 percent of such allocation to—

(I) develop a State facilities plan that details—

(aa) how the State will use grant funds received under this section and State funds to make improvements to public school facilities of eligible local educational agencies to address disparities in both the financing and expenditures of school facilities capital outlay projects and in the conditions of public school facilities between eligible local educational agencies and other local educational agencies in the State;

(bb) how the State will develop a competitive process to provide subgrants to eligible local educational agencies, including the State's criteria for subgrant eligibility; and

(cc) how the State will, in carrying out the competitive process for subgrants described in item (bb), take into consideration the impact that such subgrants may have on increasing student diversity and decreasing racial and socioeconomic isolation of students attending public elementary or secondary schools improved by such subgrants;

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

(III) provide technical assistance to local educational agencies in carrying out activities described in clause (i) and supports related to the requirements of paragraph (4) for eligible local educational agencies; and

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

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

cational agencies with approved applications described in paragraph (4)(A); and

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

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

(II) provide technical assistance to eligible local educational agencies in the State in carrying out school facilities capital outlay projects, including technical assistance regarding capital construction, energy efficiency, and climate resiliency;

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

(aa) indoor air quality;

(bb) water quality;

(cc) energy and water efficiency;

(dd) renewable energy and decarbonization;

(ee) exposure to toxic substances, including mercury, radon, polychlorinated biphenyls, lead, vapor intrusions, and asbestos;

(ff) climate resiliency;

(gg) emergency preparedness for natural or man-made disasters or emergencies; and

(hh) structural hazards created by pyrrhotite, as determined by an engineer's report and pyrrhotite testing;

(IV) provide professional development opportunities for State and local staff involved in maintenance and operations and school facilities capital outlay projects; and

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

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

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

agency desiring a subgrant under paragraph (3)(B)(i) to submit an application to the State educational agency that, at a minimum, includes—

(i) a certification that the eligible local educational agency shall use subgrant funds for school facilities capital outlay projects that prioritize the improvement of the public school facilities of such agency that serve the highest numbers or percentages of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751), under a method established by the Secretary; and

(ii) such agency's facilities master plan.

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

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

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

(iii) Upgrading or replacing major facilities systems, components, furniture, fixtures, and equipment with a life of not less than 10 years.

(iv) Constructing new public school facilities, including when student enrollment exceeds the physical and instructional capacity of public school facilities.

(v) Purchasing and preparing sites on which public school facilities will be constructed.

(vi) Improving energy and water efficiency in public school facilities, including improvements related to clean energy.

(vii) Reducing or eliminating the presence of health and safety hazards in public school facilities, including—

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

(II) mold or mildew;

(III) rodents and pests; and

(IV) structural hazards created by pyrrhotite.

(viii) Improving instructional or outdoor public school facilities relating to early learning, special education, science, technology, career and technical education, physical education, the arts, literacy (including library programs), or community-based partnerships.

(ix) Improving the public school facilities of magnet schools, or other instructional programs, designed to increase student diversity and decrease racial or socioeconomic isolation.

(x) Supporting independent commissioning and certification of public school facilities, public school facility systems, and school facilities capital outlay projects.

(d) CONDITIONS.—

(1) STATE MATCHING REQUIREMENT.—

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

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

(2) STATE MAINTENANCE OF EFFORT.—

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

(B) WAIVER.—Notwithstanding subparagraph (A), in response to a request from a State, the Secretary may modify or waive, in

whole or in part, the requirement of subparagraph (A) if the Secretary determines that such State demonstrates an exceptional or uncontrollable circumstance, such as a natural disaster, pandemic, or precipitous decline in revenue.

(3) SUPPLEMENT NOT SUPPLANT.—As a condition of receiving an allocation under subsection (c)(1)(B), a State shall use funds received under this section only to supplement the level of State and local public funds that would, in the absence of the receipt of Federal funds under this section, be made available for the State's contribution to school facilities capital outlays, and not to supplant those other funds.

(e) DEFINITIONS.—

(1) ESEA TERMS.—The terms ''elementary school'', ''local educational agency'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—The term ''eligible local educational agency'' means a local educational agency (including a public char-

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

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

(i) the highest numbers or percentages of students counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333(c)); or

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

(B) certifies that any funds received under this section shall be used to prioritize the improvement of public school facilities of public elementary or secondary schools that serve the highest percentages of students who are eligible for a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751), under a method established by the Secretary; and

(C) certifies that any public school facilities improved by funds received under this section are—

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

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

(II) owned or leased from a private entity, except that no individual associated with such private entity may have a financial interest or management role in the local educational agency.

(3) LOCAL FACILITIES MASTER PLAN.—The term ''local facilities master plan'' means a plan of a local educational agency developed under subsection (c)(3)(A)(i)(I) by the local educational agency, in consultation with local stakeholders, which includes an assessment of such agency's public school facilities, financing of school capital project outlays, and student enrollment levels, and other factors determined by the Secretary.

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

a local educational agency's annual operating budget related to—

(A) cleaning, groundskeeping, and preventive and routine maintenance of public school facilities and grounds;

(B) minor repairs and operations of building systems and equipment for public school facilities; and

(C) payments for utilities for public school facilities.

(5) PUBLIC SCHOOL FACILITY.—The term ''public school facility'' means a school facility operated by a local educational agency that is primarily used to educate students, including outdoor facilities and grounds, but does not include—

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

(B) a vehicle; or

(C) a district central office, operation center, or other school facility if it is not primarily used to educate students.

(6) SCHOOL FACILITIES CAPITAL OUTLAY 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.

(10) STATE FACILITIES PLAN.—The term "State facilities plan" means a State's plan developed by the State educational agency, in accordance with subsection (c)(3)(A)(ii)(I) and including plan elements determined by the Secretary, for the purpose of being eligible for an allocation described in subsection (c)(1)(B).

(11) STATE SCHOOL FACILITIES DATABASE.—The term "State school facilities database" means an electronic, publicly available database maintained by the State educational agency that contains an inventory of the infrastructure of all public school facilities in the State, including the data elements determined by the Secretary.

SEC. 20002. OUTLYING AREAS.

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

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

SEC. 20003. IMPACT AID CONSTRUCTION GRANTS.

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

(1) subsection (a)(2)(A) of such section shall be applied by substituting ''20 percent'' for ''50 percent'';

(2) subsection (a)(2)(B) of such section shall be applied by substituting ''20 percent'' for ''50 percent''; and

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

SEC. 20004. BUREAU OF INDIAN EDUCATION.

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

(1) $369,810,000, to remain available until September 30, 2026, for necessary expenses related to construction, repair, improvement, and maintenance of buildings, utilities, and other facilities necessary for the operation of Indian education programs, including architectural and engineering services by contract, acquisition of lands, and interests in lands, of which no more than 3 percent shall be used for administrative costs to carry out this section; and

(2) $41,090,000, to remain available until September 30, 2026, for digital infrastructure to improve access to high-speed broadband sufficient for digital learning and related digital infrastructure activities or programs operated or funded by the Bureau of Indian Education, for Bureau-funded schools (as defined in section 1141(3) of the Education Amendments of 1978 (25 U.S.C. 2021(3))).

SEC. 20005. GALLAUDET UNIVERSITY.

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

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

SEC. 20006. GROW YOUR OWN PROGRAMS.

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

(b) IN GENERAL.—Section 202 of the Higher Education Act of 1965 (20 U.S.C. 1022a) is amended—

(1) in subsection (b)(6)(C), by striking ''subsection (f) or (g)'' and inserting ''subsection (f) or (h)'';

(2) in subsection (c)(1), by inserting ''a Grow Your Own program under subsection (g),'' after ''subsection (e),'';

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

(4) by inserting after subsection (f) the following:

"(g) PARTNERSHIP GRANTS FOR THE ESTABLISHMENT OF 'GROW YOUR OWN' PROGRAMS.—

"(1) IN GENERAL.—An eligible partnership that receives a grant under this section shall carry out an effective 'Grow Your Own' program to address shortages of teachers in high-need subjects, fields, schools, and geographic areas, or shortages of school leaders in high-need schools, and to increase the diversity of qualified individuals entering into the teacher, principal, or other school leader workforce.

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

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

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

"(B) provide opportunities for candidates to practice and develop teaching skills or school leadership skills;

"(C) support candidates as they complete their associate (in furtherance of their baccalaureate), baccalaureate, or master's degree or earn their teaching or school leadership credential;

"(D) work to provide academic, counseling, and programmatic supports to candidates;

"(E) provide academic and nonacademic supports, including advising and financial assistance, to candidates to enter and complete teacher or school leadership preparation programs and to access and complete State licensure exams;

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

"(i) from groups or populations that are underrepresented; and

"(ii) who live in and come from the communities the schools serve;

"(G) evaluate the effectiveness of the program, including, at a minimum, using the data required under section 204(a)(1);

"(H) require candidates to complete all State requirements to become fully certified; and

"(I) provide stipends for candidates to engage in school-based clinical placements.".

SEC. 20007. TEACHER RESIDENCIES.

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

SEC. 20008. SUPPORT SCHOOL PRINCIPALS.

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

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

SEC. 20009. HAWKINS.

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

SEC. 20010. FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION PART D PERSONNEL DEVELOPMENT.

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

PART 2—HIGHER EDUCATION

Subpart A—America's College Promise

SEC. 20021. GRANTS FOR TUITION-FREE COMMUNITY COLLEGE.

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

"PART F—AMERICA'S COLLEGE PROMISE

"Subpart 1—Grants for Tuition-Free Community College

"SEC. 785. GRANT AWARDS.

"(a) IN GENERAL.—Beginning with award year 2023–2024, from amounts appropriated to carry out this subpart for any fiscal year, the Secretary shall award grants to States and eligible Tribal Colleges and Universities to pay the Federal share of expenditures needed to carry out the activities and services described in section 789.

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

"SEC. 786. FEDERAL SHARE; STATE SHARE.

"(a) FEDERAL SHARE.—

"(1) IN GENERAL.—

"(A) AMOUNT.—Subject to paragraph (2), the amount of the Federal share of a grant under this subpart shall be based on a formula that provides, for each eligible student enrolled in a community college operated or controlled by the State or in an eligible Tribal College or University, a per-student amount (based on full-time equivalent enrollment) that is equal to the applicable percent described in subparagraph (B), or the percent described in paragraph (2) with respect to an eligible Tribal College or University, of—

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

"(ii) for each subsequent award year, the amount determined under this paragraph for the preceding award year, increased by the lesser of—

"(I) a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined

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

"(II) 3 percent.

"(B) APPLICABLE PERCENT.—The applicable percent for a State receiving a grant under this subpart shall be—

"(i) for the 2023–2024 award year, 100 percent;

"(ii) for the 2024–2025 award year, 95 percent;

"(iii) for the 2025–2026 award year, 90 percent;

"(iv) for the 2026–2027 award year, 85 percent; and

"(v) for the 2027–2028 award year, 80 percent.

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

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

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

"(B) the amount that is 100 percent of the total amount needed to set tuition and fees to $0 for all eligible students enrolled in such eligible Tribal College or University for the 2021–2022 award year, increased by the percentage increase in the Consumer Price Index (as determined by the Secretary) between July 1, 2021, and the applicable award year, and adjusted to reflect the enrollment in such eligible Tribal College or University for such applicable award year.

"(b) STATE SHARE.—

"(1) FORMULA.—

"(A) IN GENERAL.—The State share of a grant under this subpart for each award year shall be the amount needed to pay the applicable percent described in subparagraph (B) of the median resident community college tuition and fees in all States, not weighted for enrollment, per student (based on full-time equivalent enrollment) determined in accordance with subsection (a)(1)(A)(i) for all eligible students en-

rolled in a community college operated or controlled by the State for such award year.

"(B) APPLICABLE PERCENT.—The applicable percent shall be—

"(i) for the 2023–2024 award year, 0 percent;

"(ii) for the 2024–2025 award year, 5 percent;

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

"(iv) for the 2026–2027 award year, 15 percent; and

"(v) for the 2027–2028 award year, 20 percent.

"(C) OBLIGATION TO PROVIDE SHARE.—The State shall provide the State share even if the State is able to set tuition and fees charged to eligible students attending community colleges operated or controlled by the State to $0 as required by section 788(a) without such State share.

"(D) NO DOUBLE COUNTING FUNDS.—Except with respect to funding described in paragraph (2)(A), no funds that count toward the maintenance of effort requirement under sec-

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

"(E) SPECIAL RULE FOR OUTLYING AREAS AND TERRITORIES.—

"(i) IN GENERAL.—If the Secretary determines that requiring an outlying area or territory to provide a State share in accordance with this subsection would represent a substantial hardship for the outlying area or territory, the Secretary may reduce or waive the State share for such area or territory. If the Secretary so reduces or waives the amount of the State share of an outlying area or territory, the Secretary shall increase the applicable percent used to calculate the Federal share for such area or territory, in proportion to the reduction in the applicable percent used to calculate such State share.

"(ii) DEFINITION.—For the purposes of this subparagraph, the term 'outlying area or territory' means the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Com-

monwealth of the Northern Mariana Islands, and the Freely Associated States.

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

"(A) any financial aid that is provided from State funds to an eligible student and that—

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

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

"(B) any funds provided to community colleges by local governments in such State for the purpose of carrying out this subpart.

"(3) RELATIONSHIP TO MAINTENANCE OF EFFORT.—The inclusion of funds described in paragraph (2) as part of a State's share shall modify the maintenance of effort requirements under section 788(c) in accordance with the provisions of—

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

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

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

"(c) DETERMINING NUMBER OF ELIGIBLE STUDENTS.—

"(1) IN GENERAL.—For purposes of subsections (a) and (b), the Secretary shall, in consultation with the State or eligible Tribal College or University concerned, determine the estimated number of eligible students enrolled in the community colleges operated or controlled by such State or in such eligible Tribal College or University for the applicable award year.

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

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

"(A) in consultation with the State or eligible Tribal College or University concerned, determine the actual number of eligible students enrolled in the community colleges operated or controlled by such State or in such eligible Tribal College or University for the year covered by the grant; and

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

"(d) COMMUNITY COLLEGES OPERATED OR CONTROLLED BY STATE TO INCLUDE COMMUNITY COLLEGES OPERATED OR CONTROLLED BY LOCAL GOVERNMENTS WITHIN THE STATE.—For purposes of this subpart, the term 'community college operated or controlled by a State' shall include a community college operated or controlled by a local government within such State.

"(e) INAPPLICABILITY OF STATE REQUIREMENTS TO ELIGIBLE TCUS.—The Secretary may not apply any requirements applicable only to States under this subpart to an eligible Tribal College or University, including the requirements under subsection (b), section 788(b) and (c), and section 790.

"SEC. 787. APPLICATIONS.

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

"(1) an estimate of the number of eligible students enrolled in the community colleges operated or controlled by the State or in the eligible Tribal College or University and the cost of waiving tuition and fees for all eligible students for each award year covered by the grant;

"(2) in the case of a State, a list of each of the community colleges operated or controlled by the State;

"(3) an assurance that each community college operated or controlled by the State, or the eligible Tribal College or University, as applicable, will set community college tuition and fees for eligible students to $0 as required by section 788(a);

"(4) a description of how the State or eligible Tribal College or University will ensure that programs leading to a recognized postsecondary credential meet the quality criteria established by the State under section 122(b)(1) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(b)(1)) or other quality criteria determined appropriate by the State or eligible Tribal College or University;

"(5) an assurance that each community college operated or controlled by the State or the eligible Tribal College or University, as applicable, has entered into a program participation agreement under section 487;

"(6) an assurance that the State or eligible Tribal College or University will assist eligible students in obtaining information about and accessing means-tested Federal benefit programs and similar State, tribal, and local benefit programs that can provide financial assistance for any component of the student's cost of attendance, as defined under section 472, other than tuition and fees;

"(7) an assurance that, for each year of the grant, the State or eligible Tribal College or University will notify each eligible student of the student's

remaining eligibility for assistance under this subpart;

"(8) if the application is submitted by a State—

"(A) an assurance that the State will meet the requirements of section 788(b)(1) relating to the alignment of secondary and postsecondary education; and

"(B) an assurance that the State will meet the requirements of section 788(b)(2) relating to the improvement of transfer pathways between institutions of higher education; and

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

"(A) plans to implement the program funded under this subpart; and

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

"SEC. 788. PROGRAM REQUIREMENTS.

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

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

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

''(3) not use any funds provided under this subpart for administrative purposes relating to such grant.

''(b) STATE REQUIREMENTS.—In addition to the requirements under subsection (a), as a condition of receiving a grant under this subpart a State shall meet the following requirements:

''(1) ALIGNMENT OF SECONDARY AND HIGHER EDUCATION.—The State shall—

''(A) submit and implement a plan to align the requirements for receiving a regular high school diploma from public schools in the State with the requirements for entering credit-bearing coursework at community colleges in such State; and

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

"(2) TRANSFER PATHWAYS.—The State shall—

"(A) submit a plan, developed in collaboration with faculty from institutions of higher education in the State, to improve transfer pathways among institutions of higher education in the State, including by—

"(i) ensuring that associate degrees awarded by community colleges in the State are fully transferable to, and credited as, the first 2 years of related baccalaureate programs at public institutions of higher education in such State;

"(ii) increasing the transferability of individual courses within the certificate or associate programs offered by community colleges in the State to related baccalaureate programs offered by institutions of higher education in such State to maximize the transferability of credits for students who transfer before completing an associate degree;

"(iii) expanding the use of reverse transfer policies that allow institutions to—

"(I) implement the process of retroactively granting a certificate or associate degree to students who had not completed the requirements for such certificate or degree before they transferred; and

"(II) allow academic credits for coursework completed at a 4-year institution to be applied to a previously-attended community college for the purpose of obtaining an associate degree or a certificate; and

"(iv) ensuring that students attending community colleges in the State have access to comprehensive counseling and supports to facilitate the process of transferring to a 4-year institution of higher education; and

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

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

"(c) STATE MAINTENANCE OF EFFORT.—A State receiving a grant under this subpart shall be entitled to receive its full allotment of funds under this subpart for a fiscal year only if, for each year of the grant, the State provides—

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

"(2) financial support for operating expenses (excluding capital expenses and research and development costs) for public 4-year institutions of higher education at a level equal to or exceeding the average amount provided for the 3 consecutive preceding State fiscal years; and

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

"(d) NO ADDITIONAL ELIGIBILITY REQUIREMENTS.—A State or eligible Tribal College or University

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

"(e) ELIGIBILITY FOR BENEFITS.—No individual shall be determined to be ineligible to receive benefits provided under this subpart (including tuition and fees set to $0 and other aid provided under this subpart) on the basis of citizenship, alienage, or immigration status.

"SEC. 789. ALLOWABLE USES OF FUNDS.

"(a) IN GENERAL.—Except as provided in subsection (b)—

"(1) a State shall use a grant under this subpart only to provide funds to each community college operated or controlled by the State to enable each such community college to set community college tuition and fees for eligible students to $0 as required under section 788(a); and

"(2) an eligible Tribal College or University shall use a grant under this subpart only to set community college tuition and fees for eligible students to $0 as required under section 788(a).

"(b) ADDITIONAL USES.—If a State or an eligible Tribal College or University demonstrates to the Secretary that the State or eligible Tribal College or University has 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) IN GENERAL.—Except as provided in paragraph (2), a State or an eligible Tribal College or University receiving a grant under this subpart for an award year may continue to receive funding under this subpart for subsequent award years conditioned on the availability of budget authority and on meeting the requirements of the grant, as determined by the Secretary.

"(2) DISCONTINUATION.—The Secretary shall discontinue or reduce funding of the Federal share of a grant under this subpart if the State or an eligible Tribal College or University has violated the terms of the grant.

"(e) RULE OF CONSTRUCTION REGARDING BIE FUNDS.—Nothing in this subpart shall be construed to impact the availability of funds from, or uses of funds provided by, the Bureau of Indian Education for Tribal Colleges and Universities.

"SEC. 790. AUTOMATIC STABILIZERS FOR AMERICA'S COLLEGE PROMISE.

"(a) MAINTENANCE OF EFFORT RELIEF.—A State that meets the qualifying spending requirement may request a waiver of the requirements under section 788(c). Upon request by such a State, the Secretary shall waive the requirements of section 788(c) for the State as follows:

"(1) TIER I.—With respect to each State eligible for relief under tier I, such requirements shall be waived for the fiscal year succeeding the fiscal year for which the determination of the State's eligibility for such relief is made.

"(2) TIERS II THROUGH V.—With respect to each State eligible for relief under tier II, III, IV, or V, such requirements shall be waived, in accordance with subsection (d), for—

"(A) the fiscal year for which the determination of the State's eligibility for such relief is made;

"(B) the fiscal year succeeding the fiscal year described in subparagraph (A); or

"(C) both such fiscal years.

"(b) STATE SHARE RELIEF.—

"(1) STATE SHARE RELIEF.—A State that meets the qualifying spending requirement and is eligible for relief under tier II, III, IV, or V may request relief with respect to the requirements of section 786(b)(1)(B). Upon request by such a State, the Secretary shall provide relief from the requirements of section 786(b)(1)(B), for the applicable award year or years, for the State as follows:

"(A) TIER II.—With respect to a State that is eligible for relief under tier II, the Secretary shall—

"(i) apply section 786(a)(1)(B)(v) by substituting '85 percent' for '80 percent'; and

"(ii) apply section 786(b)(1)(B)(v) by substituting '15 percent' for '20 percent'.

"(B) TIER III.—With respect to a State that is eligible for relief under tier III, the Secretary shall—

"(i) apply section 786(a)(1)(B)(iv) by substituting '90 percent' for '85 percent';

"(ii) apply section 786(a)(1)(B)(v) by substituting '90 percent' for '80 percent';

"(iii) apply section 786(b)(1)(B)(iv) by substituting '10 percent' for '15 percent'; and

"(iv) apply section 786(b)(1)(B)(v) by substituting '10 percent' for '20 percent'.

"(C) TIER IV.—With respect to a State that is eligible for relief under tier IV, the Secretary shall—

"(i) apply section 786(a)(1)(B)(iii) by substituting '95 percent' for '90 percent';

"(ii) apply section 786(a)(1)(B)(iv) by substituting '95 percent' for '85 percent';

"(iii) apply section 786(a)(1)(B)(v) by substituting '95 percent' for '80 percent';

"(iv) apply section 786(b)(1)(B)(iii) by substituting '5 percent' for '10 percent';

"(v) apply section 786(b)(1)(B)(iv) by substituting '5 percent' for '15 percent'; and

"(vi) apply section 786(b)(1)(B)(v) by substituting '5 percent' for '20 percent'.

"(D) TIER V.—With respect to a State that is eligible for relief under tier V, the Secretary shall—

"(i) apply section 786(a)(1)(B)(ii) by substituting '100 percent' for '95 percent';

"(ii) apply section 786(a)(1)(B)(iii) by substituting '100 percent' for '90 percent';

"(iii) apply section 786(a)(1)(B)(iv) by substituting '100 percent' for '85 percent';

"(iv) apply section 786(a)(1)(B)(v) by substituting '100 percent' for '80 percent';

"(v) apply section 786(b)(1)(B)(ii) by 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

"(B) the State is not eligible for relief under any other tier.

"(2) TIER II.—A State shall be eligible for relief under tier II for a fiscal or award year, as applicable, for which—

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

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

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

"(3) TIER III.—A State shall be eligible for relief under tier III for a fiscal or award year, as applicable, for which—

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

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

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

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

"(4) TIER IV.—A State shall be eligible for relief under tier IV for a fiscal or award year, as applicable, for which—

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

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

"(B) the State is not eligible for relief under tier V.

"(5) TIER V.—A State shall be eligible for relief under tier V for a fiscal or award year, as applicable, for which—

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

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

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

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

"(A) if the State requests such relief for the fiscal year for which the determination of the State's eligibility for such relief is made, the amount by which the State is unable to meet the requirements of section 788(c) for such fiscal year; and

"(B) if the State requests such relief for the fiscal year succeeding the year described in subparagraph (A), the amount by which the State anticipates being unable to meet such requirements for such succeeding fiscal year.

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

"(A) if the State requests such relief for the award year for which the determination of the State's eligibility for such relief is made, the extent to which the State is unable to meet the requirements of section 786(b)(1)(B) for such award year; and

"(B) if the State requests such relief for the award year succeeding the year described in subparagraph (A), the extent to which the State anticipates being unable to meet such requirements for such succeeding award year.

"(3) The actual or anticipated timing, severity, and duration of the unemployment rate increase during—

"(A) the fiscal or award year, as applicable, for which the determination of the State's eligibility for such relief is made;

"(B) the fiscal or award year, as applicable, succeeding the fiscal or award year described in subparagraph (A); and

"(C) the fiscal or award year, as applicable, preceding the fiscal or award year described in subparagraph (A).

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

"(e) CONTINUED PAYMENT TO EMPLOYEES.—A State that receives relief under subsection (a) or (b) shall, to the greatest extent practicable, continue to pay its employees of, and contractors with, public institutions of higher education in the State during the period in which the State is receiving such relief.

"(f) DEFINITIONS.—In this section:

"(1) ELEVATED UNEMPLOYMENT PERIOD.—The term 'elevated unemployment period'—

"(A) when used with respect to the Nation as a whole, means a consecutive, 3-month period in a fiscal year for which the national average unemployment rate is not less than 0.5 percentage points above the lowest national average unemployment rate for the 12-month period preceding such 3-month period; and

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

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

"(2) QUALIFYING SPENDING REQUIREMENT.—The term 'qualifying spending requirement', when used with respect to determining whether a State has met such requirement, means the State has not disproportionately decreased spending for any of the categories described in paragraphs (1) through (3) of section 788(c) relative to such State's overall decrease in spending averaged over the 3 consecutive preceding fiscal years.

"(3) NATIONAL AVERAGE UNEMPLOYMENT RATE.—The term 'national average unemployment rate' means the average (seasonally adjusted) rate of total unemployment in all States for a consecutive, 3-month period in a fiscal year, based on data from the Bureau of Labor Statistics of the Department of Labor.

"(4) STATE AVERAGE UNEMPLOYMENT RATE.—The term 'State average unemployment rate' means the average (seasonally adjusted) rate of total unemployment in a State for a consecutive, 3-month period in a fiscal year, based on data from the Bureau of Labor Statistics of the Department of Labor.

"SEC. 791. DEFINITIONS.

"In this subpart:

"(1) CAREER PATHWAY.—The term 'career pathway' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

"(2) COMMUNITY COLLEGE.—The term 'community college' means—

"(A) a degree-granting public institution of higher education at which—

"(i) the highest degree awarded is an associate degree; or

"(ii) an associate degree is the predominant degree awarded;

"(B) an eligible Tribal College or University;

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

"(i) the highest degree awarded is an associate degree; or

"(ii) an associate degree is the predominant degree awarded; or

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

under subparagraph (A) or (C), a college or similarly defined and structured academic entity—

"(i) that was in existence on July 1, 2021;

"(ii) within a 4-year public institution of higher education; and

"(iii) at which—

"(I) the highest degree awarded is an associate degree; or

"(II) an associate degree is the predominant degree awarded.

"(3) DUAL OR CONCURRENT ENROLLMENT PROGRAM.—The term 'dual or concurrent enrollment program' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

"(4) EARLY COLLEGE HIGH SCHOOL.—The term 'early college high school' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

"(5) ELIGIBLE STUDENT.—The term 'eligible student' means a student who—

"(A) is enrolled as an undergraduate student in an eligible program (as defined in sec-

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

"(B) in the case of a student who is enrolled in a community college that charges different tuition rates on the basis of in-State or in-district residency, either—

"(i) qualifies for in-State or in-district resident tuition at such community college; or

"(ii) would qualify for such in-State or in-district resident tuition at such community college, but for the immigration status of such student;

"(C) has not been enrolled (whether full-time or less than full-time) for more than 6 semesters (or the equivalent) for which the community college tuition and fees of the student were set to $0 pursuant to section 788(a);

"(D) is not enrolled in a dual or concurrent enrollment program or early college high school; and

"(E) in the case of a student who is a United States citizen, has filed a Free Application for Federal Student Aid described in sec-

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

"(6) ELIGIBLE TRIBAL COLLEGE OR UNIVERSITY.—The term 'eligible Tribal College or University' means—

"(A) a 2-year Tribal College or University; or

"(B) a degree-granting Tribal College or University—

"(i) at which the highest degree awarded is an associate degree; or

"(ii) an associate degree is the predominant degree awarded.

"(7) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101.

"(8) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—The term 'means-tested Federal benefit program' has the meaning given the term in section 479.

"(9) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 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

colleges operated or controlled by such State for operating expenses (excluding capital expenses and research and development costs) shall be included in the calculation of the State fiscal support for higher education for such award year under clause (i).

"(B) EXCLUSIONS.—State fiscal support for higher education for a State for a fiscal year shall not include—

"(i) funds described in subparagraph (A) that are returned to the State;

"(ii) State-appropriated funds derived from Federal sources, including funds provided under section 786(a) and section 795A(a)(2);

"(iii) funds that are included in the State share under section 786(b), including funds included in the State share in accordance with paragraph (2)(A) of such section;

"(iv) amounts that are portions of multiyear appropriations to be distributed over multiple years that are not to be spent for the year for which the calculation

under this paragraph is being made, subject to subparagraph (C);

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

"(vi) funds for—

"(I) financial aid to students attending, or operating expenses of—

"(aa) out-of-State institutions of higher education;

"(bb) proprietary institutions of higher education (as defined in section 102(b));

"(cc) institutions of higher education not accredited by an agency or association recognized by the Secretary pursuant to section 496;

"(II) financial aid to students awarded predominantly on the basis of merit, including programs awarded on the basis of predicted or actual academic performance or assessments;

"(III) research and development; or

"(IV) hospitals, athletics, or other auxiliary enterprises;

"(vii) corporate or other private donations directed to one or more institutions of higher education permitted to be expended by the State; or

"(viii) any other funds that the Secretary determines shall not be included in the calculation of State fiscal support for higher education for such State.

"(C) ADJUSTMENTS FOR BIENNIAL APPROPRIATIONS.—The Secretary shall take into consideration any adjustments to the calculations under this paragraph that may be required to accurately reflect State fiscal support for higher education in States with biennial appropriation cycles.

"(11) STATE FISCAL SUPPORT FOR HIGHER EDUCATION PER FULL-TIME EQUIVALENT STUDENT.—The term 'State fiscal support for higher education per full-time equivalent student', when used with respect to a State for a fiscal year, means the amount that is equal to—

"(A) the State fiscal support for higher education for the previous fiscal year; divided by

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

"(12) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning given such term in section 316(b)(3).

"SEC. 792. SUNSET.

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

"(b) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section 422 of the General Education Provisions Act (20 U.S.C. 1226a) shall not apply to this subpart.

"SEC. 793. APPROPRIATION.

"In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, to remain available until September 30, 2030, for carrying out this subpart.".

SEC. 20022. RETENTION AND COMPLETION GRANTS.

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

"Subpart 2—Retention and Completion Grants

"SEC. 795. RETENTION AND COMPLETION GRANTS.

''Beginning with award year 2023–2024, from amounts appropriated to carry out this subpart for any fiscal year, the Secretary shall carry out a grant program to make grants (which shall be known as 'retention and completion grants') to eligible States and Tribal Colleges and Universities to enable the eligible States and Tribal Colleges and Universities to carry out the activities described in section 795D.

"SEC. 795A. GRANT AMOUNTS.

''(a) RESERVATION.—From the amounts appropriated to carry out this subpart, the Secretary shall—

''(1) reserve an amount equal to 3 percent of such amounts to allocate grants to Tribal Colleges and Universities, which shall be distributed according to the formula in section 316(d)(3)(B), to carry out the activities described in section 795D(b)(1) and implement reforms or practices that meet an evidence tier defined in section 795E(2); and

''(2) use the amount remaining after the allocation under paragraph (1) to award competitive

grants to eligible States that have submitted applications under section 795B.

"(b) SUPPLEMENT, NOT SUPPLANT.—Grant funds awarded under this subpart shall be used to supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise be expended to carry out activities assisted under this subpart.

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

"SEC. 795B. APPLICATIONS.

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

"(1) a description of—

"(A) how the eligible State will use the funds to implement evidence-based institutional reforms or practices at institutions of higher education in such State to improve student outcomes and meet the requirements of section 795D(b)(2), including—

"(i) how such eligible State will use grant funds to implement 1 or more reforms or practices described in section 795D(b)(1) at such institutions;

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

"(iii) annual implementation benchmarks that the eligible State will use to track progress in implementing such reforms or practices;

"(B) how such eligible State will increase support for the public institutions of higher education identified in accordance with paragraph (2)(B); and

"(C) the improvements the eligible State anticipates in student outcomes, including improvements in retention, completion, or transfer rates or labor market outcomes, or a combination of such student outcomes, disaggregated by student demographics including, at a minimum, race, ethnicity, income, disability status, remediation, and status as a first generation college student;

"(2)(A) with respect to each State public institution of higher education—

"(i) the total per-student funding;

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

"(iii) the share of students at the institution who are students of color, low-income students, students with disabilities, students in need of remediation, or first generation college students; and

"(B) an identification of public institutions of higher education in the eligible State that received less funding on a per-student basis as described in clause (i) or (ii), or both, of subparagraph (A), and are serving disproportionately high shares of students of color, low-income students, students with disabilities, students in need of remediation, or first generation college students;

"(3) a description of the steps the eligible State will take to ensure the sustainability of the institutional reforms or practices identified in paragraph (1)(A); and

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

tion, transfer, and completion rates and labor market outcomes.

"(b) PRIORITIES.—In awarding funds under this subpart, the Secretary shall give priority to eligible States that do one or more of the following:

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

"(2) Propose to use a significant share of grant funds to improve retention, transfer, and completion rates and labor market outcomes among students of color, low-income students, students with disabilities, students in need of remediation, first generation college students, and other underserved student populations in such State.

"(3) Propose to use a significant share of grant funds to improve retention, transfer, and completion rates and labor market outcomes among students attending institutions identified in subsection (a)(2)(B).

"(4) Demonstrate a commitment to supporting activities funded under this subpart with non-Federal funds.

"SEC. 795C. PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—As a condition of continuing to receive funds under this subpart, for each year in which an eligible State participates in the program under this subpart, the eligible State shall submit to the Secretary the eligible State's progress—

"(1) in meeting the annual implementation benchmarks included in the application of such eligible State under section 795B(a)(1)(A)(iii);

"(2) in increasing funding for the public institutions of higher education identified in accordance with section 795B(a)(2)(B), as included in the application of such eligible State under section 795B(a)(1)(B); and

"(3) in improving the student outcomes identified by the State under section 795B(a)(1)(C).

"(b) ELIGIBILITY FOR BENEFITS.—No individual shall be determined to be ineligible to receive benefits provided under this subpart (including services and other aid provided under this subpart) on the basis of citizenship, alienage, or immigration status.

"SEC. 795D. USES OF FUNDS.

"(a) GENERAL REQUIREMENT FOR STATES.—Except as provided in subsection (c), an eligible State shall use 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

programs, and pathways to graduate and professional degree programs, and reforming course scheduling and credit awarding policies.

"(E) Reforming remedial and developmental education.

"(F) Utilizing career pathways, including through building capacity for career and technical education as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302), programs of study as defined in such section, or degree pathways.

"(G) Improving transfer pathways between community colleges and four-year institutions of higher education in the eligible State, or, in the case of a Tribal College or University, between the Tribal College or University and other institutions of higher education.

"(2) STATE ALLOCATION MINIMUMS WITH RESPECT TO EVIDENCE TIERS.—An eligible State receiving a grant under this subpart shall use not less than 30 percent of the grant funds for evidence-based reforms or practices that meet an evidence tier defined in section 795E(2), of which at least

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

"(c) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—An eligible State or Tribal College or University that receives a grant under this subpart may use—

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

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

"SEC. 795E. DEFINITIONS.

"In this subpart:

"(1) ELIGIBLE STATE.—The term 'eligible State' means a State that is a recipient of a grant under subpart 1.

"(2) EVIDENCE TIERS.—

"(A) EVIDENCE TIER 1.—The term 'evidence tier 1', when used with respect to a reform or practice, means a reform or practice that meets the criteria for receiving an expansion grant from the education innovation and research program under section 4611 of the Elementary and Secondary Education Act of 1965

(20 U.S.C. 7261), as determined by the Secretary in accordance with such section.

"(B) EVIDENCE TIER 2.—The term 'evidence tier 2', when used with respect to a reform or practice, means a reform that meets the criteria for receiving a mid-phase grant from the education innovation and research program under section 4611 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7261), as determined by the Secretary in accordance with such section.

"(3) FIRST GENERATION COLLEGE STUDENT.—The term 'first generation college student' has the meaning given the term in section 402A(h).

"(4) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101.

"(5) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning given the term in section 316(b)(3).

"SEC. 795F. SUNSET.

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

"(b) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section 422 of the General Education Provisions Act (20 U.S.C. 1226a) shall not apply to this subpart.

"SEC. 795G. APPROPRIATION.

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

SEC. 20023. TUITION ASSISTANCE FOR STUDENTS AT HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, TRIBAL COLLEGES AND UNIVERSITIES, AND MINORITY-SERVING INSTITUTIONS.

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

"Subpart 3—Tuition Assistance for Students at Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-serving Institutions

"SEC. 796. TUITION ASSISTANCE FOR HISTORICALLY BLACK COLLEGES AND UNIVERSITIES.

''Beginning with award year 2023–2024, from amounts appropriated to carry out this subpart for any fiscal year, the Secretary shall award grants to participating historically Black colleges and universities that are eligible institutions.

"SEC. 796A. TUITION ASSISTANCE FOR TRIBAL COLLEGES AND UNIVERSITIES.

''Beginning with award year 2023–2024, from amounts appropriated to carry out this subpart for any fiscal year, the Secretary shall award grants to participating Tribal Colleges and Universities that are eligible institutions.

"SEC. 796B. TUITION ASSISTANCE FOR ALASKA NATIVE-SERVING INSTITUTIONS, ASIAN AMERICAN AND NATIVE AMERICAN PACIFIC ISLANDER-SERVING INSTITUTIONS, HISPANIC-SERVING INSTITUTIONS, NATIVE AMERICAN-SERVING NONTRIBAL INSTITUTIONS, NATIVE HAWAIIAN-SERVING INSTITUTIONS, AND PREDOMINANTLY BLACK INSTITUTIONS.

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

"(b) STATUS OF INSTITUTION.—An institution's status as an eligible institution described in subsection (a) shall—

"(1) be based on the most recent data available; and

"(2) be reviewed annually to ensure that the institution continues to meet the requirements for status as an institution described in subsection (a).

"SEC. 796C. GRANT TERMS.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—For each year for which an eligible institution participates in the grant program under this subpart, such eligible institution shall receive a grant in an amount equal to the product of—

"(A) the number of eligible students enrolled at the institution for such year; and

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

"(ii) for the 2024–2025 award year and each subsequent award year, the amount determined under this subparagraph for the preceding award year, increased by the lesser of—

"(I) a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) since the date of such determination; or

"(II) 3 percent.

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

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

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

"(4) DATA ADJUSTMENTS.—

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

"(i) provides the necessary eligible student enrollment data at the start of the award year; and

"(ii) initially receives grant funds, as calculated under this subsection, based on such data.

"(B) ADJUSTMENT OF GRANT AMOUNT.—For each year for which an eligible institution receives a grant under this subpart, the Secretary shall, once final enrollment data for such year are available—

"(i) in consultation with the eligible institution concerned, determine the actual number of eligible students for the year covered by the grant; and

"(ii) adjust the grant amount received by the eligible institution to reflect the actual number of eligible students, which may include applying the relevant adjustment to such grant amount in the subsequent award year.

"(b) DUPLICATE GRANTS PROHIBITED.—An institution shall not receive more than one grant at a time under this subpart.

"(c) APPLICATION.—An eligible institution that desires a grant under this subpart shall submit an application to the Secretary that includes—

"(1) an assurance that the institution commits to maintaining, expanding, or adopting and implementing evidence-based institutional reforms or practices to improve student outcomes, which shall

include one or more of the practices described in section 795D(b)(1); and

"(2) in the case of an eligible institution that enrolls students who transfer from another institution, an assurance that the institution—

"(A) commits to increasing the transferability of individual courses within certificate or associate programs offered by community colleges in the State to related baccalaureate programs offered by such institution to maximize the transferability of credits for students who transfer before completing an associate degree;

"(B) will ensure that students attending community colleges in the State have access to comprehensive counseling and other easily accessible tools regarding the process for transferring to such institution; and

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

"(d) USE OF FUNDS.—

"(1) REQUIRED USE.—Funds awarded under this subpart to a participating eligible institution shall be used to reduce tuition and fees for eligible students by an amount that is not less than the minimum per-student amount described in paragraph (2), unless the actual cost of tuition and fees at such institution is not more than such per-student amount, in which case such institution shall use such funds to waive all such tuition and fees charged to such students and use any remaining funds in accordance with paragraph (3).

"(2) MINIMUM PER-STUDENT AMOUNT.—The minimum per-student amount described in this paragraph shall be equal to—

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

"(B) for the 2024–2025 award year and each subsequent award year, the amount determined under this paragraph for the preceding award year, increased by the lesser of—

"(i) a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) since the date of such determination; or

"(ii) 3 percent.

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

"(e) SUPPLEMENT, NOT SUPPLANT.—Funds made available to carry out this subpart shall be used to supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise be expended to carry out activities under this subpart.

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

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

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

"(3) COST OF ATTENDANCE.—The term 'cost of attendance' has the meaning given such term in section 472.

"(4) ELIGIBLE INSTITUTION.—

"(A) IN GENERAL.—The term 'eligible institution' means a public or nonprofit 4-year institution of higher education that has an undergraduate student body of which not less than 35 percent are low-income students.

"(B) CONTINUING ELIGIBILITY.—The Secretary's determination of whether an institution meets the requirement under subparagraph (A) shall be based on the most recent data available, and shall be reviewed annually to ensure that the institution continues to meet the requirements for participation.

"(5) ELIGIBLE STUDENT.—

"(A) IN GENERAL.—The term 'eligible student' means a student, regardless of age, who—

"(i) is enrolled as an undergraduate student in an eligible program (as defined in section 481(b)) at a participating eligi-

ble institution, on at least a half-time basis;

"(ii) is a low-income student;

"(iii) has been enrolled at such participating eligible institution under this subpart for not more than 60 credits, subject to section 796C(f);

"(iv) has not been enrolled (whether full-time or less than full-time) for more than 6 semesters (or the equivalent) for which the student received a benefit under this subpart;

"(v) is not enrolled in a dual or concurrent enrollment program or early college high school;

"(vi) has not completed an undergraduate baccalaureate course of study; and

"(vii) in the case of a student who is a United States citizen, has filed a Free Application for Federal Student Aid described in section 483 for the applicable award year for which the student is enrolled.

"(B) CONTINUED ELIGIBILITY.—In the case of an eligible student who receives assistance under this subpart and attends an institution that loses status as an eligible institution or as an institution described in section 796B(a), the student may continue to receive such assistance for the period for which the student would have been eligible if the institution at which they are enrolled had retained such status.

"(6) HISPANIC-SERVING INSTITUTION.—The term 'Hispanic-serving institution' has the meaning given such term in section 502.

"(7) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term 'historically Black college or university' means a part B institution as defined in section 322.

"(8) LOW-INCOME STUDENT.—The term 'low-income student' means a student who meets the financial eligibility criteria for receiving a Federal Pell Grant under section 401, regardless of whether such student is otherwise eligible to receive such Federal Pell Grant.

"(9) NATIVE AMERICAN-SERVING NONTRIBAL INSTITUTION.—The term 'Native American-serving

nontribal institution' has the meaning given such term in section 319.

"(10) NATIVE HAWAIIAN-SERVING INSTITUTION.—The term 'Native Hawaiian-serving institution' has the meaning given such term in section 317(b).

"(11) PREDOMINANTLY BLACK INSTITUTION.—The term 'Predominantly Black institution' has the meaning given such term in section 371(c).

"(12) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning given such term in section 316(b)(3).

"SEC. 796E. SUNSET.

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

"(b) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section 422 of the General Education Provisions Act (20 U.S.C. 1226a) shall not apply to this subpart.

"SEC. 796F. APPROPRIATION.

"In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, such sums as

may be necessary, to remain available until September 30, 2030, for carrying out this subpart.''.

SEC. 20024. NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS, AND GUAM COLLEGE ACCESS.

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

''SEC. 798. NORTHERN MARIANA ISLANDS, AMERICAN SAMOA, UNITED STATES VIRGIN ISLANDS, AND GUAM COLLEGE ACCESS GRANTS.

''(a) GRANTS.—

''(1) GRANT AMOUNTS.—

''(A) IN GENERAL.—Beginning with award year 2023–2024, from amounts appropriated to carry out this section, the Secretary shall provide such sums as may be necessary to the Governors of each outlying area for such Governors to award grants to eligible institutions that enroll eligible students to pay the difference between the tuition and fees charged for in-State students and the tuition and fees charged for out-of-State students on behalf of each eligible student enrolled in the eligible institution.

"(B) MAXIMUM STUDENT AMOUNTS.—The amount paid on behalf of an eligible student under this section shall be—

"(i) not more than $15,000 for any one award year (as defined in section 481); and

"(ii) not more than $75,000 in the aggregate.

"(C) PRORATION.—The Governor shall prorate payments under this section with respect to eligible students who attend an eligible institution on less than a full-time basis.

"(2) APPLICATION.—Each eligible student desiring a payment under this section shall submit an application to the eligible institution at which such student is enrolled or plans to enroll.

"(3) ELIGIBILITY FOR BENEFITS.—No individual shall be determined to be ineligible to receive benefits provided under this subpart (including tuition payments and other aid provided under this subpart) on the basis of citizenship, alienage, or immigration status.

"(b) ADMINISTRATION OF PROGRAM.—

"(1) IN GENERAL.—Each Governor shall carry out the program under this section in consultation

with the Secretary. Each Governor may enter into a grant, contract, or cooperative agreement with another public or private entity to administer the program under this section.

"(2) MEMORANDUM OF AGREEMENT.—Each Governor and the Secretary shall enter into a memorandum of agreement that describes—

"(A) the manner in which the Governor will consult with the Secretary with respect to administering the program under this section; and

"(B) any technical or other assistance to be provided to the Governor by the Secretary for purposes of administering the program under this section (which may include access to the information in the Free Application for Federal Student Aid described in section 483).

"(3) CONSTRUCTION.—Nothing in this section shall be construed to require an institution of higher education to alter the institution's admissions policies or standards in any manner to enable an eligible student to enroll in the institution.

"(4) GRANT AUTHORITY.—The authority to make grants under this section shall expire at the 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

would be provided to eligible students from outlying areas.

"(2) ELIGIBLE STUDENT.—The term 'eligible student' means an individual who—

"(A) was domiciled in an outlying area for not less than 12 consecutive months preceding the commencement of the freshman year at an institution of higher education;

"(B) has not completed an undergraduate baccalaureate course of study;

"(C) begins the individual's course of study at an eligible institution within 3 calendar years (excluding any period of service on active duty in the Armed Forces or service under the Peace Corps Act (22 U.S.C. 2501 et seq.) or subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)) of—

"(i) graduation from secondary school, or obtaining the recognized equivalent of a secondary school diploma; or

"(ii) transfer from an institution of higher education located in an outlying area (including transfer following the com-

pletion of an associate degree or certificate at such institution); and

"(D) is enrolled or accepted for enrollment, on at least a half-time basis, in a baccalaureate degree or other program (including a program of study abroad approved for credit by the institution at which such student is enrolled) leading to a recognized educational credential at an eligible institution.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101.

"(4) GOVERNOR.—The term 'Governor' means the Governor of an outlying area.

"(5) OUTLYING AREA.—The term 'outlying area' means the Northern Mariana Islands, American Samoa, the United States Virgin Islands, and Guam.

"(e) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, to remain available until September 30, 2030, for carrying out this section.".

Subpart B—Pell Grants and Student Loans

SEC. 20031. INCREASING THE MAXIMUM FEDERAL PELL GRANT.

(a) AWARD YEAR 2022–2023.—Section 401(b)(7) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(7)) is amended—

(1) in subparagraph (A)(iii), by inserting ''and such sums as may be necessary for fiscal year 2022 to carry out the $500 increase provided under subparagraph (C)(iii)'' before ''; and''; and

(2) in subparagraph (C)(iii), by inserting before the period at the end the following: '', except that, for award year 2022–2023, such amount shall be increased by $500''.

(b) SUBSEQUENT AWARD YEARS THROUGH 2029–2030.—

(1) IN GENERAL.—Section 401(b) of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)), as amended by section 703 of the FAFSA Simplification Act (title VII of division FF of Public Law 116–260), is amended—

(A) in paragraph (5)(A)—

(i) in clause (i), by striking ''and'' after the semicolon;

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following:

"(ii) for each of award years 2023–2024 through 2029–2030, an additional $500; and"; and

(B) in paragraph (6)(A)—

(i) in clause (i)—

(I) by striking "appropriated) such" and inserting the following: "appropriated)—

"(I) such"; and

(II) by adding at the end the following:

"(II) such sums as are necessary to carry out paragraph (5)(A)(ii) for each of fiscal years 2023 through 2029; and"; and

(ii) in clause (ii), by striking "(5)(A)(ii)" and inserting "(5)(A)(iii)".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in section 703 of the FAFSA Simplification Act (title VII of division FF of Public Law 116–260) and in accordance with section 701(b) of such Act.

SEC. 20032. FEDERAL STUDENT AID ELIGIBILITY.

Section 484(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended by inserting ", or, with respect to any grant, loan, or work assistance received under this title for award years 2022–2023 through 2029–2030, be subject to a grant of deferred enforced departure or have deferred action pursuant to the Deferred Action for Childhood Arrivals policy of the Secretary of Homeland Security or temporary protected status under section 244 of the Immigration and Nationality Act (8 U.S.C. 1254a)" after "becoming a citizen or permanent resident".

SEC. 20033. ACTIVE DUTY DEFERMENT PERIODS COUNTED TOWARD PUBLIC SERVICE LOAN FORGIVENESS.

Section 455(m) of the Higher Education Act of 1965 (20 U.S.C. 1087e(m)) is amended—

(1) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively; and

(2) in paragraph (1), in the matter preceding subparagraph (A), by striking "paragraph (2)" and inserting "paragraph (3)"; and

(3) by inserting after paragraph (1) the following:

"(2) ACTIVE DUTY DEFERMENT PERIODS.—

"(A) IN GENERAL.—Notwithstanding paragraph(1)(A) and subject to subparagraph (B), the Secretary shall deem each month for which a loan payment was in deferment under subsection (f)(2) of this section or for which a loan payment was in forbearance under section 685.205(a)(7) of title 34, Code of Federal Regulations, (or similar successor regulations), for a borrower described in subsection (f)(2)(C) as if the borrower of the loan had made a payment for the purpose of public service loan forgiveness under this subsection.

"(B) LIMITATION.—Subparagraph (A) shall apply only to eligible Federal Direct Loans originated before the first day of fiscal year 2031.".

Subpart C—Investments in Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority-Serving Institutions

SEC. 20041. INSTITUTIONAL AID.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $113,738,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2022;

(2) $113,738,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2023;

(3) $113,738,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2024;

(4) $113,738,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2025;

(5) $113,738,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(B)) in fiscal year 2026;

(6) $113,738,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2022;

(7) $113,738,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2023;

(8) $113,738,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2024;

(9) $113,738,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2025;

(10) $113,738,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(C)) in fiscal year 2026;

(11) $34,104,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(D)(i) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2022;

(12) $34,104,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(D)(i) of the Higher Education Act of

1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2023;

(13) $34,104,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(D)(i) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2024;

(14) $34,104,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(D)(i) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2025;

(15) $34,104,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(D)(i) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(i)) in fiscal year 2026;

(16) $17,052,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2022;

(17) $17,052,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(D)(ii) of the Higher Education Act of

1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2023;

(18) $17,052,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2024;

(19) $17,052,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2025;

(20) $17,052,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(D)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(ii)) in fiscal year 2026;

(21) $5,684,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year 2022;

(22) $5,684,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(D)(iii) of the Higher Education Act of

1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year 2023;

(23) $5,684,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year 2024;

(24) $5,684,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year 2025;

(25) $5,684,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(D)(iii) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iii) in fiscal year 2026;

(26) $5,684,000, to remain available until September 30, 2022, for carrying out section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year 2022;

(27) $5,684,000, to remain available until September 30, 2023, for carrying out section 371(b)(2)(D)(iv) of the Higher Education Act of

1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year 2023;

(28) $5,684,000, to remain available until September 30, 2024, for carrying out section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year 2024;

(29) $5,684,000, to remain available until September 30, 2025, for carrying out section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year 2025; and

(30) $5,684,000, to remain available until September 30, 2026, for carrying out section 371(b)(2)(D)(iv) of the Higher Education Act of 1965 (20 U.S.C. 1067q(b)(2)(D)(iv) in fiscal year 2026;

(b) USE OF FUNDS.—The Secretary shall use 15 percent of each of the amounts appropriated under paragraphs (6) through (10) of subsection (a) to award 25 additional grants under section 371(b)(2)(C)(ii).

SEC. 20042. RESEARCH AND DEVELOPMENT INFRASTRUCTURE COMPETITIVE GRANT PROGRAM.

Title III of the Higher Education Act of 1965 (20 U.S.C. 1051 et seq.) is amended—

(1) by redesignating part G as part H; and

(2) by inserting after section 371 the following:

"PART G—IMPROVING RESEARCH & DEVELOPMENT INFRASTRUCTURE FOR MINORITY-SERVING INSTITUTIONS

"SEC. 381. IMPROVING RESEARCH & DEVELOPMENT INFRASTRUCTURE FOR MINORITY-SERVING INSTITUTIONS.

''(a) ELIGIBLE INSTITUTION.—In this section, the term 'eligible institution' means an institution that—

''(1) is described in section 371(a);

''(2) is a 4-year institution; and

''(3) is not an institution classified as very high research activity by the Carnegie Classification of Institutions of Higher Education.

''(b) AUTHORIZATION OF GRANT PROGRAMS.—

''(1) PLANNING GRANTS.—The Secretary shall award planning grants, on a competitive basis, to eligible institutions to assist the eligible institutions in developing a strategic plan, assessing capacity, and carrying out other activities to develop and submit an application for an implementation grant under paragraph (2) to support research and development infrastructure. Planning grants awarded under this paragraph shall be for a period of 1 to 2 years.

"(2) IMPLEMENTATION GRANTS.—The Secretary shall award implementation grants, on a competitive basis, to eligible institutions to assist the eligible institutions in supporting research and development infrastructure. Implementation grants awarded under this paragraph shall be for a period of 1 to 5 years.

"(c) APPLICATIONS.—

"(1) IN GENERAL.—

"(A) PLANNING GRANTS.—An eligible institution that desires to receive a planning grant under subsection (b)(1) shall submit an application to the Secretary. Such application shall include—

"(i) a description of the activities that will be carried out with grant funds; and

"(ii) an assurance that the grant funds provided under subsection (b)(1) shall be used to supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise be expended to develop a plan, assess capacity, or carry out other activities related to research and development infrastructure.

"(B) IMPLEMENTATION GRANTS.—

"(i) IN GENERAL.—An eligible institution that desires to receive an implementation grant under subsection (b)(2) shall submit an application to the Secretary. Such application shall include—

"(I) a description of the projects that will be carried out with grant funds and, in the case of an institution that was previously awarded a planning grant under subsection (b)(1), the strategic plan developed as part of such planning grant;

"(II) a description of how such projects will support the research and development infrastructure of the institution; and

"(III) an assurance that the grant funds provided under subsection (b)(2) shall be used to supplement, and not supplant, other Federal, State, tribal, and local funds that would otherwise be expended to support research and development infrastructure.

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.

"(2) In the case of eligible institutions being considered for an implementation grant, have received a planning grant under this section and have developed and submitted to the Secretary a high-quality strategic plan, in accordance with the requirements of such planning grant.

"(e) USE OF FUNDS.—

"(1) PLANNING GRANTS.—An eligible institution that receives a planning grant under subsection (b)(1) shall use the grant funds to develop a strategic plan, assess capacity, and carry out other activities to develop and submit an application for an implementation grant to support research and development infrastructure. In carrying out the activities under such grant, each such eligible institution—

"(A) shall develop a high-quality strategic plan for improving institutional research and development infrastructure that includes—

"(i) an assessment of the existing institutional research capacity and research and development infrastructure; and

"(ii) a detailed description of how research and development infrastructure funds provided by an implementation grant under this section would be used to in-

crease institutional research capacity and support research and development infrastructure; and

"(B) in developing such strategic plan, may work in partnership with entities described in subsection (c)(2) to identify and secure non-Federal funding to support research and development infrastructure.

"(2) IMPLEMENTATION GRANTS.—An eligible institution that receives an implementation grant under subsection (b)(2) shall use the grant funds to support research and development infrastructure, which shall include carrying out at least one of the following activities:

"(A) Providing funding for a program under paragraph (1), (2), or (9) of section 311(c) or under paragraph (1), (2), or (8) of section 503(b) related to research and development infrastructure that is being carried out by the eligible institution on the date on which the eligible institution receives a grant under this section.

"(B) Providing for the improvement of infrastructure existing on the date of the grant award, including deferred maintenance, or the

establishment of new physical infrastructure, including instructional program spaces, laboratories, or research facilities relating to the fields of science, technology, engineering, the arts, mathematics, health, agriculture, education, medicine, law, and other disciplines.

"(C) Hiring and retaining faculty, students, research-related staff, or other personnel, including research personnel skilled in operating, using, or applying technology, equipment, or devices used to conduct or support research.

"(D) Supporting research internships and fellowships for students, including undergraduate, graduate, and post-doctoral positions, which may include providing direct student financial assistance to such students.

"(E) Creating new, or expanding existing, academic positions, including internships, fellowships, and post-doctoral positions, in fields of research for which research and development infrastructure funds have been awarded under this section.

"(F) Creating and supporting inter- and intra-institutional research centers (including formal and informal communities of practice) in

fields of research for which research and development infrastructure funds have been awarded under this section, including hiring staff, purchasing supplies and equipment, and funding travel to relevant conferences and seminars to support the work of such centers.

''(G) Building new institutional support structures and departments that help faculty learn about, and increase faculty and student access to, Federal research and development grant funds and non-Federal academic research grants.

''(H) Building data and collaboration infrastructure so that early findings and research can be securely shared to facilitate peer review and other appropriate collaboration.

''(I) Providing programs of study and courses in fields of research for which research and development infrastructure funds have been awarded under this section.

''(J) Paying operating and administrative expenses for, and coordinating project partnerships with members of, a consortium described in subsection (c)(2) on behalf of which the eligi-

ble institution has received a grant under this section.

"(K) Installing or extending the life and usability of basic systems and components of campus facilities related to research, including high-speed broadband internet infrastructure sufficient to support digital and technology-based learning.

"(L) Expanding, remodeling, renovating, or altering biomedical and behavioral research facilities existing on the date of the grant award that receive support under section 404I of the Public Health Service Act (42 U.S.C. 283k).

"(M) Acquiring and installing furniture, fixtures, and instructional research-related equipment and technology for academic instruction in campus facilities in fields of research for which research and development infrastructure funds have been awarded under this section.

"(N) Providing increased funding to programs that support research and development at the eligible institution that are funded by National Institutes of Health, including the

Path to Excellence and Innovation program with the National Institutes of Health.

"(f) ELIGIBILITY FOR BENEFITS.—No individual shall be determined to be ineligible to receive benefits provided with grant funds awarded under this section (including direct student financial assistance) on the basis of citizenship, alienage, or immigration status.

"(g) SUNSET.—

"(1) IN GENERAL.—The authority to make—

"(A) planning grants under subsection (b)(1) shall expire at the end of fiscal year 2025; and

"(B) implementation grants under subsection (b)(2) shall expire at the end of fiscal year 2027.

"(2) INAPPLICABILITY OF GEPA CONTINGENT EXTENSION OF PROGRAMS.—Section 422 of the General Education Provisions Act (20 U.S.C. 1226a) shall not apply to this section.

"(h) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until September 30, 2028, for carrying out this section.".

PART 3—MISCELLANEOUS

SEC. 20051. OFFICE OF INSPECTOR GENERAL.

In addition to amounts otherwise available, there is appropriated to the Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $35,000,000, to remain available until expended, for the Office of Inspector General of the Department of Education, for salaries and expenses necessary for oversight, investigations, and audits of programs, grants, and projects funded under this subtitle and sections 22101 and 22102 carried out by the Office of Inspector General.

SEC. 20052. PROGRAM ADMINISTRATION FUNDS.

In addition to amounts otherwise available, there is appropriated to the Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $738,000,000, to remain available until expended, for necessary administrative expenses associated with carrying out this subtitle and sections 22101 and 22102.

SEC. 20053. STUDENT AID ADMINISTRATION.

In addition to amounts otherwise available, there is appropriated to the Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $91,000,000, to remain available through September 30, 2030, for Student Aid Administration with-

in the Department of Education for necessary administrative expenses associated with carrying out this subtitle.

Subtitle B—Labor Matters

SEC. 21001. DEPARTMENT OF LABOR.

In addition to amounts otherwise available, out of any money in the Treasury not otherwise appropriated, there are appropriated to the Department of Labor for fiscal year 2022, to remain available until September 30, 2026, the following amounts:

(1) $195,000,000 to the Employee Benefits Security Administration for carrying out enforcement activities.

(2) $707,000,000 to the Occupational Safety and Health Administration for carrying out enforcement, standards development, whistleblower investigations, compliance assistance, funding for State plans, and related activities within the Occupational Safety and Health Administration.

(3) $133,000,000 to the Mine Safety and Health Administration for carrying out enforcement, standard setting, technical assistance, and related activities.

(4) $405,000,000 to the Wage and Hour Division for carrying out activities.

(5) $121,000,000 to the Office of Workers' Compensation Programs for carrying out activities of the Office relating to claims activity, policy and standards development, and monitoring of State workers' compensation programs.

(6) $201,000,000 to the Office of Federal Contract Compliance Programs for carrying out audit, investigation, enforcement, and compliance assistance, and other activities.

(7) $176,000,000 to the Office of the Solicitor for carrying out necessary legal support for activities carried out by the Office related to and in support of the activities of those Department of Labor agencies receiving additional funding in this section.

SEC. 21002. NATIONAL LABOR RELATIONS BOARD.

In addition to amounts otherwise available, out of any money in the Treasury not otherwise appropriated, there are appropriated to the National Labor Relations Board for fiscal year 2022, $350,000,000, to remain available until September 30, 2026, for carrying out the activities of the Board, of which not more than $5,000,000 shall be for the implementation of systems to conduct electronic voting for union representation elections.

SEC. 21003. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

In addition to amounts otherwise available, out of any money in the Treasury not otherwise appropriated, there are appropriated to the Equal Employment Opportunity Commission for fiscal year 2022, $321,000,000, to remain available until September 30, 2026, for carrying out investigation, enforcement, outreach, and related activities.

SEC. 21004. ADJUSTMENT OF CIVIL PENALTIES.

(a) OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970.—Section 17 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 666) is amended—

(1) in subsection (a)—

(A) by striking ''$70,000'' and inserting ''$700,000''; and

(B) by striking ''$5,000'' and inserting ''$50,000'';

(2) in subsection (b), by striking ''$7,000'' and inserting ''$70,000''; and

(3) in subsection (d), by striking ''$7,000'' and inserting ''$70,000''.

(b) FAIR LABOR STANDARDS ACT OF 1938.—Section 16(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(e)) is amended—

(1) in paragraph (1)(A)—

(A) in clause (i), by striking ''$11,000'' and inserting ''$132,270''; and

(B) in clause (ii), by striking ''$50,000'' and inserting ''$601,150''; and

(2) in paragraph (2)—

(A) in the first sentence, by striking ''$1,100'' and inserting ''$20,740''; and

(B) in the second sentence, by striking ''$1,100'' and inserting ''$11,620''.

(c) MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION ACT.—Section 503(a)(1) of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853(a)(1)) is amended by striking ''$1,000'' and inserting ''$25,790''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2022.

SEC. 21005. CIVIL MONETARY PENALTIES FOR PARITY VIOLATIONS.

(a) CIVIL MONETARY PENALTIES RELATING TO PARITY IN MENTAL HEALTH AND SUBSTANCE USE DISORDERS.—Section 502(c)(10) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(c)(10)(A)) is amended—

(1) in the heading, by striking ''USE OF GENETIC 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) in subsection (a)(6), by striking ''or (9)'' and inserting ''(9), or (10)''; and

(2) in subsection (b)(3)—

(A) by striking ''subsections (c)(9) and (a)(6)'' and inserting ''subsections (c)(9), (c)(10), and (a)(6)'';

(B) by striking ''under subsection (c)(9))'' and inserting ''under subsections (c)(9) and (c)(10)), and except with respect to enforcement by the Secretary of section 712''; and

(C) by striking ''706(a)(1)'' and inserting ''733(a)(1)''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to group health plans, or any health insurance issuer offering health insurance coverage in connection with such plan, for plan years beginning after the date that is 1 year after the date of enactment of this Act.

SEC. 21006. PENALTIES UNDER THE NATIONAL LABOR RELATIONS ACT.

(a) IN GENERAL.—Section 12 of the National Labor Relations Act (29 U.S.C. 162) is amended—

(1) by striking ''**SEC. 12.** Any person'' and inserting the following:

"SEC. 12. PENALTIES.

"(a) VIOLATIONS FOR INTERFERENCE WITH BOARD.—Any person"; and

(2) by adding at the end the following:

"(b) CIVIL PENALTIES FOR UNFAIR LABOR PRACTICES.—Any employer who commits an unfair labor practice within the meaning of section 8(a) affecting commerce shall be subject to a civil penalty in an amount not to exceed $50,000 for each such violation, except that, with respect to such an unfair labor practice within the meaning of paragraph (3) or (4) of section 8(a) or such a violation of section 8(a) that results in the discharge of an employee or other serious economic harm to an employee, the Board shall double the amount of such penalty, to an amount not to exceed $100,000, in any case where the employer has within the preceding 5 years committed another such violation of such paragraph (3) or (4) or such violation of section 8(a) that results in such discharge or other serious economic harm. A civil penalty under this paragraph shall be in addition to any other remedy ordered by the Board.

"(c) CONSIDERATIONS.—In determining the amount of any civil penalty under this section, the Board shall consider—

"(1) the gravity of the actions of the employer resulting in the penalty, including the impact of such

actions on the charging party or on other persons seeking to exercise rights guaranteed by this Act;

"(2) the size of the employer;

"(3) the history of previous unfair labor practices or other actions by the employer resulting in a penalty; and

"(4) the public interest.

"(d) DIRECTOR AND OFFICER LIABILITY.—If the Board determines, based on the particular facts and circumstances presented, that a director or officer's personal liability is warranted, a civil penalty for a violation described in this section may also be assessed against any director or officer of the employer who directed or committed the violation, had established a policy that led to such a violation, or had actual or constructive knowledge of and the authority to prevent the violation and failed to prevent the violation.".

(b) ADDITIONAL PENALTIES.—The National Labor Relations Act (29 U.S.C. 151 et seq.) is amended by inserting after section 12 (29 U.S.C. 162) the following:

"SEC. 12A. ADDITIONAL PENALTIES.

"(a) CIVIL PENALTIES FOR ADDITIONAL CONDUCT.—Any employer who violates subsection (d) affecting commerce shall be subject to a civil penalty in an 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

"(C) retaliate or threaten to retaliate against an employee for refusing to undertake or promise not to pursue, bring, join, litigate, or support any kind of joint, class, or collective claim arising from or relating to the employment of such employee.

"(2) EXCEPTION.—This subsection shall not apply to any agreement embodied in or expressly permitted by a contract between an employer and a labor organization.

"(f) ENFORCEMENT.—The provisions of section 10 and 11 shall apply to a violation of this section in the same manner as such provisions apply to an unfair labor practice, except that—

"(1) an order under section 10 with respect to a violation of this section—

"(A) shall require only that the person in such violation pay a civil penalty under subsection (a); and

"(B) shall not include a requirement for a person to cease and desist such violation or any form of affirmative action other than the payment of such penalty;

"(2) a petition under subsection (e) of section 10 with respect to a violation of this section may be

only for enforcement of an order for the payment of a civil penalty under subsection (a);

"(3) a petition under subsection (f) of section 10 with respect to a violation of this section may be only for review of an order for the payment of such a civil penalty; and

"(4) a court under section 10 may not grant any form of relief, including temporary relief, a restraining order, or any other form of injunctive relief, for a violation of this section other than a decree to enforce, modify, or set aside in whole or in part an order of the Board imposing a civil penalty under subsection (a) for a violation of this section.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2022.

Subtitle C—Workforce Development Matters

PART 1—DEPARTMENT OF LABOR

SEC. 22001. DISLOCATED WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $16,000,000,000, to remain available until September 30, 2026, except that no

amounts may be expended after September 30, 2031, which shall be reserved and allotted to States in accordance with subsection (b)(2) of section 132 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3172), reserved and allocated to local areas in accordance with subsections (a) and (b)(1)(B) of section 133 of such Act (29 U.S.C. 3173), and reserved by such local areas as follows:

(1) Not less than 20 percent shall be reserved for carrying out the career services authorized under subsection (c)(2) of section 134 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174) and expanding access to the individualized career services described in section 134(c)(2)(A)(xii) of such Act (29 U.S.C. 3174(c)(2)(A)(xii)).

(2) Not less than 20 percent shall be reserved for carrying out the supportive services and providing the needs-related payments authorized under paragraphs (2) and (3) of section 134(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(d)), except that for purposes of the reservation under this paragraph the requirements of subparagraphs (B) and (C) of paragraph (3) of such section shall not apply; and

(3) Not less than 50 percent shall be reserved for carrying out the training services—

(A) of which, not less than 60 percent shall be made available for individual training accounts authorized under section 134(c)(3) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(3)).

(B) except that for purposes of providing transitional jobs as part of those services under this section, section 134(d)(5) of such Act (29 U.S.C. 3174(d)(5)) shall be applied by substituting ''40 percent'' for ''10 percent''.

(b) SUPPLEMENT NOT SUPPLANT.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide employment and training activities for dislocated workers, including funds provided under the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

SEC. 22002. ADULT WORKER EMPLOYMENT AND TRAINING ACTIVITIES.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,000,000,000, to

remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, which shall be reserved and allotted to States in accordance with subsection (b)(1) of section 132 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3172), reserved and allocated to local areas in accordance with subsections (a) and (b)(1)(A) of section 133 of such Act (29 U.S.C. 3173), and reserved by such local areas as follows:

(1) Not less than 20 percent shall be reserved for carrying out the career services authorized under subsection (c)(2) of section 134 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174) and expanding access to the individualized career services described in section 134(c)(2)(A)(xii) of such Act (29 U.S.C. 3174(c)(2)(A)(xii)).

(2) Not less than 10 percent shall be reserved for carrying out the supportive services and providing the needs-related payments authorized under paragraphs (2) and (3) of section 134(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(d)).

(3) Not less than 50 percent shall be reserved for carrying out the training services—

(A) of which, not less than 60 percent shall be made available for individual training accounts or contracts authorized under of section 134(c)(3) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(3)); and

(B) except that for purposes of providing incumbent worker training as part of those services under this section, if such training is provided to low-wage workers, section 134(d)(4)(A)(i) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(d)(4)(A)(i)) shall be applied by substituting ''40 percent'' for ''20 percent''.

(b) SUPPLEMENT NOT SUPPLANT.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide adult employment and training activities, including funds provided under the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

SEC. 22003. YOUTH WORKFORCE INVESTMENT ACTIVITIES.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $9,054,000,000, to

remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, which shall be reserved and allotted to States in accordance with subparagraphs (B) and (C) of section 127(b)(1) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3162(b)(1)), reserved and allocated to local areas in accordance with subsections (a) and (b) of section 128 of such Act (29 U.S.C. 3163), and reserved by such local areas as follows:

(1) 25 percent shall be reserved for carrying out the youth workforce investment activities authorized under section 129 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3164 et seq.).

(2) 75 percent shall be reserved to provide opportunities for in-school youth and out-of-school youth to participate in paid work experiences described in subsection (c)(2)(C) of section 129 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3164).

(b) PARTNERSHIPS.—Not less than 20 percent of amounts made available under subsection (a) shall be used by local areas to partner with community-based organizations serving out-of-school youth to carry out activities described in paragraphs (1) and (2) of subsection (a), including those residing in high-crime or high-poverty areas.

(c) SUPPLEMENT NOT SUPPLANT.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended for youth workforce investment activities, including funds provided under the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

SEC. 22004. EMPLOYMENT SERVICE.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the following amounts, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031

(1) $1,250,000,000 for carrying out the State grant activities authorized under section 7 of the Wagner-Peyser Act (29 U.S.C. 49f), which shall be allotted in accordance with section 6 of such Act (29 U.S.C. 49e), except that, for purposes of this section, funds shall also be provided to the Commonwealth of the Northern Mariana Islands and American Samoa in amounts the Secretary determines appropriate prior to the allotments being made in accordance with section 6 of such Act (29 U.S.C. 49d).

(2) $100,000,000 for carrying out improvements to the workforce and labor market informa-

tion systems authorized under section 15 of the Wagner-Peyser Act (29 U.S.C. 49l-2).

SEC. 22005. RE-ENTRY EMPLOYMENT OPPORTUNITIES.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,600,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for carrying out ex-offender activities, under the authority of section 169 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3224). Not less than 25 percent of such funds shall be for competitive grants to national and regional intermediaries for activities that prepare for employment of young adults with criminal records, young adults who have been justice system-involved, or young adults who have dropped out of school or other educational programs, with a priority for projects serving high-crime, high-poverty areas.

SEC. 22006. REGISTERED APPRENTICESHIPS, YOUTH APPRENTICESHIPS, AND PRE-APPRENTICESHIPS.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the

Treasury not otherwise appropriated, $5,000,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, to carry out activities through grants, cooperative agreements, contracts or other arrangements, with States and other appropriate entities, including equity intermediaries and business and labor industry partner intermediaries, to create or expand only—

(1) apprenticeship programs registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.); and

(2) youth apprenticeship programs and pre-apprenticeship programs that articulate to apprenticeship programs described in paragraph (1).

(b) RESERVATION.—Not less than 50 percent of the funds made available under section (a) shall be reserved for—

(1) entities serving a high number or high percentage of individuals with barriers to employment (as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102)), including individuals with disabilities, or nontraditional apprenticeship populations; or

(2) youth apprenticeships or pre-apprenticeships that articulate to such registered apprenticeships programs.

SEC. 22007. COMMUNITY COLLEGE AND INDUSTRY PARTNERSHIP GRANTS.

(a) DEFINITIONS.—In this section—

(1) ELIGIBLE INSTITUTION.—The term ''eligible institution'' means an institution of higher education (as defined in section 101 or 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1001, 1002(c)), including a Tribal College or University (as defined in section 316 of such Act (20 U.S.C. 1059c)), or a consortium of such institutions—

(A) at which the highest degree awarded is an associate degree; or an associate degree is the predominant degree awarded; and

(B) that is working directly with an industry or sector partnership, or in the process of establishing such partnership, to carry out a grant under this section.

(2) PERKINS CTE DEFINITIONS.—The terms ''career and technical education'', ''career guidance and academic counseling'' , ''dual or concurrent enrollment program'', ''evidence-based'' and ''work-based learning'' have the meanings given the terms

in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

(3) REGISTERED APPRENTICESHIP PROGRAM.—The term ''registered apprenticeship program'' means an apprenticeship registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(5) WIOA DEFINITIONS.—

(A) IN GENERAL.—The terms ''career pathway'', ''in-demand industry sector or occupation'', ''individual with a barrier to employment'', ''industry or sector partnership'', ''integrated education and training'', ''recognized postsecondary credential'' and ''supportive services'' have the meanings given the terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(B) CAREER SERVICES.—The term ''career services'' means services described in section 134(c)(2) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(2)).

(b) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, to carry out this section.

(c) GRANTS.—From funds appropriated under subsection (b) and not reserved under subsection (e), and under the authority of section 169(b)(5) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)), the Secretary shall award grants on a competitive basis to eligible institutions for the purposes of expanding workforce development and employment opportunities in high-skill, high-wage, or in-demand industry sectors or occupations. To receive such a grant, an eligible institution shall submit to the Secretary an application at such time, in such manner, and containing such information as specified by the Secretary, including a description of the related programs, recognized postsecondary credentials, and employment opportunities.

(d) USE OF GRANT FUNDS.—

(1) IN GENERAL.—An eligible institution awarded a grant under this section shall use such grant funds to expand opportunities for attainment

of recognized postsecondary credentials that are nationally portable and stackable for high-skill, high-wage, or in-demand industry sectors or occupations by—

(A) establishing, improving, or scaling high-quality, evidence-based education and training programs, such as career and technical education programs, career pathway programs, and work-based learning programs (including programs of registered apprenticeships or pre-apprenticeships that articulate to registered apprenticeships);

(B) creating, developing, or expanding articulation agreements (as defined in section 486A(a) of the Higher Education Act of 1965 (20 U.S.C. 1093a(a))), credit transfer agreements, corequisite remediation programs, dual or concurrent enrollment programs, or policies and processes to award academic credit for prior learning or career training programs supported by the funds described in subsection (c);

(C) making available open, searchable, and comparable information on curriculum or recognized postsecondary credentials, including those created or developed using such funds, and in-

formation on the related skills or competencies, and related employment and earnings outcomes;

(D) establishing or implementing plans for providers of programs supported with such funds to be included on the eligible training services provider list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d));

(E) purchasing, leasing, or refurbishing specialized equipment necessary to carry out the education or career training programs supported by such funds;

(F) reducing or eliminating out-of-pocket expenses related to participants' cost of attendance in the education or career training activities supported by such funds; or

(G) establishing or expanding industry or sector partnerships to successfully carry out the activities described in subparagraphs (A) through (F).

(2) RESERVATION.—An eligible institution awarded a grant under this section shall use not less than 15 percent of such grant funds to provide services to help individuals with barriers to employment complete and successfully transition out of education

or career training programs supported by such funds, which shall include providing supportive services, career services, career guidance and academic counseling, or job placement assistance.

(e) RESERVATIONS.—From the amounts made available under subsection (b), the Secretary shall reserve not more than 5 percent for—

(1) targeted outreach to eligible institutions serving a high number or high percentage of low-income individuals or individuals with barriers to employment, and rural-serving eligible institutions, to provide guidance and assistance in the grant application process under this section;

(2) administration of the program described in this section, including providing technical assistance and oversight to support eligible institutions (including consortia of eligible institutions); and

(3) evaluating and reporting on the performance and impact of programs funded under this section.

(f) SUPPLEMENT NOT SUPPLANT.—Amounts available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to support community college education or career training programs.

SEC. 22008. INDUSTRY OR SECTOR PARTNERSHIP GRANTS.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, to carry out this section.

(b) GRANTS.—From amounts appropriated under subsection (a) and not reserved under subsection (d), and under the authority of section 169(b)(5) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)), the Secretary shall award grants on a competitive basis to eligible partnerships for the purposes of expanding workforce development and employment opportunities for high-skill, high-wage, or in-demand industry sectors or occupations, including information technology, clean energy, arts and entertainment, infrastructure and transportation, advanced manufacturing, health care, public health, home care, and early childhood care and education. To receive such a grant, an eligible partnership shall submit to the Secretary an application at such time, in such manner, and containing such information as specified by the Secretary.

(c) USES OF FUNDS.—An eligible partnership awarded such a grant under this section shall use—

(1) such grant funds to engage and regularly convene stakeholders in a collaborative structure to identify, develop, improve, or expand training, employment, and growth opportunities for the high-skill, high-wage, or in-demand industry sector or occupation on which such partnership is focused;

(2) not less than 50 percent of such grant funds to directly provide, or arrange for the provision of, high-quality, evidence-based training for the high-skill, high-wage, or in-demand industry sector or occupation on which such partnership is focused, which shall include—

(A) training services described in any clause of subparagraph (D) of section 134(c)(3) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174(c)(3))) provided through contracts that meet the requirements of that section 134(c)(3); or

(B) training provided through registered apprenticeship programs, youth apprenticeship, or pre-apprenticeship programs that articulate to registered apprenticeship programs, or through joint labor-management partnerships; and

(C) establishing or implementing plans for providers of programs supported with such funds to be included on the eligible training services provider list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)).

(3) not less than 15 percent of such grant funds to directly provide, or arrange for the provision of, services to help individuals with barriers to employment complete and successfully transition out of training described in paragraph (2), which services shall include career services, supportive services, or the provision of needs-related payments authorized under subsections (c)(2), (d)(2), and (d)(3) of section 134 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3174).

(d) RESERVATIONS.—

(1) IN GENERAL.—From the amounts made available under subsection (a), the Secretary shall reserve not more than 5 percent for—

(A) targeted outreach and support to eligible partnerships serving local areas with high unemployment rates or high percentages of individuals with low incomes or individuals with barriers to employment, to provide guidance

and assistance in the grant application process under this section;

(B) administration of the program described in this section, including providing comprehensive technical assistance and oversight to support eligible partnerships; and

(C) evaluating and reporting on the performance and impact of programs funded under this section.

(2) STATE BOARD OR LOCAL BOARD FUNDS.—From amounts made available under subsection (a), the Secretary shall reserve not less than 5 percent to provide direct assistance to State boards or local boards to support the creation or expansion of industry or sector partnerships in local areas with high unemployment rates or high percentages of individuals with low incomes or individuals with barriers to employment, as compared to State or national averages for such rates or percentages.

(e) SUPPLEMENT NOT SUPPLANT.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended to support activities described in this section.

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE PARTNERSHIP.—The term ''eligible partnership'' means—

(A) an industry or sector partnership, which shall include multiple representatives described in each of clauses (i) through (iii) of paragraph (26)(A) of section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102); or

(B) a partnership of multiple entities described in section 3(26) of such Act (29 U.S.C. 3102(26)), and a State board or local board, that is in the process of establishing an industry or sector partnership.

(2) PERKINS CTE DEFINITIONS.—The terms ''career guidance and academic counseling'' and ''evidence-based'' have the meanings given the terms in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

(3) REGISTERED APPRENTICESHIP PROGRAM.—The term ''registered apprenticeship program'' means an apprenticeship registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(5) WIOA DEFINITIONS.—The terms ''career pathway'', ''in-demand industry sector or occupation'', ''individual with a barrier to employment'', ''industry or sector partnership'', ''local area'', ''local board'', and ''State board'' have the meanings given the terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

SEC. 22009. JOB CORPS.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $1,500,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for the Job Corps program authorized under section 143 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3193), including improving and expanding access to allowances and supports described in section 150 of such Act (29 U.S.C. 3200), except that for the purposes of this section, outlying areas as defined in section 3 of such Act (29 U.S.C. 3102) shall be considered eligible to receive funds under this section. Of such funds, no less than

$750,000,000 shall be reserved for construction, rehabilitation and acquisition of Job Corps Centers.

SEC. 22010. NATIVE AMERICAN PROGRAMS.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $450,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for the Native American programs authorized under the Workforce Innovation and Opportunity Act.

SEC. 22011. MIGRANT AND SEASONAL FARMWORKER PROGRAMS.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $450,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for the migrant and seasonal farmworker programs authorized under Workforce Innovation and Opportunity Act, except that, for purposes of providing services under those programs to low-income individuals under this section, section 3(36)(A)(ii)(I) of such Act (29 U.S.C. 3102(36)(A)(ii)(I))

shall be applied by substituting ''150 percent of the poverty line'' for ''the poverty line''.

SEC. 22012. YOUTHBUILD PROGRAM.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for the YouthBuild program authorized under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226), including for the purposes of improving and expanding access to services, stipends, wages, and benefits described in subsections (c)(2)(A)(vii) and (c)(2)(F) of section 171 of such Act.

SEC. 22013. SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2031, for the Senior Community Service Employment program authorized under title V of the Older Americans Act (42 U.S.C. 3056 et seq.).

SEC. 22014. PROGRAM ADMINISTRATION.

In addition to amounts otherwise made available, there is appropriated to the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $720,000,000, to remain available until September 30, 2028, except that no amounts may be expended after September 30, 2031, for program administration within the Department of Labor for salaries and expenses necessary to implement this part, parts 3 and 4, and section 22402 of part 5 of this subtitle, including for management, legal, or other support necessary to implement such parts or section.

PART 2—DEPARTMENT OF EDUCATION

SEC. 22101. ADULT EDUCATION AND LITERACY.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,600,000,000, to remain available until September 30, 2028, to carry out title II of the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.), which shall be reserved, and granted and allotted to eligible agencies in accordance with subsections (a), (b), and (c) of section 211 of such Act, respectively.

(b) REQUIREMENT.—With respect to each eligible agency that receives funds appropriated by this section,

for each fiscal year for which such eligible agency receives such funds, section 222(a)(1) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3302(a)(1)) the shall be applied by substituting ''not less than 10 percent'' for ''not more than 20 percent''.

SEC. 22102. CAREER AND TECHNICAL EDUCATION.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Education for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, the following amounts, to remain available until September 30, 2028:

(1) $3,000,000,000 for carrying out career and technical education programs authorized under section 124 and section 135 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), which shall be allotted in accordance with section 111 and section 112 of such Act (20 U.S.C. 2321, 2322), except that subsection (b) of section 112 of such Act (20 U.S.C. 2322) shall not apply.

(2) $1,000,000,000 for carrying out the innovation and modernization program described in subsection(e) of section 114 of the Carl D. Perkins Career and Technical Education Act of 2006 (20

U.S.C. 2324(e)), except that for purposes of this paragraph—

(A) the 20 percent limitation in paragraph (1) of such subsection, and paragraph (2) of such subsection, shall not apply; and

(B) eligible agencies (as defined in section 3 of such Act) shall be eligible to receive grants under section 114(e) of such Act.

(b) SUPPLEMENT NOT SUPPLANT.—Amounts made available to carry out this section shall be used to supplement and not supplant other Federal, State, and local public funds expended for career and technical education programs, including the funds provided under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

PART 3—COMPETITIVE INTEGRATED EMPLOYMENT TRANSFORMATION GRANT PROGRAM

SEC. 22201. COMPETITIVE INTEGRATED EMPLOYMENT TRANSFORMATION GRANT PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Department of Labor, $300,000,000 for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until expended, for the Secretary of Labor (referred to in this section as the ''Secretary'') to award

grants to States in accordance with this section to assist employers in such States who were issued special certificates under section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)) in transforming (or continuing to transform) their business and program models from providing employment using special certificates to business and program models that employ and support people with disabilities in competitive integrated employment and to cover any administrative costs associated with such grants.

(b) RESERVATIONS AND ALLOTMENTS; DURATION OF AWARDS.—

(1) RESERVATIONS.—

(A) ALLOTMENTS TO NON-COVERED STATES.—

(i) IN GENERAL.—The Secretary shall reserve 10 percent of the amount appropriated by subsection (a) to award grants, in accordance to clause (ii), to States described in subsection (c)(3) that submit an application under subsection (c) meeting the applicable requirements of such subsection.

(ii) ALLOTMENT AMOUNT.—The Secretary shall allot grants to each State

under clause (i) a grant in an amount that bears the same relationship to the total amount reserved under clause (i) as the population of the State bears to the total population of all States described in such clause.

(B) NATIONAL TECHNICAL ASSISTANCE CENTER.—The Secretary shall use 2 percent of the amounts appropriated in subsection (a) to establish, either directly or through grants, contracts, or cooperative agreements, a national technical assistance center to provide technical assistance to employers who are transforming from employing people with disabilities using special certificates to providing competitive integrated employment and to collect and disseminate evidence-based practices with respect to the transformations and in providing competitive integrated employment and integrated services.

(2) ALLOTMENTS TO COVERED STATES.—

(A) 15 OR MORE COVERED STATES.—

(i) IN GENERAL.—In the case that, as of a date determined appropriate by the Secretary, there are 15 or more covered

States the Secretary shall allot to each covered State a grant in an amount equal to the sum of the allotted to such State under clauses (ii) and (iii).

(ii) ALLOTMENT BASED ON NUMBER OF EMPLOYEES UNDER SPECIAL CERTIFICATES.—From the total amount that is 70 percent of the funds appropriated under subsection (a) and not reserved under paragraph (1), the Secretary shall allot to each covered State an amount that bears the same relationship to such total amount as the number of people with disabilities who are employed under a special certificate in the covered State bears to the total number of people with disabilities who are employed under a special certificate in all covered States.

(iii) ALLOTMENT BASED ON EMPLOYERS WITH SPECIAL CERTIFICATES.—From the total amount that is 30 percent of the funds appropriated under subsection (a) and not reserved under paragraph (1), the Secretary shall allot to each covered State an amount that bears the same relation-

ship to such total amount as the number of employers in the covered State who have in effect a special certificate bears to the total number of employers in all covered States who have in effect such a certificate.

(B) 14 OR FEWER COVERED STATES.—In the case that, as of the date determined appropriate by the Secretary under subparagraph (A), there are fewer than 15 covered States, the Secretary shall award grants to each covered State on a competitive basis in an amount that the Secretary determines necessary to accomplish the purpose of the grant described in subsection (a).

(C) COVERED STATE.—In this subsection, the term ''covered State'' means a State that—

(i) is not described in subsection (c)(3); and

(ii) submits an application under subsection (c) that meets the applicable requirements under such subsection.

(3) DURATION OF AWARDS.—A grant under this section shall be awarded for a period of 5 years.

(4) CUTOFF.—The Secretary may not issue a grant under this subsection after September 30, 2025.

(c) APPLICATIONS.—

(1) IN GENERAL.—To be eligible to receive a grant under this section, a State shall submit an application to the Secretary at such time, in such manner, and including such information as the Secretary may reasonably require.

(2) CONTENTS.—In the case of a State not described in paragraph (3), an application submitted under paragraph (1) shall include—

(A) a description of the status of the employers in the State providing employment using special certificates, which may include—

(i) the number of employers in the State using special certificates to employ and pay people with disabilities;

(ii) the number of employees in the State employed under a special certificate;

(iii) the average number of hours such employees work per week; and

(iv) the average hourly wage for such employees;

(B) a description of activities to be funded under the grant, and the goals of such activities, including the activities of the State with respect to competitive integrated employment for people with disabilities; and

(C) assurances that—

(i) the activities carried out under the grant will, by not later than the end of the 5-year grant period, result in—

(I) each employer in the State voluntarily ceasing to use special certificates by the end of the 5-year grant period and no longer applying for or renewing such certificates; or

(II) in the case of an employer in the State that, as of the date of enactment of this Act, provides employment using special certificates, the employer—

(aa) transforms its business and program models as described in subsection (d)(1)(A); or

(bb) ceases providing specialized employment services for people with disabilities; and

(ii) each individual in the State who is employed under a special certificate on or after the date of enactment will be employed in competitive integrated employment or a combination of competitive integrated employment and integrated services, including by compensating all employees of the employer for all hours worked at a rate that is—

(I) not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate specified in the applicable State or local minimum wage law, or the applicable prevailing wage rate under the McNamara-O'Hara Service Contract Act (41 U.S.C. 6701 et seq.); and

(II) not less than the rate paid by the employer for the same or similar work performed by other employees who are not people with disabilities, and who are similarly situated in similar occupations by the same em-

ployer and who have similar training, experience, and skills; and

(iii) the State will establish an advisory council described in subsection (e) to monitor and guide the process of transforming business and program models of employers in the State as described in subsection (d)(1)(A).

(3) APPLICATIONS FOR STATES RECEIVING AMOUNT FROM RESERVATION.—In the case of a State that, as of the date of enactment of this Act, is determined by the Secretary to have phased out or to be in the process of phasing out the use of special certificates in the State, an application under this subsection from such State shall include only the information described in paragraph (2)(B).

(d) USE OF FUNDS.—

(1) IN GENERAL.—In the case of a State not described in paragraph (2), such State shall use the grant funds for each of the following activities:

(A) Identifying each employer in the State that will transform its business and program models from employing people with disabilities using special certificates to employing people with disabilities in competitive integrated em-

ployment settings, or a setting involving a combination of competitive integrated employment and integrated services.

(B) Implementing a service delivery infrastructure to support people with disabilities who have been employed under special certificates through such a transformation, including providing enhanced integrated services to support people with the most significant disabilities.

(C) Expanding competitive integrated employment and integrated services to be provided to such people as a result of transformations described in subparagraph (A).

(2) STATES RECEIVING AMOUNT FROM RESERVATION.—A State that, as of the date of enactment of this Act, is determined by the Secretary to have phased out or to be in the process of phasing out the use of special certificates in the State, shall use the grant funds for expansion of competitive integrated employment and integrated services to be provided to people with disabilities.

(e) MEMBERS OF THE ADVISORY COUNCIL.—A State receiving a grant under this section shall, for the purpose described in subsection (c)(2)(C)(iii), establish an advisory council composed of the following:

(1) People with disabilities, including people with intellectual or developmental disabilities and people with mental health disabilities, who are or were employed under a special certificate, who shall comprise not less than 25 percent of the members of such advisory council.

(2) Family members of a person with an intellectual, developmental, or mental health disability who is or was employed under a special certificate or is employed in competitive integrated employment.

(3) An employer providing competitive integrated employment.

(4) An employer providing employment under special certificates.

(5) Representatives of relevant State agencies with expertise in competitive integrated employment, disability organizations with such expertise, and disability related offices and groups with such expertise.

SEC. 22202. DEFINITIONS.

In this part:

(1) COMPETITIVE INTEGRATED EMPLOYMENT.—The term ''competitive integrated employment'' has the meaning given such term in section

7(5) of the Rehabilitation Act of 1973 (29 U.S.C. 705(5)).

(2) EMPLOYEE; EMPLOYER.—The terms ''employee'' and ''employer'' have the meanings given such terms in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203).

(3) INTEGRATED COMMUNITY PARTICIPATION AND WRAPAROUND SERVICES; INTEGRATED SERVICES.—The terms ''integrated community participation and wraparound services'' or ''integrated services'' mean services for people with disabilities that are—

(A) designed to assist such people in developing skills and abilities to reside successfully in home and community-based settings;

(B) provided in accordance with a person-centered written plan of care;

(C) created using evidence-based practices that lead to such people—

(i) maintaining competitive integrated employment;

(ii) achieving independent living; or

(iii) maximizing socioeconomic self-sufficiency, optimal independence, and full participation in the community;

(D) provided in a community location that is not specifically intended for people with disabilities;

(E) provided in a location that—

(i) allows the people receiving the services to interact with people without disabilities to the fullest extent possible; and

(ii) makes it possible for the people receiving the services to access community resources that are not specifically intended for people with disabilities and to have the same opportunity to participate in the community as people who do not have a disability; and

(F) provided in multiple locations to allow the individual receiving the services to have options, thereby—

(i) optimizing individual initiative, autonomy, and independence; and

(ii) facilitating choice regarding services and supports, and choice regarding the provider of such services.

(4) PEOPLE WITH DISABILITIES.—The term ''people with disabilities'' includes individuals de-

scribed in section 14(c)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)(1)).

(5) STATE.—The term ''State'' has the meaning given the term in section 3 of the Fair Labor Standards Act of 1938 (29 U.S.C. 203)).

PART 4—RECRUITMENT, EDUCATION AND TRAINING, RETENTION, AND CAREER ADVANCEMENTS FOR THE DIRECT CARE WORKFORCE

SEC. 22301. DEFINITIONS.

In this part:

(1) CTE DEFINITIONS.—The terms ''evidence-based'' and ''work-based learning'' have the meanings given such terms in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

(2) WIOA DEFINITIONS.—The terms ''career pathway'', ''career planning'', ''individual with a barrier to employment'', ''local board'', ''older individual'', ''on-the-job training'', ''recognized postsecondary credential'', and ''State board'' have the meanings given such terms in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

(3) OTHER DEFINITIONS.—

(A) CAREER AND TECHNICAL EDUCATION SCHOOL.—The term ''career and technical education school'' has the meaning given the term ''eligible recipient'' in section 3 of the 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302).

(B) DIRECT CARE WORKER.—The term ''direct care worker'' means—

(i) a direct support professional;

(ii) any worker who provides direct care services in home or community-based setting;

(iii) a respite care provider who provides short-term support and care to an individual in order to provide relief to a family caregiver;

(iv) a palliative care worker;

(v) a direct care worker, as defined in section 799B of the Public Health Service Act (42 U.S.C. 795p); or

(vi) an individual in any other position or job related to those described in clauses (i) through (vi), as determined by the Secretary in consultation with the Secretary of Health and Human Services acting

through the Administrator for the Administration for Community Living.

(C) ELIGIBLE ENTITY.—The term ''eligible entity'' means an entity that is—

(i) a State;

(ii) a labor organization, a joint labor-management organization, or a Multi-Employer Training and Education Fund;

(iii) a nonprofit organization with experience in aging, disability, supporting the rights and interests of direct care workers, or training or educating direct care workers;

(iv) an Indian Tribe or Tribal organization (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304));

(v) an urban Indian organization (as defined in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603));

(vi) a State board or local board;

(vii) an area agency on aging (as defined in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002));

(viii) when in partnership with an entity described in any of clauses (i) through (vii)—

(I) an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001) or section 102(a)(1)(B) of such Act (20 U.S.C. 1002(a)(1)(B))); or

(II) a career and technical education school; or

(ix) a consortium of entities listed in any of clauses (i) through (vii).

(D) FAMILY CAREGIVER.—The term ''family caregiver'' means a paid or unpaid adult family member or other individual who has a significant relationship with, and who provides a broad range of assistance to, an individual with a chronic or other health condition, disability, or functional limitation.

(E) HOME AND COMMUNITY-BASED SERVICES.—The term ''home and community-based services'' has the meaning given such term in section 9817(a)(2) of the American Rescue Plan Act of 2021 (Public Law 117–2).

(F) PERSON WITH A DISABILITY.—The term ''person with a disability'' means an individual with a disability as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).

(G) PRE-APPRENTICESHIP PROGRAM.—The term ''pre-apprenticeship program'' means a program that articulates to a registered apprenticeship program.

(H) REGISTERED APPRENTICESHIP PROGRAM.—The term ''registered apprenticeship program'' means an apprenticeship program registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.).

(I) SECRETARY.—The term ''Secretary'' means the Secretary of Labor.

(J) STATE.—The term ''State'' means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

SEC. 22302. GRANTS TO SUPPORT THE DIRECT CARE WORKFORCE.

(a) GRANTS AUTHORIZED.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,480,000,000, to remain available until September 30, 2031, for awarding, on a competitive basis, grants to eligible entities to carry out the activities described in subsection (c) with respect to direct care workers.

(b) APPLICATIONS; AWARD BASIS.—

(1) APPLICATIONS.—

(A) IN GENERAL.—An eligible entity seeking a grant under subsection (a) shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary, in coordination with the Secretary of Health and Human Services acting through the Administrator of the Administration for Community Living, may require.

(B) CONTENTS.—Each application under subparagraph (A) shall include—

(i) a description of the type or types of direct care workers the entity plans to serve through the activities supported by the grant;

(ii) a description of the one or more eligible partnering entities collaborating to carry out the activities described in subsection (c);

(iii) an assurance that—

(I) the eligible entity will establish a consultative process, as described in subsection (c)(2); and

(II) the eligible entity will consult on the implementation of the grant, or coordinate the activities of the grant, with the agencies in the State that are responsible for developmental disability services, aging, education, workforce development, and Medicaid, to the extent that each such entity is not the eligible entity; and

(iv) a plan for ensuring that the eligible entity will remain neutral in any organizing effort involving direct care workers served by the grant who seek to form, join, or assist a labor organization.

(2) CONSIDERATION.—In awarding grants under subsection (a), the Secretary, in coordination 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

are necessary to enable such workers to participate in the activities supported by the grant.

(B) ADDITIONAL ACTIVITIES.—In addition to the requirement described in subparagraph (A), each eligible entity receiving a grant under subsection (a) shall use the grant funds for one or more of the following activities:

(i) Developing and implementing a strategy for the recruitment of direct care workers.

(ii) Developing and implementing a strategy for the retention of direct care workers using evidence-based best practices, such as providing mentoring to such workers.

(iii) Developing or implementing an education and training program for the direct care workers served by the grant, which shall include—

(I) education and training on—

(aa) the rights of direct care workers under applicable Federal, State, or local employment law on—

(AA) wages and hours, including under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.);

(BB) safe working conditions, including under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.);

(CC) forming, joining, or assisting a labor organization, including under the National Labor Relations Act (29 U.S.C. 153 et seq.); and

(DD) other applicable terms and conditions of employment; and

(bb) relevant Federal and State laws (including regulations) on the provision of home and community-based services; and

(II) providing a progressively increasing, clearly defined schedule of

hourly wages to be paid to each direct care worker served by the grant for each hour the worker spends on education or training provided through the program described in this clause, with a schedule of hourly wages that—

(aa) is consistent with measurable skill gains or attainment of a recognized postsecondary credential received as a result of participation in or completion of such education or training program; and

(bb) ensures that each such worker is compensated for each hour the worker spends on education or training through such program at an entry rate that is not less than the greater of the applicable minimum wage required by other applicable Federal, State, or local law, or a collective bargaining agreement;

(III) developing and implementing a strategy for the retention and career advancement of the direct care workers served by the grant, including providing career planning for the direct care workers served by the grant to support the identification of advancement opportunities, and career pathways in the direct care or home care sectors; and

(IV) using evidence-based models and standards for achievement for the attainment of any associated recognized postsecondary credentials, which include—

(aa) supporting opportunities to participate in pre-apprenticeship or registered apprenticeship programs, work-based learning, or on-the-job training;

(bb) providing on-the-job supervision or mentoring to support the development of related skills and competencies throughout

completion of such credentials; and

(cc) training on the in-demand skills and competencies of direct care workers served by the grant, including the provision of culturally competent and disability competent supports and services.

(2) CONSULTATION.—Each eligible entity receiving a grant under this section shall consult in the development and implementation of the grant with—

(A) individuals with disabilities;

(B) older individuals;

(C) direct care workers;

(D) family caregivers, guardians, or family members; or

(E) representatives of—

(i) organizations representing the rights and interests of people receiving home and community-based services;

(ii) provider agencies or employers of direct care workers served by the grant;

(iii) labor or joint labor-management organizations, or advocacy organizations, representing direct care workers served by the grant; or

(iv) institutions of higher education or career and technical education schools providing education and training on direct care.

(d) SUPPLEMENT AND NOT SUPPLANT.—An eligible entity receiving a grant under this section shall use such grant only to supplement, and not supplant, the amount of funds that, in the absence of such grant, would be available to the eligible entity to address the recruitment, education and training, retention, or career advancement of direct care workers in the State served by the grant.

PART 5—WORKFORCE DEVELOPMENT PROGRAMS IN SUPPORT OF COMMUNITIES AND THE ENVIRONMENT

SEC. 22401. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

(a) IN GENERAL.—

(1) AMERICORPS STATE AND NATIONAL PROGRAMS.—

(A) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated

for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $1,305,000,000, to remain available until September 30, 2027, for carrying out national service programs authorized under section 122(a)(3)(B) of the National and Community Service Act of 1990 (42 U.S.C. 12572(a)(3)(B)) which shall be used to make funding adjustments to existing (as of the date of enactment of this Act) awards and make new awards to entities to support national service programs authorized under the AmeriCorps State and National program (whether or not the entities are already grant recipients under such provisions on the date of enactment of this Act) and to increase the living allowances of participants in national service programs.

(B) WAIVER OF MATCHING REQUIREMENT.—For the purposes of carrying out this subparagraph, the Corporation shall waive any match requirement in whole or in part where a grantee demonstrates such waiver would increase access and remove barriers for organizations that serve communities that are adversely

affected by persistent poverty, discrimination, or inequality.

(2) NATIONAL CIVILIAN COMMUNITY CORPS.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $80,000,000, to remain available until September 30, 2027, for carrying out the National Civilian Community Corps authorized under section 152 of the National and Community Service Act of 1990 (42 U.S.C. 12612).

(3) VOLUNTEERS IN SERVICE TO AMERICA PROGRAM.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $100,000,000, to remain available until September 30, 2027, for carrying out the Volunteers in Service to America (VISTA) program for the purposes described in section 101 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951), including to increase the living allowances of volunteers, described in section 105(b) of such Act (42 U.S.C. 4955).

(4) STATE COMMISSIONS.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $40,000,000, to remain available until September 30, 2027, to make adjustments to existing (as of the date of enactment of this Act) awards and new and additional awards, including awards to State Commissions on National and Community Service, under section 126(a) of the National and Community Service Act of 1990 (42 U.S.C. 12576(a)).

(5) USE OF FUNDS.—Amounts made available under paragraphs (1) through (4) shall be used by the Corporation for National and Community Service to carry out activities described in section 122(a)(3)(B) of the National and Community Service Act of 1990 (42 U.S.C. 12572(a)(3)(B)) and for activities related to environmental resiliency, remediation, or mitigation by—

(A) ensuring at least 50 percent of such funds are awarded to entities that serve, and have representation from, low-income communities, Tribal, Alaska Native, or Native Hawaiian communities, or communities experiencing

(or at risk of experiencing) adverse health and environmental conditions;

(B) taking into account the diversity of communities served by such entities and the diversity of AmeriCorps members serving in these projects, including racial, ethnic, socioeconomic, linguistic, or geographic diversity, and utilizing culturally competent and multilingual strategies in the provision of services to communities and in the recruitment of members;

(C) supporting projects that are planned and implemented with the community served by such activities;

(D) providing participants with workforce development opportunities such as pre-apprenticeship programs that articulate to registered apprenticeships, and pathways to post-service employment in high-quality jobs or registered apprenticeships; and

(E) coordinating with and providing resources to the Departments of Labor and Education to improve the readiness of participants to transition to high-quality jobs or further education.

(b) ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $199,650,000, to remain available until September 30, 2027, which shall be used for administrative expenses as provided under section 501(a)(5) of the National and Community Service Act of 1990 (42 U.S.C. 12681(a)(5)) and under section 504(a) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5084(a)), including an evaluation of the Corporation's information technology security, corrective actions to address recommendations arising from audits of the agency and the National Service Trust, and, in consultation with the Inspector General, the development of grant fraud prevention and detection controls and risk-based anti-fraud grant monitoring. Not less than 5 percent of funds under this paragraph shall be reserved for outreach to and recruitment of members from communities traditionally underrepresented in the programs and activities funded under this section.

(2) PROJECT, OPERATIONS, AND MANAGEMENT PLAN.—In addition to amounts otherwise made

available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Corporation for National and Community Service, $350,000, to remain available until September 30, 2023, which shall be used by the Chief Executive Officer of the Corporation for National and Community Service in collaboration with the Department of Labor, to develop, issue, and implement a project, operations, and management plan for funds appropriated under this section. In developing the financial management portion of the plan, the Chief Executive Officer shall consult with the Inspector General. Such plan shall be provided to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate prior to obligating funds or making outlays for funds appropriated under subsection (a).

(c) OFFICE OF INSPECTOR GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Office of Inspector General of the Corporation for National and Community Service, $15,000,000 to remain available until September 30, 2030, which shall be used by the Office

of Inspector General of the Corporation for National and Community Service for salaries and expenses necessary for oversight and audit of programs, activities and operations funded under this section.

(d) NATIONAL SERVICE TRUST.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the National Service Trust, $260,000,000, to remain available until expended, for—

(1) administration of the National Service Trust; and

(2) payment to the Trust for the provision of educational awards pursuant to section 145(a)(1)(A) and section 148 of the National and Community Service Act of 1990 (42 U.S.C. 12601(a)(1)(A); 12604).

SEC. 22402. DEPARTMENT OF LABOR.

(a) IN GENERAL.—

(1) YOUTHBUILD PROGRAM.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Department of Labor, $250,000,000, to remain available until September 30, 2027, except that no amounts may be expended after September 30, 2031, for the

YouthBuild program authorized under section 171(c)(1) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3226(c)(1)), including for the purposes of improving and expanding access to services, stipends, wages, and benefits described in subsections (c)(2)(A)(vii) and (c)(2)(F) of section 171 of such Act.

(2) JOB CORPS PROGRAM.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Department of Labor, $500,000,000, to remain available until September 30, 2030, except that no amounts may be expended after September 30, 2031, for the Job Corps program authorized under section 143 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3193 et seq.), including Civilian Conservation Centers as described in section 147(d)(1) of such Act (29 U.S.C. 3197) and for the purposes of improving and expanding access to allowances and supports described in section 150 of such Act (29 U.S.C. 3200).

(3) EX-OFFENDER ACTIVITIES.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the

Treasury not otherwise appropriated, to the Department of Labor, $500,000,000, to remain available until September 30, 2027, except that no amounts may be expended after September 30, 2031, for ex-offender activities under the authority of section 169(b)(5) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)).

(4) APPRENTICESHIP PROGRAMS.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Department of Labor, $1,000,000,000, to remain available until September 30, 2027, except that no amounts may be expended after September 30, 2031, to carry out activities through grants, cooperative agreements, contracts or other arrangements, with States and other appropriate entities, including equity intermediaries and business and labor industry partner intermediaries, to create or expand only apprenticeship programs registered under the Act of August 16, 1937 (commonly known as the ''National Apprenticeship Act''; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.), youth apprenticeship programs, and pre-apprenticeship programs articulating to apprenticeship programs registered under such Act.

(5) PAID YOUTH EMPLOYMENT ACTIVITIES.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2023, out of any money in the Treasury not otherwise appropriated, to the Department of Labor, $249,800,000, to remain available until September 30, 2030, except that no amounts may be expended after September 30, 2031, for paid youth employment activities under the authority of section 169(b)(5) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3224(b)(5)) for in-school and out-of-school youth as defined in section 3 of such Act (29 U.S.C. 3102).

(b) USE OF FUNDS.—Amounts made available under paragraphs (1) through (8) of subsection (a) shall be used for activities to include training for careers in industry sectors and occupations related to environmental resiliency, remediation, or mitigation and activities to increase diversity within such industry sectors and occupations, taking into account the diversity of communities and participants served by such programs, including racial, ethnic, socioeconomic, linguistic, or geographic diversity.

(c) PROJECT, OPERATIONS, AND MANAGEMENT PLAN.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any

money in the Treasury not otherwise appropriated, to the Department of Labor, $200,000, to remain available until September 30, 2023, which shall be used by the Secretary of Labor in collaboration with the Chief Executive Officer of the Corporation for National and Community Service, to develop and issue a project, operations, and management plan for funds appropriated under this section. Such plan shall be provided to the Committee on Education and Labor of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate prior to obligating funds or making outlays for funds appropriated under subsection (a).

PART 6—DEPARTMENT OF LABOR INSPECTOR GENERAL FUNDING

SEC. 22501. DEPARTMENT OF LABOR INSPECTOR GENERAL FUNDING.

In addition to amounts otherwise available, there is appropriated to the Office of Inspector General of the Department of Labor for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended for salaries and expenses necessary for oversight, investigations, and audits of programs, grants, and projects of the Department of Labor funded under this subtitle and subtitle B of this title.

Subtitle D—Child Care and Universal Pre-Kindergarten

SEC. 23001. BIRTH THROUGH FIVE CHILD CARE AND EARLY LEARNING ENTITLEMENT.

(a) SHORT TITLE.—This section may be cited as the ''Birth Through Five Child Care and Early Learning Entitlement Act''.

(b) DEFINITIONS.—

(1) IN GENERAL.—The definitions in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) shall apply to this section, except as provided in subparagraph (2) and as otherwise specified.

(2) ADDITIONAL TERMS.—In this section:

(A) CHILD CARE CERTIFICATE.—

(i) IN GENERAL.—The term ''child care certificate'' means a certificate (that may be a check or other disbursement) that is issued by a State or local government under this section directly to a parent who may use such certificate only as payment for child care services or as a deposit for child care services if such a deposit is required of other children being cared for by the provider.

(ii) RULE.—Nothing in this section shall preclude the use of such certificates for sectarian child care services if freely chosen by the parent. For the purposes of this section, child care certificates shall be considered Federal financial assistance to the provider.

(B) CHILD EXPERIENCING HOMELESSNESS.—The term ''child experiencing homelessness'' means an individual who is a homeless child or youth under section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

(C) ELIGIBLE ACTIVITY.—The term ''eligible activity'', with respect to a parent, shall include, at minimum, activities consisting of—

(i) full-time or part-time employment;

(ii) self-employment;

(iii) job search activities;

(iv) job training;

(v) secondary, postsecondary, or adult education, including education through a program of high school classes, a course of study at an institution of higher education, 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

Federal employees), a State or local paid or unpaid leave law, or a program of employer-provided leave.

(D) ELIGIBLE CHILD.—The term ''eligible child'' means an individual (without regard to the immigration status of the individual or of any parent of the individual)—

(i) who is less than 6 years of age;

(ii) who is not yet in kindergarten;

(iii) whose family income—

(I) does not exceed 100 percent of the State median income for a family of the same size for fiscal year 2022;

(II) does not exceed 115 percent of such State median income for fiscal year 2023;

(III) does not exceed 130 percent of such State median income for fiscal year 2024; and

(IV) for each of the fiscal years 2025 through 2027, is of any level;

(iv) whose family assets do not exceed $1,000,000 (as certified by a member of such family); and

(v) who—

(I) resides with a parent participating in an eligible activity;

(II) is included in a population of vulnerable children identified by the lead agency involved, which at a minimum shall include children experiencing homelessness, children in foster care, children in kinship care, and children who are receiving, or need to receive, child protective services; or

(III) resides with a parent who is more than 65 years of age.

(E) ELIGIBLE CHILD CARE PROVIDER.—

(i) IN GENERAL.—The term ''eligible child care provider'' means a center-based child care provider, a family child care provider, or other provider of child care services for compensation that—

(I) is licensed to provide child care services under State law;

(II) participates in the State's tiered system for measuring the quality of child care providers described in subsection(f)(4)(B)—

(aa) not later than the last day of the third fiscal year for which the State receives funds under this section; and

(bb) for the remainder of the period for which the provider receives funds under this section; and

(III) satisfies the State and local requirements applicable to eligible child care providers under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.), including those requirements described in section 658E(c)(2)(I) of such Act (42 U.S.C. 9858c(c)(2)(I)).

(ii) SPECIAL RULE.—A child care provider who has been eligible to provide child care services in a State for children receiving assistance under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) on the date the State submits an application for funds under this section and remains in good standing with the State, shall be deemed to be an eligible

child care provider under this section for 3 years after the State receives funding under this section.

(F) FMAP.—The term ''FMAP'' has the meaning given the term ''Federal medical assistance percentage'' in the first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(G) FAMILY CHILD CARE PROVIDER.—Family child care provider means one or more individuals who provide child care services less than 24 hours per day per child, in a private residence other than the residences of the children, unless care for 24 hours is provided due to the nature of the parent(s)' work.

(H) INCLUSIVE CARE.—The term ''inclusive'', with respect to care (including child care), means care provided by an eligible child care provider—

(i) for whom the percentage of children served by the provider who are children with disabilities or infants or toddlers with disabilities reflects the prevalence of children with disabilities and infants and toddlers with disabilities (whichever the

provider serves) among children within the State involved; and

(ii) that provides care and full participation for children with disabilities and infants and toddlers with disabilities (whichever the provider serves) alongside children who are—

(I) not children with disabilities; and

(II) not infants and toddlers with disabilities.

(I) INFANT OR TODDLER.—The term ''infant or toddler'' means an individual who is less than 3 years of age.

(J) INFANT OR TODDLER WITH A DISABILITY.—The term ''infant or toddler with a disability'' has the meaning given the term in section 632 of the Individuals with Disabilities Education Act (20 U.S.C. 1432).

(K) LEAD AGENCY.—The term ''lead agency'' means the agency designated or established under subsection (e).

(L) STATE.—The term ''State'' means any of the 50 States and the District of Columbia.

(M) TERRITORY.—The term ''territory'' means the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(N) TRIBAL ORGANIZATION.—The term ''Tribal organization'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(O) URBAN INDIAN ORGANIZATION.—The term ''Urban Indian organization'' has the meaning given the term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

(c) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, for carrying out this section—

(A) $20,000,000,000 for fiscal year 2022, to remain available until September 30, 2025,

(B) $30,000,000,000 for fiscal year 2023, to remain available until September 30, 2026

(C) $40,000,000,000 for fiscal year 2024, to remain available until September 30, 2027;

(D) such sums as may be necessary for each of fiscal years 2025 through 2027, to remain available for one fiscal year.

(2) ADMINISTRATION.—

(A) FISCAL YEARS 2022 THROUGH 2024.—In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services, out of any money in the Treasury not otherwise appropriated, $130,000,000 for each of fiscal years 2022, 2023, and 2024, to carry out subsection (k). Amounts appropriated by the preceding sentence shall be available for one fiscal year.

(B) FISCAL YEARS 2025 THROUGH 2027.—From the amounts appropriated under subsection (a), the Secretary shall reserve, to carry out subsection (k), up to 1 percent of such amounts for each of fiscal years 2025, 2026, and 2027, which shall be in addition to amounts otherwise available for this purpose. Amounts appropriated by the preceding sentence shall be available for one fiscal year.

(d) ESTABLISHMENT OF BIRTH THROUGH FIVE CHILD CARE AND EARLY LEARNING ENTITLEMENT PROGRAM.—

(1) IN GENERAL.—The Secretary is authorized to administer a child care and early learning entitlement program under which families, in States, territories, and Indian Tribes with an approved application under subsection (f) or (g), shall be provided an opportunity to obtain high-quality child care services for eligible children, subject to the requirements of this section.

(2) ASSISTANCE FOR EVERY ELIGIBLE CHILD.—Beginning on October 1, 2024, every family who applies for assistance under this section with respect to a child in a State with an approved application under subsection (g), or in a territory or Indian tribe with an approved application under subsection (f), and who is determined, by a lead agency (or other entity designated by a lead agency) following standards and procedures established by the Secretary by rule, to be an eligible child, shall be offered child care assistance in accordance with and subject to the requirements and limitations of this section.

(e) LEAD AGENCY.—The Governor of a State or the 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.

(2) PERIOD COVERED BY PLAN.—A State plan contained in the application shall be designed to be implemented—

(A) for a transitional State plan, during a 1-year period; and

(B) for a full State plan, during a 3-year period.

(3) REQUIREMENTS FOR TRANSITIONAL STATE PLANS.—For a period of 1 year following the date of enactment of this Act, the Secretary shall award funds under this section to States with an approved application that contains a transitional State plan, submitted under paragraph (1)(A) that includes, at a minimum—

(A) an assurance that the State will submit a State plan under paragraph (4); and

(B) a description of how the funds received by the State under this section will be spent to expand access to child care assistance and increase the supply and quality of child care providers within the State, in alignment with the requirements of this section.

(4) REQUIREMENTS FOR FULL STATE PLANS.—The Secretary may award funds under this section to States with an approved application that contains

a subsequent State plan, submitted under subsection (a)(2), that includes, at a minimum, the following:

(A) PAYMENT RATES AND COST ESTIMATION.—

(i) PAYMENT RATES.—The State plan shall certify that payment rates for the provision of child care services for which assistance is provided in accordance with this section for the period covered by the plan, within 3 years after the State receives funds under this section—

(I) will be sufficient to meet the cost of child care, and set in accordance with a cost estimation model or cost study described in clause (ii) that is approved by the Secretary; and

(II) will correspond to differences in quality (including improved quality) based on the State's tiered system for measuring the quality of eligible child care providers described in subparagraph (B).

(ii) COST ESTIMATION.—Such State plan shall—

(I) demonstrate that the State has, after consulting with relevant entities and stakeholders, developed and uses a statistically valid and reliable cost estimation model or cost study for the payment rates of child care services in the State that reflect rates for providers at each of the tiers of the State's tiered system for measuring the quality of child care providers described in subparagraph (B), and variations in the cost of child care services by geographic area, type of provider, and age of child, and the additional costs associated with providing inclusive child care services; and

(II) certify that the State's payment rates for child care services for which assistance is provided in accordance with this section—

(aa) are set in accordance with the most recent estimates from the most recent cost estimation model or cost study under

subclause (I), so that providers at each tier of the tiered system for measuring provider quality described in subparagraph (B) receive a payment that is sufficient to meet the requirements of such tier;

(bb) are set so as to provide payments to providers not at the top tier of the tiered system that are sufficient to enable the providers to increase quality to meet the requirements for the next tier;

(cc) ensure adequate wages for staff of child care providers providing such child care services that—

(AA) at a minimum, provide a living wage for all staff of such child care providers; and

(BB) are equivalent to wages for elementary educators with similar creden-

tials and experience in the State; and

(dd) are adjusted on an annual basis for cost of living increases to ensure those payment rates remain sufficient to meet the requirements of this section.

(iii) PAYMENT PRACTICES.—Such State plan shall include an assurance that the State will implement payment practices that support the fixed costs of providing child care services.

(B) TIERED SYSTEM FOR MEASURING THE QUALITY OF CHILD CARE PROVIDERS.—Such State plan shall certify that the State has implemented, or assure that the State will implement within 3 years after receiving funds under this section, a tiered system for measuring the quality of eligible child care providers who provide child care services for which assistance is made available under this section. Such tiered system shall—

(i) include a set of standards, for determining the tier of quality of a child care provider, that—

(I) uses standards for a highest tier that at a minimum are equivalent to Head Start program performance standards described in section 641A(a)(1)(B) of the Head Start Act (42 U.S.C. 9836a(a)(1)(B)) or other equivalent evidence-based standards approved by the Secretary; and

(II) includes quality indicators and thresholds that are appropriate for child development in different types of child care provider settings, including child care centers and the settings of family child care providers, and are appropriate for providers serving different age groups (including mixed age groups) of children;

(ii) include a different set of standards that includes indicators, when appropriate, for care during nontraditional hours of operation; and

(iii) provide for sufficient resources and supports for child care providers at 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

a sliding fee scale described in clause (ii) to determine a copayment for a family receiving assistance under this section (or, for a family receiving part-time care, a reduced copayment that is the proportionate amount of the full copayment).

(ii) SLIDING FEE SCALE.—A full copayment described in clause (i) shall use a sliding fee scale that provides that, for a family with a family income—

(I) of not more than 75 percent of State median income for a family of the same size, the family shall not pay a copayment, toward the cost of the child care involved for all eligible children in the family;

(II) of more than 75 percent but not more than 100 percent of State median income for a family of the same size, the copayment shall be more than 0 but not more than 2 percent of that family income, toward such cost for all such children;

(III) of more than 100 percent but not more than 125 percent of

State median income for a family of the same size, the copayment shall be more than 2 but not more than 4 percent of that family income, toward such cost for all such children;

(IV) of more than 125 percent but not more than 150 percent of State median income for a family of the same size, the copayment shall be more than 4 but not more than 7 percent of that family income, toward such cost for all such children; and

(V) of more than 150 percent of the State median income for a family of the same size, the copayment shall be 7 percent of that family income, toward such cost for all such children.

(iii) SPECIAL RULES.—The State shall not require a copayment under this subparagraph for any eligible child of a family with a child that is eligible for a Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.), or a child who has been identified as a member of a population listed in subsection

(b)(2)(D)(v)((II). A State or another entity may pay a copayment (full or reduced) under this subparagraph on behalf of a family, but may not receive Federal reimbursement under this section for such payment.

(F) PROHIBITION ON CHARGING MORE THAN COPAYMENT.—The State plan shall certify that the State shall not permit a child care provider receiving financial assistance under this section to charge, for child care for an eligible child, more than the total of—

(i) the financial assistance provided for the child under this section; and

(ii) any applicable copayment pursuant to subparagraph (E).

(G) ELIGIBILITY.—The State plan shall assure that each child who receives assistance under this section will be considered to meet all eligibility requirements for such assistance, and will receive such assistance, for not less than 24 months, and the child's eligibility determination and redetermination, including any determination based on the State's definition of eligible activities, shall be implemented in such a man-

ner that supports child well-being and reduces barriers to enrollment, including continuity of services.

(H) POLICIES TO SUPPORT ACCESS TO CHILD CARE FOR UNDERSERVED POPULATIONS.—The State plan shall assure that the State will prioritize increasing access to, and the quality and the supply of, child care in the State for underserved populations, including at a minimum, low-income children, children in underserved areas, infants and toddlers, children with disabilities and infants and toddlers with disabilities, children who are dual language learners, and children who receive care during nontraditional hours.

(I) POLICIES.—The State plan shall include a certification that the State will apply, under this section, the policies and procedures described in subparagraphs (A), (B), (I), (J), (K)(i), (R), and (U) of section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)), and the policies and procedures described in section 658H of such Act, to child care services provided under this section.

(J) LICENSING.—The State plan shall include an assurance that the State has or will develop within 3 years after receiving funds under this section, licensing standards for child care providers and a pathway to such licensure that is available to and appropriate for child care providers in a variety of settings, to ensure providers eligible under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.), have a pathway to become eligible providers under this section.

(K) REPORTS.—The State plan shall include an agreement to provide to the Secretary such periodic reports, providing a detailed accounting of the uses of such funds received under this section, as the Secretary may require for the administration of this section.

(g) PAYMENTS.—

(1) TRANSITION PAYMENTS FOR FISCAL YEARS 2022 THROUGH 2024.—

(A) RESERVATIONS AND ALLOTMENTS.—

(i) IN GENERAL.—For each of fiscal years 2022 through 2024, the Secretary shall, from the amount appropriated under

subsection (c)(1)(A) for each such fiscal year—

(I) reserve not less than 4 percent for Indian Tribes, Tribal organizations, and Urban Indian organizations for child care assistance;

(II) reserve not less than 0.5 of 1 percent for Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands for child care assistance; and

(III) from the amount so appropriated and not reserved under subclauses (I) and (II), make allotments to each State in the same manner as the Secretary makes such allotments using the formula under section 658O(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(b)).

(IV) $9,600,000,000 for each of the fiscal years 2022 through 2027 to carry out the program of grants to localities in subsection (i).

(ii) DEFINITION.—For purposes of this paragraph, the term ''State'' means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(B) PAYMENTS.—

(i) INDIAN TRIBES, TRIBAL ORGANIZATIONS, AND URBAN INDIAN ORGANIZATIONS.—

(I) IN GENERAL.—For each of fiscal years 2022 through 2024, from the amount reserved for Indian Tribes, Tribal organizations, and Urban Indian organizations under subparagraph (A)(i)(I), the Secretary shall make payments to Indian Tribes, Tribal organizations, and Urban Indian organizations, and the Tribes, Tribal organizations, and Indian organizations shall be entitled to such payments, for carrying out programs or activities consistent with the objectives of this section.

(II) APPLICATIONS.—An Indian Tribe, Tribal organization, or Urban Indian organization seeking a pay-

ment under clause (ii)(II) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify, including the agreement described in subsection (f)(4)(K).

(ii) TERRITORIES.—

(I) IN GENERAL.—For each of fiscal years 2022 through 2024, from the amount reserved for territories under subsection (A)(i)(II), the Secretary shall make payments to the territories specified in that paragraph, and the territories shall be entitled to such payments, for carrying out programs or activities consistent with the objectives of this section.

(II) APPLICATIONS.—A territory specified in clause (i)(II) seeking a payment under this clause shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may specify, including the

agreement described in subsection (f)(4)(K).

(iii) STATES.—For each of fiscal years 2022 through 2024, each State that has an application approved under subsection (f) shall be entitled to a payment under this clause in the amount equal to its allotment under subparagraph (A) for such fiscal year.

(C) AUTHORITIES.—Notwithstanding any other provision of this paragraph, for each of fiscal years 2022 through 2024, the Secretary shall have the authority to reallot funds that were allotted under subparagraph (A) from any State without an approved application under subsection (f) by the date required by the Secretary, to States with approved applications under that subsection, to Tribes with an approved application under subparagraph (A)(ii), and to territories with an approved application under .

(2) PAYMENTS FOR FISCAL YEARS 2025 THROUGH 2027.—

(A) IN GENERAL.—For each of fiscal years 2025 through 2027:

(i) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

(I) IN GENERAL.—The Secretary shall pay to each State with an approved application under subsection (f), and that State shall be entitled to, an amount for each quarter equal to 90 percent of expenditures in the quarter for child care assistance for eligible children described under subsection (h)(2)(B). The Secretary shall pay to each State with an approved application under subsection (f), and that State shall be entitled to, an amount for each quarter equal to 90 percent of expenditures in the quarter for the components of the child care entitlement program described under subsection (h)(2)(B).

(II) EXCEPTION.—Funds reserved from the amount under subsection (h)(2)(C) shall be subject to clause (ii).

(ii) ACTIVITIES TO IMPROVE THE 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-

velopment Block Grant Act (42 U.S.C. 9858f).

(B) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—For each of fiscal years 2025 through 2027, the Secretary may make payments under this subsection for each quarter on the basis of advance estimates of expenditures submitted by the State and such other investigation as the Secretary may find necessary, and shall reduce or increase the payments as necessary to adjust for any overpayment or underpayment for previous quarters.

(C) FLEXIBILITY IN SUBMITTAL OF CLAIMS.—Nothing in this subsection shall be construed as preventing a State from claiming as expenditures in a quarter expenditures that were incurred in a previous quarter and not claimed in such previous quarter.

(D) TERRITORIES AND TRIBES.—For each of fiscal years 2025 through 2027, the Secretary shall make payments to territories, and Indian tribes, tribal organizations, and Urban Indian organizations, with applications submitted as described in subsection (a), and approved by the Secretary. The territories, Indian

tribes, tribal organizations, and Urban Indian organizations shall be entitled to such payments to carry out the activities described in subsection (h)(2).

(h) USE OF FUNDS.—

(1) USE OF FUNDS FOR TRANSITION YEARS.—For each of fiscal years 2022 through 2024, a State that receives a payment under subsection (g)(1) shall reserve and use—

(A) 50 percent of such payment for activities to—

(i) expand access to child care assistance for eligible children (with priority for providing access for children in families with incomes less than 85 percent of the State median income); and

(ii) increase child care provider payment rates to support the cost of providing high-quality child care services, including rates sufficient to support increased wages for staff of eligible child care providers;

(B) 25 percent of such payment for activities described in subsection (b)(3); and

(C) 25 percent for activities under subparagraph (A) or activities under subparagraph (B), as determined by the State.

(2) USE OF FUNDS FOR FISCAL YEARS 2025 THROUGH 2027.—

(A) IN GENERAL.—Starting on October 1, 2024, a State shall use amounts provided to the State under subsection (g)(2) for child care services (provided on a sliding fee scale basis), activities to improve the quality and supply of child care services, and State administration.

(B) CHILD CARE ASSISTANCE FOR ELIGIBLE CHILDREN.—

(i) IN GENERAL.—The State shall ensure that parents of eligible children can access child care services provided by an eligible child care provider through a grant or contract under clause (ii) or a certificate under clause (iii).

(ii) GRANTS AND CONTRACTS.—The State shall award grants or contracts to eligible child care providers, consistent with the requirements under this section, for the provision of child care services for eligible children that, at minimum, support

providers' operating expenses to meet and sustain health, safety, quality, and wage standards required under this section.

(iii) CERTIFICATES.—The State shall issue a child care certificate directly to a child care provider on behalf of a parent who may use such certificate only as payment for child care services or as a deposit for child care services if such a deposit is required of other children being cared for by the provider, consistent with the requirements under this section.

(C) ACTIVITIES TO IMPROVE THE QUALITY AND SUPPLY OF CHILD CARE SERVICES.—

(i) QUALITY CHILD CARE ACTIVITIES.—

(I) AMOUNT.—For each of fiscal years 2025 through 2027, from the total of the annual payments made to the State for a particular fiscal year, the State shall reserve and use a quality child care amount equal to not less than 5 percent and not more than 10 percent of the amount made available to the State through such payments

for that particular fiscal year (and shall reserve and use a proportional amount from each quarterly payment made to the State for that particular fiscal year).

(II) USE OF QUALITY CHILD CARE AMOUNT.—Each State shall use the quality child care amount described in subclause (I) to implement activities described in subparagraphs (B) and (C) that increase the quality and supply of eligible child care providers, and the number of available slots in the State for child care services funded under this section, prioritizing assistance for child care providers who are in underserved communities and who are providing, or are seeking to provide, child care services for underserved populations identified in subsection (f)(4)(H).

(III) ADMINISTRATION.—Assistance provided under this subparagraph may be administered—

(aa) directly by the lead agency; or

(bb) through other State government agencies, local or regional child care resource and referral organizations, community development financial institutions, other intermediaries with experience supporting child care providers, or other appropriate entities that enter into a contract with the State to provide such assistance.

(ii) ACTIVITIES.—Activities funded under the quality child care amount described in clause (i) shall include each of the following:

(I) STARTUP GRANTS AND SUPPLY EXPANSION GRANTS.—

(aa) IN GENERAL.—From a portion of the quality child care amount, a State shall make startup and supply expansion grants to support child care providers who are providing, or seeking to

provide, child care services to children receiving assistance under this section, with priority for providers providing or seeking to provide child care in underserved communities and for underserved populations identified in subsection (f)(4)(H), to—

(AA) support startup and expansion costs; and

(BB) assist such providers in meeting health and safety requirements and achieving licensure.

(bb) REQUIREMENT.—As a condition of receiving a startup or supply expansion grant under this subclause, a child care provider shall commit to meeting the requirements of an eligible provider under this section, and providing child care services to children receiving assistance under this section on an ongoing basis.

(II) QUALITY GRANTS.—From a portion of the quality child care amount, a State shall provide quality grants to eligible child care providers providing child care services to children receiving assistance under this section to improve the quality of such providers, including—

(aa) supporting such providers in meeting or making progress toward the requirements for the highest tier of the State's tiered system for measuring the quality of child care providers under subsection (f)(4)(B); and

(bb) supporting such providers in sustaining child care quality.

(III) FACILITIES GRANTS.—

(aa) IN GENERAL.—From a portion of the quality child care amount, a State shall provide support, including through awarding facilities grants, for remodeling, renovation, or repair of

a building or facility to the extent permitted under section 658F(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858).

(bb) ADDITIONAL USES.—For fiscal years 2022 through 2024, and in subsequent years with approval from the Secretary, a State may provide such facilities grants for construction, permanent improvement, or major renovation of a building or facility primarily used for providing child care services, in accordance with the following:

(AA) Federal interest provisions will not apply to the renovation or rebuilding of privately-owned family child care homes under this subclause.

(BB) Eligible child care providers may not use funds for buildings or facilities

that are used primarily for sectarian instruction or religious worship.

(CC) The Secretary shall develop parameters on the use of funds under this subclause for family child care homes.

(DD) The Secretary shall not retain Federal interest after a period of 10 years in any facility built, renovated, or repaired with funds awarded under this subclause.

(IV) ADDITIONAL ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.—A State shall use a portion of the quality child care amount to improve the quality of child care services, which shall include—

(aa) supporting the training and professional development of the early childhood workforce, including supporting degree attain-

ment and credentialing for early childhood educators;

(bb) developing, implementing, or enhancing the State's tiered system for measuring the quality of child care providers under subsection (f)(4)(B);

(cc) improving the supply and quality of developmentally appropriate child care programs and services for underserved populations described in subsection (f)(4)(H);

(dd) improving access to child care services for children experiencing homelessness and children in foster care; and

(ee) other activities to improve the supply and quality of child care services, including activities described in paragraphs (1) through (10) of section 658G(b) of the Child Care and

Development Block Grant Act of 1990 42 U.S.C. 9858e).

(V) TECHNICAL ASSISTANCE.—From a portion of the quality child care amount, the State shall provide technical assistance to increase the supply and quality of eligible child care providers who are providing, or seeking to provide, child care services to children receiving assistance under this section, including providing support to enable providers to achieve licensure.

(i) GRANTS TO LOCALITIES.—

(1) DEFINITION OF ELIGIBLE LOCALITY.——In this subsection the term ''eligible locality'' means a city, county, or other unit of general local government, or a Head Start grantee.

(2)(A) IN GENERAL.—The Secretary shall use funds reserved in subsection (g)(1)(A)(i)(IV)) to award local Birth through Five Child Care and Early Learning Grants to eligible localities located in States that have made it apparent that they will not apply for payments under subsection (f). The Secretary shall award the grants to eligible localities

in a State from the allotment made for that State under subparagraph (B). The Secretary shall specify the requirements for an eligible locality to provide access to child care to children in families with income that does not exceed 200 percent of the Federal poverty level, which shall, to the greatest extent practicable, be consistent with the requirements applicable to States under this section.

(B) APPLICATION.—To receive a grant from the corresponding State allotment under this subsection, an eligible locality shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The requirements for the application shall, to the greatest extent practicable, be consistent with the State plan requirements applicable to States under this subsection (f).

(C) PRIORITY FOR LOCALITIES SERVING UNDERSERVED POPULATIONS.—In awarding a grant under this paragraph, the Secretary, shall give priority to eligible localities seeking to serve underserved populations.

(j) PROGRAM REQUIREMENTS.—

(1) NONDISCRIMINATION.—The following provisions of law shall apply to any program or activity that receives funds provided under this section:

(A) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).

(B) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

(C) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(D) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(E) Section 654 of the Head Start Act (42 U.S.C. 9849).

(2) MAINTENANCE OF EFFORT.—To be eligible to receive a grant under this section, a State shall that receives payments under this section for a fiscal year, in using the funds made available through the payments, shall maintain child care assistance for families at levels not less than the levels provided by the State in fiscal year 2021. The Secretary shall determine the State expenditures allowable under this requirement.

(k) MONITORING AND ENFORCEMENT.—

(1) REVIEW OF COMPLIANCE WITH REQUIREMENTS AND STATE PLAN.—The Secretary shall re-

view and monitor State compliance with this section and the plan described in subsection (f)(4) of the State.

(2) ISSUANCE OF RULE.—The Secretary shall establish by rule procedures for—

(A) receiving, processing, and determining the validity of complaints or findings concerning any failure of a State to comply with the State plan or any other requirement of this section;

(B) notifying a State when the Secretary has determined there has been a failure by the State to comply with a requirement of this section; and

(C) imposing sanctions under this subsection for such a failure.

(l) ADMINISTRATION.—Using funds reserved under subsection (b)(2), the Secretary shall provide technical assistance to States, territories and Indian Tribes and carry out research, evaluations, and administration related to this section.

(m) TRANSITION PROVISIONS.—

(1) TREATMENT OF CHILD CARE AND DEVELOPMENT BLOCK GRANT FUNDS.—For each of fiscal years 2025, 2026, and 2027, a State receiving assistance under this section shall not use more than

10 percent of any funds received under the Child Care and Development Block Grant Act of 1990 to provide child care assistance to children under the age of 6, who are eligible under that Act.

(2) SPECIAL RULES REGARDING ELIGIBILITY.—Any child who is less than 6 years of age, is not yet in kindergarten, and is receiving assistance under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9857 et seq.) on the date funding is first allocated to the lead agency under this section—

(A) shall be deemed immediately eligible to receive assistance under this section; and

(B) may continue to use the child care provider of the family's choice.

(3) TRANSITION PROCEDURES.—The Secretary is authorized to institute procedures for implementing this section, including issuing guidance for States receiving funds under subsection (g).

SEC. 23002. UNIVERSAL PRESCHOOL.

(a) DEFINITIONS.—In this section:

(1) CHILD EXPERIENCING HOMELESSNESS.—The term ''child experiencing homelessness'' means an individual who is a homeless child or youth under

section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a).

(2) CHILD WITH A DISABILITY.—The term ''child with a disability'' has the meaning given the term in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

(3) COMPREHENSIVE SERVICES.—The term ''comprehensive services'' means services that are provided to low-income children and their families, and that are health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary, within the means of section 636 of the Head Start Act (42 U.S.C. 9831).

(4) DUAL LANGUAGE LEARNER.—The term ''dual language learner'' means an individual who is limited English proficient, as defined in section 637 of the Head Start Act (42 U.S.C. 9832).

(5) ELIGIBLE CHILD.—The term ''eligible child'' means a child who is age 3 or 4, on the date established by the applicable local educational agency for kindergarten entry.

(6) ELIGIBLE PROVIDER.—The term ''eligible provider'' means—

(A) a local educational agency, acting alone or in a consortium or in collaboration with an educational service agency (as defined in section 8101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)), that is licensed by the State or meets comparable health and safety standards;

(B) a Head Start agency or delegate agency funded under the Head Start Act (42 U.S.C. 9831 et seq.);

(C) a licensed center-based child care provider, licensed family child care provider, or community– or neighborhood–based network of licensed family child care providers; or

(D) a consortium of entities described in any of subparagraphs (A), (B), and (C).

(7) INDIAN TRIBE.—The term ''Indian Tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(8) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 8101 of the Elementary and Secondary Education Act of 1965.

(9) POVERTY GUIDELINES.—The term ''poverty guidelines'' means the poverty guidelines updated periodically in the Federal Register by the Department of Health and Human Services under the authority of section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(10) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(11) STATE.—The term ''State'' means each of the several States and the District of Columbia.

(12) TERRITORY.—The term ''territory'' means each of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(13) TRIBAL ORGANIZATION.—The term ''Tribal organization'' has the meaning given the term ''tribal organization'' in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(14) URBAN INDIAN ORGANIZATION.—The term ''Urban Indian organization'' has the meaning given the term in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1602).

(b) UNIVERSAL PRESCHOOL.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out this section and provide the Federal share of the cost of universal, high-quality, free, inclusive, and mixed delivery preschool services, on a voluntary basis, to children throughout the States under this section, including providing the Federal share of the cost of State activities described in subsection (c)(4).

(2) SECRETARIAL RESERVATIONS.—The Secretary, in collaboration with the Secretary of Education, shall reserve, from the amount appropriated under this subsection—

(A) not less than 4 percent for payments to Indian Tribes, Tribal organizations, and Urban Indian organizations for activities described in this section;

(B) not more than ½ of 1 percent for the territories, to be distributed among the territories on the basis of their relative need, as determined by the Secretary of Health and Human Services in accordance with the objec-

tives of this section, for activities described in this section;

(C) ½ of 1 percent for eligible local entities that serve children in families who are engaged in migrant or seasonal agricultural labor, for activities described in this section;

(D) for Federal activities, including administration, monitoring, technical assistance, and research—

(i) $165,000,000 for fiscal year 2022 and $200,000,000 for fiscal year 2023; and

(ii) for each of fiscal years 2025 through 2028, not more than 2 percent;

(E) $2,500,000,000 for each of fiscal years 2022 through 2027 to improve compensation of Head Start staff consistent with subparagraphs (A)(i) and (B)(viii) of section 640(a)(5) of the Head Start Act (42 U.S.C. 9835(a)(5)), notwithstanding section 653(a)(1) of such Act (43 U.S.C. 9848(a)(1); and

(F) $1,250,000,000 annually for each of fiscal years 2023 through 2028 to carry out the program of grants to localities described in subsection (e).

(c) PAYMENTS FOR STATE UNIVERSAL PRESCHOOL SERVICES.—

(1) IN GENERAL.—A State that has submitted, and had approved by the Secretary, a State plan for universal preschool services is entitled to a payment under this subsection.

(2) PAYMENTS TO STATES.—

(A) PRESCHOOL SERVICES.—The Secretary shall pay to each State with an approved State plan under paragraph (6), an amount for each year equal to—

(i) 100 percent of the State's expenditures in the year for preschool services described in subsection (d), for each of fiscal years 2022, 2023, and 2024;

(ii) 90 percent of the State's expenditures in the year for such preschool services, for fiscal year 2025;

(iii) 80 percent of the State's expenditures in the year for such preschool services, for fiscal year 2026;

(iv) 70 percent of the State's expenditures in the year for such preschool services, for fiscal year 2027; and

(v) 60 percent of the State's expenditures in the year for such preschool services, for fiscal year 2028.

(B) STATE ACTIVITIES.—The Secretary shall pay to each State with an approved State plan under paragraph (6) an amount for a fiscal year equal to 50 percent of the amount of the State's expenditures for the activities described in paragraph (4), except that in no case shall a payment for a fiscal year under this subparagraph exceed the amount equal to 10 percent of the State's expenditures described in subparagraph (A) for such fiscal year.

(C) NON-FEDERAL SHARE.—The remainder of the cost paid by the State for preschool services, that is not provided under subparagraph (A), shall be considered the non-Federal share of the cost of those services. The remainder of the cost paid by the State for State activities, that is not provided under subparagraph (B), shall be considered the non-Federal share of the cost of those activities.

(3) ADVANCE PAYMENT; RETROSPECTIVE ADJUSTMENT.—The Secretary may make a payment under subparagraph (A) or (B) of paragraph (2) for

a year on the basis of advance estimates of expenditures submitted by the State and such other investigation as the Secretary may find necessary, and may reduce or increase the payment as necessary to adjust for any overpayment or underpayment for a previous year.

(4) STATE ACTIVITIES.—A State that receives a payment under paragraph (2)(B) shall carry out all of the following activities:

(A) State administration of the State's preschool services program described in this section.

(B) Supporting a continuous quality improvement system through the use of data, researching, monitoring, training, technical assistance, professional development, and coaching to support providers participating or seeking to participate in the State's preschool services program and to support such providers in meeting the requirements of this section.

(C) Providing outreach and enrollment support for families of eligible children, including specific outreach to families of underserved populations.

(D) Supporting data systems building.

(E) Supporting staff of eligible providers in pursuing credentials and degrees, including baccalaureate degrees.

(F) Supporting activities that ensure access to inclusive preschool programs for children with disabilities, including, as applicable, activities that redesign or restructure existing preschool programs, as of the date of the activity, to improve inclusive services for children with disabilities.

(G) Providing age-appropriate transportation services for children, which at a minimum shall include transportation services for children experiencing homelessness and children in foster care.

(H) Conducting or updating the State's statewide needs assessment used for purposes of paragraph (6)(B)(ii).

(5) LEAD AGENCY.—The Governor of a State desiring to receive a payment under this subsection shall designate a State lead agency (such as a State agency or joint interagency office) for the administration of the universal preschool services program under this section.

(6) STATE PLAN.—In order to be eligible for payments under this section, the Governor of a State shall submit a State plan for universal, high-quality, free, inclusive, and mixed delivery preschool services to the Secretary for approval at such time, in such manner, and containing such information as the Secretary, in collaboration with the Secretary of Education, may require. Such plan shall include each of the following:

(A) A certification that the State has in place developmentally appropriate, evidence-based preschool standards that, at a minimum are as rigorous as the standards specified in subparagraph (B) of section 641A(a)(1) of the Head Start Act (42 U.S.C. 9836a(a)(1)) and include program standards for class sizes and ratios.

(B) A certification that the State will prioritize the establishment and expansion of universal, high-quality, free, inclusive, and mixed delivery preschool services in high-need communities, as identified by the State, including—

(i) a description of which high-need communities the State will prioritize for

that establishment and expansion within and across those communities;

(ii) a description of how the State determined which communities are high-need communities, including how the State used a research-based methodology, approved by the Secretary, to identify and serve such communities, as determined by—

(I) the rate of poverty among eligible children in the community;

(II) rates of access to high-quality preschool within the community, including, as applicable, rates of disparities for underserved or vulnerable populations as identified through a periodic needs assessment conducted through the preschool development grants program under section 9212 of the Every Student Succeeds Act (42 U.S.C. 9831 note) as applicable, or through another such statewide needs assessment; and

(III) other indicators of community need as required by the Secretary; and

(iii) an assurance that the State will distribute funding for such preschool services under this section within such a high-need community so that a majority of children in the community are offered such preschool services before the State establishes and expands free preschool services in communities with lower levels of need.

(C) As applicable, a description of how the State plans to use funding provided under this section to ensure that existing (as of the date of submission of the State plan) publicly funded preschool programs in the State meet the requirements of this section for a preschool program.

(D) A certification that the State will, in establishing and operating the program of preschool services supported under this section, support a mixed delivery preschool system, including a certification that the State will facilitate the participation in the system of Head Start programs and programs offered by other eligible providers, including providers of licensed family child care).

(E) An assurance that the State will use funding provided under this section to ensure children with disabilities have access to and participate in inclusive preschool programs consistent with provisions in the Individuals with Disabilities Education Act, including an assurance that the State will offer inclusive programming that supports the least restrictive environment requirements in Section 619 of the Individuals with Disabilities Act for all eligible children who are children with disabilities.

(F) A certification that the State will support the continuous quality improvement of programs providing preschool services under this section, including support through technical assistance, monitoring, and research.

(G) A certification that the State will ensure a highly qualified early childhood workforce to support the requirements of this section.

(H) A description of how the State will coordinate the State's preschool standards described in subparagraph (A) with other early learning standards within the State.

(I) A description of how the State will—

(i) coordinate services and funding provided under this section with services and funding for other Federal, State, and local child care and early childhood development programs;

(ii) at the option of an Indian Tribe or Tribal organization in the State, collaborate and coordinate services and funding with such Indian Tribe or Tribal organization;

(iii) partner with Head Start agencies to ensure the full utilization of Head Start programs within the State;

(iv) collaborate with entities carrying out programs under section 619 or part C of the Individuals with Disabilities Education Act, to support inclusive preschool programs; and

(v) improve transitions of children from early childhood education to elementary school.

(J) An assurance that the State will partner with not less than 1 institution of higher education to facilitate degree attainment for staff of preschool programs.

(K) An assurance that the State will ensure all preschool services in the State funded under this section will be—

(i)(I) universally available to all children in the State without any additional eligibility requirements; and

(II) be high quality, free, and inclusive;

(ii) by not later than 1 year after receiving such funding, meet the State's preschool education standards described in subparagraph (A);

(iii) offer programming that meets the duration requirements of at least 1,020 annual hours, in the program performance standards applicable to Head Start programs described in section 641A of the Head Start Act (42 U.S.C. 9836a);

(iv) adopt policies and practices to conduct outreach and provide expedited enrollment, including prioritization, to—

(I) children experiencing homelessness;

(II) children in foster care or kinship care;

(III) children in families who are engaged in migrant or seasonal agricultural labor;

(IV) children with disabilities, including children served under part C of the Individuals with Disabilities Education Act who are an eligible child under section 101(a)(3) of this Act; and

(V) dual language learners;

(v) provide salaries, and set salary schedules, for staff that are equivalent to salaries of elementary school staff with similar credentials and experience;

(vi) at a minimum, provide a living wage for all staff of such providers; and

(vii) require educational qualifications for teachers (excluding individuals who were employed by an eligible child care provider or early education program for a cumulative three of the last five years from the date of enactment and have the necessary content knowledge and teaching skills for early childhood educators, as demonstrated through measures deter-

mined by the State) in the preschool program including, at a minimum, requiring that lead teachers in the preschool program have a baccalaureate degree in early childhood education or a related field by not later than 7 years after the date of enactment of this Act (The requirements specified in this clause shall not apply to individuals who were employed by an eligible child care provider or early education program for a cumulative 3 of the last 5 years from the date of enactment and have the necessary content knowledge and teaching skills for early childhood educators, as demonstrated through measures determined by the State.).

(L) An assurance that the State will meet the requirements of clauses (ii) and (iii) of section 658E(c)(2)(T) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2)(T)), with respect to funding and assessments under this section.

(M) A certification that subgrant amounts described under subsection (d) are sufficient to enable the eligible provider to meet the require-

ments of this title, and will provide for increased staff payment amounts based on the criteria described in (K)(v) and (vi).

(N) A certification that preschool seats will be distributed equitably among child care (including family child care), Head Start, and schools within the State.

(7) DURATION OF THE PLAN.—Each State plan shall remain in effect for a period of 3 years. Amendments to the State plan shall remain in effect for the duration of the plan.

(8) Transitional State Plan—The Secretary shall make available a transitional State plan for a period of one year that contains such information as the Secretary may require, to demonstrate the State will meet the requirements of this title and that includes—

(A) an assurance that the State will submit a State plan under paragraph (6); and

(B) a description of how the funds received by the State under this title will be spent to expand access to universal, high-quality, free, inclusive, and mixed delivery preschool programs in alignment with the requirements of this title.

(d) SUBGRANTS AND CONTRACTS FOR LOCAL PRESCHOOL PROGRAMS.—

(1) SUBGRANTS AND CONTRACTS.—

(A) IN GENERAL.—A State that receives a payment under subsection (c)(2)(A) for a fiscal year shall use amounts provided through the payment to pay the Federal share of the costs of subgrants to, or contracts with, eligible providers to operate universal, high-quality, free, inclusive, and mixed delivery preschool programs through the State preschool program in accordance with paragraph (2). A State shall reduce or increase the amounts provided under such subgrants or contracts if needed to adjust for any overpayment or underpayment described in subsection (c)(3).

(B) AMOUNT.—A State shall award a subgrant or contract under this subsection in a sufficient amount to enable the eligible provider to operate a universal, high-quality, free, and inclusive preschool program that meets the requirements of subsection (c)(6)(K) and which amount shall reflect variations in the cost of preschool services by geographic area, type of provider, and age of child, and the additional

costs associated with providing inclusive preschool services for children with disabilities .

(C) DURATION.—The State shall award a subgrant or contract under this subsection for a period of not less than 3 years, unless the subgrant or contract is terminated or suspended, or the subgrant period is reduced, for cause.

(2) ENHANCED PAYMENTS FOR COMPREHENSIVE SERVICES.—In awarding subgrants or contracts under this subsection and in addition to meeting the requirements of paragraph (1)(B), the State shall award subgrants or contracts with enhanced payments to eligible providers that offer preschool programs funded under this subsection to a high percentage of low-income children to support—

(A) comprehensive services, including social, emotional and other services that support child well-being;

(B) health and developmental screenings; and

(C) service referral for children and families served by the program involved.

(3) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS.—

(A) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN HIGH-NEED COMMUNITIES.—In awarding subgrants or contracts under this subsection, the State shall first prioritize establishing and expanding universal preschool programs within and across high-need communities identified under subsection (c)(6)(B) by awarding subgrants or contracts to eligible providers operating within, or with capacity to operate within and across, such high-need communities. Such subgrants or contracts shall be used to enroll and serve children in the preschool program, including—

(i) personnel (including classroom and administrative personnel), including compensation and benefits;

(ii) costs associated with implementing the State's preschool standards, providing curriculum sports, and meeting early learning and development standards;

(iii) professional development, teacher supports, and training;

(iv) implementing developmentally appropriate health and safety standards (including licensure, where applicable), teach-

er to child ratios, and group size maximums;

(v) materials, equipment and supplies;

(vi) meeting health and safety standards, including licensure; and

(vii) rent or mortgage, utilities, building security, indoor and outdoor maintenance, and insurance.

(4) ESTABLISHING AND EXPANDING UNIVERSAL PRESCHOOL PROGRAMS IN ADDITIONAL COMMUNITIES.—Once a State that receives a payment under subsection (c)(2)(A) meets the requirements of paragraph (2) with respect to establishing and expanding preschool programs within and across high-need communities, the State shall use any remaining funds from such payment to enroll and serve children in preschool programs, as described in such paragraph, to additional communities in accordance with the statewide needs assessment used for purposes of paragraph (6)(B)(ii). Such funds shall be used for the activities described in (2)(A)(i)–(viii).

(e) GRANTS TO LOCALITIES.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE LOCALITY.—The term ''eligible locality'' means a city, county, or other

unit of general local government, a local educational agency, or a Head Start agency.

(B) LOW-INCOME YOUNG CHILD.—The term ''low-income young child'' means a child who is under age 6 and from a family with a family income that is not more than 200 percent of the poverty guidelines.

(2) IN GENERAL.—The Secretary shall use funds reserved in subsection (b)(2)(F) to award local universal preschool grants to eligible localities located in States that have made it apparent that they will not apply for payments under subsection (c)(2)(A). The Secretary shall award the grants to eligible localities in a State from the allotment made for that State under paragraph (3). The Secretary shall specify the requirements for an eligible locality to conduct a preschool services program under this subsection which shall, to the greatest extent practicable, be consistent with the requirements applicable to States under this section, including ensuring a free, universal, high-quality, inclusive mixed delivery preschool system.

(3) ALLOTMENTS.—For each State described in paragraph (2), the Secretary shall allot for the State 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 (c), re-
23 lating to a payment under such subsection, a State's non-
24 Federal share—

(1) may be in cash or in kind, fairly evaluated, including facilities or property, equipment, or services;

(2) shall include any increase in amounts spent by the State to expand half-day kindergarten programs in the State, as of the day before the date of enactment of this Act, into full-day kindergarten programs;

(3) shall not include contributions being used as a non-Federal share or match for another Federal award;

(4) shall be provided from State or local sources, contributions from philanthropy or other private organizations, or a combination of such sources and contributions and

(5) shall count no more than 50 percent of the State's current spending on prekindergarten programs (as of the date of enactment of this Act) toward the State match.

(g) MAINTENANCE OF EFFORT.—

(1) IN GENERAL.—If a State reduces its combined fiscal effort per child for the State's preschool program (whether a publicly funded preschool program or a program under this section) or through 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-

ing early childhood education, the State presents to the Secretaries a justification and demonstration why other programs could not be reduced and how early childhood education programs in the State will not be disproportionately harmed by such State reductions.

(h) SUPPLEMENT NOT SUPPLANT.—Funds received under this section shall be used to supplement and not supplant other Federal, State, and local public funds expended on early childhood education programs in the State.

(i) NONDISCRIMINATION PROVISIONS.—The following provisions of law shall apply to any program or activity that receives funds provided under this section:

(1) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).

(2) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

(3) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(4) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(5) Section 654 of the Head Start Act (42 U.S.C. 9849)

Subtitle E—Child Nutrition and Related Programs

SEC. 24001. EXPANDING COMMUNITY ELIGIBILITY.

(a) MULTIPLIER AND THRESHOLD ADJUSTED.—

(1) MULTIPLIER.—Clause (vii) of section 11(a)(1)(F) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

"(vii) MULTIPLIER.—

"(I) IMPLEMENTATION IN 2022–2030.—For each school year beginning on or after July 1, 2022, and ending before July 1, 2030, the Secretary shall use a multiplier of 2.5.

"(II) IMPLEMENTATION AFTER 2030.—For each school year beginning on or after July 1, 2030, the Secretary shall use a multiplier of 1.6.".

(2) THRESHOLD.—Clause (viii) of section 11(a)(1)(F) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended to read as follows:

"(viii) THRESHOLD.—

"(I) IMPLEMENTATION IN 2022–2030.—For each school year beginning

on or after July 1, 2022, and ending before July 1, 2030, the threshold shall be not more than 25 percent.

"(II) IMPLEMENTATION AFTER 2030.—For each school year beginning on or after July 1, 2030, the threshold shall be not more than 40 percent.".

(3) APPLICABILITY.—The amendments made by this subsection shall apply to a local educational agency with respect to a school year beginning on or after July 1, 2022, for which such local educational agency elects to receive special assistance payments under subparagraph (F) of section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)).

(b) STATEWIDE COMMUNITY ELIGIBILITY.—Section 11(a)(1)(F) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a(a)(1)(F)) is amended by adding at the end the following:

"(xiv) STATEWIDE COMMUNITY ELIGIBILITY.—For each school year beginning on or after July 1, 2022, and ending before July 1, 2030, the Secretary shall establish a statewide community eligibility

program under which, in the case of a State agency that agrees to provide funding from sources other than Federal funds to ensure that local educational agencies in the State receive the free reimbursement rate for 100 percent of the meals served at applicable schools—

"(I) the multiplier described in clause (vii) shall apply;

"(II) the threshold described in clause (viii) shall be applied by substituting zero for 25; and

"(III) the percentage of enrolled students who were identified students shall be calculated across all applicable schools in the State regardless of local educational agency.".

SEC. 24002. DIRECT CERTIFICATION FOR CHILDREN RECEIVING MEDICAID BENEFITS.

(a) IN GENERAL.—Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended—

(1) in subsection (b)—

(A) by amending paragraph (5) to read as follows:

"(5) DISCRETIONARY CERTIFICATION.—

"(A) FREE LUNCHES OR BREAKFASTS.—Subject to paragraph (6), any local educational agency may certify any child as eligible for free lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation of the status of the child as—

"(i) a member of a family that is receiving assistance under the temporary assistance for needy families program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995;

"(ii) a homeless child or youth (defined as 1 of the individuals described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2));

"(iii) served by the runaway and homeless youth grant program established under the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.);

"(iv) a migratory child (as defined in section 1309 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6399));

"(v) an eligible child (as defined in paragraph (15)(A)); or

"(vi)(I) a foster child whose care and placement is the responsibility of an agency that administers a State plan under part B or E of title IV of the Social Security Act (42 U.S.C. 621 et seq.); or

"(II) a foster child who a court has placed with a caretaker household.

"(B) REDUCED PRICE LUNCHES OR BREAKFASTS.—Subject to paragraph (6), any local educational agency may certify any child who is not eligible for free school lunch or breakfast as eligible for reduced price lunches or breakfasts, without further application, by directly communicating with the appropriate State or local agency to obtain documentation

of the status of the child as a child eligible for reduced price meals (as defined in paragraph (15)(A)).";

(B) in paragraph (6)(A), by striking "or (5)" both places it appears and inserting "(5), or (15)"; and

(C) in paragraph (15)—

(i) in subparagraph (A)—

(I) by amending clause (i) to read as follows:

"(i) ELIGIBLE CHILD.—The term 'eligible child' means a child—

"(I)(aa) who is eligible for and receiving medical assistance under the Medicaid program; and

"(bb) who is a member of a family with an income as measured by the Medicaid program that does not exceed 133 percent of the poverty line (as determined under the poverty guidelines updated periodically in the Federal Register by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act

(42 U.S.C. 9902(2), including any revision required by such section)) applicable to a family of the size used for purposes of determining eligibility for the Medicaid program;

''(II) who is eligible for the Medicaid program because such child receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381–1385) or State supplementary benefits of the type referred to in section 1616(a) of such Act (or payments of the type described in section 212(a) of Public Law 93–66);

''(III) who is eligible for the Medicaid program because such child receives an adoption assistance payment made under section 473(a) of the Social Security Act (42 U.S.C. 673(a)) or under a similar State-funded or State-operated program, as determined by the Secretary;

''(IV) who is eligible for the Medicaid program because such child re-

ceives a kinship guardianship assistance payment made under section 473(d) of the Social Security Act (42 U.S.C. 673(d)) or under a similar State-funded or State-operated program, as determined by the Secretary, without regard to whether such child was previously in foster care; or

"(V) who is a member of a household (as that term is defined in section 245.2 of title 7, Code of Federal Regulations (or successor regulations)) with a child described in subclause (I), (II), (III), or (IV)."; and

(II) by adding at the end the following:

"(iii) CHILD ELIGIBLE FOR REDUCED PRICE MEALS.—The term 'child eligible for reduced price meals' means a child—

"(I)(aa) who is eligible for and receiving medical assistance under the Medicaid program; and

"(bb) who is a member of a family with an income as measured by the Medicaid program that does exceed

133 percent but does not exceed 185 percent of the poverty line (as determined under the poverty guidelines updated periodically in the Federal Register by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) applicable to a family of the size used for purposes of determining eligibility for the Medicaid program; or

"(II) who is a member of a household (as that term is defined in section 245.2 of title 7, Code of Federal Regulations (or successor regulations)) with a child described in subclause (I).";

(ii) by striking subparagraphs (B), (C), (D), (E), (G), and (H);

(iii) in subparagraph (F)—

(I) in the enumerator, by striking "(F)" and inserting "(D)"; and

(II) by striking ''conducting the demonstration project under this paragraph'' and inserting ''carrying out this paragraph'';

(iv) by inserting after subparagraph (A) the following:

''(B) AGREEMENTS TO CARRY OUT CERTIFICATION.—To certify a child under subparagraph (A)(v) or (B) of paragraph (5), a State agency shall enter into an agreement with 1 or more State agencies conducting eligibility determinations for the Medicaid program.

''(C) PROCEDURES.—Subject to paragraph (6), an agreement under subparagraph (B) shall establish procedures under which—

''(i) an eligible child may be certified for free lunches under this Act and free breakfasts under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), without further application (as defined in paragraph (4)(G)); and

''(ii) a child eligible for reduced price meals may be certified for reduced price lunches under this Act or reduced price breakfasts under section 4 of the Child

Nutrition Act of 1966 (42 U.S.C. 1773), without further application (as defined in paragraph (4)(G)).''; and

(v) by adding at the end the following:

''(E) SUNSET.—The authority under this paragraph shall terminate on the last day of school year 2030–2031.''; and

(2) in subsection (d)(2)(G), by inserting ''or child eligible for reduced price meals'' after ''eligible child''.

(b) APPLICABILITY.—The amendments made by this section shall apply with respect to the period—

(1) beginning on July 1, 2022; and

(2) ending on the last day of school year 2030–2031.

SEC. 24003. SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM.

The Richard B. Russell National School Lunch Act is amended by inserting after section 13 (42 U.S.C. 1761) the following:

''SEC. 13A. SUMMER ELECTRONIC BENEFITS TRANSFER FOR CHILDREN PROGRAM.

''(a) PROGRAM ESTABLISHED.—The Secretary shall establish a program under which States and covered Indian Tribal organizations participating in such program

shall, beginning with summer 2023 and annually for each summer before the date described in subsection (g), issue to eligible households summer EBT benefits—

"(1) in accordance with this section; and

"(2) for the purpose of providing nutrition assistance through electronic benefits transfer during the summer months for eligible children, to ensure continued access to food when school is not in session for the summer.

"(b) SUMMER EBT BENEFITS REQUIREMENTS.—

"(1) PURCHASE OPTIONS.—

"(A) BENEFITS ISSUED BY STATES.—

"(i) WIC PARTICIPATION STATES.—In the case of a State that participated in a demonstration program under section 749(g) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2010 (Public Law 111–80; 123 Stat. 2132) during calendar year 2018 using a WIC model, summer EBT benefits issued pursuant to subsection (a) by such a State may only be used by the eligible household that receives such summer EBT benefits to purchase—

"(I) supplemental foods from retailers that have been approved for participation in—

"(aa) the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

"(bb) the program under this section; or

"(II) food (as defined in section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2011(k))) from retail food stores that have been approved for participation in the supplemental nutrition assistance program established under such Act, in accordance with section 7(b) of such Act (7 U.S.C. 2016(b)).

"(ii) OTHER STATES.—Summer EBT benefits issued pursuant to subsection (a) by a State not described in clause (i) may only be used by the eligible household that receives such summer EBT benefits to

purchase food (as defined in section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2011(k))) from retail food stores that have been approved for participation in the supplemental nutrition assistance program established under such Act, in accordance with section 7(b) of such Act (7 U.S.C. 2016(b)).

"(B) BENEFITS ISSUED BY COVERED INDIAN TRIBAL ORGANIZATIONS.—Summer EBT benefits issued pursuant to subsection (a) by a covered Indian Tribal organization may only be used by the eligible household that receives such summer EBT benefits to purchase supplemental foods from retailers that have been approved for participation in—

"(i) the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

"(ii) the program under this section.

"(2) AMOUNT.—Summer EBT benefits issued pursuant to subsection (a)—

"(A) shall be—

"(i) for calendar year 2023, in an amount equal to $75 for each child in the eligible household per month during the summer; and

"(ii) for calendar year 2024 and each year thereafter, in an amount equal to the amount described in clause (i), adjusted to the nearest lower dollar increment to reflect changes to the cost of the thrifty food plan (as defined in section 3(u) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(u)) for the 12-month period ending on November 30 of the preceding calendar year; and

"(B) may be issued—

"(i) in the form of an EBT card; or

"(ii) through electronic delivery.

"(c) ENROLLMENT IN PROGRAM.—

"(1) STATE REQUIREMENTS.—States participating in the program under this section shall—

"(A) with respect to a summer, automatically enroll eligible children in the program under this section without further application;

"(B) establish procedures to carry out the enrollment described in subparagraph (A); and

"(C) require local educational agencies to allow eligible households to opt out of participation in the program under this section and establish procedures for opting out of such participation.

"(2) COVERED INDIAN TRIBAL ORGANIZATION REQUIREMENTS.—Covered Indian Tribal organizations participating in the program under this section shall, to the maximum extent practicable, meet the requirements under subparagraphs (A) through (C) of paragraph (1).

"(d) IMPLEMENTATION GRANTS.—On and after October 1, 2021, the Secretary shall carry out a program to make grants to States and covered Indian Tribal organizations to build capacity for implementing the program under this section.

"(e) ALTERNATE PLANS IN THE CASE OF CONTINUOUS SCHOOL CALENDAR.—The Secretary shall establish alternative plans for when summer EBT benefits may be issued pursuant to subsection (a) in the case of children who are under a continuous school calendar.

"(f) FUNDING.—

"(1) PROGRAM FUNDING.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2029, out of

any money in the Treasury not otherwise appropriated, such sums, to remain available for the period described in paragraph (2), as may be necessary to carry out this section, including for administrative expenses incurred by the Secretary, States, covered Indian Tribal organizations, and local educational agencies.

"(2) PERIOD DESCRIBED.—With respect to each fiscal year under paragraph (1), amounts made available for such a fiscal year under such paragraph shall remain available for the 2-year period following the date such amounts are made available.

"(3) IMPLEMENTATION GRANT FUNDING.—In addition to amounts otherwise available, including under paragraph (1), there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, to carry out subsection (d).

"(g) SUNSET.—The authority under this section shall terminate on September 30, 2029.

"(h) DEFINITIONS.—In this section:

"(1) COVERED INDIAN TRIBAL ORGANIZATION.—The term 'covered Indian Tribal organization' means an Indian Tribal organization that participates in the special supplemental nutrition pro-

gram for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

"(2) ELIGIBLE CHILD.—The term 'eligible child' means, with respect to a summer, a child who was, during the school year immediately preceding such summer—

"(A) certified to receive free or reduced price lunch under the school lunch program under this Act;

"(B) certified to receive free or reduced price breakfast under the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); or

"(C) enrolled in a school described in subparagraph (B), (C), (D), (E), or (F) of section 11(a)(1).

"(3) ELIGIBLE HOUSEHOLD.—The term 'eligible household' means a household that includes at least 1 eligible child.

"(4) SUPPLEMENTAL FOODS.—The term 'supplemental foods'—

"(A) means foods—

"(i) containing nutrients determined by nutritional research to be lacking in the diets of children; and

"(ii) that promote the health of the population served by the program under this section, as indicated by relevant nutrition science, public health concerns, and cultural eating patterns, as determined by the Secretary; and

"(B) includes foods not described in subparagraph (A) substituted by State agencies, with the approval of the Secretary, that—

"(i) provide the nutritional equivalent of foods described in such subparagraph; and

"(ii) allow for different cultural eating patterns than foods described in such subparagraph.".

SEC. 24004. SCHOOL KITCHEN EQUIPMENT GRANTS.

(a) In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until expended, to award grants to States (as defined in section 12(d) of the Richard B. Russell National School Lunch

Act (42 U.S.C. 1760(d))) to make competitive subgrants to local educational agencies and schools to purchase equipment with a value of greater than $1,000 that, with respect to the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751–1769j) and the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), is necessary to serve healthier meals, improve food safety, and increase scratch cooking.

(b) The Secretary may set aside up to 5 percent of the funds made available under subsection (a) for the purpose of training and technical assistance to support scratch cooking, which may be administered by States or other entities.

SEC. 24005. HEALTHY FOOD INCENTIVES DEMONSTRATION.

(a) In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $634,000,000, to remain available until expended, to provide competitive grants to States in accordance with this section.

(b) A State that receives a grant under this section shall use such grant funds to make subgrants to local educational agencies and schools for activities that support—

(1) serving healthy school meals and afterschool snacks that meet discretionary goals established by the Secretary;

(2) increasing scratch cooking;

(3) conducting experiential nutrition education activities, including school garden programs;

(4) procuring local, regional, and culturally appropriate foods and foods produced by underserved or limited resource farmers, as defined by the Secretary, to serve as part of the child nutrition programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751–1769j) or the Child Nutrition Act of 1966 (42 U.S.C. 1771–1793);

(5) reducing the availability of less healthy foods, as defined by the Secretary, during the school day; or

(6) carrying out additional activities to encourage the development of healthy nutrition and physical activity habits among children.

(c) A State that receives a grant under this section may use such grant funds to fund a statewide nutrition education coordinator to—

(1) support individual school food authority nutrition education efforts; and

(2) facilitate collaboration with other nutrition education efforts in the State.

(d) A State that receives a grant under this section may not use more than 5 percent of such grant funds to carry out administrative activities.

(e) In this section, the term ''State'' has the meaning given the term in section 12(d) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1760(d)).

Subtitle F—Human Services and Community Supports

SEC. 25001. ASSISTIVE TECHNOLOGY.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until expended, to carry out the Assistive Technology Act of 1998 (29 U.S.C. 3001 et seq.).

SEC. 25002. FAMILY VIOLENCE PREVENTION AND SERVICES FUNDING.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $27,000,000, to remain available until expended, for necessary administrative expenses to carry out sections 303, 309, and 313 of the Family Violence Prevention and Services Act (42

U.S.C. 10401–10414) and section 2204 of the American Rescue Plan Act of 2021 (Public Law 117–2).

SEC. 25003. PREGNANCY ASSISTANCE FUND.

Section 10214 of the Patient Protection and Affordable Care Act (42 U.S.C. 18204) is amended by striking the period and inserting ", and $25,000,000 for each of fiscal years 2022 through 2024, to remain available until expended, to carry out this part.".

SEC. 25004. FUNDING FOR THE AGING NETWORK AND INFRASTRUCTURE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there are appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to the Department of Health and Human Services—

(1) $75,000,000 for the Research, Demonstration, and Evaluation Center for the Aging Network to carry out the activities of the Center under section 201(g) of the Older Americans Act of 1965 (OAA) (42 U.S.C. 3011(g));

(2) $655,000,000 to carry out part B of title III of the OAA (42 U.S.C. 3030d), including for—

(A) supportive services of the type made available for fiscal year 2021 and authorized under such part;

(B) investing in the aging services network for the purposes of improving the availability of supportive services, including investing in the aging services network workforce;

(C) the acquisition, alteration, or renovation of facilities, including multipurpose senior centers and mobile units; and

(D) construction or modernization of facilities to serve as multipurpose senior centers;

(3) $140,000,000 to carry out part C of title III of the OAA (42 U.S.C. 3030d–21–3030g–23), including to support the modernization of infrastructure and technology, including kitchen equipment and delivery vehicles, to support the provision of congregate nutrition services and home delivered nutrition services under such part;

(4) $150,000,000 to carry out part E of title III of the OAA (42 U.S.C. 3030s–3030s-2), including section 373(e) of such part (42 U.S.C. 3030s–1(e));

(5) $50,000,000 to carry out title VI of the OAA (42 U.S.C. 3057–3057o), including part C of such title (42 U.S.C. 3057k-11);

(6) $50,000,000 to carry out the long-term care ombudsman program under title VII of the OAA (42 U.S.C. 3058–3058ff);

(7) $59,000,000 for technical assistance centers or national resource centers supported under the OAA, including all such centers that received funding under title IV of the OAA (42 U.S.C. 3031–3033a) for fiscal year 2021, in order to support technical assistance and resource development related to culturally appropriate care management and services for older individuals with the greatest social need, including racial and ethnic minority individuals;

(8) $15,000,000 for technical assistance centers or national resource centers supported under the OAA that are focused on providing services for older individuals who are underserved due to their sexual orientation or gender identity;

(9) $1,000,000 for efforts of national training and technical assistance centers supported under the OAA to—

(A) support expanding the reach of the aging services network to more effectively assist older individuals in remaining socially engaged and active;

(B) provide additional support in technical assistance and training to the aging services network to address the social isolation of older individuals;

(C) promote best practices and identify innovation in the field; and

(D) continue to support a repository for innovations designed to increase the ability of the aging services network to tailor social engagement activities to meet the needs of older individuals; and

(10) $5,000,000 to carry out section 417 of the OAA (42 U.S.C. 3032f).

Amounts appropriated by this subsection shall remain available until expended.

(b) NONAPPLICABILITY OF CERTAIN REQUIREMENTS.—The non-Federal contribution requirements under sections 304(d)(1)(D) and 431(a) of the Older Americans Act of 1965 (42 U.S.C. 3024(d)(1)(D), 3033(a)), and section 373(h)(2) of such Act (42 U.S.C. 3030s–1(h)(2)), shall not apply to—

(1) any amounts made available under this section; or

(2) any amounts made available under section 2921 of the American Rescue Plan Act of 2021 (Public Law 117–2).

SEC. 25005. OFFICE OF THE INSPECTOR GENERAL OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

In addition to amounts otherwise available, there is appropriated to the Department of Health and Human Services for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, for the Office of Inspector General of the Department of Health and Human Services, for salaries and expenses necessary for oversight, investigations, and audits of programs, grants, and projects funded under subtitles D and F of this title.

SEC. 25006. TECHNICAL ASSISTANCE CENTER FOR SUPPORTING DIRECT CARE AND CAREGIVING.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services, acting through the Administrator for the Administration for Community Living, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until September 30, 2026, to establish, directly or through grants, 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.

TITLE III—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Air Pollution

SEC. 30101. CLEAN HEAVY-DUTY VEHICLES.

(a) APPROPRIATION.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to carry out section 132 of the Clean Air Act, as added by subsection (b).

(2) RESERVATION.—Of the funds appropriated by paragraph (1), the Administrator of the Environmental Protection Agency shall reserve 3 percent for administrative costs necessary to carry out section 132 of the Clean Air Act, as added by subsection (b).

(b) AMENDMENT.—Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.) is amended by adding at the end the following:

"SEC. 132. CLEAN HEAVY-DUTY VEHICLES.

"(a) PROGRAM.—Beginning not later than 180 days after the date of enactment of this section, the Administrator shall implement a program to make awards of grants and rebates to eligible recipients, and to make awards of contracts to eligible contractors for providing rebates, for up to 100 percent of costs for—

"(1) replacing eligible vehicles with zero-emission vehicles;

"(2) infrastructure needed to charge, fuel, or maintain zero-emission vehicles;

"(3) workforce development and training to support the maintenance, charging, fueling, and operation of zero-emission vehicles; and

"(4) planning and technical activities to support the adoption and deployment of zero-emission vehicles.

"(b) APPLICATIONS.—To seek an award under this section, an eligible recipient or eligible contractor shall submit to the Administrator an application in such form and manner as the Administrator shall prescribe.

"(c) ALLOCATION.—Of any amount appropriated to carry out this section, no less than 40 percent shall be used for awards to eligible recipients proposing to replace eligible vehicles to serve one or more communities located

in an air quality area designated pursuant to section 107 as nonattainment for any air pollutant.

"(d) DEFINITIONS.—For purposes of this section:

"(1) ELIGIBLE CONTRACTOR.—The term 'eligible contractor' means a contractor that is a for-profit or nonprofit entity that has the capacity—

"(A) to sell zero-emission vehicles, or charging or other equipment needed to charge, fuel, or maintain zero-emission vehicles, to individuals or entities that own an eligible vehicle; or

"(B) to arrange financing for such a sale.

"(2) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means—

"(A) a State or local governmental entity;

"(B) an Indian Tribe (as defined in section 302);

"(C) a nonprofit school transportation association; or

"(D) an eligible contractor.

"(3) ELIGIBLE VEHICLE.—The term 'eligible vehicle' means a Class 6 or Class 7 heavy-duty vehicle as defined in section 1037.801 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this section).

"(4) ZERO-EMISSION VEHICLE.—The term 'zero-emission vehicle' means a vehicle that has a drivetrain that produces, under any possible operational mode or condition, zero exhaust emission of—

"(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to such an air pollutant); and

"(B) any greenhouse gas.".

SEC. 30102. GRANTS TO REDUCE AIR POLLUTION AT PORTS.

Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended by adding at the end the following:

"SEC. 133. GRANTS TO REDUCE AIR POLLUTION AT PORTS.

"(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,500,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to award rebates and grants to eligible recipients on a competitive basis to—

"(1) purchase or install zero-emissions port equipment and technology for use at, or to directly serve, one or more ports;

"(2) conduct any relevant planning or permitting in connection with such zero-emissions port equipment and technology; and

"(3) develop qualified climate action plans.

"(b) RESERVATION.—Of the funds made available by this section, $875,000,000 shall be reserved for awards to eligible recipients to carry out activities with respect to ports located in nonattainment areas for any air pollutant.

"(c) LIMITATION.—Funds awarded under this section shall not be used—

"(1) to purchase fully automated cargo-handling equipment or terminal infrastructure that is designed for fully automated cargo-handling equipment; or

"(2) by any recipient or sub-recipient to perform construction, alteration, installation, or repair work that is not located at, or does not directly serve, the one or more ports involved.

"(d) ADMINISTRATION OF FUNDS.—Of the funds made available by this section, the Administrator shall reserve 2 percent for administrative costs necessary to carry out this section.

"(e) DEFINITIONS.—For purposes of this section:

"(1) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means—

"(A) a port authority;

"(B) a State, regional, local, or Tribal agency that has jurisdiction over a port authority or a port;

"(C) an air pollution control agency; or

"(D) a private entity (including any nonprofit organization) that—

"(i) applies for a grant under this section in partnership with an entity described in subparagraphs (A), (B), or (C); and

"(ii) owns, operates, or uses the facilities, cargo-handling equipment, transportation equipment, or related technology of a port.

"(2) QUALIFIED CLIMATE ACTION PLAN.—The term 'qualified climate action plan' means a detailed and strategic plan that—

"(A) establishes goals, implementation strategies, and accounting and inventory practices (including practices used to measure progress towards stated goals) to reduce emissions at one or more ports of—

"(i) greenhouse gases;

"(ii) any air pollutant that is listed pursuant to section 108(a) (or any precursor to such an air pollutant); and

"(iii) hazardous air pollutants; and

"(B) includes a strategy to collaborate with, communicate with, and address potential effects on stakeholders that may be affected by implementation of such plan, including low-income and disadvantaged near-port communities.

"(3) ZERO-EMISSIONS PORT EQUIPMENT AND TECHNOLOGY.—The term 'zero-emissions port equipment and technology' means any equipment or technology that—

"(A) produces zero emissions of any air pollutant that is listed pursuant to section 108(a) (or any precursor to such an air pollutant) and any greenhouse gas other than water vapor; or

"(B) captures 100 percent of such emissions produced by an ocean-going vessel at berth.".

SEC. 30103. GREENHOUSE GAS REDUCTION FUND.

Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended by adding at the end the following:

"SEC. 134. GREENHOUSE GAS REDUCTION FUND.

"(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

"(1) $7,495,000,000 to the Administrator, to remain available until expended (except that no funds shall be disbursed after September 30, 2026), to make grants, on a competitive basis and not later than 180 calendar days after the date of enactment of this section, to States, units of local government, the District of Columbia, territories of the United States, Tribal governments, and eligible recipients for the purposes of providing financial and technical assistance to enable low-income and disadvantaged communities to deploy zero-emission technologies, including distributed zero-emission technologies on residential rooftops, and to carry out other greenhouse gas emission reduction activities, as determined appropriate by the Administrator in accordance with this section;

"(2) $19,995,000,000 to the Administrator, to remain available until expended (except that no funds shall be disbursed after September 30, 2026), to make grants, on a competitive basis and not later than 180 calendar days after the date of enactment of this section, to eligible recipients, of which $8,000,000,000 shall be used to provide financial assistance in low-income and disadvantaged communities; and

"(3) $10,000,000 to the Administrator, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for the administrative costs necessary to carry out activities under this section.

"(b) USE OF FUNDS.—An eligible recipient that receives a grant pursuant to subsection (a) shall operate in accordance with the following:

"(1) DIRECT INVESTMENT.—An eligible recipient shall—

"(A) use a broad range of finance and investment tools to provide financial assistance to qualified projects at the national, regional, State, and local levels, including, as applicable, through both concessionary and market rate financing;

"(B) prioritize investment in qualified projects that would otherwise lack access to financing;

"(C) retain, manage, recycle, and monetize all repayments and other revenue received from fees, interest, repaid loans, and all other types of financial assistance provided using grant funds under this section to ensure continued operability; and

"(D) meet any requirements set forth by the Administrator to ensure accountability and proper management of funds appropriated by this section.

"(2) INDIRECT INVESTMENT.—An eligible recipient shall provide financial and technical assistance to establish new or support existing public, quasi-public, or nonprofit entities that provide financial assistance to qualified projects at the State, local, territorial, or Tribal level or in the District of Columbia, including community- and low-income-focused lenders and capital providers.

"(c) DEFINITIONS.—In this section:

"(1) ELIGIBLE RECIPIENT.—The term 'eligible recipient' means a nonprofit organization that—

"(A) is designed to provide capital, including by leveraging private capital, and other forms of financial assistance for the rapid deployment of low- and zero-emission products, technologies, and activities;

"(B) does not take deposits, other than from repayments and other revenue received from financial assistance provided using grant funds under this section;

"(C) is funded by public or charitable contributions; and

"(D) invests in or finances projects alone or in conjunction with other investors.

"(2) QUALIFIED PROJECT.—The term 'qualified project' includes any low- or zero-emission project, technology, or activity that—

"(A) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or

"(B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

"(3) ZERO-EMISSION TECHNOLOGY.—The term 'zero-emission technology' means any technology that produces zero emissions of—

"(A) any air pollutant that is listed pursuant to section 108(a) (or any precursor to such an air pollutant); and

"(B) any greenhouse gas.".

SEC. 30104. COLLABORATIVE COMMUNITY WILDFIRE AIR GRANTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for grants authorized under section 103 of the Clean Air Act (42 U.S.C. 7403) to assist eligible entities in developing and implementing collaborative community plans to prepare for smoke from wildfires, reduce risks of smoke exposure due to wildfires, and mitigate the health and environmental effects of smoke from wildfires.

(b) TECHNICAL ASSISTANCE.—The Administrator of the Environmental Protection Agency may use amounts made available under subsection (a) to provide technical assistance to any eligible entity in—

(1) submitting an application for a grant to be made pursuant to this section; or

(2) carrying out a project using a grant made pursuant to this section.

(c) ADMINISTRATIVE COSTS.—Of the amounts made available under subsection (a), the Administrator of the Environmental Protection Agency shall reserve 7.5 percent for administrative costs to carry out this section.

(d) ELIGIBLE ENTITIES.—In this section, the term ''eligible entity'' means a State, a territory, a unit of local government (including any special district, such as an air quality management district), or an Indian Tribe.

SEC. 30105. DIESEL EMISSIONS REDUCTIONS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $170,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to address diesel emissions, of which—

(1) $100,000,000 shall be for grants, rebates, loans, and other Environmental Protection Agency activities under subtitle G of title VII of the Energy Policy Act of 2005 (42 U.S.C. 16131 through 16137) to identify and reduce diesel emissions re-

sulting from goods movement facilities, and vehicles servicing goods movement facilities, in low-income and disadvantaged communities to address the health impacts of such emissions on such communities;

(2) $50,000,000 shall be for grants, rebates, loans, and other Environmental Protection Agency activities under subtitle G of title VII of the Energy Policy Act of 2005; and

(3) $20,000,000 shall be for grants, rebates, loans, and other Environmental Protection Agency activities under subtitle G of title VII of the Energy Policy Act of 2005 to identify and reduce diesel emissions in low-income and disadvantaged communities to address the health impacts of such emissions on such communities.

(b) ADMINISTRATIVE COSTS.—The Administrator of the Environmental Protection Agency shall reserve 5 percent of the amounts made available under subsection (a) for the administrative costs necessary to carry out activities pursuant to such subsection.

SEC. 30106. FUNDING TO ADDRESS AIR POLLUTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out

of any money in the Treasury not otherwise appropriated, $320,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to address air pollution, of which—

(1) $265,000,000 shall be for grants and other activities authorized under sections 102, 103, and 105 of the Clean Air Act (42 U.S.C. 7402, 7403, and 7405), of which—

(A) $122,000,000 shall be to deploy, integrate, support, and maintain fenceline monitoring and screening air monitoring, including national air toxics trend stations and other air toxics and community monitoring;

(B) $75,000,000 shall be to expand the national ambient air quality monitoring network with new multipollutant monitoring stations and to replace, repair, operate, and maintain existing monitors;

(C) $3,000,000 shall be to deploy, integrate, and operate air quality sensors in low-income and disadvantaged communities; and

(D) $15,000,000 shall be for testing and other agency activities to address emissions from wood heaters; and

(E) $50,000,000 shall be for monitoring emissions of methane;

(2) $50,000,000 shall be to carry out, with respect to greenhouse gases, sections 111, 115, 169, 177, 202, 211, 213, 231, and 612, and other sections of the Clean Air Act (42 U.S.C. 7411, 7415, 7479, 7507, 7521, 7545, 7547, 7571, 7671k, and others); and

(3) $5,000,000 shall be to provide grants to States to adopt and implement greenhouse gas and zero-emission standards for mobile sources pursuant to section 177 of the Clean Air Act (42 U.S.C. 7507).

(b) ADMINISTRATION OF FUNDS.—Of the funds made available pursuant to subsection (a)(1), the Administrator of the Environmental Protection Agency shall reserve 5 percent for activities funded pursuant to such subsection other than grants.

SEC. 30107. FUNDING TO ADDRESS AIR POLLUTION AT SCHOOLS.

In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, for grants, rebates,

contracts, and other activities to monitor and reduce air pollution and greenhouse gas emissions at schools in low-income and disadvantaged communities under subsections (a) through (c) of section 103 of the Clean Air Act (42 U.S.C. 7403) and section 105 of that Act (42 U.S.C. 7405), of which the Administrator shall reserve not less than 25 percent for technical assistance to such schools—

(1) to address environmental issues;

(2) to develop school environmental quality plans that include standards for school building, design, construction, and renovation; and

(3) to identify and mitigate ongoing air pollution hazards.

SEC. 30108. LOW EMISSIONS ELECTRICITY PROGRAM.

Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended by adding at the end the following:

"SEC. 135. LOW EMISSIONS ELECTRICITY PROGRAM.

"(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Administrator for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to carry out this section.

"(b) USE OF FUNDS.—Of the amounts made available by subsection (a), the Administrator shall use—

"(1) not less than $10,000,000 for consumer-related education and partnerships with respect to reductions in greenhouse gas emissions that result from domestic electricity generation and use;

"(2) not less than $10,000,000 for education, technical assistance, and partnerships within low-income and disadvantaged communities with respect to reductions in greenhouse gas emissions that result from domestic electricity generation and use;

"(3) not less than $10,000,000 for industry-related outreach and technical assistance, including through partnerships, with respect to reductions in greenhouse gas emissions that result from domestic electricity generation and use;

"(4) not less than $10,000,000 for outreach and technical assistance to State and local governments, including through partnerships, with respect to reductions in greenhouse gas emissions that result from domestic electricity generation and use;

"(5) not less than $1,000,000 to assess, not later than the date that is 1 year after the date of enactment of this section, the reductions in greenhouse gas emissions that result from changes in do-

mestic electricity generation and use that are anticipated to occur on an annual basis through fiscal year 2031; and

"(6) not less than $20,000,000 to carry out this section to ensure that the anticipated reductions in greenhouse gas emissions from domestic electricity generation and use as assessed under paragraph (5) are achieved through use of the authorities of this Act, including through the establishment of requirements under this Act.".

SEC. 30109. FUNDING FOR SECTION 211 OF THE CLEAN AIR ACT.

In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,000,000, to remain available until expended, to carry out section 211 of the Clean Air Act (42 U.S.C. 7545), of which—

(1) not less than $5,000,000 shall be for the development and establishment of tests and protocols regarding the environmental and public health effects of a fuel or fuel additive; internal and extramural data collection and analyses to regularly update applicable regulations, guidance, and procedures for determining lifecycle greenhouse gas emis-

sions of a fuel; and the review, analysis and evaluation of the impacts of all transportation fuels, including fuel lifecycle implications, on the general public and on low-income and disadvantaged communities; and

(2) not less than $5,000,000 shall be for new grants to industry and other related activities to support investments in advanced biofuels.

SEC. 30110. FUNDING FOR IMPLEMENTATION OF THE AMERICAN INNOVATION AND MANUFACTURING ACT.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $42,000,000, to remain available until September 30, 2026, to carry out section 103 of division S of Public Law 116–260, of which—

(1) $3,500,000 shall be to deploy new implementation and compliance tools; and

(2) $15,000,000 shall be for competitive grants for reclaim and innovative destruction technologies.

(b) ADMINISTRATION OF FUNDS.—Of the funds made available pursuant to subsection (a)(2), the Administrator of the Environmental Protection Agency shall re-

serve 5 percent for administrative costs of carrying out such section 103.

SEC. 30111. FUNDING FOR ENFORCEMENT TECHNOLOGY AND PUBLIC INFORMATION.

In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to address air pollution, of which—

(1) $37,000,000 shall be to update Integrated Compliance Information System of the Environmental Protection Agency and any associated systems, necessary information technology infrastructure, or public access software tools to ensure access to compliance data and related information;

(2) $7,000,000 shall be for grants to States, Indian Tribes, and air pollution control agencies (as such terms are defined in section 302 of the Clean Air Act (42 U.S.C. 7602)) to update their systems to ensure communication with such Integrated Compliance Information System and any associated systems; and

(3) $6,000,000 shall be to acquire or update inspection software for use by the Environmental Protection Agency, States, Indian Tribes, and air pollution control agencies (as such terms are defined in section 302 of the Clean Air Act (42 U.S.C. 7602)), or to acquire necessary devices on which to run such inspection software.

SEC. 30112. GREENHOUSE GAS CORPORATE REPORTING.

In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency Office of Air and Radiation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for the Environmental Protection Agency to support—

(1) enhanced standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions;

(2) enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and

(3) progress toward meeting such commitments and implementing such plans.

SEC. 30113. ENVIRONMENTAL PRODUCT DECLARATION ASSISTANCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to develop and carry out a program, to be known as the Environmental Product Declaration Assistance Program, to support the development, and enhanced standardization and transparency, of environmental product declarations for construction materials and products, including by—

(1) providing grants to businesses that manufacture construction materials and products for developing and verifying environmental product declarations;

(2) providing technical assistance to businesses that manufacture construction materials and products in developing and verifying environmental product declarations; and

(3) carrying out other activities that assist in measuring and steadily reducing the quantity of embodied carbon of construction materials and products.

(b) ADMINISTRATION OF FUNDS.—Of the amounts made available under this section, the Administrator of the Environmental Protection Agency shall reserve 7.5 percent for administrative costs necessary to carry out this section.

(c) DEFINITIONS.—In this section:

(1) EMBODIED CARBON.—The term ''embodied carbon'' means the quantity of greenhouse gas emissions associated with all relevant stages of production of a material or product, measured in kilograms of carbon dioxide-equivalent per unit of such material or product.

(2) ENVIRONMENTAL PRODUCT DECLARATION.—The term ''environmental product declaration'' means a document that reports the environmental impact of a material or product that—

(A) includes measurement of the embodied carbon of the material or product;

(B) conforms with international standards, such as a Type III environmental product declaration, as defined by the International Organization for Standardization standard 14025; and

(C) is developed in accordance with any standardized reporting criteria specified by the

Administrator of the Environmental Protection Agency.

SEC. 30114. ENVIRONMENTAL PROTECTION AGENCY METHANE FEE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2024), to carry out section 136 of the Clean Air Act, as added by this section.

(b) AMENDMENT.—Part A of title I of the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, is further amended by adding at the end the following:

"SEC. 136. METHANE FEE FROM PETROLEUM AND NATURAL GAS SYSTEMS.

"(a) IN GENERAL.—The Administrator shall impose and collect a fee from the owner or operator of each applicable facility that is required to report methane emissions pursuant to subpart W of part 98 of title 40, Code of Federal Regulations (or any successor regulations).

"(b) APPLICABLE FACILITY.—For purposes of this section, the term 'applicable facility' means a facility within the following industry segments, as defined in subpart

W of part 98 of title 40, Code of Federal Regulations (or any successor regulations):

"(1) Offshore petroleum and natural gas production.

"(2) Onshore petroleum and natural gas production.

"(3) Natural gas processing,

"(4) Natural gas transmission and compression.

"(5) Underground natural gas storage.

"(6) Liquefied natural gas storage.

"(7) Liquefied natural gas import and export equipment.

"(8) Onshore petroleum and natural gas gathering and boosting.

"(9) Onshore natural gas transmission pipeline

"(c) FEE AMOUNT.—The amount of a fee imposed and collected under subsection (a) for an applicable facility shall be equal to the product obtained by multiplying—

"(1) subject to subsection (d), the number of tons of methane reported for the applicable facility pursuant to subpart W of part 98 of title 40, Code of Federal Regulations (or any successor regulations), during the previous reporting period; and

"(2) $1500.

"(d) INTENSITY THRESHOLD.—

"(1) PETROLEUM AND NATURAL GAS PRODUCTION.—With respect to imposing and collecting the fee under subsection (a) for an applicable facility in an industry segment listed in paragraph (1) or (2) of subsection (b), the Administrator shall impose and collect the fee on the reported tons of methane emissions that exceed 0.20 percent of the natural gas sent to sale from such facility.

"(2) NONPRODUCTION PETROLEUM AND NATURAL GAS SYSTEMS.—With respect to imposing and collecting the fee under subsection (a) for an applicable facility in an industry segment listed in paragraph (3), (5), (6), (7), or (8) of subsection (b), the Administrator shall impose and collect the fee on the reported tons of methane emissions that exceed 0.05 percent of the natural gas sent to sale from such facility.

"(3) NATURAL GAS TRANSMISSION.—With respect to imposing and collecting the fee under subsection (a) for an applicable facility in an industry segment listed in paragraph (4) or (9) of subsection (b), the Administrator shall impose and collect the fee on the reported tons of methane emissions that exceed 0.11 percent of the natural gas sent to sale from such facility.

"(e) PERIOD.—The fee under subsection (a) shall be imposed and collected beginning with respect to emissions reported for calendar year 2023 and for each year thereafter.

"(f) IMPLEMENTATION.—In addition to other authorities in this Act addressing air pollution from the oil and natural gas sectors, the Administrator may issue guidance or regulations as necessary to carry out this section.

"(g) REPORTING.—Not later than 2 years after the date of enactment of this section, and as necessary thereafter, the Administrator shall revise the requirements of subpart W of part 98 of title 40, Code of Federal Regulations—

"(1) to reduce the facility emissions threshold for reporting under such subpart and for paying the fee imposed under this section to 10,000 metric tons of carbon dioxide equivalent of greenhouse gases emitted per year; and

"(2) to ensure the reporting under such subpart, and calculation of fees under subsection (c) of this section, are based on empirical data and accurately reflect the total methane emissions from the applicable facilities.

"(h) LIABILITY FOR FEE PAYMENT.—A facility owner or operator's liability for payment of the fee under subsection (a) is not affected in any way by emission standards, permit fees, penalties, or other requirements under this Act or any other legal authorities.

"(i) USE OF PROCEEDS.—

"(1) TRANSFER OF FUNDS.—For each applicable fiscal year, the Secretary of the Treasury shall, without further appropriation, transfer to the Administrator an amount equal to 75 percent of the amounts received during the preceding fiscal year as a result of the methane fee in subsection (a).

"(2) USE OF FUNDS.—The Administrator shall, without further appropriation, use the amounts transferred under paragraph (1) (except that no funds shall be disbursed after September 30, 2028)—

"(A) to cover all direct and indirect costs required to develop and administer this section, including the costs of—

"(i) implementing the fee;

"(ii) continuous emissions and ambient methane and other greenhouse gas monitoring;

"(iii) preparing generally applicable regulations, or guidance;

"(iv) modeling, analyses, and demonstrations; and

"(v) preparing inventories, gathering empirical data, and tracking emissions;

"(B) for grants, rebates, contracts and other activities of the Environmental Protection Agency for the purposes of providing financial and technical assistance to owners and operators of applicable facilities preparing and submitting greenhouse gas reports under subpart W of part 98 of title 40, Code of Federal Regulations (or successor regulations);

"(C) for grants, rebates, contracts, and other activities of the Environmental Protection Agency authorized under section 103 for methane emissions monitoring; and

"(D) for grants, rebates, contracts, and other activities of the Environmental Protection Agency for the purposes of providing financial and technical assistance to reduce methane and other greenhouse gas emissions from petroleum and natural gas systems, mitigate legacy air pollution from petroleum and natural gas sys-

tems, and provide support for communities, including funding for—

"(i) improving climate resiliency of communities and petroleum and natural gas systems;

"(ii) improving and deploying industrial equipment and processes that reduce methane and other greenhouse gas emissions;

"(iii) supporting innovation in reducing methane and other greenhouse gas emissions from petroleum and natural gas systems;

"(iv) mitigating health effects of methane and other greenhouse gas emissions, and legacy air pollution from petroleum and natural gas systems in low-income and disadvantaged communities; and

"(v) supporting environmental restoration.".

Subtitle B—Hazardous Materials

SEC. 30201. SUPERFUND INVESTMENTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

$10,000,000,000, to remain available until expended, for response actions carried out by Federal agencies, consistent with section 120 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620) at Federal facilities included on the National Priority List published pursuant to section 105 of such Act (42 U.S.C. 9605), which shall supplement, not supplant, individual agency appropriations for such response actions.

SEC. 30202. FUNDING TO ADDRESS TOXICS IN SCHOOLS.

In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, for grants, contracts, and other activities to reduce pollution at schools in low-income and disadvantaged communities under title V of the Toxic Substances Control Act (15 U.S.C. 2695 et seq.).

SEC. 30203. GRANTS TO REDUCE WASTE IN COMMUNITIES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $750,000,000, to remain available until expended (except

that no funds shall be disbursed after September 30, 2031), to make grants, on a competitive basis, to eligible recipients to—

(1) minimize the amount of waste generated from manufacturing processes or when consumer products are disposed of, including by encouraging product or manufacturing redesign or redevelopment that reduces packaging and waste byproducts;

(2) construct, expand, or modernize infrastructure for organics recycling and reuse, including any facility, machinery, or equipment used to collect and process organic material;

(3) create market demand or manufacturing capacity for recovered, recyclable, or recycled commodities and products;

(4) support projects and programs that reduce food waste; or

(5) support the development and implementation of activities that reduce the amount of waste disposed of in landfills, including—

(A) expanding the availability of curbside organic waste collection;

(B) encouraging diversion of organic waste from landfills; or

(C) increasing fees imposed on the disposal of waste, including organic waste, at landfills.

(b) RESERVATION.—Of the funds made available under this section, the Administrator of the Environmental Protection Agency shall reserve $300,000,000 for grants for projects in low-income or disadvantaged communities.

(c) ADMINISTRATION OF FUNDS.—Of the funds made available under this section, the Administrator of the Environmental Protection Agency shall reserve 2 percent for administrative costs to carry out this section.

(d) DEFINITION OF ELIGIBLE RECIPIENT.—In this section, the term ''eligible recipient'' means—

(1) a single unit of State, local, or Tribal government;

(2) a partnership of multiple units of State, local, or Tribal governments;

(3) a partnership of one or more units of State, local, or Tribal governments and one or more for-profit or nonprofit organizations; or

(4) a nonprofit organization or a partnership of nonprofit organizations.

SEC. 30204. ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to carry out this section.

(b) GRANTS.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency may use amounts made available under subsection (a) to award grants for periods of up to 3 years to eligible entities to carry out activities described in paragraph (2) that benefit disadvantaged communities, as defined by the Administrator.

(2) ELIGIBLE ACTIVITIES.—An eligible entity may use a grant awarded under this subsection for—

(A) investments in community low-emission, zero-emission, and emission-reducing infrastructure, including construction of such infrastructure;

(B) climate resiliency, mitigation, and adaptation projects, including projects related to

urban heat islands, extreme heat, wood heater emissions, and wildfire events;

(C) community-led pollution monitoring, prevention, and remediation, including any necessary job training programs;

(D) reducing indoor toxics and indoor air pollution;

(E) facilitating engagement of disadvantaged communities in State and Federal public processes, including facilitating such engagement in advisory groups, workshops, and rulemakings; or

(F) any other activity the Administrator of the Environmental Protection Agency determines appropriate.

(3) ELIGIBLE ENTITIES.—In this subsection, the term ''eligible entity'' means—

(A) a partnership between an Indian Tribe, a local government, or an institution of higher education and a community-based nonprofit organization;

(B) a community-based nonprofit organization; or

(C) a partnership of community-based nonprofit organizations.

(4) PRIORITY.—In awarding grants under this subsection, the Administrator of the Environmental Protection Agency shall give priority to eligible entities described in subparagraph (B) or (C) of paragraph (3).

(c) TECHNICAL ASSISTANCE.—The Administrator of the Environmental Protection Agency shall reserve $500,000,000 of the amounts made available under subsection (a) for grants or contracts for technical assistance throughout the United States related to grants awarded in this section.

Subtitle C—Drinking Water

SEC. 30301. LEAD SERVICE LINE REPLACEMENT.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000,000, to make capitalization grants under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12), to remain available until expended, for full lead service line replacement projects and associated activities directly connected to the identification, planning, design, and full replacement of lead service lines, of which $20,000,000,000 shall be for subsidies to disadvantaged communities (as defined in subsection (d)(3) of such section) in the form of loans, with 100 percent forgiveness

of principal, or grants, notwithstanding subsection (d)(2) of such section.

(b) PROHIBITION ON PARTIAL LINE REPLACEMENT.—No funds made available under this section may be used for partial replacement of lead service lines.

(c) NO LEVERAGING.—Funds made available under this section may not be used as a source of payment of, or security for (directly or indirectly), in whole or in part, any obligation the interest on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

SEC. 30302. COMMUNITY WATER SYSTEM RISK AND RESILIENCE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until expended, for grants under section 1433(g) of the Safe Drinking Water Act (42 U.S.C. 300i–2(g)).

SEC. 30303. GRANTS FOR STATE PROGRAMS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, for grants under sec-

tion 1443 of the Safe Drinking Water Act (42 U.S.C. 300j–2).

SEC. 30304. ASSISTANCE FOR COLONIAS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, for grants under section 1456 of the Safe Drinking Water Act (42 U.S.C. 300j–16).

SEC. 30305. GRANTS TO REDUCE LEAD IN SCHOOL DRINKING WATER.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $700,000,000, to remain available until expended, for grants under sections 1464 and 1465 of the Safe Drinking Water Act (42 U.S.C. 300j–24 and 300j-25), of which—

(1) $420,000,000 shall be for grants for the installation and maintenance of lead filtration stations at schools and child care programs;

(2) $150,000,000 shall be for grants under section 1464(d); and

(3) $50,000,000 shall be for grants under section 1465(b)(1) to pay the costs of replacement of drinking water fountains in schools.

SEC. 30306. GRANTS FOR INDIAN RESERVATION DRINKING WATER INFRASTRUCTURE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, to implement eligible projects under section 2001 of America's Water Infrastructure Act of 2018 (42 U.S.C. 300j-3c note), notwithstanding the geographic limitations in that section.

SEC. 30307. ASSISTANCE FOR AREAS AFFECTED BY NATURAL DISASTERS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, for grants under section 2020 of America's Water Infrastructure Act of 2018 (42 U.S.C. 300j-12 note), of which, notwithstanding subsection (a)(2) of such section, $10,000,000 shall be available to make grants to Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands for the purposes of providing assistance to eligible systems to restore or increase compliance with national primary drinking water regulations in an underserved area.

SEC. 30308. ASSISTANCE FOR DISADVANTAGED COMMUNITIES.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until expended, for grants under section 1459A(b) of the Safe Drinking Water Act (42 U.S.C. 300j–19a(b)).

SEC. 30309. GRANTS FOR CONTAMINANT MONITORING.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, to make grants to pay for the costs of monitoring required under section 1445(a)(2) of the Safe Drinking Water Act (42 U.S.C. 300j–4(a)(2)).

SEC. 30310. TECHNICAL ASSISTANCE TO SMALL PUBLIC WATER SYSTEMS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, to provide technical assistance under section 1442(e) of the Safe Drinking Water Act (42 U.S.C. 300j–1(e)).

SEC. 30311. FUNDING FOR WATER ASSISTANCE PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until expended, for grants to States and Indian Tribes to assist low-income households, particularly those with the lowest incomes, that pay a high proportion of household income for drinking water and wastewater services, by providing funds to owners or operators of public water systems or treatment works to reduce arrearages of and rates charged to such households for such services.

(b) ALLOTMENT.—The Secretary shall—

(1) allot amounts appropriated in this section to a State or Indian Tribe based on—

(A) the percentage of households in the State, or under the jurisdiction of the Indian Tribe, with annual income equal to or less than 150 percent of the Federal poverty line; and

(B) the percentage of households in the State, or under the jurisdiction of the Indian Tribe, that spend more than 30 percent of monthly income on housing; and

(2) reserve up to 3 percent of the amount appropriated in this section for Indian Tribes and Tribal organizations.

(c) DEFINITION.—In this section, the term ''State'' means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

Subtitle D—Energy

PART 1—CLEAN ELECTRICITY PERFORMANCE PROGRAM

SEC. 30411. CLEAN ELECTRICITY PERFORMANCE PROGRAM.

(a) APPROPRIATION.—

(1) ADMINISTRATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031), for the administrative expenses of carrying out section 224 of the Federal Power Act (as added by this section).

(2) GRANTS.—In addition to amounts otherwise available, there is appropriated to the Secretary of

Energy for each of fiscal years 2023 through 2031, out of any money in the Treasury not otherwise appropriated, such sums as are necessary to issue grants under section 224 of the Federal Power Act (as added by this section) (except that no funds shall be disbursed after September 30, 2031).

(b) PROGRAM.—Part II of the Federal Power Act is amended by adding after section 223 (16 U.S.C. 824w) the following:

"SEC. 224. CLEAN ELECTRICITY PERFORMANCE PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—Not later than 1 year after the date of enactment of this section, the Secretary shall establish a program to—

"(1) issue grants for each of calendar years 2023 through 2030 to eligible electricity suppliers in accordance with this section; and

"(2) collect payments for each of calendar years 2023 through 2030 from eligible electricity suppliers in accordance with this section.

"(b) GRANTS TO ELIGIBLE ELECTRICITY SUPPLIERS.—

"(1) ELIGIBILITY FOR GRANTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), an eligible electricity supplier shall be eligible for a grant under this sec-

tion for a performance year if the certified clean electricity percentage of the eligible electricity supplier for that performance year is increased by at least 4 percentage points from the greater of—

"(i) the highest certified clean electricity percentage of the eligible electricity supplier for any year prior to that performance year; or

"(ii) the baseline clean electricity percentage of the eligible electricity supplier.

"(B) ADJUSTMENT.—With respect to a performance year in which an eligible electricity supplier submitted a payment under this section for the year prior to that performance year, the eligible electricity supplier shall be eligible for a grant under this section if the certified clean electricity percentage of the eligible electricity supplier for that performance year is increased by at least—

"(i) the number of percentage points described in subparagraph (A); plus

"(ii) the number of percentage points that equals the sum described in sub-

section (c)(2)(B) for the year for which the payment was submitted.

"(2) GRANT CALCULATION.—Except as provided in subsection (d), the Secretary shall issue to an eligible electricity supplier a grant under this section for a performance year in an amount equal to $150 for each megawatt-hour of qualified clean electricity validly claimed by the eligible electricity supplier under subsection (e)(1)(A)(i) for that performance year that exceeds the sum of—

"(A) the product obtained by multiplying—

"(i) the total load of the eligible electricity supplier for that performance year; and

"(ii) 0.015; and

"(B) the greater of—

"(i) the largest quantity of megawatt-hours of qualified clean electricity claimed by the eligible electricity supplier under subsection (e)(1)(A)(i) for any year prior to that performance year; or

"(ii) the quantity of megawatt-hours represented by the baseline clean electricity

percentage of the eligible electricity supplier.

"(3) INITIAL GRANTS.—In calculating a grant for performance year 2023, the product described in paragraph (2)(A) shall be obtained by substituting 0.025 for 0.015.

"(c) PAYMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (3) and subsection (d), the Secretary shall collect a payment for a performance year in accordance with this subsection from each eligible electricity supplier that does not have a certified clean electricity percentage for that performance year that is increased by at least 4 percentage points above the greater of—

"(A) the highest certified clean electricity percentage of the eligible electricity supplier from any year prior to that performance year; or

"(B) the baseline clean electricity percentage of the eligible electricity supplier.

"(2) PAYMENT CALCULATION.—For each eligible electricity supplier, the payment described in paragraph (1) shall be equal to the dollar amount that is the product obtained by multiplying—

"(A) $40; and

"(B) the quantity of megawatt-hours that represents the percentage of the total electricity load of the eligible electricity supplier for the performance year that is represented by the number that equals the sum of—

"(i) 4; plus

"(ii) the number that is equal to—

"(I) the greater of—

"(aa) the highest certified clean electricity percentage of the eligible electricity supplier for any year prior to that performance year; or

"(bb) the baseline clean electricity percentage of the eligible electricity supplier; minus

"(II) the certified clean electricity percentage of the eligible electricity supplier for that performance year.

"(3) EXCEPTION.—The Secretary shall not collect a payment for a performance year from an eligible electricity supplier that has a certified clean electricity percentage for that performance year that is

85 percent or greater, subject to the condition that the certified clean electricity percentage of the eligible electricity supplier for that performance year is not less than the certified clean electricity percentage of the eligible electricity supplier for the year prior to that performance year.

"(4) DEADLINE.—The Secretary shall collect a payment under this section from an eligible electricity supplier not later than 6 months after the date on which the eligible electricity supplier submits the applicable certification under subsection (e)(1)(A)(i).

"(5) RESTRICTION.—An eligible electricity supplier may not recover the cost of a payment submitted under this section from any person other than the shareholders or owners of the eligible electricity supplier.

"(d) DEFERRAL OF GRANTS AND PAYMENTS.—

"(1) IN GENERAL.—Subject to paragraph (2), with respect to any of calendar years 2023 through 2029, an eligible electricity supplier may elect to defer a grant or a payment for the calendar year, and shall notify the Secretary of such election at such time and in such form as the Secretary requires.

"(2) LIMITATION.—An eligible electricity supplier may not make an election described in paragraph (1) for a calendar year if the eligible electricity supplier made that election for the preceding 2 calendar years.

"(3) GRANT OR PAYMENT FOLLOWING DEFERRAL.—

"(A) ELIGIBILITY.—An eligible electricity supplier making an election under this subsection shall be eligible for a grant, or shall submit a payment, for a performance year following a deferred year based on whether its certified clean electricity percentage increased, on average, by 4 or more percentage points in that performance year and each consecutive deferred year immediately preceding that performance year.

"(B) AMOUNTS.—The amount of a grant or payment pursuant to this subsection shall be based on the calculations set forth in subsections (b) and (c), respectively, adjusted to account for the performance year and each deferred year.

"(e) REQUIREMENTS.—

"(1) CONDITIONS.—In each of calendar years 2024 through 2031, each eligible electricity supplier—

"(A) shall submit to the Secretary, by a date determined by the Secretary (but not later than June 1)—

"(i) a performance certification for the preceding calendar year, using such methods and subject to such audit provisions as the Secretary determines appropriate, of—

"(I) the total electricity load of the eligible electricity supplier in such preceding calendar year;

"(II) the quantity of megawatt-hours of qualified clean electricity that the eligible electricity supplier claims for such preceding calendar year for purposes of this section; and

"(III) the percentage of the total electricity load certified under subclause (I) that is qualified clean electricity claimed under subclause (II);

"(ii) a written assurance that the eligible electricity supplier will promptly re-

port to any applicable commission, board, or governance body that regulates the eligible electricity supplier any grant received or payment submitted by the eligible electricity supplier under this section; and

"(iii) a compliance certification that the eligible electricity supplier has complied, with respect to each grant received or payment submitted by the eligible electricity supplier under this section, as applicable, with—

"(I) all written assurances submitted under this section;

"(II) the requirements of paragraph (3); and

"(III) requirements established by the Secretary to ensure the financial integrity of grants issued and payments collected under this section; and

"(B) may not receive a grant under this section for a performance year unless the eligible electricity supplier—

"(i) complies with subparagraph (A) with respect to that performance year; and

"(ii) submits to the Secretary, for that performance year, a written assurance in accordance with section 803(b)(3) of the Energy Independence and Security Act (42 U.S.C. 17282(b)(3)) (for purposes of which any reference to a grant under that section shall be considered to be a reference to a grant under this section).

"(2) BASELINE.—Each eligible electricity supplier, including each new eligible electricity supplier, shall provide sufficient information to the Secretary, as determined by the Secretary, to establish its baseline clean electricity percentage.

"(3) USE OF FUNDS.—An eligible electricity supplier shall use a grant received under this section exclusively for the benefit of the ratepayers of the eligible electricity supplier, including direct bill assistance to ratepayers, investments in qualified clean electricity and energy efficiency, and worker retention.

"(f) DEFINITIONS.—In this section:

"(1) BASELINE CLEAN ELECTRICITY PERCENTAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'baseline clean elec-

tricity percentage' means, with respect to an eligible electricity supplier, the average percentage of the total electricity load of the eligible electricity supplier for calendar years 2019 and 2020 that is represented by, as determined by the Secretary—

"(i) the average clean electricity percentage of the eligible electricity supplier for such calendar years; and

"(ii) a share of any unallocated qualified clean electricity for such calendar years.

"(B) NEW ELIGIBLE ELECTRICITY SUPPLIERS.—With respect to a new eligible electricity supplier, the term 'baseline clean electricity percentage' means the prevailing average clean electricity percentage of comparable eligible electricity suppliers in the area in which the new eligible electricity supplier provides end-use electricity customers with electricity, as determined by the Secretary.

"(2) CARBON DIOXIDE EQUIVALENT EMISSIONS.—The term 'carbon dioxide equivalent emissions' means, with respect to a greenhouse gas, the number of metric tons of carbon dioxide emissions

with the same global warming potential over a 20-year period as 1 metric ton of emissions of the greenhouse gas, as determined by the Secretary, taking into consideration relevant methods and information described in assessment reports prepared by the Intergovernmental Panel on Climate Change.

"(3) CARBON INTENSITY.—The term 'carbon intensity' means the carbon dioxide equivalent emissions released into the atmosphere from the generation of 1 megawatt-hour of electricity by an electric generating unit, as determined by the Secretary.

"(4) CERTIFIED CLEAN ELECTRICITY PERCENTAGE.—The term 'certified clean electricity percentage' means, with respect to an eligible electricity supplier, the percentage certified by the eligible electricity supplier under subsection (e)(1)(A)(i)(III), which may only include qualified clean electricity with respect to which the eligible electricity supplier holds the exclusive rights to the qualifying attributes.

"(5) CLEAN ELECTRICITY PERCENTAGE.—The term 'clean electricity percentage' means, with respect to an eligible electricity supplier, the percentage of the total electricity load of the eligible electricity supplier that is qualified clean electricity, with

respect to which the eligible electricity supplier holds the exclusive rights to the qualifying attributes.

"(6) ELIGIBLE ELECTRICITY SUPPLIER.—The term 'eligible electricity supplier' means, notwithstanding section 201(b)(1), any entity within the United States, including an entity described in section 201(f), that—

"(A) provides end-use electricity customers with electricity; and

"(B) is granted the authority or has an obligation pursuant to Federal, State, or local law or regulation to provide electricity to end-use electricity customers.

"(7) NEW ELIGIBLE ELECTRICITY SUPPLIER.—The term 'new eligible electricity supplier' means an eligible electricity supplier that did not provide electricity to end-use electricity customers in both of calendar years 2019 and 2020.

"(8) PERFORMANCE YEAR.—The term 'performance year' means the calendar year for which a certification was submitted under subsection (e)(1)(A)(i).

"(9) QUALIFIED CLEAN ELECTRICITY.—The term 'qualified clean electricity' means electricity generated by an electric generating unit, or tech-

nology type or class thereof, that has a carbon intensity that is not more than 0.10.

''(10) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

''(11) TOTAL ELECTRICITY LOAD.—The term 'total electricity load' means, with respect to an eligible electricity supplier, the total quantity, in megawatt-hours, of electricity provided by the eligible electricity supplier to end-use electricity customers in a calendar year.''.

PART 2—RESIDENTIAL EFFICIENCY AND ELECTRIFICATION REBATES

SEC. 30421. HOME ENERGY PERFORMANCE-BASED, WHOLE-HOUSE REBATES AND TRAINING GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy (referred to in this section as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $9,000,000,000, to remain available until September 30, 2031, to institute guidelines for State energy offices to provide rebates to homeowners and aggregators for whole-house energy saving retrofits as authorized under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322), which shall be made available as follows:

(1) HOME ON-LINE PERFORMANCE-BASED ENERGY EFFICIENCY (HOPE) CONTRACTOR TRAINING GRANTS.—

(A) IN GENERAL.—$500,000,000 shall be available for the Secretary to award grants to States through the State Energy Program, which shall partner with nonprofit organizations to fund qualifying programs described in subparagraph (B) that provide training courses and opportunities to support home energy efficiency upgrade construction services to train workers, both on-line and in-person, to support and provide for the home energy efficiency retrofits under paragraph (2).

(B) QUALIFYING PROGRAMS.—For the purposes of this paragraph, qualifying programs are programs that—

(i) provide the equivalent of at least 30 hours in total course time;

(ii) are provided by a provider that is accredited by the Interstate Renewable Energy Council or has other accreditation determined to be equivalent by the Secretary;

(iii) are, with respect to a particular job, aligned with the relevant National Re-

newable Energy Laboratory Job Task Analysis, or other credentialing program foundation that helps identify the necessary core knowledge areas, critical work functions, or skills, as approved by the Secretary;

(iv) have established learning objectives;

(v) include, as the Secretary determines appropriate, an appropriate assessment of such learning objectives that may include a final exam, to be proctored on-site or through remote proctoring, or an in-person field exam; and

(vi) include training related to—

(I) contractor certification;

(II) energy auditing or assessment;

(III) home energy systems (including Energy Star-qualified HVAC systems and Wi-Fi-enabled home energy communications technology, or any future technology that achieves the same goals);

(IV) insulation installation and air leakage control;

(V) health and safety regarding the installation of energy efficiency measures or health and safety impacts associated with energy efficiency retrofits;

(VI) indoor air quality;

(VII) energy efficiency retrofits in manufactured housing; and

(VIII) residential electrification training and conversion training.

(C) STATE ENERGY PROGRAM PROVIDERS.—A State energy office may use not more than 10 percent of the amounts made available to the State energy office under this paragraph to administer a qualifying program described in subparagraph (B), including for the conduct of design and operations activities.

(D) TERMS AND CONDITIONS.—

(i) ELIGIBLE USE OF FUNDS.—Of the amounts made available to a State under this paragraph, 85 percent shall be used by the State—

(I) to support the operations of qualifying programs, including establishing, modifying, or maintaining the online systems, staff time, and software and online program management, through a course that meets the applicable criteria;

(II) to reimburse the contractor company for training costs for employees;

(III) to provide any home technology support needed for an employee to receive training pursuant to this section; and

(IV) to support wages of employees during training.

(ii) TIMING OF OBLIGATIONS.—Amounts made available under this paragraph shall be used, as necessary, to cover or reimburse allowable costs incurred after the date of enactment of this Act.

(iii) UNOBLIGATED AMOUNTS.—Amounts made available under this paragraph which are not accepted, are voluntarily returned, or otherwise recaptured for

any reason shall be used to fund grants under paragraph (2).

(2) HOME OWNER MANAGING ENERGY SAVINGS (HOMES) REBATES.—

(A) IN GENERAL.—95 percent of amounts made available under this section shall be available to the Secretary to award grants to State energy offices to establish Home Owner Managing Energy Savings (HOMES) Rebate Programs through the State Energy Program under part B of title III of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.), in accordance with the formula for the State Energy Program in effect on January 1, 2021.

(B) COORDINATION.—In carrying out this section, the Secretary shall coordinate with State energy offices to ensure that programs that receive awards are formulated to achieve maximum greenhouse gas emissions reductions and household energy and costs savings.

(C) APPLICATION.—In order to receive a grant under this section a State shall submit to the Secretary an application that includes a plan to implement a qualifying State program that includes—

(i) a plan to ensure that each home energy efficiency retrofit under the program—

(I) is completed by a contractor who meets minimum training requirements, certification requirements, and other requirements established by the Secretary; and

(II) includes installation of 1 or more home energy efficiency retrofit measures that are modeled to achieve, or are shown to achieve, the minimum reduction required in home energy use, or with respect to a portfolio of home energy efficiency retrofits, in aggregated home energy use for such portfolio;

(ii) a plan—

(I) to utilize, for purposes of modeled performance home rebates, modeling software, methods, and procedures for determining and documenting the reductions in home energy use resulting from the implementation of a home energy efficiency ret-

rofit that is calibrated to historical energy usage for a home consistent with BPI 2400, that are approved by the Secretary, that can provide evidence for necessary improvements to a State program, and that can help to calibrate models for accuracy;

(II) to utilize, for purposes of measured performance home rebates, open-source advanced measurement and verification software approved by the Secretary for determining and documenting the monthly and hourly (if available) weather-normalized baseline energy use of a home, the reductions in monthly and hourly (if available) weather-normalized energy use of a home resulting from the implementation of a home energy efficiency retrofit, and open-source advanced measurement and verification software approved by the Secretary; and

(III) to value savings based on time, location, or greenhouse gas emissions;

(iii) procedures for a homeowner to transfer the right to claim a rebate to the contractor performing the applicable home energy efficiency retrofit or to an aggregator, if the State program will utilize aggregators;

(iv) if the State program will utilize aggregators to facilitate delivery of rebates to homeowners or contractors, requirements for an entity to be eligible to serve as an aggregator;

(v) quality monitoring to ensure that each installation that receives a rebate is documented in a certificate, provided by the contractor to the homeowner, that details the work, including information about the characteristics of equipment and materials installed, as well as projected energy savings or energy generation, in a way that will enable the homeowner to clearly communicate the value of the high-performing features funded by the rebate to buyers, real estate agents, appraisers and lenders; and

(vi) a procedure for providing the contractor performing a home energy efficiency retrofit or an aggregator who has the right to claim such rebate with $200 for each home located in an underserved community that receives a home efficiency retrofit for which a rebate is provided under the program.

(D) AMOUNT OF REBATES FOR SINGLE FAMILY AND MULTIFAMILY HOMES.—Of the amounts provided to a State energy office under this section, 85 percent shall be used to provide Home Owner Managing Energy Savings (HOMES) Rebates to—

(i) individuals and aggregators for the energy efficiency upgrades of single-family homes of not more than 4 units—

(I) $2,000 for a retrofit that achieves at least 20 percent modeled energy system savings or 50 percent of the project cost, whichever is lower;

(II) $4,000 for a retrofit that achieves at least 35 percent modeled energy system savings or 50 percent

of the project cost, whichever is lower; or

(III) for measured energy savings, a payment per kilowatt hour saved, or kilowatt hour-equivalent saved, equal to $2,000 for a 20 percent reduction of energy use for the average home in the State, for homes or portfolios of homes that achieve at least 15 percent energy savings, or 50 percent of the project cost, whichever is lower;

(ii) multifamily building owners and aggregators for the energy efficiency upgrades of multifamily buildings—

(I) $2,000 per dwelling unit for a retrofit that achieves at least 20 percent modeled energy system savings up a maximum of $200,000 per multifamily building;

(II) $4,000 per dwelling unit for a retrofit that achieves at least 35 percent modeled energy system savings up to a maximum of $400,000 per multifamily building; or

(III) for measured energy savings, a payment rate per kilowatt hours saved, or kilowatt hour-equivalent saves, equal to $2,000 for a 20 percent reduction of energy use for the average multifamily building in the State, for multifamily buildings or portfolios of buildings that achieve at least 15 percent energy savings, or 50 percent of the project cost, whichever is lower; or

(iii) individuals and aggregators for the energy efficiency upgrades of single family homes of 4 units or less or multifamily buildings that are occupied by residents with an annual income of less than 80 percent of the area median income as published by the Department of Housing and Urban Development—

(I) $4,000 for a retrofit that achieves at least 20 percent modeled energy system savings or 80 percent of the project cost, whichever is lower;

(II) $8,000 for a retrofit that achieves at least 35 percent modeled

energy system savings or 80 percent of the project cost, whichever is lower; or

(III) for measured energy savings, a payment rate per kilowatt hour saved, or kilowatt hour-equivalent saved, equal to $4,000 for a 20 percent reduction of energy use for the average multifamily building in the State, for multifamily buildings or portfolios of buildings that achieve at least 15 percent energy savings, or 80 percent of the project cost, whichever is lower.

(E) REQUIREMENT.—Not less than 25 percent of the funds provided to a State energy office under this section shall be used for the purposes of each of clauses (i), (ii), and (iii) of subparagraph (D).

(F) ELIGIBILITY OF CERTAIN APPLIANCES.—In calculating total energy savings for single family or multifamily homes under this section, a program may include savings from the purchase of high-efficiency natural gas HVAC systems and water heaters certified

under the Energy Star program until the date that is 6 years after the date of enactment of this Act.

(G) PLANNING.—Not to exceed 20 percent of any grant made with funds made available under this paragraph shall be expended for planning and management development and administration.

(H) TECHNICAL ASSISTANCE.—Amounts made available under this paragraph shall be used for single family, multifamily, and manufactured housing rebates and the Secretary shall, in consultation with States, contractors, and other technical experts design support, methodology, and contractor criteria as appropriate for the different building stock.

(I) USE OF FUNDS.—Rebate amounts made available through the High-Efficiency Electric Home Rebate Program established under subsection (b)(1) of section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) (as amended by section 30422 of this subtitle) may be used in conjunction with the funds made available under this section.

(b) DEFINITIONS.—In this section:

(1) AGGREGATOR.—The term ''aggregator'' means a gas utility, electric utility, or commercial, nonprofit, or government entity that may receive rebates provided under a State program under this section for 1 or more portfolios consisting of 1 or more energy efficiency retrofits.

(2) CONTRACTOR CERTIFICATION.—The term ''contractor certification'' means—

(A) an industry recognized certification that may be obtained by a residential contractor to advance the expertise and education of the contractor in energy efficiency retrofits of residential buildings; and

(B) any other certification the Secretary determines appropriate for purposes of the HOMES Rebate Program established under subsection (a)(2).

(3) CONTRACTOR COMPANY.—The term ''contractor company'' means a company—

(A) the business of which is to provide services to residential building owners with respect to HVAC systems, insulation, air sealing, or other services that are approved by the Secretary;

(B) that holds the licenses and insurance required by the State in which the company provides services; and

(C) that provides services for which a rebate may be provided pursuant to the HOMES Rebate Program established under subsection (a)(2).

(4) ENERGY STAR PROGRAM.—The term ''Energy Star program'' means the program established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

(5) HOME.—The term ''home'' means a building with not more than 4 dwelling units or a manufactured housing unit (including a unit built before June 15, 1976), that—

(A) is located in the United States;

(B) was constructed before the date of enactment of this Act; and

(C) is occupied at least 6 months out of the year.

(6) HVAC SYSTEM.—The term ''HVAC system'' means a system—

(A) is certified under the Energy Star program;

(B) consisting of a heating component, a ventilation component, and an air-conditioning component; and

(C) the components of which may include central air conditioning, a heat pump, a furnace, a boiler, a rooftop unit, and a window unit.

(7) MULTIFAMILY BUILDING.—The term ''multifamily building'' means a building with 5 or more dwelling units.

(8) STATE ENERGY OFFICE.—The term ''State energy office'' means the State agency responsible for developing State energy conservation plans under section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6322).

(9) UNDERSERVED COMMUNITY.—The term ''underserved community'' means—

(A) a community located in a ZIP Code that includes 1 or more census tracts that are identified as—

(i) a low-income community; or

(ii) a community of racial or ethnic minority concentration; or

(B) any other community that the Secretary determines is disproportionately vulner-

able to, or bears a disproportionate burden of, any combination of economic, social, and environmental stressors.

SEC. 30422. HIGH-EFFICIENCY ELECTRIC HOME REBATE PROGRAM.

(a) IN GENERAL.—Section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) is amended to read as follows:

"SEC. 124. HIGH-EFFICIENCY ELECTRIC HOME REBATE PROGRAM.

"(a) APPROPRIATIONS.—

"(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,500,000,000, to remain available until September 30, 2031, to carry out this section, including to provide rebates under this section, of which the Secretary—

"(A) may use not more than $5,000,000 for community and consumer education and outreach related to this section; and

"(B) shall use not more than $300,000,000—

"(i) to administer this section; and

"(ii) to provide administrative and technical support to certified contractor companies, qualified providers, States, and Indian Tribes.

"(2) ADDITIONAL FUNDING FOR TRIBAL COMMUNITIES AND LOW- OR MODERATE-INCOME HOUSEHOLDS.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,500,000,000, to remain available until September 30, 2031, for—

"(A) rebates under this section relating to qualified electrification projects carried out in Tribal communities or for low- or moderate-income households; and

"(B) any necessary administrative or technical support for those qualified electrification projects.

"(b) HIGH-EFFICIENCY ELECTRIC HOME REBATES FOR QUALIFIED ELECTRIFICATION PROJECTS.—

"(1) HIGH-EFFICIENCY ELECTRIC HOME REBATES.—The Secretary shall establish a program within the Department, to be known as the 'High-Efficiency Electric Home Rebate Program', under which the Secretary shall provide to homeowners

and owners of multifamily buildings high-efficiency electric home rebates, in accordance with this subsection, for qualified electrification projects carried out at, or relating to, the homes or multifamily buildings, as applicable.

"(2) AMOUNT OF REBATE.—

"(A) IN GENERAL.—Subject to subsection (c)(1)(A), a high-efficiency electric home rebate under paragraph (1) shall be equal to—

"(i) in the case of a qualified electrification project described in subsection (d)(11)(A)(i)(II) that installs a heat pump used for water heating, not more than $1,250;

"(ii) in the case of a qualified electrification project described in subsection (d)(11)(A)(i)(II) that installs a heat pump HVAC system—

"(I)(aa) not more than $3,000 if the heat pump HVAC system has a heating capacity of not less than 27,500 Btu per hour; or

"(bb) not more than $4,000 if the heat pump HVAC system meets Energy Star program cold climate cri-

teria and is installed in a cold climate, as determined by the Secretary;

"(II)(aa) not more than $1,500 if the heat pump HVAC system has a heating capacity of less than 27,500 Btu per hour; or

"(bb) not more than $2,000 if the heat pump HVAC system meets Energy Star program cold climate criteria and is installed in a cold climate, as determined by the Secretary; and

"(III) $250, in addition to the amount described in subclause (I) or (II), if a qualified electrification project described in subsection (d)(11)(A)(i)(V) that installs insulation, air sealing, and ventilation in accordance with clause (v) is completed within 6 months before or after the qualified electrification project described in that subclause;

"(iii) in the case of a qualified electrification project described in subclause (III) or (IV) of subsection (d)(11)(A)(i), not more than $600;

"(iv) in the case of a qualified electrification project described in subsection (d)(11)(A)(i)(I) that installs an electric load or service center panel that enables the installation and use of any upgrade, appliance, system, equipment, infrastructure, component, or other item installed pursuant to any other qualified electrification project, not more than $3,000;

"(v) in the case of a qualified electrification project described in subsection (d)(11)(A)(i)(V) that installs insulation and air sealing, not more than $800; and

"(vi) in the case of any other qualified electrification project, including a qualified electrification project described in any of subclauses (I) through (III) of subsection (d)(11)(A)(ii), for which the Secretary provides a high-efficiency electric home rebate, not more than an amount determined by the Secretary for that qualified electrification project, subject to subparagraph (B).

"(B) LIMITATIONS ON AMOUNT OF REBATE.—

"(i) MAXIMUM TOTAL AMOUNT.—Subject to subsection (c)(1)(B), the maximum total amount that may be awarded as high-efficiency electric home rebates under this subsection shall be $10,000 with respect to each home for which a high-efficiency electric home rebate is provided.

"(ii) COSTS.—

"(I) IN GENERAL.—Subject to subsection (c)(1)(C), the amount of a high-efficiency electric home rebate provided to a homeowner under this subsection shall not exceed 50 percent of the total cost of the applicable qualified electrification project.

"(II) LABOR COSTS.—Subject to subsection (c)(1)(C), not more than 50 percent of the labor costs associated with a qualified electrification project may be included in the 50 percent of total costs for which a high-efficiency electric home rebate is provided under this subsection, as described in subclause (I), subject to the condition that labor costs account for

not more than 50 percent of the amount of the high-efficiency electric home rebate.

"(3) LIMITATIONS ON QEPS.—

"(A) CONTRACTORS.—A high-efficiency electric home rebate may be provided for a qualified electrification project carried out by a contractor company only if that contractor company is a certified contractor company.

"(B) HEAT PUMP HVAC SYSTEMS.—A high-efficiency electric home rebate may be provided for a qualified electrification project that installs or enables the installation of a heat pump HVAC system only if the heat pump HVAC system—

"(i) replaces—

"(I) a nonelectric HVAC system;

"(II) an electric resistance HVAC system; or

"(III) an air conditioning unit that—

"(aa) does not have a reversing valve; and

"(bb) has a lower seasonal energy-efficiency ratio than the heat pump HVAC system; or

"(ii) is part of new construction, as determined by the Secretary.

"(C) HEAT PUMPS FOR WATER HEATING.—A high-efficiency electric home rebate may be provided for a qualified electrification project that installs or enables the installation of a heat pump used for water heating only if the heat pump—

"(i) replaces—

"(I) a nonelectric heat pump water heater;

"(II) a nonelectric water heater; or

"(III) an electric resistance water heater; or

"(ii) is part of new construction, as determined by the Secretary.

"(D) ELECTRIC STOVES, COOKTOPS, RANGES, AND OVENS.—A high-efficiency electric home rebate may be provided for a qualified electrification project described in subsection

(d)(11)(A)(i)(III) only if the applicable electric stove, cooktop, range, or oven—

"(i) replaces a nonelectric stove, cooktop, range, or oven; or

"(ii) is part of new construction, as determined by the Secretary.

"(E) ELECTRIC HEAT PUMP CLOTHES DRYERS.—A high-efficiency electric home rebate may be provided for a qualified electrification project described in subsection (d)(11)(A)(i)(IV) only if the applicable electric heat pump clothes dryer—

"(i) replaces a nonelectric clothes dryer; or

"(ii) is part of new construction.

"(4) ADDITIONAL INCENTIVES FOR CONTRACTORS AND QUALIFIED PROVIDERS.—

"(A) GENERAL INCENTIVE.—

"(i) IN GENERAL.—With respect to each qualified electrification project described in clause (ii), the Secretary shall provide a payment of $100 to the certified contractor company or qualified provider carrying out the qualified electrification project.

"(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified electrification project referred to in clause (i) is a qualified electrification project—

"(I) that is carried out at a home or multifamily building;

"(II) for which a rebate is provided under this subsection; and

"(III) with respect to which the certified contractor company or qualified provider is not eligible for a higher payment under any of subparagraphs (B) through (D).

"(B) INCENTIVE FOR QEPS IN CERTAIN COMMUNITIES AND HOUSEHOLDS.—

"(i) IN GENERAL.—With respect to each qualified electrification project described in clause (ii), the Secretary shall provide a payment of $200 to the certified contractor company or qualified provider carrying out the qualified electrification project.

"(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified elec-

trification project referred to in clause (i) is a qualified electrification project—

"(I) that is carried out at a home or multifamily building that—

"(aa) is located in an underserved community or a Tribal community; or

"(bb) is certified, or the household of the homeowner of which is certified, as applicable, as low- or moderate-income;

"(II) for which a rebate is provided under this subsection; and

"(III) with respect to which the certified contractor company or qualified provider is not eligible for a higher payment under subparagraph (C) or (D).

"(C) INCENTIVE FOR CERTAIN LABOR PRACTICES.—

"(i) IN GENERAL.—With respect to each qualified electrification project described in clause (ii), the Secretary shall provide a payment of $250 to the certified contractor company or qualified provider

carrying out the qualified electrification project.

"(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified electrification project referred to in clause (i) is a qualified electrification project—

"(I) that is carried out—

"(aa) at a home or multifamily building; and

"(bb) by a certified contractor company or qualified provider that allows for the use of collective bargaining agreements;

"(II) for which a rebate is provided under this subsection; and

"(III) with respect to which—

"(aa) all laborers and mechanics employed on the qualified electrification project are paid wages at rates not less than those prevailing on projects of a character similar in the locality; and

"(bb) the certified contractor company or qualified pro-

vider is not eligible for a higher payment under subparagraph (D).

"(D) MAXIMUM INCENTIVE.—

"(i) IN GENERAL.—With respect to each qualified electrification project described in clause (ii), the Secretary shall provide a payment of $500 to the certified contractor company or qualified provider carrying out the qualified electrification project.

"(ii) QUALIFIED ELECTRIFICATION PROJECT DESCRIBED.—A qualified electrification project referred to in clause (i) is a qualified electrification project—

"(I) that is carried out—

"(aa) at a home or multifamily building that—

"(AA) is located in an underserved community or a Tribal community; or

"(BB) is certified, or the household of the homeowner of which is certified,

as applicable, as low- or moderate-income; and

"(bb) by a certified contractor company or qualified provider that allows for the use of collective bargaining agreements;

"(II) for which a rebate is provided under this subsection; and

"(III) with respect to which all laborers and mechanics employed on the qualified electrification project are paid wages at rates not less than those prevailing on projects of a character similar in the locality.

"(E) CLARIFICATION.—An amount provided to a certified contractor company or qualified provider under any of subparagraphs (A) through (D) shall be in addition to the amount of any high-efficiency electric home rebate received by the certified contractor company or qualified provider.

"(5) CLAIM.—

"(A) IN GENERAL.—Subject to paragraph (2)(B), a homeowner, a certified contractor company, or a qualified provider may claim a

separate high-efficiency electric home rebate under this subsection for each qualified electrification project carried out at a home.

"(B) TRANSFER.—The Secretary shall establish and publish procedures pursuant to which a homeowner or owner of a multifamily building may transfer the right to claim a rebate under this subsection to the certified contractor company or qualified provider carrying out the applicable qualified electrification project.

"(6) MULTIFAMILY BUILDINGS.—

"(A) IN GENERAL.—Subject to subparagraph (B), the owner of a multifamily building may combine the amounts of high-efficiency electric home rebates for each dwelling unit in the multifamily building into a single rebate, subject to—

"(i) the condition that the applicable qualified electrification projects benefit each dwelling unit with respect to which the rebate is claimed; and

"(ii) any maximum per-dwelling unit rate established by the Secretary.

"(B) COSTS.—

"(i) IN GENERAL.—Subject to clause (ii), the amount of a rebate under subparagraph (A) shall not exceed 50 percent of the total cost, including labor costs, of the applicable qualified electrification projects.

"(ii) LOW- OR MODERATE-INCOME BUILDINGS.—In the case of a multifamily building that is certified by the Secretary as low- or moderate-income, the amount of a rebate under subparagraph (A) shall not exceed 100 percent of the total cost of the applicable qualified electrification projects.

"(C) PROCEDURES.—The Secretary shall establish and publish procedures—

"(i) pursuant to which the owner of a multifamily building may combine rebate amounts in accordance with this subsection; and

"(ii) for the enforcement of any limitations under this subsection.

"(7) PROCESS.—

"(A) REBATE PROCESS.—Not later than July 1, 2022, the Secretary shall establish a rebate processing system that provides immediate price relief for consumers who purchase and

have installed qualified electrification projects, in accordance with this section.

"(B) QUALIFIED ELECTRIFICATION PROJECT LIST.—

"(i) IN GENERAL.—Not later than July 1, 2022, the Secretary shall publish a list of qualified electrification projects for which a high-efficiency electric home rebate may be provided under this subsection that includes, at a minimum, the qualified electrification projects described in subsection (d)(11)(A).

"(ii) REQUIREMENTS.—The list published under clause (i) shall include specifications for each qualified electrification project included on the list, including—

"(I) appropriate certifications under the Energy Star program; and

"(II) other applicable requirements, such as requirements relating to grid-interactive capability.

"(iii) UPDATES.—

"(I) IN GENERAL.—Not less frequently than once every 3 years and subject to subclause (II), the Sec-

retary shall publish an updated list of qualified electrification projects for which a high-efficiency electric home rebate may be provided under this subsection.

"(II) LIMITATION.—An updated list under subclause (I) shall not allow for any reductions in efficiency levels for qualified electrification projects included on the updated list that are below an efficiency level provided in a previously published version of the list.

"(c) SPECIAL PROVISIONS FOR LOW- AND MODERATE-INCOME HOUSEHOLDS AND MULTIFAMILY BUILDINGS.—

"(1) MAXIMUM AMOUNTS.—With respect to a qualified electrification project carried out at a location described in paragraph (2)—

"(A) a high-efficiency electric home rebate shall be equal to—

"(i) in the case of a qualified electrification project described in subsection (b)(2)(A)(i), not more than $1,750;

"(ii) in the case of a qualified electrification project described in subsection (b)(2)(A)(ii)—

"(I)(aa) not more than $6,000 if the applicable heat pump HVAC system has a heating capacity of not less than 27,500 Btu per hour; or

"(bb) not more than $7,000 if the applicable heat pump HVAC system meets Energy Star program cold climate criteria and is installed in a cold climate, as determined by the Secretary; and

"(II)(aa) not more than $3,000 if the applicable heat pump HVAC system has a heating capacity of less than 27,500 Btu per hour; or

"(bb) not more than $3,500 if the applicable heat pump HVAC system meets Energy Star program cold climate criteria and is installed in a cold climate, as determined by the Secretary;

"(iii) in the case of a qualified electrification project described in subsection (b)(2)(A)(iii), not more than $840;

"(iv) in the case of a qualified electrification project described in subsection (b)(2)(A)(iv), not more than $4,000;

"(v) in the case of a qualified electrification project described in subsection (b)(2)(A)(v) that installs insulation and air sealing, not more than $1,600; and

"(vi) in the case of a qualified electrification project described in subsection (b)(2)(A)(vi), not more than an amount determined by the Secretary for that qualified electrification project, subject to subparagraph (B);

"(B) the maximum total amount of high-efficiency electric home rebates that may be awarded with respect to each home of a homeowner shall be $14,000; and

"(C) the amount of a high-efficiency electric home rebate may be used to cover not more than 100 percent of the costs, including labor costs, of the applicable qualified electrification project.

"(2) LOCATION DESCRIBED.—The maximum amounts described in paragraph (1) shall apply to—

"(A) a home—

"(i) with respect to which the household of the homeowner is certified as low- or moderate-income;

"(ii) that is located in a Tribal community; or

"(iii) in the case of a home that is rented, with respect to which the household of the renter is certified as low- or moderate-income; or

"(B) a multifamily building—

"(i) that—

"(I) is certified as low- or moderate-income; or

"(II) is located in a Tribal community; and

"(ii) with respect to which more than more than ½ of the dwelling units in the multifamily building—

"(I) are occupied by households the annual household incomes of which do not exceed 80 percent of the median annual household income for

the area in which the multifamily building is located; and

"(II) have average monthly rental prices that are equal to, or less than, an amount that is equal to 30 percent of the average monthly household income for the area in which the multifamily building is located.

"(3) REQUIREMENT.—The Secretary may provide a rebate in an amount described in paragraph (1) to the owner of a multifamily building or home (in the case of a home that is rented) that meets the requirements of this section if the owner agrees in writing to provide commensurate benefits of future savings to renters in the multifamily building or home.

"(d) DEFINITIONS.—In this section:

"(1) CERTIFIED CONTRACTOR.—The term 'certified contractor' means a contractor with a certification reflecting training, education, or other technical expertise relating to qualified electrification projects for residential buildings, as identified by the 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

by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a).

"(5) HEAT PUMP.—The term 'heat pump' means a heat pump used for water heating, space heating, or space cooling that—

"(A) relies solely on electricity for its source of power; and

"(B) is air-sourced, geothermal- or ground-sourced, or water-sourced.

"(6) HIGH-EFFICIENCY ELECTRIC HOME REBATE.—The term 'high-efficiency electric home rebate' means a rebate provided in accordance with subsection (b).

"(7) HOME.—The term 'home' means each of—

"(A) a building with not more than 4 dwelling units, individual condominium units, or manufactured housing units, that—

"(i) is located in a State; and

"(ii)(I) is the primary residence of—

"(aa) the owner of that building, condominium unit, or manufactured housing unit, as applicable; or

"(bb) a renter; or

"(II) is a new-construction single-family residential home; and

"(B) a unit of a multifamily building that—

"(i) is owned by an individual who is not the owner of the multifamily building;

"(ii) is located in a State, the District of Columbia, or a territory of the United States; and

"(iii) is the primary residence of—

"(I) the owner of that unit; or

"(II) a renter.

"(8) HVAC.—The term 'HVAC' means heating, ventilation, and air conditioning.

"(9) LOW- OR MODERATE-INCOME.—The term 'low - or moderate -income', with respect to a household, means a household—

"(A) with an annual income that is less than 80 percent of the annual median income of the area in which the household is located; or

"(B) that is low-income (as defined in section 412 of the Energy Conservation and Production Act (42 U.S.C. 6862)).

"(10) MULTIFAMILY BUILDING.—The term 'multifamily building' means any building—

"(A) with 5 or more dwelling units that—

"(i) are built on top of one another or side-by-side; and

"(ii) may share common facilities; and

"(B) that is not a home.

"(11) QUALIFIED ELECTRIFICATION PROJECT; QEP.—

"(A) IN GENERAL.—The terms 'qualified electrification project' and 'QEP' mean a project that, as applicable—

"(i) installs, or enables the installation and use of, in a home or multifamily building—

"(I) an electric load or service center upgrade;

"(II) an electric heat pump;

"(III) an induction or noninduction electric stove, cooktop, range, or oven;

"(IV) an electric heat pump clothes dryer; or

"(V) insulation, air sealing, and ventilation, in accordance with requirements established by the Secretary; or

"(ii) installs, or enables the installation and use of, in a home or multifamily building described in subparagraph (B)—

"(I) a solar photovoltaic system, including any electrical equipment, wiring, or other components necessary for the installation and use of the solar photovoltaic system, including a battery storage system;

"(II) electric vehicle charging infrastructure or electric vehicle support equipment necessary to recharge an electric vehicle on-site; or

"(III) electrical rewiring, power sharing plugs, or other installation tasks directly related to and necessary for the safe and effective functioning of a QEP in a home or multifamily building.

"(B) HOME OR MULTIFAMILY BUILDING DESCRIBED.—A home or multifamily building referred to in subparagraph (A)(ii) is a home or multifamily building that is certified, or the household of the homeowner of which is cer-

tified, as applicable, as low- or moderate-income.

"(C) EXCLUSIONS.—The terms 'qualified electrification project' and 'QEP' do not include any project with respect to which the appliance, system, equipment, infrastructure, component, or other item described in clause (i) or (ii) of subparagraph (A) is not certified under the Energy Star program if, as of the date on which the project is carried out, the item is of a category for which a certification is provided under that program.

"(12) QUALIFIED PROVIDER.—The term 'qualified provider' means an electric utility, Tribal-owned entity or Tribally Designated Housing Entity (TDHE), or commercial, nonprofit, or government entity, including a retailer and a certified contractor company, that provides services for which a rebate may be provided pursuant to this section for 1 or more portfolios that consist of 1 or more qualified electrification projects.

"(13) SOLAR PHOTOVOLTAIC SYSTEM.—The term 'solar photovoltaic system' means a system—

"(A) placed on-site at a home or multifamily building, or as part of the community of the home or multifamily building; and

"(B) that generates electricity from the sun specifically for the home, multifamily building, or community.

"(14) TRIBAL COMMUNITY.—The term 'Tribal community' means a Tribal tract or Tribal block group.

"(15) UNDERSERVED COMMUNITY.—The term 'underserved community' means a community located in a census tract that is identified by the Secretary as—

"(A) a low- or moderate-income community; or

"(B) a community of racial or ethnic minority concentration.".

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 594) is amended by striking the item relating to section 124 and inserting the following:

"Sec. 124. High-Efficiency Electric Home Rebate Program.".

(2) Section 3201(c)(2)(A)(i) of the Energy Act of 2020 (42 U.S.C. 17232(c)(2)(A)(i)) is amended by striking "(a)" each place it appears.

PART 3—BUILDING EFFICIENCY AND RESILIENCE

SEC. 30431. WEATHERIZATION ASSISTANCE PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,500,000,000, to remain available until September 30, 2031, to carry out activities under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 through 6872).

(b) FINANCIAL ASSISTANCE FOR WAP ENHANCEMENT AND INNOVATION.—Notwithstanding subsections (j) and (k) of section 414D of the Energy Conservation and Production Act (42 U.S.C. 6864d(j) and (k)), the Secretary shall use $850,000,000 of the amount made available under subsection (a) of this section to award financial assistance under such section 414D, including financial assistance to implement measures to make dwelling units that are occupied by low-income persons weatherization-ready.

(c) AVERAGE COST PER DWELLING UNIT.—Section 415(c) of the Energy Conservation and Production Act (42 U.S.C. 6865(c)) is amended—

(1) in paragraph (1), by striking ''$6,500'' and inserting ''$12,000''; and

(2) in paragraph (4), by striking ''$3,000'' and inserting ''$6,000''.

SEC. 30432. CRITICAL FACILITY MODERNIZATION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,200,000,000, to remain available until September 30, 2031, to carry out a program under which the Secretary of Energy provides funds to States to be used in accordance with subsection (c).

(b) ALLOCATION OF FUNDS.—The Secretary of Energy shall allocate funds made available under subsection (a) to States in accordance with the formula used to allocate Federal financial assistance granted pursuant to section 363 of the Energy Policy and Conservation Act (42 U.S.C. 6323) (as of January 1, 2021), except that no matching requirement shall apply.

(c) USE OF FUNDS.—

(1) IN GENERAL.—A State that receives funds under this section shall use such funds to—

(A) provide technical assistance for carrying out a covered project;

(B) facilitate carrying out a covered project, including by providing a grant, loan, or other financial assistance to another entity;

(C) carry out a covered project; or

(D) pay for any administrative expenses related to any activity described in subparagraphs (A) through (C).

(2) LIMIT ON TECHNICAL ASSISTANCE.—A State that receives funds under this section may not use more than 10 percent of such funds to provide technical assistance under paragraph (1)(A) related to the development, facilitation, management, oversight, or measurement of results of covered projects.

(d) DEFINITIONS.—In this section:

(1) COVERED PROJECT.—The term ''covered project'' means a building project at an eligible facility that—

(A) increases—

(i) the resiliency of an eligible facility, which includes—

(I) making improvements to public health and safety;

(II) mitigating power outages;

(III) hardening against natural disasters;

(IV) improving indoor air quality; and

(V) making any modifications necessitated by the COVID–19 pandemic;

(ii) energy efficiency;

(iii) the use of renewable energy; or

(iv) grid integration; and

(B) may include a combined heat and power, microgrid, or energy storage component.

(2) ELIGIBLE FACILITY.—The term ''eligible facility'' means any public or nonprofit building, as determined by the Secretary, including—

(A) a public school, including an elementary school and a secondary school;

(B) a facility used to operate an early childhood education program;

(C) the facilities of a local educational agency;

(D) a medical facility;

(E) a local or State government building;

(F) a community facility;

(G) a public safety facility;

(H) a day care center;

(I) an institution of higher education;

(J) a public library; and

(K) a wastewater treatment facility.

(3) PUBLIC OR NONPROFIT BUILDING.—The term ''public or nonprofit building'' means a public or nonprofit building described in section 362(d)(5)(B) of the Energy Policy and Conservation Act (42 U.S.C. 6322(d)(5)(B)).

(4) STATE.—The term ''State'' has the meaning given the term in section 3 of the Energy Policy and Conservation Act (42 U.S.C. 6202).

SEC. 30433. ASSISTANCE FOR LATEST AND ZERO BUILDING ENERGY CODE ADOPTION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $300,000,000, to remain available until September 30, 2031, to carry out activities under part D of title III of the Energy Policy and Conservation Act (42 U.S.C. 6321 through 6326), of which—

(1) $100,000,000, shall be for grants to assist States, and units of local government that have authority to adopt building codes, to—

(A) adopt—

(i) a building energy code (or codes) for residential buildings that meets or exceeds the 2021 International Energy Conservation Code, or achieves equivalent or greater energy savings;

(ii) a building energy code (or codes) for commercial buildings that meets or exceeds the ANSI/ASHRAE/IES Standard 90.1–2019, or achieves equivalent or greater energy savings; or

(iii) any combination of building energy codes described in clause (i) or (ii); and

(B) implement a plan for the jurisdiction to achieve full compliance with any building energy code adopted under subparagraph (A) in new and renovated residential or commercial buildings, as applicable, which plan shall include active training and enforcement programs and measurement of the rate of compliance each year; and

(2) $200,000,000, shall be for grants to assist States, and units of local government that have authority to adopt building codes, to—

(A) adopt a building energy code (or codes) for residential and commercial buildings that meets or exceeds the zero energy provisions in the 2021 International Energy Conservation Code or an equivalent stretch code; and

(B) implement a plan for the jurisdiction to achieve full compliance with any building energy code adopted under subparagraph (A) in new and renovated residential and commercial buildings, which plan shall include active training and enforcement programs and measurement of the rate of compliance each year.

(b) STATE MATCH.—The State cost share requirement under the item relating to ''Department of Energy—Energy Conservation'' in title II of the Department of the Interior and Related Agencies Appropriations Act, 1985 (42 U.S.C. 6323a; 98 Stat. 1861) shall not apply to assistance provided under this section.

(c) ADMINISTRATIVE COSTS.—Of the amounts made available under this section, the Secretary shall reserve 5 percent for administrative costs necessary to carry out this section.

PART 4—ZERO EMISSIONS VEHICLE INFRASTRUCTURE BUILDOUT

SEC. 30441. DEFINITIONS.

In this part:

(1) ELECTRIC VEHICLE.—The term ''electric vehicle'' means a vehicle that derives all or part of its power from electricity.

(2) ELECTRIC VEHICLE SUPPLY EQUIPMENT.—The term ''electric vehicle supply equipment'' means any conductors, including ungrounded, grounded, and equipment grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings, devices, power outlets, electrical equipment, off-grid charging installations, or apparatuses installed specifically for the purpose of delivering energy to an electric vehicle or to a battery intended to be used in an electric vehicle.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

SEC. 30442. ELECTRIC VEHICLE SUPPLY EQUIPMENT REBATE PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until expended (except that no funds shall be dis-

bursed after September 30, 2031), to establish and carry out a rebate program to provide rebates to eligible entities for covered expenses associated with electric vehicle supply equipment located at workplaces, multi-unit housing structures, and publicly accessible locations.

(b) REBATE PROGRAM REQUIREMENTS.—

(1) ELIGIBLE EQUIPMENT AND LOCATIONS.—

(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall publish and maintain on the Department of Energy internet website a list of electric vehicle supply equipment that is eligible for the rebate program. Such list may include technical specifications and requirements for such electric vehicle supply equipment to enhance safety, cybersecurity, performance, accessibility, and alignment with relevant codes and standards, as determined appropriate by the Secretary.

(B) LOCATION REQUIREMENT.—An eligible entity may receive a rebate under the rebate program only if the electric vehicle supply equipment included on the list published under subparagraph (A) is installed—

(i) in the United States;

(ii) on property—

(I) owned by the eligible entity; or

(II) on which the eligible entity has authority to install electric vehicle supply equipment; and

(iii) at a location that is—

(I) a multi-unit housing structure;

(II) a workplace, and available to employees of such workplace or employees of a nearby workplace; or

(III) publicly accessible, including a publicly accessible commercial location.

(C) PUBLIC ACCESSIBILITY.—For electric vehicle supply equipment not located at a multi-unit housing structure or a workplace, an eligible entity may receive a rebate under the rebate program only if the installed electric vehicle supply equipment is—

(i) publicly accessible for a minimum of 12 hours per day at least 5 days per week; and

(ii) networked or otherwise capable of being monitored remotely.

(2) APPLICATION.—In order to receive a rebate under the rebate program, an eligible entity shall submit to the Secretary an application. Such application shall include—

(A) the estimated cost of covered expenses to be expended on the electric vehicle supply equipment that is eligible under paragraph (1);

(B) the estimated installation cost of the electric vehicle supply equipment that is eligible under paragraph (1);

(C) the global positioning system location, including the integer number of degrees, minutes, and seconds, of where such electric vehicle supply equipment is to be installed, and identification of whether such location is—

(i) a multi-unit housing structure;

(ii) a workplace; or

(iii) publicly accessible, including a publicly accessible commercial location, in accordance with paragraph (1)(C);

(D) the technical specifications of such electric vehicle supply equipment, including the

maximum power voltage and amperage of such equipment;

(E) an assessment of the electrical capacity at the location where such electric vehicle supply equipment is to be installed, and, as necessary, proof of communication with the electric utility that will serve the electric vehicle supply equipment to be installed; and

(F) any other information determined by the Secretary to be necessary for a complete application.

(3) FUNDING SET-ASIDES.—Each fiscal year, the Secretary may set aside an amount of funding under the rebate program to ensure, to the extent possible given the applications meeting the requirements of the rebate program submitted, rebates are distributed—

(A) to individuals and small businesses, as determined by the Secretary; and

(B) for electric vehicle supply equipment—

(i) located in rural communities, as determined by the Secretary; and

(ii) located in low-income and disadvantaged communities, as determined by the Secretary.

(4) REBATE AMOUNT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of a rebate made under the rebate program for new electric vehicle supply equipment at a location shall be the lesser of—

(i) 75 percent of the applicable covered expenses;

(ii) $1,000 for covered expenses associated with the purchase and installation of non-networked level 2 charging equipment;

(iii) $4,000 for covered expenses associated with the purchase and installation of networked level 2 charging equipment; or

(iv) $100,000 for covered expenses associated with the purchase and installation of networked direct current fast charging equipment.

(B) REBATE AMOUNT FOR REPLACEMENT EQUIPMENT.—The amount of a rebate made under the rebate program for replacement of pre-existing electric vehicle supply equipment of similar specifications at a location shall be the lesser of—

(i) 75 percent of the applicable covered expenses;

(ii) $500 for covered expenses associated with the purchase and installation of non-networked level 2 charging equipment;

(iii) $2,000 for covered expenses associated with the purchase and installation of networked level 2 charging equipment; or

(iv) $35,000 for covered expenses associated with the purchase and installation of networked direct current fast charging equipment.

(5) DISBURSEMENT OF REBATE.—

(A) MATERIALS REQUIRED FOR DISBURSEMENT OF REBATE.—Before a rebate may be disbursed to an eligible entity, such eligible entity shall submit to the Secretary—

(i) a record of payment for covered expenses expended on the installation of the electric vehicle supply equipment that is eligible under paragraph (1);

(ii) a record of payment for the electric vehicle supply equipment that is eligible under paragraph (1);

(iii) the global positioning system location, including the integer number of degrees, minutes, and seconds, of where such electric vehicle supply equipment was installed and identification of whether such location is—

(I) a multi-unit housing structure;

(II) a workplace; or

(III) publicly accessible, including a publicly accessible commercial location, in accordance with paragraph (1)(C);

(iv) the technical specifications of the electric vehicle supply equipment that is eligible under paragraph (1), including the maximum power voltage and amperage of such equipment; and

(v) any other information determined by the Secretary to be necessary.

(B) AGREEMENT TO MAINTAIN.—To be eligible for a rebate under the rebate program, an eligible entity shall enter into an agreement with the Secretary to maintain the electric vehicle supply equipment that is eligible under

paragraph (1) in a satisfactory manner, and at the location stated in the application or in the materials submitted under subparagraph (A), as applicable, for not fewer than 5 years after the date on which the eligible entity receives the rebate under the rebate program.

(C) EXCEPTION.—The Secretary may decline to disburse a rebate under the rebate program if materials submitted under subparagraph (A) vary significantly, as determined by the Secretary, from the global positioning system location and technical specifications for the electric vehicle supply equipment that is eligible under paragraph (1) provided in an application under paragraph (2).

(6) MULTI-PORT CHARGERS.—An eligible entity shall be awarded a rebate under the rebate program for covered expenses relating to the purchase and installation of a multi-port charger based on the number of publicly accessible charging ports, with each subsequent port after the first port being eligible for 75 percent of the full rebate amount.

(7) HYDROGEN FUEL CELL REFUELING EQUIPMENT.—Hydrogen fuel cell refueling equipment shall 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

installation of such electric vehicle supply equipment;

(D) permit costs associated with the installation of such electric vehicle supply equipment; and

(E) the cost of an on-site energy storage system that supports electrical load balancing or otherwise improves the performance of such electric vehicle supply equipment.

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means an individual, a State, local, Tribal, or Territorial government, a private entity, a not-for-profit entity, a nonprofit entity, or a metropolitan planning organization.

(3) LEVEL 2 CHARGING EQUIPMENT.—The term ''level 2 charging equipment'' means electric vehicle supply equipment that provides an alternating current power source at a minimum of 208 volts.

(4) MULTI-PORT CHARGER.—The term ''multi-port charger'' means electric vehicle charging unit capable of charging more than one electric vehicle simultaneously.

(5) NETWORKED DIRECT CURRENT FAST CHARGING EQUIPMENT.—The term ''networked di-

rect current fast charging equipment'' means electric vehicle supply equipment that is capable of providing a direct current power source at a minimum of 50 kilowatts and is enabled to connect to a network to facilitate data collection and access.

(6) REBATE PROGRAM.—The term ''rebate program'' means the rebate program established under subsection (a).

SEC. 30443. ELECTRIC VEHICLE CHARGING EQUITY PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031), to carry out this section.

(b) PROGRAM.—The Secretary shall use amounts made available under subsection (a) to establish and carry out a program, to be known as the EV Charging Equity Program, to—

(1) provide technical assistance to eligible entities described in subsection (f);

(2) award grants on a competitive basis to eligible entities described in subsection (f) for projects

that increase deployment and accessibility of electric vehicle supply equipment in underserved or disadvantaged communities, including projects that are—

(A) publicly accessible;

(B) located within or are easily accessible to residents of—

(i) public or affordable housing;

(ii) multi-unit dwellings; or

(iii) single-family homes; and

(C) located within or easily accessible to places of work, provided that such electric vehicle supply equipment is accessible no fewer than 5 days per week; and

(3) provide education and outreach regarding the EV Charging Equity Program and the benefits and opportunities for electric vehicle charging to individuals and relevant entities that live within or serve underserved or disadvantaged communities, including by providing—

(A) an electric vehicle charging resource guide that is maintained electronically on a website, is public, and is directed towards individuals 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;

(2) incorporate renewable energy resources;

(3) maximize local job creation, particularly among low-income, women, and minority workers; or

(4) utilize or involve locally owned small and disadvantaged businesses, including women and minority-owned businesses.

(e) LIMITATION.—Not more than 15 percent of the amount awarded for grants under this section in a fiscal year shall be awarded for projects that involve, as a primary focus, single-family homes.

(f) ELIGIBLE ENTITIES.—

(1) IN GENERAL.—To be eligible for a grant or technical assistance under the EV Charging Equity Program, an entity shall be—

(A) an individual or household that is the owner of where a project will be carried out;

(B) a State, local, Tribal, or Territorial government, or an agency or department thereof;

(C) an electric utility, including—

(i) a municipally owned electric utility;

(ii) a publicly owned electric utility;

(iii) an investor-owned utility; and

(iv) a rural electric cooperative;

(D) a nonprofit organization or institution;

(E) a public housing authority;

(F) an institution of higher education, as determined by the Secretary;

(G) an entity that utilizes or involves locally owned small and disadvantaged businesses, including women and minority-owned businesses; or

(H) a partnership between any number of eligible entities described in subparagraphs (A) through (G).

(2) UPDATES.—The Secretary may add to or otherwise revise the list of eligible entities as the Secretary determines necessary.

(g) DEFINITIONS.—In this section:

(1) PUBLICLY ACCESSIBLE.—The term ''publicly accessible'' means, with respect to electric vehicle supply equipment, electric vehicle supply equipment that is available, at zero or reasonable cost, to members of the public for the purpose of charging a privately owned or leased electric vehicle, or electric vehicle that is available for use by members of the general public as part of a ride service or vehicle sharing service or program, including within or around—

(A) public sidewalks and streets;

(B) public parks;

(C) public buildings, including—

(i) libraries;

(ii) schools; and

(iii) government offices;

(D) public parking;

(E) shopping centers; and

(F) commuter transit hubs.

(2) UNDERSERVED OR DISADVANTAGED COMMUNITY.—The term ''underserved or disadvantaged community'' means a community or geographic area that is identified as—

(A) a low-income community;

(B) a Tribal community;

(C) having a disproportionately low number of electric vehicle charging stations per capita, compared to similar areas; or

(D) any other community that the Secretary determines is disproportionately vulnerable to, or bears a disproportionate burden of, any combination of economic, social, environmental, and climate stressors.

SEC. 30444. STATE ENERGY PLANS.

(a) APPROPRIATION.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended to read as follows:

''(f) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031), to carry out section 367.''.

(b) STATE ENERGY TRANSPORTATION PLANS.—

(1) IN GENERAL.—The Energy Policy and Conservation Act is amended by adding after section 366 (42 U.S.C. 6326) the following:

''SEC. 367. STATE ENERGY TRANSPORTATION PLANS.

''(a) IN GENERAL.—The Secretary may provide financial assistance and technical assistance to a State to develop a State energy transportation plan, for inclusion in a State energy conservation plan under section 362(d), to promote the electrification of the transportation system, reduced consumption of fossil fuels, and reduced energy demand.

''(b) DEVELOPMENT.—A State developing a State energy transportation plan under this section shall carry out this activity through the State energy office that is respon-

sible for developing the State energy conservation plan under section 362.

"(c) CONTENTS.—A State developing a State energy transportation plan under this section shall include in such plan a plan to—

"(1) deploy a network of electric vehicle supply equipment to ensure access to electricity for electric vehicles, including commercial vehicles, to an extent that such electric vehicles can travel throughout the State without running out of a charge; and

"(2) promote modernization of the electric grid, including through the use of renewable energy sources to power the electric grid, to accommodate demand for power to operate electric vehicle supply equipment and to utilize energy storage capacity provided by electric vehicles, including commercial vehicles.

"(d) TECHNICAL ASSISTANCE.—Upon request of the Governor of a State, the Secretary shall provide information and technical assistance in the development, implementation, or revision of a State energy transportation plan.

"(e) ELECTRIC VEHICLE SUPPLY EQUIPMENT DEFINED.—For purposes of this section, the term 'electric vehicle supply equipment' means any conductors, includ-

ing ungrounded, grounded, and equipment grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings, devices, power outlets, electrical equipment, off-grid charging installations, or apparatuses installed specifically for the purpose of delivering energy to an electric vehicle or to a battery intended to be used in an electric vehicle.''.

(2) CONFORMING AMENDMENT.—The table of contents for part D of title III of the Energy Policy and Conservation Act is amended by adding at the end the following:

''Sec. 367. State energy transportation plans.''.

(c) STATE ENERGY CONSERVATION PLANS.—Section 362(d) of the Energy Policy and Conservation Act (42 U.S.C. 6322(d)) is amended—

(1) in paragraph (16), by striking ''; and'' and inserting a semicolon;

(2) by redesignating paragraph (17) as paragraph (18); and

(3) by inserting after paragraph (16) the following:

''(17) a State energy transportation plan developed in accordance with section 367; and''.

SEC. 30445. TRANSPORTATION ELECTRIFICATION.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for

fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031)—

(1) $4,000,000,000 for grants under section 131(b) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011(b)); and

(2) $6,000,000,000 for grants under subsection (b) of this section.

(b) USE OF FUNDS.—The Secretary may use amounts made available under subsection (a)(2) of this section to—

(1) provide grants under subsection (c) of section 131 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011) for the conduct of qualified electric transportation projects (as defined in such section 131); and

(2) provide grants in accordance with section 131(c) of such Act for the conduct of any of the following projects:

(A) Installation of electric vehicle supply equipment for recharging plug-in electric drive vehicles, including such equipment that is accessible in rural and urban areas and in underserved or disadvantaged communities and such

equipment for medium- and heavy-duty vehicles, including at depots and in-route locations.

(B) Multi-use charging hubs used for multiple forms of transportation.

(C) Medium- and heavy-duty vehicle smart charging management and refueling.

(D) Battery recycling and secondary use, including for medium- and heavy-duty vehicles.

(E) Shipside or shoreside electrification for ground support equipment at ports.

(F) Electric airport ground support vehicles.

(G) Sharing of best practices, and technical assistance provided by the Department of Energy to public utilities commissions and utilities, for medium- and heavy-duty vehicle electrification.

(c) PRIORITY.—In making grants under section 131(b) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17011(b)) using amounts made available under subsection (a)(1) of this section, in addition to the priority considerations described in paragraph (3) of such section 131(b), the Secretary shall give priority consideration to applications that are likely to make a significant 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

loan guarantee authority made available by this section shall be available for commitments to guarantee loans for any projects where funds, personnel, or property (tangible or intangible) of any Federal agency, instrumentality, personnel, or affiliated entity are expected to be used (directly or indirectly) through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases, procurements, sales, other transaction authority, or other arrangements, to support the project or to obtain goods or services from the project: *Provided further*, That the previous proviso shall not be interpreted as precluding the use of the loan guarantee authority provided by this section for commitments to guarantee loans for—

(1) projects as a result of such projects benefitting from otherwise allowable Federal tax benefits;

(2) projects as a result of such projects benefitting from being located on Federal land pursuant to a lease or right-of-way agreement for which all consideration for all uses is—

(A) paid exclusively in cash;

(B) deposited in the Treasury as offsetting receipts; and

(C) equal to the fair market value as determined by the head of the relevant Federal agency;

(3) projects as a result of such projects benefitting from Federal insurance programs; or

(4) electric generation projects using transmission facilities owned or operated by a Federal Power Marketing Administration or the Tennessee Valley Authority that have been authorized, approved, and financed independent of the project receiving the guarantee.

(b) APPROPRIATION.—In addition to amounts otherwise available and previously provided, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $700,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for the costs of guarantees made under section 1703 of the Energy Policy Act of 2005, using the loan guarantee authority provided under subsection (a) of this section, for renewable or energy efficient systems and manufacturing, and distributed energy generation, transmission, and distribution.

(c) ADMINISTRATIVE EXPENSES.—Of the amount made available under subsection (b), the Secretary of Energy shall reserve 3 percent for administrative expenses to carry out title XVII of the Energy Policy Act of 2005 and for carrying out section 1702(h)(3) of such Act.

SEC. 30452. ADVANCED TECHNOLOGY VEHICLE MANUFACTURING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,000,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for the costs of—

(1) providing direct loans under subsection (d) of section 136 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17013); and

(2) providing direct loans in accordance with such section 136, for reequipping, expanding, or establishing a manufacturing facility in the United States to produce, or for engineering integration performed in the United States of, any of the following that emit, under any possible operational mode or condition, zero exhaust emissions of any greenhouse gas:

(A) A medium duty vehicle or a heavy duty vehicle.

(B) A train or locomotive.

(C) A maritime vessel.

(D) An aircraft.

(E) Hyperloop technology.

(b) ADMINISTRATIVE COSTS.—The Secretary shall reserve $12,000,000 of amounts made available under subsection (a) for administrative costs of providing loans as described in subsection (a).

(c) ELIMINATION OF LOAN PROGRAM CAP.—Section 136(d)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17013(d)(1)) is amended by striking ''a total of not more than $25,000,000,000 in''.

SEC. 30453. DOMESTIC MANUFACTURING CONVERSION GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for grants relating to domestic production of zero-emission vehicles under section 712 of the Energy Policy Act of 2005 (42 U.S.C. 16062).

(b) ADMINISTRATIVE COSTS.—The Secretary shall reserve 2 percent of amounts made available under subsection (a) for administrative costs of making grants described in such subsection (a) pursuant to section 712 of the Energy Policy Act of 2005 (42 U.S.C. 16062).

SEC. 30454. ENERGY COMMUNITY REINVESTMENT FINANCING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), for the cost of providing financial support under section 1706 of the Energy Policy Act of 2005.

(b) AMENDMENT.—Title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511 et seq.) is amended by adding at the end the following:

"SEC. 1706. ENERGY COMMUNITY REINVESTMENT FINANCING PROGRAM.

"(a) ESTABLISHMENT.—Notwithstanding section 1702(f) and section 1703, and not later than 180 days after the date of enactment of this section, the Secretary shall establish a program to provide financial support, in such form and on such terms and conditions as the Secretary determines appropriate, to eligible entities for the purpose of enabling low-carbon reinvestments in energy communities, which such reinvestments may include—

"(1) supporting workers who are or have been engaged in providing, or have been affected by the 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) a detailed plan describing the activities to be carried out in accordance with subsection (a), including activities for the measurement, monitoring, and verification of emissions of greenhouse gases; and

"(2) if the eligible entity is a utility subject to regulation by a State commission or other State regulatory authority, assurances, as determined appropriate by the Secretary, that such eligible entity shall pass through any financial benefit from the provision of any financial support under this section to its customers or energy communities.

"(c) OTHER REQUIREMENTS.—

"(1) FEES.—Notwithstanding section 1702(h)(1), the Secretary shall charge and collect a fee from each eligible entity that received financial support provided under this section in an amount the Secretary determines sufficient to cover applicable administrative expenses (including any costs associated with third party consultants engaged by the Secretary).

"(2) USE OF APPROPRIATED FUNDS.—Any cost for any financial support provided under this section shall be paid by the Secretary using appropriated funds.

"(3) APPLICATION OF OTHER LAW.—Section 20320(a) of division B of Public Law 109-289 (42 U.S.C. 16515(a)) shall not apply to this section.

"(d) DEFINITIONS.—In this section:

"(1) COST; DIRECT LOAN.—The terms 'cost' and 'direct loan' have the meanings given such terms in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means any entity that is directly affiliated with the provision of energy-intensive goods or services.

"(3) ENERGY COMMUNITY.—The term 'energy community' means a community whose members are or were engaged in providing, or have been affected by the provision of, energy-intensive goods and services.

"(4) FINANCIAL SUPPORT.—The term 'financial support' means any credit product or support the Secretary determines appropriate to implement this section, including—

"(A) a direct loan;

"(B) a line of credit; and

"(C) a guarantee, including of a letter of credit for the purposes of subsection (a)(3).

"(5) GUARANTEE.—The term 'guarantee' has the meaning given such term in section 1701.".

PART 6—ELECTRIC TRANSMISSION

SEC. 30461. TRANSMISSION LINE AND INTERTIE GRANTS AND LOANS.

(a) APPROPRIATION.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $8,000,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031), for purposes of providing grants and direct loans under subsection (b), and for administrative expenses associated with carrying out this section: *Provided*, That none of such loan authority made available by this section shall be available for loans for any projects where funds, personnel, or property (tangible or intangible) of any Federal agency, instrumentality, personnel, or affiliated entity are expected to be used (directly or indirectly) through acquisitions, contracts, demonstrations, exchanges, grants, incentives, leases, procurements, sales, other transaction authority, or other arrangements to support the project or to obtain

goods or services from the project: *Provided further*, That the previous proviso shall not be interpreted as precluding the use of the loan authority provided by this section for commitments to loans for: (1) projects benefitting from otherwise allowable Federal tax benefits; (2) projects benefitting from being located on Federal land pursuant to a lease or right-of-way agreement for which all consideration for all uses is: (A) paid exclusively in cash; (B) deposited in the Treasury as offsetting receipts; and (C) equal to the fair market value as determined by the head of the relevant Federal agency; (3) projects benefitting from Federal insurance programs; or (4) electric generation projects using transmission facilities owned or operated by a Federal Power Marketing Administration or the Tennessee Valley Authority that have been authorized, approved, and financed independent of the project receiving the guarantee: *Provided further*, That none of the loan authority made available by this section shall be available for any project unless the Director of the Office of Management and Budget has certified in advance in writing that the loan and the project comply with the provisions under this section.

(2) LIMIT.—Not more than $1,000,000,000 of the amount appropriated under paragraph (1) may be used to pay for the costs of providing direct loans under subsection (b).

(b) IN GENERAL.—Except as provided in subsection (c), the Secretary of Energy may provide grants and direct loans to eligible entities to construct new, or make upgrades to existing, eligible transmission lines or eligible interties, including the related facilities thereof, if the Secretary of Energy determines that such construction or upgrade would support—

(1) a more robust and resilient electric grid; and

(2) the integration of electricity from a clean energy facility into the electric grid.

(c) OTHER REQUIREMENTS.—

(1) INTEREST RATES.—The Secretary of Energy shall determine the rate of interest to charge on direct loans provided under subsection (b) by taking into consideration market yields on outstanding marketable obligations of the United States of comparable maturities as of the date the loan is disbursed.

(2) TERMS AND CONDITIONS.—In providing direct 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.

(4) ELIGIBLE INTERTIE.—The term ''eligible intertie'' means—

(A) any interties across the seam between the Western Interconnection and the Eastern Interconnection;

(B) the Pacific Northwest-Pacific Southwest Intertie;

(C) any interties between the Electric Reliability Council of Texas and the Western Interconnection or the Eastern Interconnection; or

(D) such other interties that the Secretary determines contribute to—

(i) a more robust and resilient electric grid; and

(ii) the integration of electricity from a clean energy facility into the electric grid.

(5) ELIGIBLE TRANSMISSION LINE.—The term ''eligible transmission line'' means an electric power transmission line that—

(A) in the case of new construction under subsection (b), has a transmitting capacity of not less than 1,000 megawatts;

(B) in the case of an upgrade made under subsection (b), the upgrade to which will in-

crease its transmitting capacity by not less than 500 megawatts; and

(C) is capable of transmitting electricity—

(i) across any eligible intertie;

(ii) from an offshore wind generating facility; or

(iii) along a route, or in a corridor, determined by the Secretary of Energy to be necessary to meet interregional or national electricity transmission needs.

SEC. 30462. GRANTS TO FACILITATE THE SITING OF INTERSTATE ELECTRICITY TRANSMISSION LINES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $800,000,000, to remain available until September 30, 2031 (provided no funds shall be disbursed after such date), for making grants in accordance with this section and for administrative expenses associated with carrying out this section.

(b) USE OF FUNDS.—

(1) IN GENERAL.—The Secretary may make a grant under this section to a siting authority for, with respect to a covered transmission project, any of the following activities:

(A) Studies and analyses of the impacts of the covered transmission project, including the environmental, reliability, wildlife, cultural, historical, water, land-use, public health, employment, tax-revenue, market, cost, and rate regulation impacts.

(B) Examination of up to 3 alternate siting corridors within which the covered transmission project feasibly could be sited.

(C) Hosting and facilitation of negotiations in settlement meetings involving the siting authority, the covered transmission project applicant, and opponents of the covered transmission project, for the purpose of identifying and addressing issues that are preventing approval of the application relating to the siting or permitting of the covered transmission project.

(D) Participation by the siting authority in regulatory proceedings or negotiations in another jurisdiction, or under the auspices of a Transmission Organization (as defined in section 3 of the Federal Power Act (16 U.S.C. 796)) that is also considering the siting or permitting of the covered transmission project.

(E) Participation by the siting authority in regulatory proceedings at the Federal Energy Regulatory Commission or a State regulatory commission for determining applicable rates and cost allocation for the covered transmission project.

(F) Other measures and actions that may improve the chances of, and shorten the time required for, approval by the siting authority of the application relating to the siting or permitting of the covered transmission project, as the Secretary determines appropriate.

(2) ECONOMIC DEVELOPMENT.—The Secretary may make a grant under this section to a siting authority, or other State, local, or Tribal governmental entity, for economic development activities for communities that may be affected by the construction and operation of a covered transmission project.

(c) CONDITIONS.—

(1) FINAL DECISION ON APPLICATION.—In order to receive a grant for an activity described in subsection (b)(1), the Secretary shall require a siting authority to agree, in writing, to reach a final decision on the application relating to the siting or permitting of the applicable covered transmission

project not later than 2 years after the date on which such grant is provided, unless the Secretary authorizes an extension for good cause.

(2) FEDERAL SHARE.—The Federal share of the cost of an activity described in subparagraph (D) or (E) of subsection (b)(1) shall not exceed 50 percent.

(3) ECONOMIC DEVELOPMENT.—The Secretary may only disburse grant funds for economic development activities under subsection (b)(2)—

(A) to a siting authority upon approval by the siting authority of the applicable covered transmission project; and

(B) to any other State, local, or Tribal governmental entity upon commencement of construction of the applicable covered transmission project in the area under the jurisdiction of the entity.

(d) RETURNING FUNDS.—If a siting authority that receives a grant for an activity described in subsection (b)(1) fails to use all grant funds within 2 years of receipt, the siting authority shall return to the Secretary any such unused funds.

(e) DEFINITIONS.—In this section:

(1) COVERED TRANSMISSION PROJECT.—The term ''covered transmission project'' means a high-voltage interstate electricity transmission line—

(A) that is proposed to be constructed and to operate at a minimum of 275 kilovolts of either alternating-current or direct-current electric energy by an entity; and

(B) for which such entity has applied, or informed a siting authority of such entity's intent to apply, for regulatory approval.

(2) SITING AUTHORITY.—The term ''siting authority'' means a State, local, or Tribal governmental entity with authority to make a final determination regarding the siting, permitting, or regulatory status of a covered transmission project that is proposed to be located in an area under the jurisdiction of the entity.

SEC. 30463. ORGANIZED WHOLESALE ELECTRICITY MARKET TECHNICAL ASSISTANCE GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until fiscal year 2031 (except that no funds shall be disbursed 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

(3) evaluating the economic, operational, reliability, environmental, and other benefits of organized wholesale electricity markets.

(d) APPLICATIONS.—

(1) IN GENERAL.—To apply for technical assistance or a grant provided under this section, a State shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(2) GRANTS.—An application for a grant submitted under paragraph (1) shall certify how the State will use the grant in accordance with subsection (b).

(e) PRIORITY.—In evaluating applications submitted under subsection (c), the Secretary shall give priority to applications that are submitted by more than one State.

(f) DEFINITIONS.—In this section:

(1) INDEPENDENT SYSTEM OPERATOR; REGIONAL TRANSMISSION ORGANIZATION.—The terms ''Independent System Operator'' and ''Regional Transmission Organization'' have the meanings given such terms in section 3 of the Federal Power Act (16 U.S.C. 796).

(2) ORGANIZED WHOLESALE ELECTRICITY MARKET.—The term ''organized wholesale electricity

market'' means an Independent System Operator or a Regional Transmission Organization.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(4) STATE.—The term ''State'' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam.

SEC. 30464. INTERREGIONAL AND OFFSHORE WIND ELECTRICITY TRANSMISSION PLANNING, MODELING, AND ANALYSIS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed after such date), to carry out this section.

(b) USE OF FUNDS.—The Secretary of Energy shall use amounts made available under subsection (a) to—

(1) pay expenses associated with convening relevant stakeholders, including States, generation and transmission developers, regional transmission organizations, independent system operators, environ-

mental organizations, Indian Tribes, and other stakeholders the Secretary determines appropriate, to address the development of interregional electricity transmission and transmission of electricity that is generated by offshore wind; and

(2) conduct planning, modeling, and analysis regarding interregional electricity transmission and transmission of electricity that is generated by offshore wind, taking into account the local, regional, and national economic, reliability, resilience, security, public policy, and environmental benefits of interregional electricity transmission and transmission of electricity that is generated by offshore wind, including planning, modeling, and analysis, as the Secretary determines appropriate, pertaining to—

(A) clean energy integration into the electric grid, including the identification of renewable energy zones;

(B) the effects of changes in weather due to climate change on the reliability and resilience of the electric grid;

(C) cost allocation methodologies that facilitate the expansion of the bulk power system;

(D) the benefits of coordination between generator interconnection processes and transmission planning processes;

(E) the effect of increased electrification on the electric grid;

(F) power flow modeling;

(G) the benefits of increased interconnections or interties between or among the Western Interconnection, the Eastern Interconnection, the Electric Reliability Council of Texas, and other interconnections, as applicable;

(H) the cooptimization of transmission and generation, including variable energy resources, energy storage, and demand-side management;

(I) the opportunities for use of nontransmission alternatives and grid-enhancing technologies;

(J) economic development opportunities for communities arising from development of interregional electricity transmission and transmission of electricity that is generated by offshore wind; and

(K) evaluation of existing rights-of-way and the need for additional transmission corridors.

PART 7—ENVIRONMENTAL REVIEWS

SEC. 30471. DEPARTMENT OF ENERGY.

In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2031 (except that no amounts may be disbursed after September 30, 2031), to provide for more efficient and more effective environmental reviews under the National Environmental Policy Act of 1969 through the hiring and training of additional personnel, the development of programmatic assessments or templates, the procurement of technical or scientific services, the development of data or technology systems, stakeholder and community engagement, and the purchase of new equipment.

SEC. 30472. FEDERAL ENERGY REGULATORY COMMISSION.

In addition to amounts otherwise available, there is appropriated to the Federal Energy Regulatory Commission for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031 (except that no amounts may be disbursed after September 30, 2031), to provide for more efficient and more effective environmental reviews under the National Environmental Policy Act of 1969 through the hiring and training of additional personnel, the development of programmatic assessments

or templates, the procurement of technical or scientific services, the development of data or technology systems, stakeholder and community engagement, and the purchase of new equipment.

PART 8—OTHER ENERGY MATTERS

SEC. 30481. FEDERAL ENERGY EFFICIENCY FUND.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $17,500,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to provide grants to agencies to assist them in meeting the requirements of section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) or to assist agencies in reducing the carbon emissions of new or existing Federal buildings and Federal fleets.

(b) USE OF FUNDS.—The Secretary shall use the funds made available pursuant to subsection (a) to provide grants to agencies pursuant to section 546(b) of the National Energy Conservation Policy Act (42 U.S.C. 8256(b)), and to establish a program to provide competitive grants to agencies, to carry out projects for onsite or offsite measures that—

(1) are applied to or serve a Federal building or Federal fleet; and

(2) involve energy conservation, cogeneration facilities, renewable energy sources, low carbon materials, improvements in operations and maintenance efficiencies, retrofit activities, automotive supply equipment, building electrification, energy storage devices, energy consuming devices and required support structures, or carbon-pollution free electricity.

(c) CONSIDERATIONS.—In providing grants under subsection (b), the Secretary may consider—

(1) the cost-effectiveness of the project;

(2) the extent to which a project promotes the integration of clean energy, carbon pollution-free electricity, low carbon materials, automotive supply equipment, and such other onsite or offsite measures as the Secretary determines to be appropriate;

(3) the amount of energy and cost savings anticipated to the Federal Government;

(4) the amount of funding committed to the project by the agency requesting the grant;

(5) the extent that a proposal leverages financing from other non-Federal sources; and

(6) any other factor which the Secretary determines is in furtherance of this section.

(d) DEFINITIONS.—In this section:

(1) AUTOMOTIVE SUPPLY EQUIPMENT.—The term ''automotive supply equipment'' means any conductors, including ungrounded, grounded, and equipment grounding conductors, electric vehicle connectors, attachment plugs, and all other fittings, devices, power outlets, electrical equipment, or apparatuses installed specifically for the purpose of delivering energy to an electric vehicle or to a battery intended to be used in an electric vehicle.

(2) LOW CARBON MATERIAL.—The term ''low carbon material'' means any material for which the quantity of greenhouse gases (measured in kilograms of carbon dioxide equivalent) emitted to the atmosphere by the manufacture, transportation, installation, maintenance, and disposal of the material is significantly lower than such quantity for another, similar material, as measured and reported in an environmental product declaration.

SEC. 30482. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000, to remain

available until September 30, 2031 (except that no funds shall be disbursed after September 30, 2031), to carry out the Energy Efficiency and Conservation Block Grant Program established under section 542(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17152(a)), of which—

(1) $2,500,000,000 shall be distributed in accordance with section 543 of such Act (42 U.S.C. 17153); and

(2) $2,5000,000,000 shall be awarded to eligible entities on a competitive basis.

(b) PROGRAM.—In carrying out subsection (a), in addition to providing assistance described in section 542(b)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17152(b)(1)), the Secretary may also provide assistance to eligible entities for implementing strategies to reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities in a manner that diversifies energy supplies, including by facilitating and promoting the use of alternative fuels.

(c) USE OF FUNDS.—In carrying out subsection (a), for purposes of section 544 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17154), the Secretary may also consider to be activities that achieve the

purposes of the Energy Efficiency and Conservation Block Grant Program—

(1) the deployment of energy distribution technologies that significantly increase energy efficiency or expand access to alternative fuels, including distributed resources, district heating and cooling systems, and infrastructure for delivering alternative fuels; and

(2) programs for financing energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure) capital investments, projects, and programs—

(A) which may include loan programs and performance contracting programs for leveraging of additional public and private sector funds, and programs that allow rebates, grants, or other incentives for the purchase and installation of energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure) measures; or

(B) which may be used or implemented in connection with buildings owned and operated by a State, a political subdivision of a State, an agency or instrumentality of a State, or an organization exempt from taxation under section

501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)).

(d) COMPETITIVE GRANTS.—In carrying out subsection (a), for purposes of section 546(c)(2) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17156(c)(2)), the Secretary may give priority to units of local government that plan to carry out projects to expand the use of alternative fuels that would result in significant energy efficiency improvements or reductions in fossil fuel use.

(e) ADMINISTRATIVE EXPENSES.—Of the amount made available under subsection (a), the Secretary shall reserve 10 percent for administrative expenses to carry out this section.

(f) TECHNICAL AMENDMENTS.—Section 543 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17153) is amended—

(1) in subsection (c), by striking ''subsection (a)(2)'' and inserting ''subsection (a)(3)''; and

(2) in subsection (d), by striking ''subsection (a)(3)'' and inserting ''subsection (a)(4)''.

SEC. 30483. LOW-INCOME SOLAR.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2022, out of any amounts in the

Treasury not otherwise appropriated, $2,500,000,000, to remain available until expended (except that no funds shall be disbursed after September 30, 2031), to carry out this section.

(b) IN GENERAL.—The Secretary shall use funds appropriated by subsection (a) to provide financial assistance to eligible entities to—

(1) carry out eligible planning projects; or

(2) carry out eligible installation projects.

(c) APPLICATIONS.—

(1) IN GENERAL.—To be eligible to receive assistance under this section, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(2) INCLUSION FOR INSTALLATION ASSISTANCE.—For an eligible entity to receive assistance for an eligible installation project, the Secretary shall require the eligible entity to include in an application under paragraph (1)—

(A) information that demonstrates that the eligible entity has obtained, or has the capacity to obtain, necessary permits, subscribers, access to an installation site, and any other items or

agreements necessary to complete the installation of the applicable covered facility;

(B) information that demonstrates that the covered facility installed using such assistance will comply with local building and safety codes and standards;

(C) a description of the mechanism through which financial benefits will be distributed to beneficiaries or subscribers; and

(D) an estimate of the anticipated financial benefit for beneficiaries or subscribers.

(3) CONSIDERATION OF PLANNING PROJECTS.—The Secretary may consider the completion of an eligible planning project pursuant to subsection (b)(1) by the eligible entity to be sufficient to demonstrate the ability of the eligible entity to meet the requirements of paragraph (2)(A).

(d) SELECTION.—

(1) IN GENERAL.—In selecting eligible projects to receive assistance under this section, the Secretary shall—

(A) prioritize—

(i) eligible installation projects that 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) FORM.—The Secretary may provide assistance under this section in the form of a grant, rebate, or low-interest loan.

(2) MULTIPLE PROJECTS FOR SAME FACILITY.—

(A) IN GENERAL.—An eligible entity may apply for assistance under this section for an eligible planning project and an eligible installation project for the same covered facility.

(B) SEPARATE SELECTIONS.—Selection by the Secretary for assistance under this section of an eligible planning project does not require the Secretary to select for assistance under this section an eligible installation project for the same covered facility.

(f) USE OF ASSISTANCE.—

(1) ELIGIBLE PLANNING PROJECTS.—An eligible entity receiving assistance for an eligible planning project under this section may use such assistance to pay the costs of pre-installation activities associated with an applicable covered facility, including—

(A) feasibility studies;

(B) permitting;

(C) site assessment;

(D) identification of beneficiaries or subscribers; or

(E) such other costs determined by the Secretary to be appropriate.

(2) ELIGIBLE INSTALLATION PROJECTS.—An eligible entity receiving assistance for an eligible installation project under this section may use such assistance to pay the costs of—

(A) installation and operation of a covered facility, including costs associated with materials, permitting, labor, or site preparation;

(B) storage technology sited at a covered facility;

(C) interconnection service expenses;

(D) offsetting the cost of a subscription for a covered facility described in subsection (h)(4)(A) for subscribers that are members of a low-income household; or

(E) such other costs determined by the Secretary to be appropriate.

(g) USE OF FUNDS.—Of the funds appropriated by this section, the Secretary shall use not less than 85 percent to provide assistance for eligible installation projects.

(h) DEFINITIONS.—In this section:

(1) BENEFICIARY.—The term ''beneficiary'' means a low-income household that receives a financial benefit from the installation and operation of a covered facility.

(2) COMMUNITY SOLAR FACILITY.—The term ''community solar facility'' means a solar generating facility that—

(A) has multiple subscribers that receive financial benefits that are directly attributable to the facility; and

(B) has a nameplate rating of 5 megawatts AC or less.

(3) COMMUNITY SOLAR SUBSCRIPTION.—The term ''community solar subscription'' means a share in the capacity, or a proportional interest in the electricity generation, of a community solar facility.

(4) COVERED FACILITY.—The term ''covered facility'' means—

(A) a community solar facility at least 50 percent of the capacity of which is reserved for low-income households;

(B) a solar generating facility located at a residence of a low-income household; or

(C) a solar generating facility located at a multi-family affordable housing complex.

(5) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a nonprofit organization that provides services to low-income households or multi-family affordable housing complexes;

(B) a developer, owner, or operator of a covered facility;

(C) a State, or political subdivision thereof;

(D) an Indian Tribe, tribally owned electric utility, or tribal energy development organization;

(E) a Native Hawaiian community-based organization;

(F) any other national or regional entity that has experience developing or installing solar generating facilities for low-income households that maximize financial benefits to those households; and

(G) an electric cooperative or a municipality that is an electric utility (as such terms are defined in section 3 of the Federal Power Act).

(6) ELIGIBLE INSTALLATION PROJECT.—The term ''eligible installation project'' means a project to install and operate a covered facility.

(7) ELIGIBLE PLANNING PROJECT.—The term ''eligible planning project'' means a project to carry out pre-installation activities for the development of a covered facility.

(8) ELIGIBLE PROJECT.—The term ''eligible project'' means—

(A) an eligible planning project; or

(B) an eligible installation project.

(9) FEASIBILITY STUDY.—The term ''feasibility study'' means a study or assessment that determines the feasibility of a specific solar generating facility, including a customer interest assessment and a siting assessment, as determined by the Secretary.

(10) INDIAN TRIBE.—The term ''Indian Tribe'' means any Indian Tribe, band, nation, Tribal Organization, or other organized group or community, including any Alaska Native village, Regional Corporation, or Village Corporation, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(11) INTERCONNECTION SERVICE.—The term ''interconnection service'' has the meaning given 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-

nity-based organization'' means any organization that is composed primarily of Native Hawaiians from a specific community and that assists in the social, cultural, and educational development of Native Hawaiians in that community.

(15) SECRETARY.—The term ''Secretary'' means the Secretary of Energy.

(16) SOLAR GENERATING FACILITY.—The term ''solar generating facility'' means—

(A) a generator that creates electricity from photons; and

(B) the accompanying hardware enabling that electricity to flow—

(i) onto the electric grid;

(ii) into a facility or structure; or

(iii) into an energy storage device.

(17) STATE.—The term ''State'' means each of the 50 States, the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

(18) SUBSCRIBER.—The term ''subscriber'' means a person who—

(A) owns a community solar subscription, or an equivalent unit or share of the capacity or generation of a community solar facility; or

(B) is a member of a low-income household that financially benefits from a community solar facility, even if the person does not own a community solar subscription for the facility.

(19) UNDERSERVED AREA.—The term ''underserved area'' means—

(A) a geographical area with low or no photovoltaic solar deployment, as determined by the Secretary;

(B) a geographical area that has low or no access to electricity, as determined by the Secretary;

(C) a geographical area with a high energy burden, as determined by the Secretary; or

(D) trust land, as defined in section 3765 of title 38, United States Code.

SEC. 30484. OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031 (except that no funds shall be disbursed

after September 30, 2031), for oversight by the Department of Energy Office of Inspector General of the Department of Energy activities for which funding is appropriated in this subtitle.

Subtitle F—Affordable Health Care Coverage

SEC. 30601. ENSURING AFFORDABILITY OF COVERAGE FOR CERTAIN LOW-INCOME POPULATIONS.

(a) REDUCING COST SHARING UNDER QUALIFIED HEALTH PLANS.—Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by inserting ''(or, with respect to plan years 2023 and 2024, whose household income does not exceed 400 percent of the poverty line for a family of the size involved)'' before the period; and

(B) in the matter following paragraph (2), by adding at the end the following new sentence: ''In the case of an individual with a household income that does not exceed 138 percent of the poverty line for a family of the size involved for any month occurring during the period beginning on January 1, 2022, and ending on December 31, 2022, such individual shall,

for such month and for each succeeding month during such period, be treated as having household income equal to 100 percent for purposes of applying this section.''; and

(2) in subsection (c)—

(A) in paragraph (1)(A), in the matter preceding clause (i), by inserting '', with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees (as defined in paragraph (6)(C))),'' after ''first be achieved'';

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting ''with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees)'' after ''under the plan'';

(C) in paragraph (3)—

(i) in subparagraph (A), by striking ''this subsection'' and inserting ''paragraph (1) or (2)''; and

(ii) in subparagraph (B), by striking ''this section'' and inserting ''paragraphs (1) and (2)''; and

(D) by adding at the end the following new paragraph:

"(6) SPECIAL RULE FOR SPECIFIED ENROLLEES.—

"(A) IN GENERAL.—The Secretary shall establish procedures under which the issuer of a qualified health plan to which this section applies shall reduce cost-sharing under the plan with respect to months occurring during plan years 2023 and 2024 for enrollees who are specified enrollees (as defined in subparagraph (C)) in a manner sufficient to increase the plan's share of the total allowed costs of benefits provided under the plan to 99 percent of such costs.

"(B) METHODS FOR REDUCING COST SHARING.—

"(i) IN GENERAL.—An issuer of a qualified health plan making reductions under this paragraph shall notify the Secretary of such reductions and the Secretary shall, out of funds made available under clause (ii), make periodic and timely payments to the issuer equal to 12 percent of the total allowed costs of benefits provided under each such plan to specified enrollees during plan years 2023 and 2024.

"(ii) APPROPRIATION.—In addition to amounts otherwise available, there are appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to the Secretary to make payments under clause (i).

"(C) SPECIFIED ENROLLEE DEFINED.—For purposes of this section, the term 'specified enrollee' means, with respect to a month occurring during a plan year, an eligible insured with a household income that does not exceed 138 percent of the poverty line for a family of the size involved during such month. Such insured shall be deemed to be a specified enrollee for each succeeding month in such plan year.".

(b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN LOWER-INCOME POPULATIONS.—Section 1311(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)) is amended—

(1) in paragraph (6)—

(A) in subparagraph (C), by striking at the end "and";

(B) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(E) with respect to a qualified health plan with respect to which section 1402 applies, for months occurring during the period beginning on January 1, 2022, and ending on December 31, 2024, enrollment periods described in subparagraph (A) of paragraph (8) for individuals described in subparagraph (B) of such paragraph."; and

(2) by adding at the end the following new paragraph:

"(8) SPECIAL ENROLLMENT PERIOD FOR CERTAIN LOW-INCOME POPULATIONS.—

"(A) IN GENERAL.—The enrollment period described in this paragraph is, in the case of an individual described in subparagraph (B), the continuous period beginning on the first day that such individual is so described.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual—

"(i) with a household income that does not exceed 138 percent of the poverty line for a family of the size involved; and

"(ii) who is not eligible for minimum essential coverage (as defined in section 5000A(f) of the Internal Revenue Code of 1986), other than for coverage described in any of subparagraphs (B) through (E) of paragraph (1) of such section.".

(c) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—Section 1301(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18021(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)(iv), by striking the period and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(D) provides, with respect to a plan offered in the silver level of coverage to which section 1402 applies during plan year 2024, for benefits described in paragraph (5) in the case of an individual who, for a month during such plan year, has a household income that does not exceed 138 percent of the poverty line for a family of the size involved, and who is eligible

to receive cost-sharing reductions under section 1402.''; and

(2) by adding at the end the following new paragraph:

''(5) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—

''(A) IN GENERAL.—For purposes of paragraph (1)(D), the benefits described in this paragraph to be provided by a qualified health plan are benefits consisting of non-emergency medical transportation services (as described in section 1902(a)(4)) and services described in subsection (a)(4)(C) of section 1905 of the Social Security Act, without any restriction on the choice of a qualified provider from whom such an individual so enrolled in such plan may receive such services described in such subsection, and without any imposition of cost sharing, which are not otherwise provided under such plan as part of the essential health benefits package described in section 1302(a).

''(B) PAYMENTS FOR ADDITIONAL BENEFITS.—

''(i) IN GENERAL.—An issuer of a qualified health plan making payments for

services described in subparagraph (A) furnished to individuals described in paragraph (1)(D) during plan year 2024 shall notify the Secretary of such payments and the Secretary shall, out of funds made available under clause (ii), make periodic and timely payments to the issuer equal to payments for such services so furnished.

"(ii) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to the Secretary to make payments under clause (i).".

(d) EDUCATION AND OUTREACH ACTIVITIES.——

(1) IN GENERAL.—Section 1321(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18041(c)) is amended by adding at the end the following new paragraph:

"(3) OUTREACH AND EDUCATIONAL ACTIVITIES.—

"(A) IN GENERAL.—In the case of an Exchange established or operated by the Secretary within a State pursuant to this subsection, the Secretary shall carry out outreach and edu-

1 cational 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.

"(C) NON-ACA COMPLIANT HEALTH INSURANCE COVERAGE.—For purposes of subparagraph (B):

"(i) The term 'non-ACA compliant health insurance coverage' means health insurance coverage, or a group health plan, that is not a qualified health plan.

"(ii) Such term includes the following:

"(I) An association health plan.

"(II) Short-term limited duration insurance.

"(D) FUNDING.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended, $15,000,000 for fiscal year 2022, and $30,000,000 for each of fiscal years 2023 and 2024, to carry out this paragraph.".

(2) NAVIGATOR PROGRAM.—Section 1311(i)(6) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(i)(6)) is amended—

(A) by striking "FUNDING.—Grants under" and inserting "FUNDING.—

"(A) STATE EXCHANGES.—Grants under"; and

(B) by adding at the end the following new subparagraph:

"(B) FEDERAL EXCHANGES.—For purposes of carrying out this subsection, with respect to an Exchange established and operated by the Secretary within a State pursuant to section 1321(c), the Secretary shall obligate $10,000,000 out of amounts collected through the user fees on participating health insurance issuers pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor regulations) for fiscal year 2022, and $20,000,000 for each of fiscal years 2023 and 2024. Such amount so obligated for a fiscal year shall remain available until expended.".

SEC. 30602. TEMPORARY EXPANSION OF HEALTH INSURANCE PREMIUM TAX CREDITS FOR CERTAIN LOW-INCOME POPULATIONS.

(a) IN GENERAL.—Section 36B is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) CERTAIN TEMPORARY RULES FOR 2022 THROUGH 2024.—With respect to any taxable year beginning after December 31, 2021, and before January 1, 2025—

"(1) ELIGIBILITY FOR CREDIT NOT LIMITED BASED ON INCOME.—Section 36B(c)(1)(A) shall be disregarded in determining whether a taxpayer is an applicable taxpayer.

"(2) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED EMPLOYER-PROVIDED COVERAGE.—Subclause (II) of subsection (c)(2)(C)(i) shall not apply if the taxpayer's household income does not exceed 138 percent of the poverty line for a family of the size involved. The last sentence of such subsection shall also apply for purposes of this paragraph. Subclause (II) of subsection (c)(2)(C)(i) shall also not apply to an individual described in the last sentence of such subsection if the taxpayer's household income does not exceed 138 percent of the poverty line for a family of the size involved.

"(3) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—A qualified small employer health reimbursement arrangement shall not be treated as constituting affordable coverage for an employee (or any spouse or dependent of such employee) for any months of a taxable year if the employee's household

income for such taxable year does not exceed 138 percent of the poverty line for a family of the size involved.

"(4) LIMITATIONS ON RECAPTURE.—

"(A) IN GENERAL.—In the case of a taxpayer whose household income is less than 200 percent of the poverty line for the size of the family involved for the taxable year, the amount of the increase under subsection (f)(2)(A) shall in no event exceed $300 (one-half of such amount in the case of a taxpayer whose tax is determined under section 1(c) for the taxable year).

"(B) LIMITATION ON INCREASE FOR CERTAIN NON-FILERS.—In the case of any taxpayer who would not be required to file a return of tax for the taxable year but for any requirement to reconcile advance credit payments under subsection (f), if an Exchange established under title I of the Patient Protection and Affordable Care Act has determined that—

"(i) such taxpayer is eligible for advance payments under section 1412 of such Act for any portion of such taxable year, and

"(ii) such taxpayer's household income for such taxable year is projected to not exceed 138 percent of the poverty line for a family of the size involved,

subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such taxpayer shall not be required to file such return of tax.

"(C) INFORMATION PROVIDED BY EXCHANGE.—The information required to be provided by an Exchange to the Secretary and to the taxpayer under subsection (f)(3) shall include such information as is necessary to determine whether such Exchange has made the determinations described in clauses (i) and (ii) of subparagraph (B) with respect to such taxpayer.".

(b) EMPLOYER SHARED RESPONSIBILITY PROVISION NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—Section 4980H(c)(3) is amended to read as follows:

"(3) APPLICABLE PREMIUM TAX CREDIT AND COST-SHARING REDUCTION.—

"(A) IN GENERAL.—The term 'applicable premium tax credit and cost-sharing reduction' means—

"(i) any premium tax credit allowed under section 36B,

"(ii) any cost-sharing reduction under section 1402 of the Patient Protection and Affordable Care Act, and

"(iii) any advance payment of such credit or reduction under section 1412 of such Act.

"(B) EXCEPTION WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS.—Such term shall not include any premium tax credit, cost-sharing reduction, or advance payment otherwise described in subparagraph (A) if such credit, reduction, or payment is allowed or paid for a taxable year of an employee (beginning after December 31, 2021, and before January 1, 2025) with respect to which—

"(i) an Exchange established under title I of the Patient Protection and Affordable Care Act has determined that such employee's household income for such taxable year is projected to not exceed 138 percent of the poverty line for a family of the size involved, or

"(ii) such employee's household income for such taxable year does not exceed 138 percent of the poverty line for a family of the size involved.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 30603. ESTABLISHING A HEALTH INSURANCE AFFORDABILITY FUND.

(a) IN GENERAL.—Subtitle D of title I of the Patient Protection and Affordable Care Act is amended by inserting after part 5 (42 U.S.C. 18061 et seq.) the following new part:

"PART 6—IMPROVE HEALTH INSURANCE AFFORDABILITY FUND

"SEC. 1351. ESTABLISHMENT OF PROGRAM.

"There is hereby established the 'Improve Health Insurance Affordability Fund' to be administered by the Secretary of Health and Human Services, acting through the Administrator of the Centers for Medicare & Medicaid Services (in this section referred to as the 'Administrator'), to provide funding, in accordance with this part, to the 50 States and the District of Columbia (each referred to in this section as a 'State') beginning on January 1, 2023, for the purposes described in section 1352.

"SEC. 1352. USE OF FUNDS.

"(a) IN GENERAL.—A State shall use the funds allocated to the State under this part for one of the following purposes:

"(1) To provide reinsurance payments to health insurance issuers with respect to individuals enrolled under individual health insurance coverage (other than through a plan described in subsection (b)) offered by such issuers.

"(2) To provide assistance (other than through payments described in paragraph (1)) to reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of individuals enrolled under qualified health plans offered on the individual market through an Exchange and of individuals enrolled under standard health plans offered through a basic health program established under section 1331.

"(b) EXCLUSION OF CERTAIN GRANDFATHERED PLANS, TRANSITIONAL PLANS, STUDENT HEALTH PLANS, AND EXCEPTED BENEFITS.—For purposes of subsection (a), a plan described in this subsection is the following:

"(1) A grandfathered health plan (as defined in section 1251).

"(2) A plan (commonly referred to as a 'transitional plan') continued under the letter issued by the Centers for Medicare & Medicaid Services on November 14, 2013, to the State Insurance Commissioners outlining a transitional policy for coverage in the individual and small group markets to which section 1251 does not apply, and under the extension of the transitional policy for such coverage set forth in the Insurance Standards Bulletin Series guidance issued by the Centers for Medicare & Medicaid Services on March 5, 2014, February 29, 2016, February 13, 2017, April 9, 2018, March 25, 2019, January 31, 2020, and January 19, 2021, or under any subsequent extensions thereof.

"(3) Student health insurance coverage (as defined in section 147.145 of title 45, Code of Federal Regulations, or any successor regulation).

"(4) Excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

"SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT SAFEGUARD.

"(a) ENCOURAGING STATE OPTIONS FOR ALLOCATIONS.—

"(1) IN GENERAL.—Subject to subsection (b), to be eligible for an allocation of funds under this

part for a year (beginning with 2023), a State shall submit to the Administrator an application at such time (but, in the case of allocations for 2023, not later than 120 days after the date of the enactment of this part and, in the case of allocations for a subsequent year, not later than January 1 of the previous year) and in such form and manner as specified by the Administrator containing—

"(A) a description of how the funds will be used; and

"(B) such other information as the Administrator may require.

"(2) AUTOMATIC APPROVAL.—An application so submitted is approved (as outlined in the terms of the plan) unless the Administrator notifies the State submitting the application, not later than 90 days after the date of the submission of such application, that the application has been denied for not being in compliance with any requirement of this part and of the reason for such denial.

"(3) 5-YEAR APPLICATION APPROVAL.—If an application of a State is approved for a purpose described in section 1352 for a year, such application shall be treated as approved for such purpose for each of the subsequent 4 years.

"(4) OVERSIGHT AUTHORITY AND AUTHORITY TO REVOKE APPROVAL.—

"(A) OVERSIGHT.—The Secretary may conduct periodic reviews of the use of funds provided to a State under this section, with respect to a purpose described in section 1352, to ensure the State uses such funds for such purpose and otherwise complies with the requirements of this section.

"(B) REVOCATION OF APPROVAL.—The approval of an application of a State, with respect to a purpose described in section 1352, may be revoked if the State fails to use funds provided to the State under this section for such purpose or otherwise fails to comply with the requirements of this section.

"(b) DEFAULT FEDERAL SAFEGUARD FOR 2023 AND 2024 FOR CERTAIN STATES.—

"(1) IN GENERAL.—For 2023 and 2024, in the case of a State described in paragraph (5), with respect to such year, the State shall not be eligible to submit an application under subsection (a), and the Administrator, in consultation with the applicable State authority, shall from the amount calculated 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

paragraph (3) with respect to a year that is less than the percentage otherwise specified in section 1354(b)(2)(B) for such year, if the cost of paying the total eligible attachment range claims for States described in paragraph (5) for such year at such percentage otherwise specified would exceed the amount calculated under paragraph (3) for such year.

"(5) STATE DESCRIBED.—A State described in this paragraph, with respect to years 2023 and 2024, is a State that, as of January 1 of 2022 or 2023, respectively, was not expending amounts under the State plan (or waiver of such plan) for all individuals described in section 1902(a)(10)(A)(i)(VIII) during such year.

"SEC. 1354. ALLOCATIONS.

"(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000,000 for 2023 and each subsequent year to provide allocations for States under subsection (b) and payments under section 1353(b) .

"(b) ALLOCATIONS.—

"(1) PAYMENT.—

"(A) IN GENERAL.—From amounts appropriated under subsection (a) for a year, the Secretary shall, with respect to a State not described in section 1353(b) for such year and not later than the date specified under subparagraph (B) for such year, allocate for such State the amount determined for such State and year under paragraph (2).

"(B) SPECIFIED DATE.—For purposes of subparagraph (A), the date specified in this subparagraph is—

"(i) for 2023, the date that is 90 days after the date of the enactment of this part; and

"(ii) for 2024 or a subsequent year, January 1 of the previous year.

"(C) NOTIFICATIONS OF ALLOCATION AMOUNTS.—For 2024 and each subsequent year, the Secretary shall notify each State of the amount determined for such State under paragraph (2) for such year by not later than January 1 of the previous year.

"(2) ALLOCATION AMOUNT DETERMINATIONS.—

"(A) IN GENERAL.—For purposes of paragraph (1), the amount determined under this paragraph for a year for a State described in paragraph (1)(A) for such year is the amount equal to—

"(i) the amount that the Secretary estimates would be expended under this part for such year on attachment range claims of individuals residing in such State if such State used such funds only for the purpose described in paragraph (1) of section 1352(a) at the dollar amounts and percentage specified under subparagraph (B) for such year; minus

"(ii) the amount, if any, by which the Secretary determines—

"(I) the estimated amount of premium tax credits under section 36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for such year without application of this part; exceeds

"(II) the estimated amount of premium tax credits under section

36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for such year if section 1353(b) applied for such year and applied with respect to such State for such year.

For purposes of the previous sentence and section 1353(b)(3), the term 'attachment range claims' means, with respect to an individual, the claims for such individual that exceed a dollar amount specified by the Secretary for a year, but do not exceed a ceiling dollar amount specified by the Secretary for such year, under subparagraph (B).

"(B) SPECIFICATIONS.—For purposes of subparagraph (A) and section 1353(b)(3), the Secretary shall determine the dollar amounts and the percentage to be specified under this subparagraph for a year in a manner to ensure that the total amount of expenditures under this part for such year is estimated to equal the total amount appropriated for such year under subsection (a) if such expenditures were used solely for the purpose described in paragraph (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

term 'adjusted premium amount' means, with respect to a qualified health plan and a year, the monthly premium for such plan and year that would have applied had such plan not received any payments described in subparagraph (A) for such year.''; and

(2) in subsection (d)(3)(A)(ii), by adding at the end the following new sentence: ''In making such determination, the Secretary shall calculate the value of such premium tax credits that would have been provided to such individuals enrolled through a basic health program established by a State during a year using the adjusted premium amounts (as defined in subsection (a)(3)(B)) for qualified health plans offered in such State during such year.''.

Subtitle G—Medicaid

PART 1—FEDERAL MEDICAID PROGRAM TO CLOSE THE COVERAGE GAP

SEC. 30701. CLOSING THE MEDICAID COVERAGE GAP.

(a) FEDERAL MEDICAID PROGRAM TO CLOSE COVERAGE GAP IN NONEXPANSION STATES.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended 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

(other than subparagraphs (B) and (C) of subsection (b)(1) of such section) with respect to the Secretary and payment under the Federal Medicaid program for covered outpatient drugs with respect to a rebate period in the same manner and to the same extent as such provisions apply with respect to a State and payment under the State plan for covered outpatient drugs with respect to the rebate period;

"(D) applying the provisions of sections 1902(a)(14), 1902(a)(23), 1902(a)(47), and 1920 through 1920C (as applicable) to the Federal Medicaid program and such individuals enrolled in and entitled to health benefits under such program in the same manner and to the same extent as such provisions apply to such individuals eligible for medical assistance under the State plan, and applying the provisions of section 1902(a)(30)(A) with respect to medical assistance available under the Federal Medicaid program in the same manner and to the same extent as such provisions apply to medical assistance under a State plan under this title, except that—

"(i) the Secretary shall provide that no cost sharing shall be applied under the Federal Medicaid program;

"(ii) the Secretary may waive the provisions of subparagraph (A) of section 1902(a)(23) to the extent deemed appropriate to facilitate the implementation of managed care;

"(iii) in applying the provisions of section 1902(a)(47) and sections 1920 through 1920C, the Secretary—

"(I) shall establish a single presumptive eligibility process for individuals eligible under the Federal Medicaid program, under which the Secretary may contract with entities to carry out such process; and

"(II) may apply such provisions and process in accordance with such phased-in implementation as the Secretary deems necessary, but beginning as soon as practicable); and

"(E) prohibiting payment from being available 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

under this subsection, with respect to a coverage gap geographic area, the Secretary shall take into account at least each of the following, with respect to each such bid:

"(i) Network adequacy (as proposed in the submitted bid).

"(ii) The amount, duration, and scope of benefits (such as value-added services offered in the submitted bid), as compared to the minimum set of benefits established by the Secretary under subsection (a)(2)(A).

"(iii) The amount of the bid, taking into account the average per member cost of providing medical assistance under State plans under this title (or waivers of such plans) to individuals enrolled in such plans (or waivers) who are at least 18 years of age and residing in the coverage gap geographic area, as well as the average cost of providing medical assistance under State plans under this title (and waivers of such plans) to individuals described in section 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

organization's failure to meet such ratio for such year.

"(F) The contract shall require that the eligible entity submit to the Secretary—

"(i) the number of individuals enrolled in the Program with respect to each coverage gap geographic area and month with respect to which the contract applies;

"(ii) encounter data (disaggregated by race, ethnicity, and age) with respect to each coverage gap geographic area and month with respect to which the contract applies; and

"(iii) such additional information as specified by the Secretary for purposes of payment, program integrity, oversight, quality measurement, or such other purpose specified by the Secretary.

"(G) The contract shall require that the eligible entity perform any other activity identified by the Secretary.

"(4) CONTRACT WITH A THIRD PARTY PLAN ADMINISTRATOR.—

"(A) IN GENERAL.—In the case of a contract 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

party plan administrator for purposes of carrying out such duties; and

"(B) any provisions of law of that State which relate to the licensing of the organization or administrator and which prohibit the organization or administrator from providing coverage pursuant to a contract under this section shall be superseded.

"(7) PENALTIES.—In the case of an eligible entity with a contract under this section that fails to comply with the requirements of such entity pursuant to this section or such contract, the Secretary may withhold payment (or any portion of such payment) to such entity under this section in accordance with a process specified by the Secretary, impose a corrective action plan on such entity, terminate the contract, or impose a civil monetary penalty on such entity in an amount not to exceed $10,000 for each such failure. In implementing this paragraph, the Secretary shall have the authorities provided the Secretary under section 1932(e) and subparts F and I of part 438 of title 42, Code of Federal Regulations.

"(8) COVERAGE GAP GEOGRAPHIC AREA.—For 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

"(ii) the sum, for each month during such quarter, of the number of individuals enrolled under such program in such State.

"(B) ANNUAL INCREASE.—For purposes of subparagraph (A), in the case of a State with respect to which such subparagraph applies with respect to a period of consecutive quarters occurring during more than one calendar year, for such consecutive quarters occurring during the second of such calendar years or a subsequent calendar year, the average monthly per capita costs for each such quarter for such State determined under subparagraph (A)(i), or this subparagraph, shall be annually increased by the Secretary by the percentage increase in Medicaid spending under this title during the preceding year (as determined based on the most recent National Health Expenditure data with respect to such year).

"(2) FORM AND MANNER OF PAYMENT.—Payment under paragraph (1) shall be made in a form and manner specified by the Secretary.

"(3) COMPLIANCE.—If a State fails to pay to the Secretary an amount required under paragraph (1), interest shall accrue on such amount at the rate

provided under section 1903(d)(5). The amount so owed and applicable interest shall be immediately offset against amounts otherwise payable to the State under section 1903(a), in accordance with the Federal Claims Collection Act of 1996 and applicable regulations.

"(4) DATA MATCH.—The Secretary shall perform such periodic data matches as may be necessary to identify and compute the number of individuals enrolled under the Federal Medicaid program under section 1948 in a coverage gap State (as referenced in subsection (a) of such section) for purposes of computing the amount under paragraph (1).

"(5) NOTICE.—The Secretary shall notify each State described in paragraph (1) not later than a date specified by the Secretary that is before the beginning of each quarter (beginning with 2022) of the amount computed under paragraph (1) for the State for that year.

"(j) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated, out of any funds in the Treasury not otherwise appropriated, for each fiscal year such sums as are necessary to carry out subsections (a) through (i) of this section.".

(b) DRUG REBATE CONFORMING AMENDMENT.—Section 1927(a)(1) of the Social Security Act (42 U.S.C. 1396r–8(a)(1)) is amended in the first sentence—

(1) by striking ''or under part B of title XVIII'' and inserting '', under the Federal Medicaid program under section 1948, or under part B of title XVIII''; and

(2) by inserting ''including as such subsection is applied pursuant to subsections (a)(2)(C) and (d) of section 1948 with respect to the Federal Medicaid program,'' before ''and must meet''.

PART 2—EXPANDING ACCESS TO MEDICAID HOME AND COMMUNITY-BASED SERVICES

SEC. 30711. DEFINITIONS.

In this part:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the Committee on Energy and Commerce of the House of Representatives, the Committee on Finance of the Senate, the Committee on Health, Education, Labor and Pensions of the Senate, and the Special Committee on Aging of the Senate.

(2) DIRECT CARE WORKER.—The term ''direct care worker'' means, with respect to a State, any of

the following individuals who by contract, by receipt of payment for care, or as a result of the operation of law, provides directly to Medicaid eligible individuals home and community-based services available under the State Medicaid program:

(A) A registered nurse, licensed practical nurse, nurse practitioner, or clinical nurse specialist who provides licensed nursing services, or a licensed nursing assistant who provides such services under the supervision of a registered nurse, licensed practical nurse, nurse practitioner, or clinical nurse specialist.

(B) A direct support professional.

(C) A personal care attendant.

(D) A home health aide.

(E) Any other paid health care professional or worker determined to be appropriate by the State and approved by the Secretary.

(3) HCBS PROGRAM IMPROVEMENT STATE.—The term ''HCBS program improvement State'' means a State that is awarded a planning grant under section 1011(a) and has an HCBS improvement plan approved by the Secretary under section 1011(d).

(4) HEALTH PLAN.—The term ''health plan'' means any of the following entities that provide or arrange for home and community-based services for Medicaid eligible individuals who are enrolled with the entities under a contract with a State:

(A) A medicaid managed care organization, as defined in section 1903(m)(1)(A) of the Social Security Act (42 U.S.C. 1396b(m)(1)(A)).

(B) A prepaid inpatient health plan or prepaid ambulatory health plan, as defined in section 438.2 of title 42, Code of Federal Regulations (or any successor regulation)).

(C) Any other entity determined to be appropriate by the State and approved by the Secretary.

(5) HOME AND COMMUNITY-BASED SERVICES.—The term ''home and community-based services'' means any of the following (whether provided on a fee-for-service, risk, or other basis):

(A) Home health care services authorized under paragraph (7) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).

(B) Private duty nursing services authorized 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)).

(I) School-based services when the school is the location for provision of services if the services are—

(i) authorized under section 1905(a) of such Act (42 U.S.C. 1396d(a)) (or under a waiver under section 1915(c) or demonstration under section 1115) ; and

(ii) described in another subparagraph of this paragraph.

(J) Such other services specified by the Secretary.

(6) INSTITUTIONAL SETTING.—The term ''institutional setting'' means—

(A) a skilled nursing facility (as defined in section 1819(a) of the Social Security Act (42 U.S.C. 1395i–3(a)));

(B) a nursing facility (as defined in section 1919(a) of such Act (42 U.S.C. 1396r(a)));

(C) a long-term care hospital (as described in section 1886(d)(1)(B)(iv) of such Act (42 U.S.C. 1395ww(d)(1)(B)(iv)));

(D) a facility (or distinct part thereof) described in section 1905(d) of such Act (42 U.S.C. 1396d(d)));

(E) an institution (or distinct part thereof) which is a psychiatric hospital (as defined in section 1861(f) of such Act (42 U.S.C. 1395x(f))) or that provides inpatient psychiatric services in a residential setting specified by the Secretary;

(F) an institution (or distinct part thereof) described in section 1905(i) of such Act (42 U.S.C. 1396d(i)); and

(G) any other relevant facility, as determined by the Secretary.

(7) MEDICAID ELIGIBLE INDIVIDUAL.—The term ''Medicaid eligible individual'' means an individual who is eligible for and receiving medical assistance under a State Medicaid plan or a waiver such plan. Such term includes an individual who would become eligible for medical assistance and enrolled under a State Medicaid plan, or waiver of such plan, upon removal from a waiting list.

(8) STATE MEDICAID PROGRAM.—The term ''State Medicaid program'' means, with respect to a State, the State program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (including any waiver or demonstration under such title or

under section 1115 of such Act (42 U.S.C. 1315) relating to such title).

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(10) STATE.—The term ''State'' means each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

SEC. 30712. HCBS IMPROVEMENT PLANNING GRANTS.

(a) FUNDING.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $130,000,000, to remain available until expended, for carrying out this section.

(2) TECHNICAL ASSISTANCE AND GUIDANCE.—The Secretary shall reserve $5,000,000 of the amount appropriated under paragraph (1) for purposes of issuing guidance and providing technical assistance to States intending to apply for, or awarded, a planning grant under this section, and for other administrative expenses related to awarding planning grants under this section.

(b) AWARD AND USE OF GRANTS.—

(1) DEADLINE FOR AWARD OF GRANTS.—From the amount appropriated under subsection (a)(1), the Secretary, not later than 12 months after the date of enactment of this Act, shall solicit State requests for HCBS improvement planning grants and award such grants to all States that meet such requirements as determined by the Secretary.

(2) CRITERIA FOR DETERMINING AMOUNT OF GRANTS.—The Secretary shall take into account the improvements a State would propose to make, consistent with the areas of focus of the HCBS improvement plan requirements described under subsection (c) in determining the amount of the planning grant to be awarded to each State that requests such a grant.

(3) USE OF FUNDS.—A State awarded a planning grant under this section shall use the grant to carry out planning activities for purposes of developing and submitting to the Secretary an HCBS improvement plan for the State that meets the requirements of subsections (c) and (d) in order to expand access to home and community-based services and strengthen the direct care workforce that provides such services. A State may use planning grant funds to support activities related to the implementation of

the HCBS improvement plan for the State, collect and report information described in subsection (c), identify areas for improvement to the service delivery systems for home and community-based services, carry out activities related to evaluating payment rates for home and community-based services and identifying improvements to update the rate setting process, and for such other purposes as the Secretary shall specify, including the following:

(A) Caregiver supports.

(B) Addressing social determinants of health (other than housing or homelessness).

(C) Promoting equity and addressing health disparities.

(D) Promoting community integration and compliance with the home and community-based settings rule published on January 16, 2014, or any successor regulation.

(E) Building partnerships.

(F) Infrastructure investments (such as case management or other information technology systems).

(c) HCBS IMPROVEMENT PLAN REQUIREMENTS.—In order to meet the requirements of this subsection, an HCBS improvement plan developed using funds awarded

to a State under this section shall include, with respect to the State and subject to subsection (d), the following:

(1) EXISTING MEDICAID HCBS LANDSCAPE.—

(A) ELIGIBILITY AND BENEFITS.—A description of the existing standards, pathways, and methodologies for eligibility (which shall be delineated by the State based on eligibility group under the State plan or waiver of such plan) for home and community-based services, including limits on assets and income, the home and community-based services available under the State Medicaid program and the types of settings in which they may be provided, and utilization management standards for such services.

(B) ACCESS.—

(i) BARRIERS.—A description of the barriers to accessing home and community-based services in the State identified by Medicaid eligible individuals, the families of such individuals, and providers of such services, such as barriers for individuals who wish to leave institutional settings, individuals experiencing homelessness or 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.

(E) WORKFORCE.—A description of the direct care workforce that provides home and community-based services, including estimates (and a description of the methodology used to develop such estimates) of the number of full- and part-time direct care workers, the average and range of direct care worker wages, the benefits provided to direct care workers, the turnover and vacancy rates of direct care worker positions, the membership of direct care workers in labor organizations and, to the extent the State has access to such data, demographic information about such workforce, including information on race, ethnicity, and gender.

(F) PAYMENT RATES.—

(i) IN GENERAL.—A description of the payment rates for home and community-based services, including, to the extent applicable, how payments for such services are factored into the development of managed care capitation rates, and when the State last updated payment rates for home and community-based services, and the extent to which payment rates are passed through to direct care worker wages.

(ii) ASSESSMENT.—An assessment of the relationship between payment rates for such services and average beneficiary wait times for such services, provider-to-beneficiary ratios in the geographic region.

(G) QUALITY.—A description of how the quality of home and community-based services is measured and monitored.

(H) LONG-TERM SERVICES AND SUPPORTS PROVIDED IN INSTITUTIONAL SETTINGS.—A description of the number of individuals enrolled in the State Medicaid program who receive items and services for greater than 30 days in an institutional setting that is a nursing facility or intermediate care facility, and the demographic information of such individuals who are provided such items and services in such settings.

(I) HCBS SHARE OF OVERALL MEDICAID LTSS SPENDING.—For the most recent State fiscal year for which complete data is available, the percentage of expenditures made by the State under the State Medicaid program for long-term services and supports that are for home and community-based services.

(J) DEMOGRAPHIC DATA.—To the extent available and as applicable with respect to the information required under subparagraphs (B),(C), and (H), demographic data for such information, disaggregated by age groups, primary disability, income brackets, gender, race, ethnicity, geography, primary language, and type of service setting.

(2) GOALS FOR HCBS IMPROVEMENTS.—A description of how the State will do the following:

(A) Conduct the activities required under subsection (jj) of section 1905 of the Social Security Act(as added under section 30713).

(B) Reduce barriers and disparities in access or utilization of home and community-based services in the State.

(C) Monitor and report (with supporting data to the extent available and applicable disaggregated by age groups, primary disability, income brackets, gender, race, ethnicity, geography, primary language, and type of service setting, on—

(i) access to home and community-based services under the State Medicaid program, disparities in access to such serv-

ices, and the utilization of such services; and

(ii) the amount of State Medicaid expenditures for home and community-based services under the State Medicaid program as a proportion of the total amount of State expenditures under the State Medicaid program for long-term services and supports.

(D) Monitor and report on wages, benefits, and vacancy and turnover rates for direct care workers.

(E) Assess and monitor the sufficiency of payments under the State Medicaid program for the specific types of home and community-based services available under such program for purposes of supporting direct care worker recruitment and retention and ensuring the availability of home and community-based services.

(F) Coordinate implementation of the HCBS improvement plan among the State Medicaid agency, agencies serving individuals with disabilities, agencies serving the elderly, and other relevant State and local agencies and organizations that provide related supports,

such as those for housing, transportation, employment, and other services and supports.

(d) DEVELOPMENT AND APPROVAL REQUIREMENTS.—

(1) DEVELOPMENT REQUIREMENTS.—In order to meet the requirements of this subsection, a State awarded a planning grant under this section shall develop an HCBS improvement plan for the State with input from stakeholders through a public notice and comment process that includes consultation with Medicaid eligible individuals who are recipients of home and community-based services, family caregivers of such recipients, providers, health plans, direct care workers, chosen representatives of direct care workers, and aging, disability, and workforce advocates.

(2) AUTHORITY TO ADJUST CERTAIN PLAN CONTENT REQUIREMENTS.—The Secretary may modify the requirements for any of the information specified in subsection (c)(1) if a State requests a modification and demonstrates to the satisfaction of the Secretary that it is impracticable for the State to collect and submit the information.

(3) SUBMISSION AND APPROVAL.—Not later 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.

SEC. 30713. HCBS IMPROVEMENT PROGRAM.

(a) INCREASED FMAP FOR HCBS PROGRAM IMPROVEMENT STATES.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (b), by striking ''and (ii)'' and inserting ''(ii), and (jj)''; and

(2) by adding at the end the following new subsection:

''(jj) ADDITIONAL SUPPORT FOR HCBS PROGRAM IMPROVEMENT STATES.—

''(1) IN GENERAL.—

''(A) ADDITIONAL SUPPORT.—Subject to paragraph (5), in the case of a State that is an HCBS program improvement State, for each fiscal quarter that begins on or after the first date on which the State is an HCBS program improvement State—

''(i) and for which the State meets the requirements described in paragraphs (2) and (4), notwithstanding subsection (b) or (ff), subject to subparagraph (B), with respect to amounts expended during the quarter by such State for medical assistance for home and community-based services, the Federal medical assistance percentage for such State and quarter (as de-

1 termined 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.

In no case may the application of clause (i) result in the Federal medical assistance percentage determined for a State being more than 95 percent with respect to such expenditures. In no case shall the application of clause (ii) result in a reduction to the per centum otherwise specified without application of such clause. Any increase pursuant to clause (ii) shall be available to a State before the State meets the requirements of paragraphs (2) and (4).

"(B) ADDITIONAL HCBS IMPROVEMENT EFFORTS.—Subject to paragraph (5), in addition to the increase to the Federal medical assistance percentage under subparagraph (A)(i) for amounts expended during a quarter for medical assistance for home and community-based services by an HCBS program improvement State that meets the requirements of paragraphs (2) and (4) for the quarter, the Federal medical assistance percentage for amounts expended by the State during the quarter for medical assistance for home and community-based services shall be further increased by 2 percentage points (but not to exceed 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

for a State, with respect to a fiscal year quarter, the State shall meet each of the following requirements:

"(A) NONSUPPLANTATION.—The State uses the Federal funds attributable to the increase in the Federal medical assistance percentage for amounts expended during a quarter for medical assistance for home and community-based services under subparagraphs (A) and, if applicable, (B) of paragraph (1) to supplement, and not supplant, the level of State funds expended for home and community-based services for eligible individuals through programs in effect as of the date the State is awarded a planning grant under section 30712 of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14'. In applying this subparagraph, the Secretary shall provide that a State shall have a 3-year period to spend any accumulated unspent State funds attributable to the increase described in clause (i) in the Federal medical assistance percentage.

"(B) MAINTENANCE OF EFFORT.—

"(i) IN GENERAL.—The State does not—

"(I) reduce the amount, duration, or scope of home and community-based services available under the State plan or waiver (relative to the home and community-based services available under the plan or waiver as of the date on which the State was awarded a planning grant under section 30712 of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14';

"(II) reduce payment rates for home and community-based services lower than such rates that were in place as of the date described in subclause (I), including, to the extent applicable, payment rates for such services that are included in managed care capitation rates; or

"(III) except to the extent permitted under clause (ii), adopt more restrictive standards, methodologies, or procedures for determining eligibility, benefits, or services for receipt of home and community-based serv-

ices, including with respect to cost-sharing, than the standards, methodologies, or procedures applicable as of such date.

"(ii) FLEXIBILITY TO SUPPORT INNOVATIVE MODELS.—A State may make modifications that would otherwise violate the maintenance of effort described in clause (i) if the State demonstrates to the satisfaction of the Secretary that such modifications shall not result in—

"(I) home and community-based services that are less comprehensive or lower in amount, duration, or scope;

"(II) fewer individuals (overall and within particular eligibility groups and categories) receiving home and community-based services; or

"(III) increased cost-sharing for home and community-based services.

"(C) ACCESS TO SERVICES.—Not later than an implementation date as specified by the Secretary after the first day of the first fiscal quarter for which a State receives an increase

to the Federal medical assistance percentage or other applicable Federal matching percentage under paragraph (1), the State does all of the following to improve access to services:

"(i) Reduce access barriers and disparities in access or utilization of home and community-based services, as described in the State HCBS improvement plan.

"(ii) Provides coverage of personal care services authorized under subsection (a)(24) for all individuals eligible for medical assistance in the State.

"(iii) Provides for navigation of home and community-based services through 'no wrong door' programs, provides expedited eligibility for home and community-based services, and improves home and community-based services counseling and education programs.

"(iv) Expands access to behavioral health services as defined in the State's HCBS improvement plan.

"(v) Improves coordination of home and community-based services with em-

ployment, housing, and transportation supports.

"(vi) Provides supports to family caregivers, such as respite care, caregiver assessments, peer supports, or paid family caregiving.

"(vii) Adopts, expands eligibility for, or expands covered items and services provided under 1 or more eligibility categories authorized under subclause (XIII), (XV), or (XVI) of section 1902(a)(10)(A)(ii).

"(D) STRENGTHENED AND EXPANDED WORKFORCE.—

"(i) IN GENERAL.—The State strengthens and expands the direct care workforce that provides home and community-based services by—

"(I) adopting processes to ensure that payments for home and community-based services are sufficient to ensure that care and services are available to the extent described in the State HCBS improvement plan; and

"(II) updating qualification 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-

viders, health plans, direct care workers, chosen representatives of direct care workers, and aging, disability, and workforce advocates; and

"(III) ensure that increases in the payment rates for home and community-based services—

"(aa) at a minimum, results in a proportionate increase to payments for direct care workers and in a manner that is determined with input from the stakeholders described in subclause (II); and

"(bb) incorporate into provider payment rates for home and community-based services provided under this title by a managed care entity (as defined in section 1932(a)(1)(B)) a prepaid inpatient health plan or prepaid ambulatory health plan, as defined in section 438.2 of title 42, Code of Federal Regulations (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-

ices consistent with Fair Hearing requirements and prior notice of service reductions, including under subpart F of part 438 of title 42, Code of Federal Regulations and section 438.71(d) of such title.

"(D) Facilitating coordination between State and local agencies and direct care workers for matters of public health, training opportunities, changes in program requirements, workplace health and safety, or related matters.

"(E) Supporting beneficiary hiring, if selected by the beneficiary, of independent providers of home and community-based services, including by processing applicable tax information, collecting and processing timesheets, submitting claims and processing payments to such providers.

"(F) To the extent a State permits beneficiaries to hire a family member or individual with whom they have an existing relationship to provide home and community-based service, providing support to beneficiaries who wish to hire a caregiver who is a family member or individual with whom they have an existing relationship, 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

"(iii) identifies and reports systemic problems to State officials, the public, and the Secretary.

"(B) Beginning with the 5th fiscal quarter for which the State is an HCBS program improvement State, and annually thereafter, the State reports to the Secretary on the state (as of the last quarter before the report) of the components of the home and community-based services landscape described in the State HCBS improvement plan, including with respect to—

"(i) the availability and utilization of home and community-based services, disaggregated (to the extent available and as applicable) by age groups, primary disability, income brackets, gender, race, ethnicity, geography, primary language, and type of service setting;

"(ii) wages, benefits, turnover and vacancy rates for the direct care workforce;

"(iii) changes in payment rates for home and community-based services;

"(iv) implementation of the activities to strengthen and expand access to home and community-based services and the di-

rect care workforce that provides such services in accordance with the requirements of subparagraphs (C) and (D) of paragraph (2);

"(v) if applicable, implementation of the activities described in paragraph (3);

"(vi) State expenditures for home and community-based services under the State plan or a waiver of such plan as a proportion of the total amount of State expenditures under the plan or waiver of such plan for long-term services and supports; and

"(vii) the challenges in, and best practices for, expanding access to home and community-based services, reducing disparities, and supporting and expanding the direct care workforce.

"(5) BENCHMARKS FOR DEMONSTRATING IMPROVEMENTS.—An HCBS program improvement State shall cease to be eligible for an increase in the Federal medical assistance percentage under paragraph (1)(A)(i) or (1)(B) or an increase in an applicable Federal matching percentage under paragraph (1)(A)(ii) at any time or beginning with the 29th fiscal quarter that begins on or after the first date on

which a State is an HCBS program improvement State if the State is found to be out of compliance with paragraph (2)(B) or any other requirement of this subsection and, beginning with such 29th fiscal quarter, unless, not later than 90 days before the first day of such fiscal quarter, the State submits to the Secretary a report demonstrating the following improvements:

"(A) Increased availability (above a marginal increase) of home and community-based services in the State relative to such availability as reported in the State HCBS improvement plan and adjusted for demographic changes in the State since the submission of such plan.

"(B) Reduced disparities in the utilization and availability of home and community-based services relative to the availability and utilization of such services by such populations as reported in such plan according to age groups, primary disability, income brackets, gender, race, ethnicity, geography, primary language, and type of service setting (to the extent available and applicable), and adjusted for demographic changes in the State since the submission of such plan.

"(C) Evidence that rates are sufficient to ensure access to items and services for individuals eligible for HCBS in such State.

"(D) With respect to the percentage of expenditures made by the State for long-term services and supports that are for home and community-based services, in the case of an HCBS program improvement State for which such percentage (as reported in the State HCBS improvement plan) was—

"(i) less than 50 percent, the State demonstrates that the percentage of such expenditures has increased to at least 50 percent since the plan was approved; and

"(ii) at least 50 percent, the State demonstrates that such percentage has not decreased since the plan was approved.

"(6) DEFINITIONS.—In this subsection, the terms 'State Medicaid plan', 'direct care worker', 'HCBS program improvement State', and 'home and community-based services' have the meaning given those terms in section 30711 of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14'.".

SEC. 30714. FUNDING FOR TECHNICAL ASSISTANCE AND OTHER ADMINISTRATIVE REQUIREMENTS RELATED TO MEDICAID HCBS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $35,000,000, to remain available until expended, to carry out the following activities:

(1) To prepare and submit to the appropriate committees of Congress—

(A) not later than 4 years after the date of enactment of this Act, a report that includes—

(i) a description of the HCBS improvement plans approved by the Secretary under section 30712(d);

(ii) a description (which may be a narrative report with examples or otherwise) of the landscape, at both the national and State levels, with respect to gaps in coverage of home and community-based services, disparities in access to, and utilization of, such services, and barriers to accessing such services; and

(iii) a description of the national landscape 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-

panding access to home and community-based services and supporting and expanding the direct care workforce that provides such services.

(2) To provide HCBS program improvement States with technical assistance related to carrying out the HCBS improvement plans approved by the Secretary under section 30712(d) and meeting the requirements and benchmarks for demonstrating improvements required under section 1905(jj) of the Social Security Act (as added by section 30713), and to issue such guidance or regulations as necessary to carry out this subtitle and the amendments made by this subtitle, including guidance specifying how States shall assess and track access to home and community-based services over time.

SEC. 30715. FUNDING FOR HCBS QUALITY MEASUREMENT AND IMPROVEMENT.

(a) IN GENERAL.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended—

(1) in section 1139A—

(A) in subsection (a)(4)(B)—

(i) by striking ''Beginning with the annual State report on fiscal year 2024'' and inserting the following:

"(i) IN GENERAL.—Subject to clause (ii), beginning with the annual State report on fiscal year 2024"; and

(ii) by adding at the end the following new clause:

"(ii) REPORTING HCBS QUALITY MEASURES.—With respect to reporting on information regarding the quality of home and community-based services provided to children under title XIX, beginning with the annual State report for the first fiscal year that begins on or after the date that is 2 years after the date that the Secretary publishes the home and community-based services quality measures developed under subsection (b)(5)(B) the Secretary shall require States to report such information using the standardized format for reporting information and procedures developed under subparagraph (A) and using such home and community-based quality measures developed under subsection (b)(5) (including any updates or changes to such measures)."; and

(B) in subsection (b)(5)—

(i) by striking ''Beginning no later than January 1, 2013'' and inserting the following:

''(A) IN GENERAL.—Beginning no later than January 1, 2013''; and

(ii) by adding at the end the following new subparagraph:

''(B) HCBS QUALITY MEASURES.—Beginning with the first year that begins on the date that is 2 years after the date of enactment of this subparagraph, the core measures described in subsection (a) (and any updates or changes to such measures) shall include home and community-based services quality measures developed by the Secretary in the manner described in section 1139B(b)(5)(D). The Secretary may determine which measures are to be included in the core set under this section and which in the core set under section 1139B, based on the differences in health care needs for the relevant populations.''; and

(2) in section 1139B—

(A) in subsection (b)—

(i) in paragraph (3), by adding at the end the following new subparagraph:

"(C) MANDATORY REPORTING WITH RESPECT TO HCBS QUALITY MEASURES.—Beginning with the State report required under subsection (d)(1) for the first year that begins on or after the date that is 2 years after the date that the Secretary publishes the home and community-based quality measures developed under paragraph (5)(D), the Secretary shall require States to report information, using the standardized format for reporting information and procedures developed under subparagraph (A), regarding the quality of home and community-based services for Medicaid eligible adults using either—

"(i) the home and community-based services quality measures included in the core set of adult health quality measures under subparagraph (D), and any updates or changes to such measures; or

"(ii) an equivalent alternative set of home and community-based services quality measures approved by the Secretary."; and

(ii) in paragraph (5), by adding at the 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

collection, to the extent available, of data that is disaggregated by age groups, primary disability, income brackets, gender, race, ethnicity, geography, primary language, and type of service setting.

''(IV) DEFINITIONS.—For purposes of this section and section 1139A, the terms 'home and community-based services', 'health plan'; and 'direct care worker' have the meanings given those terms in section 30711 of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14'.

''(iii) FUNDING.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until expended, for carrying out this subparagraph.''; and

(B) in subsection (d)(1)(A), by striking ''; and'' and inserting ''and, beginning with the report for the first year that begins after the date

that is 2 years after the Secretary publishes the home and community-based quality measures developed under subsection (b)(5)(D), home and community-based services quality measures included in the core set of adult health quality measures maintained under subsection (b)(5) and any updates or changes to such measures or an equivalent alternative set of home and community-based services quality measures approved by the Secretary; and''.

(b) INCREASED FEDERAL MATCHING RATE FOR ADOPTION AND REPORTING.—

(1) IN GENERAL.—Section 1903(a)(3) of the Social Security Act (42 U.S.C. 1396b(a)(3)) is amended—

(A) in subparagraph (F)(ii), by striking ''plus'' after the semicolon and inserting ''and''; and

(B) by inserting after subparagraph (F), the following:

''(G) 80 percent of so much of the sums expended during such quarter as are attributable to the reporting of information regarding the quality of home and community-based serv-

ices in accordance with sections 1139A(a)(4)(B)(ii) and 1139B(b)(3)(C); and''.

(2) EXEMPTION FROM TERRITORIES' PAYMENT LIMITS.—Section 1108(g)(4) of the Social Security Act is amended by adding at the end the following new subparagraph:

''(C) ADDITIONAL EXEMPTION RELATING TO HCBS QUALITY REPORTING.—Payments under section 1903(a)(3)(G) shall not be taken into account in applying payment limits under subsection (f) and this subsection.''.

PART 3—OTHER MEDICAID

SEC. 30721. PERMANENT EXTENSION OF MEDICAID PROTECTIONS AGAINST SPOUSAL IMPOVERISHMENT FOR RECIPIENTS OF HOME AND COMMUNITY-BASED SERVICES.

Section 1924(h)(1)(A) of the Social Security Act (42 U.S.C. 1396r–5(h)(1)(A)) is amended by striking ''(at the option of the State) is described in section 1902(a)(10)(A)(ii)(VI)'' and inserting the following: ''is eligible for medical assistance for home and community-based services provided under subsection (c), (d), or (i) of section 1915 or under a waiver approved under section 1115, or who is eligible for such medical assistance by reason of being determined eligible under section

1902(a)(10)(C) or by reason of section 1902(f) or otherwise on the basis of a reduction of income based on costs incurred for medical or other remedial care, or who is eligible for medical assistance for home and community-based attendant services and supports under section 1915(k)''.

SEC. 30722. PERMANENT EXTENSION OF MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION.

(a) IN GENERAL.—Subsection (h) of section 6071 of the Deficit Reduction Act of 2005 (42 U.S.C. 1396a note) is amended—

(1) in paragraph (1)—

(A) in subparagraph (I), by inserting ''and'' after the semicolon;

(B) by amending subparagraph (J) to read as follows:

''(J) $450,000,000 for each fiscal year after fiscal year 2021.''; and

(C) by striking subparagraph (K);

(2) in paragraph (2), by striking ''September 30, 2023'' and inserting ''September 30 of the subsequent fiscal year''; and

(3) by adding at the end the following new paragraph:

"(3) TECHNICAL ASSISTANCE.—Out of the amounts made available under paragraph (1), for the 3-year period beginning with fiscal year 2022 and for each subsequent 3-year period, $5,000,000 shall be made available for carrying out subsection (f) and (i).".

(b) REDISTRIBUTION OF UNEXPENDED GRANT AWARDS.—Subsection (e)(2) of section 6071 of the Deficit Reduction Act of 2005 (42 U.S.C. 1396a note) is amended by adding at the end the following new sentence: "Any portion of a State grant award for a fiscal year under this section that is unexpended by the State at the end of the fourth succeeding fiscal year shall be rescinded by the Secretary and added to the appropriation for the fifth succeeding fiscal year.".

SEC. 30723. EXTENDING CONTINUOUS MEDICAID COVERAGE FOR PREGNANT AND POSTPARTUM WOMEN.

(a) REQUIRING FULL BENEFITS FOR PREGNANT AND POSTPARTUM WOMEN FOR 12-MONTH PERIOD POST PREGNANCY.—

(1) IN GENERAL.—Paragraph (5) of section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended—

(A) by striking ''(5) A woman who'' and inserting ''(5)(A) For any fiscal year quarter with respect to which the amendments made by section 30723(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), a woman who''; and

(B) by adding at the end the following new subparagraph:

''(B) For any fiscal year quarter (beginning with the first fiscal year quarter beginning one year after the date of the enactment of this subparagraph), any individual who, while pregnant, is eligible for and received medical assistance under the State plan or a waiver of such plan (regardless of the basis for the individual's eligibility for medical assistance and including during a period of retroactive eligibility under subsection (a)(34)), shall remain eligible, notwithstanding section 1916(c)(3) or any other limitation under this title, for medical assistance through the end of the month in which the 12-month period (beginning on the last day of pregnancy 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

to which the amendments made by section 30723(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), 60-day period)''; and

(ii) in clause (ii), by inserting ''and including an individual to whom section 1902(e)(5)(B) applies, in accordance with such section, through the end of the month in which the 12-month period (beginning on the last day of pregnancy of the individual) ends'' before the period at the end; and

(E) in section 1905(a), in the 4th sentence in the matter following paragraph (31), by striking ''60-day period'' and inserting ''12-month period (or, for any fiscal year quarter with respect to which the amendments made by section 30723(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning

one year after the date of the enactment of such Act), 60-day period)''.

(b) TRANSITION FROM STATE OPTION.—Section 1902(e)(16)(A) of the Social Security Act (42 U.S.C. 1396a(e)(16)(A)) is amended by striking ''At the option of the State'' and inserting ''For any fiscal year quarter with respect to which the amendments made by section 30723(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), at the option of the State''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall take effect on the 1st day of the 1st fiscal year quarter that begins one year after the date of the enactment of this Act and shall apply with respect to medical assistance provided on or after such date.

(2) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) that the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet any requirement imposed by amendments made

by this section, the plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such a requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

SEC. 30724. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended—

(1) in paragraph (12), by inserting ''before the date of the enactment of paragraph (17)'' after ''subsection (a)(10)(A)''.

(2) by adding at the end following new paragraph:

''(17) 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN.—The State plan (or waiver of such State plan) shall provide that an individual who is under the age of 19 and who is determined to be eli-

gible for benefits under a State plan approved under subsection (a)(10)(A) shall remain eligible for such benefits until the earlier of—

"(A) the end of the 12-month period beginning on the date of such determination;

"(B) the time that such individual attains the age of 19; or

"(C) the date that such individual ceases to be a resident of such State.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a)(2) shall apply with respect to eligibility determinations or redeterminations made on or after the date of the enactment of this Act.

(2) EXCEPTION FOR STATE LEGISLATION.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) that the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet any requirement imposed by amendments made under subsection (a)(2), the plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such a requirement before the first day of the first

calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

SEC. 30725. ALLOWING FOR MEDICAL ASSISTANCE UNDER MEDICAID FOR INMATES DURING 30-DAY PERIOD PRECEDING RELEASE.

The subdivision (A) following paragraph (31) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended by inserting ''and, beginning on the first day of the first fiscal year quarter that begins one year after the date of the enactment of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14', except during the 30-day period preceding the date of release of such individual from such public institution'' after ''medical institution''.

SEC. 30726. EXTENSION OF CERTAIN PROVISIONS.

(b) EXPRESS LANE ELIGIBILITY OPTION.—Section 1902(e)(13) of the Social Security Act (42 U.S.C. 1396a(e)(13)) is amended by striking subparagraph (I).

(c) CONFORMING AMENDMENTS FOR ASSURANCE OF AFFORDABILITY STANDARD FOR CHILDREN AND FAMI-

LIES.—Section 1902(gg)(2) of the Social Security Act (42 U.S.C. 1396a(gg)(2)) is amended—

(1) in the paragraph heading, by striking ''THROUGH SEPTEMBER 30, 2027''; and

(2) by striking ''through September 30'' and all that follows through ''ends on September 30, 2027'' and inserting ''(but beginning on October 1, 2019,''.

Subtitle H—Children's Health Insurance Program

SEC. 30801. PERMANENT EXTENSION OF CHILDREN'S HEALTH INSURANCE PROGRAM.

(a) IN GENERAL.—Section 2104(a)(28) of the Social Security Act (42 U.S.C. 1397dd(a)(28)) is amended to read as follows:

''(28) for fiscal year 2027 and each subsequent year, such sums as are necessary to fund allotments to States under subsection (m).''.

(b) ALLOTMENTS.—

(1) IN GENERAL.—Section 2104(m) of the Social Security Act (42 U.S.C. 1397dd(m)) is amended—

(A) in paragraph (2)(B)(i), by striking ''„ 2023, and 2027'' and inserting ''and 2023'';

(B) in paragraph (5)—

(i) by striking ''(10), or (11)'' and inserting ''or (10)'';

(ii) by striking ''for a fiscal year'' and inserting ''for a fiscal year before 2027''; and

(iii) by striking ''2023, or 2027'' and inserting ''or 2023'';

(C) in paragraph (7)—

(i) in subparagraph (A), by striking ''and ending with fiscal year 2027,''; and

(ii) in the flush left matter at the end, by striking ''or fiscal year 2026'' and inserting ''fiscal year 2026, or a subsequent even-numbered fiscal year'';

(D) in paragraph (9)—

(i) by striking ''(10), or (11)'' and inserting ''or (10)''; and

(ii) by striking ''2023, or 2027,'' and inserting ''or 2023''; and

(E) by striking paragraph (11).

(2) CONFORMING AMENDMENT.—Section 50101(b)(2) of the Bipartisan Budget Act of 2018 (Public Law 115–123) is repealed.

SEC. 30802. PERMANENT EXTENSIONS OF OTHER PROGRAMS AND DEMONSTRATION PROJECTS.

(a) PEDIATRIC QUALITY MEASURES PROGRAM.—Section 1139A(i)(1) of the Social Security Act (42 U.S.C. 1320b–9a(i)(1)) is amended—

(1) in subparagraph (C), by striking at the end ''and'';

(2) in subparagraph (D), by striking the period at the end and insert a semicolon; and

(3) by adding at the end the following new subparagraphs:

''(E) for fiscal year 2028, $15,000,000 for the purpose of carrying out this section (other than subsections (e), (f), and (g)); and

''(F) for a subsequent fiscal year, the amount appropriated under this paragraph for the previous fiscal year, increased by the percentage increase in the consumer price index for all urban consumers (all items; United States city average) over such previous fiscal year, for the purpose of carrying out this section (other than subsections (e), (f), and (g)).''.

(b) ASSURANCE OF AFFORDABILITY STANDARD FOR CHILDREN AND FAMILIES.—Section 2105(d)(3) of the Social Security Act (42 U.S.C. 1397ee(d)(3)) is amended—

(1) in the paragraph heading, by striking "THROUGH SEPTEMBER 30, 2027"; and

(2) in subparagraph (A)—

(A) in the matter preceding clause (i)—

(i) by striking "During the period that begins on the date of enactment of the Patient Protection and Affordable Care Act and ends on September 30, 2027" and inserting "Beginning on the date of the enactment of the Patient Protection and Affordable Care Act";

(ii) by striking "During the period that begins on October 1, 2019, and ends on September 30, 2027" and inserting "Beginning on October 1, 2019"; and

(iii) by striking "The preceding sentences shall not be construed as preventing a State during any such periods from" and inserting "The preceding sentences shall not be construed as preventing a State from";

(B) in clause (i), by striking the semicolon at the end and inserting a period;

(C) by striking clauses (ii) and (iii); and

(D) by striking ''periods from'' and all that follows through ''applying eligibility standards'' and inserting ''periods from applying eligibility standards''.

(c) QUALIFYING STATES OPTION.—Section 2105(g)(4) of the Social Security Act (42 U.S.C. 1397ee(g)(4)) is amended—

(1) in the paragraph heading, by striking ''FOR FISCAL YEARS 2009 THROUGH 2027'' and inserting ''AFTER FISCAL YEAR 2008''; and

(2) in subparagraph (A), by striking ''for any of fiscal years 2009 through 2027'' and inserting ''for any fiscal year after fiscal year 2008''.

(d) OUTREACH AND ENROLLMENT PROGRAM.—Section 2113 of the Social Security Act (42 U.S.C. 1397mm) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''during the period of fiscal years 2009 through 2027'' and inserting '', beginning with fiscal year 2009,'';

(B) in paragraph (2)—

(i) by striking ''10 percent of such amounts'' and inserting ''10 percent of such amounts for the period or the fiscal

year for which such amounts are appropriated''; and

(ii) by striking ''during such period'' and inserting '', during such period or such fiscal year,''; and

(C) in paragraph (3), by striking ''For the period of fiscal years 2024 through 2027, an amount equal to 10 percent of such amounts'' and inserting ''Beginning with fiscal year 2024, an amount equal to 10 percent of such amounts for the period or the fiscal year for which such amounts are appropriated''; and

(2) in subsection (g)—

(A) by striking ''2017,,'' and inserting ''2017,'';

(B) by striking ''and $48,000,000'' and inserting ''$48,000,000''; and

(C) by inserting after ''through 2027'' the following: '', $60,000,000 for fiscal years 2028, 2029, and 2020, for each 3 fiscal years after fiscal year 2030, the amount appropriated under this subsection for the previous fiscal year, increased by the percentage increase in the consumer price index for all urban con-

sumers (all items; United States city average) over such previous fiscal year''.

(e) CHILD ENROLLMENT CONTINGENCY FUND.—Section 2104(n) of the Social Security Act (42 U.S.C. 1397dd(n)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)(ii)—

(i) by striking ''and 2024 through 2026'' and inserting ''beginning with fiscal year 2024''; and

(ii) by striking ''2023, and 2027'' and inserting ''and 2023''; and

(B) in subparagraph (B)—

(i) by striking ''2024 through 2026'' and inserting ''beginning with fiscal year 2024''; and

(ii) by striking ''2023, and 2027'' and inserting ''and 2023''; and

(2) in paragraph (3)(A)—

(A) by striking ''fiscal years 2024 through 2026'' and inserting ''fiscal year 2024 or any subsequent fiscal year''; and

(B) by striking ''2023, or 2027'' and inserting ''or 2023''.

SEC. 30803. STATE OPTION TO INCREASE CHILDREN'S ELIGIBILITY FOR MEDICAID AND CHIP.

(a) IN GENERAL.—Section 2110(b)(1)(B)(ii) of the Social Security Act (42 U.S.C. 1397jj(b)(1)(B)(ii)) is amended—

(1) in subclause (II), by striking ''or'' at the end;

(2) in subclause (III), by striking ''and'' at the end and inserting ''or''; and

(3) by inserting after subclause (III) the following new subclause:

''(IV) at the option of the State, whose family income exceeds the maximum income level otherwise established for children under the State child health plan as of the date of the enactment of this subclause; and''.

(b) TREATMENT OF TERRITORIES.—Section 2104(m)(7) of the Social Security Act (42 U.S.C. 1397dd(m)(7)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''the 50 States or the District of Columbia'' and inserting ''a State (including the District of Columbia and each commonwealth and territory)'';

(2) in subparagraph (B)(ii), by striking ''or District''; and

(3) in the matter following subparagraph (B), by striking each place it occurs ''or District''.

SEC. 30804. EXTENDING CONTINUOUS CHIP COVERAGE FOR PREGNANT AND POSTPARTUM WOMEN.

(a) REQUIRING FULL BENEFITS FOR PREGNANT AND POSTPARTUM WOMEN FOR 12-MONTH PERIOD POST PREGNANCY.—

(1) IN GENERAL.—Section 2107(e)(1)(J) of the Social Security Act (42 U.S.C. 1397gg(e)(1)(J)) is amended—

(A) by striking ''Paragraphs (5) and (16)'' and inserting ''(I) For any fiscal year quarter with respect to which the amendments made by section 30804(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), paragraphs (5)(A) and (16)''; and

(B) by adding at the end the following new clause:

''(ii) For any fiscal year quarter (beginning with the first fiscal year quarter beginning one

year after the date of the enactment of this clause), section 1902(e)(5)(B) (requiring, notwithstanding section 2103(e)(3)(C)(ii)(I) or any other limitation under this title, continuous coverage for pregnant and postpartum individuals, including 12 months postpartum, of medical assistance) if the State provides child health assistance for targeted low-income children who are pregnant or to targeted low-income pregnant women, under the State child health plan or waiver, including coverage of all items or services provided to a targeted low-income child or targeted low-income pregnant woman (as applicable) under the State child health plan or waiver).''.

(2) CONFORMING AMENDMENTS.—Section 2112 of the Social Security Act (42 U.S.C. 1397ll) is amended—

(A) in subsection (d)—

(i) in paragraph (1), by inserting ''and includes, through application of section 1902(e)(5)(B) pursuant to section 2107(e)(1)(J)(ii), continuous coverage for pregnant and postpartum individuals, in-

cluding 12 months postpartum of assistance'' before the period at the end; and

(ii) in paragraph (2), by striking ''60-day period'' and all that follows through ''ends'' and inserting ''12-month period (or, for any fiscal year quarter with respect to which the amendments made by section 30804(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), 60-day period) (beginning on the last day of her pregnancy) ends''; and

(B) in subsection (f)(2), by striking ''60-day period'' and inserting ''12-month period (or, for any fiscal year quarter with respect to which the amendments made by section 30804(a)(1)(B) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' do not apply (beginning with the first fiscal year quarter beginning one year after the date of the enactment of such Act), 60-day period)''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall take effect on the 1st day of the 1st fiscal year quarter that begins one year after the date of the enactment of this Act and shall apply with respect to child health assistance and pregnancy-related assistance, as applicable, provided on or after such date.

(2) EXCEPTION FOR STATE LEGISLATION.—In the case of a State child health plan under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) that the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet any requirement imposed by amendments made under this section, the plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet such a requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

SEC. 30805. PROVIDING FOR 1 YEAR OF CONTINUOUS ELIGIBILITY FOR CHILDREN UNDER THE CHILDREN'S HEALTH INSURANCE PROGRAM.

Section 2107(e)(1) of the Social Security Act (42 U.S.C. 1397gg(e)(1)) is amended—

(1) by redesignating subparagraphs (K) through (T) as subparagraphs (L) through (U), respectively; and

(2) by inserting after subparagraph (J) the following new subparagraph:

"(K) Section 1902(e)(17) (relating to 1 year of continuous eligibility for children).".

Subtitle I—Medicare Coverage of Dental, Hearing, and Vision Services

SEC. 30901. PROVIDING COVERAGE FOR DENTAL AND ORAL HEALTH CARE UNDER THE MEDICARE PROGRAM.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(1) in subparagraph (GG), by striking "and" after the semicolon at the end;

(2) in subparagraph (HH), by striking the period at the end and adding "; and"; and

(3) by adding at the end the following new subparagraph:

"(II) dental and oral health services (as defined in subsection (lll));".

(b) DENTAL AND ORAL HEALTH SERVICES DEFINED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

"(lll) DENTAL AND ORAL HEALTH SERVICES.—

"(1) IN GENERAL.—The term 'dental and oral health services' means items and services (other than such items and services for which payment may be made under part A as inpatient hospital services) that are furnished during 2028 or a subsequent year, for which coverage was not provided under part B as of the date of the enactment of this subsection, and that are—

"(A) the preventive and screening services described in paragraph (2) furnished by a doctor of dental surgery or of dental medicine (as described in subsection (r)(2)) or an oral health professional (as defined in paragraph (4)); or

"(B) the basic treatments specified for such year by the Secretary pursuant to paragraph (3)(A) and the major treatments specified 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-

tal and oral health services, a health professional (other than a doctor of dental surgery or of dental medicine (as described in subsection (r)(2))) who is licensed to furnish such services, acting within the scope of such license, by the State in which such services are furnished.''.

(c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)), as amended by section 30511(b), is further amended—

(A) in subparagraph (N), by inserting ''and dental and oral health services (as defined in section 1861(lll))'' after ''section 1861(hhh)(1))'';

(B) by striking ''and'' before ''(EE)''; and

(C) by inserting before the semicolon at the end the following: ''and (FF) with respect to dental and oral health services (as defined in section 1861(lll)), the amount paid shall be the payment amount specified under section 1834(z)''.

(2) PAYMENT AND LIMITS SPECIFIED.—Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended by adding at the end the following new 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(lll)) 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(lll)) 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-

vious year, increased by 10 percentage points; and

"(iii) in the case such services are furnished during 2032 or a subsequent year, 50 percent.

"(3) LIMITATIONS.—With respect to dental and oral health services that are—

"(A) preventive and screening oral exams, payment may be made under this part for not more than two such exams during a 12-month period;

"(B) dental cleanings, payment may be made under this part for not more than two such cleanings during a 12-month period; and

"(C) not described in subparagraph (A) or (B), payment may be made under this part only at such frequencies and under such circumstances determined appropriate by the Secretary.

"(4) USE OF BUNDLED PAYMENTS.—The Secretary may make payment for dentures and associated professional services, and for any other dental and oral health services, as bundled payments as the Secretary determines appropriate.

"(5) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(A) the determination of payment amounts under this subsection for dental and oral health services and under subsection (h)(6) or subsection (z)(4) for dentures;

"(B) the determination of what services are basic and major services under subparagraphs (A) and (B) of section 1861(lll)(3); or

"(C) the determination of the frequency and circumstance limitations for dental and oral health services under paragraph (3)(C).".

(d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—

(1) IN GENERAL.—Section 1848(j)(3) of the Social Security Act (42 U.S.C. 1395w–4(j)(3)) is amended by inserting "(2)(II)," before "(3)".

(2) EXCLUSION FROM MIPS.—Section 1848(q)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4(q)(1)(C)(ii)) is amended—

(A) in subclause (II), by striking "or" at the end;

(B) in subclause (III), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following new subclause:

"(IV) with respect to 2028 and each subsequent year, is a doctor of dental surgery or of dental medicine (as described in section 1861(r)(2)) or is an oral health professional (as defined in section 1861(lll)(4)).".

(3) INCLUSION OF ORAL HEALTH PROFESSIONALS AS CERTAIN PRACTITIONERS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new clause:

"(vii) With respect to 2028 and each subsequent year, an oral health professional (as defined in section 1861(lll)(4)).".

(e) DENTURES.—

(1) IN GENERAL.—Section 1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)) is amended—

(A) by striking "(other than dental)"; and

(B) by inserting "and excluding dental, except for a full or partial set of dentures (as described in section 1834(h)(6)) furnished on or after January 1, 2028" after "colostomy care".

(2) SPECIAL PAYMENT RULES.—

(A) LIMITATIONS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)) is amended by adding at the end the following new paragraph:

''(6) SPECIAL PAYMENT RULE FOR DENTURES.—Payment may be made under this part with respect to an individual for dentures—

''(A) not more than once during any 5-year period (except in the case that a doctor described in section 1861(lll)(1)(A) determines such dentures do not fit the individual); and

''(B) only to the extent that such dentures are furnished pursuant to a written order of such a doctor or professional.''.

(B) APPLICATION OF COMPETITIVE ACQUISITION.—

(i) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)) is amended—

(I) in the subparagraph heading, by inserting '', DENTURES'' after ''ORTHOTICS'';

(II) by inserting ", of dentures described in paragraph (2)(D) of such section," after "2011,"; and

(III) in clause (i), by inserting ", such dentures" after "orthotics".

(ii) CONFORMING AMENDMENT.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)) is amended by adding at the end the following new subparagraph:

"(D) DENTURES.—Dentures described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(iii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)) is amended by adding at the end the following new subparagraph:

"(C) CERTAIN DENTURES.—Those items and services described in paragraph (2)(D) if furnished by a physician or other practitioner (as defined by the Secretary) to the physician's or practitioner's own patients as part of the

physician's or practitioner's professional service.''.

(f) EXCLUSION MODIFICATIONS.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (O), by striking ''and'' at the end;

(B) in subparagraph (P), by striking the semicolon at the end and inserting '', and''; and

(C) by adding at the end the following new subparagraph:

''(Q) in the case of dental and oral health services (as defined in section 1861(lll)) that are preventive and screening services described in paragraph (2) of such section, which are furnished more frequently than provided under section 1834(z)(3) or under circumstances other than circumstances determined appropriate under subparagraph (C) of such section;''; and

(2) in paragraph (12), by inserting before the semicolon at the end the following: ''and except that payment may be made under part B for dental and oral health services that are covered under section

1861(s)(2)(II) and for dentures under section 1861(s)(8)''.

(g) CERTAIN NON-APPLICATION.—

(1) IN GENERAL.—Paragraphs (1) and (4) of section 1839(a) of the Social Security Act (42 U.S.C. 1395r(a)) are amended by adding at the end of each such paragraphs the following: ''In applying this paragraph there shall not be taken into account benefits and administrative costs attributable to the amendments made by section 30901 (other than subsection (g)) of the Act titled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' and the Government contribution under section 1844(a)(5)''.

(2) PAYMENT.—Section 1844(a) of such Act (42 U.S.C. 1395w(a)) is amended—

(A) in paragraph (4), by striking the period at the end and inserting ''; plus'';

(B) by adding at the end the following new paragraph:

''(5) a Government contribution equal to the amount that is estimated to be payable for benefits and related administrative costs incurred that are attributable to the amendments made by section 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.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 30902 and 30903.

(2) ADMINISTRATION.—The Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the provisions of, or the amendments made by, this section.

SEC. 30902. PROVIDING COVERAGE FOR HEARING CARE UNDER THE MEDICARE PROGRAM.

(a) PROVISION OF AURAL REHABILITATION AND TREATMENT SERVICES BY QUALIFIED AUDIOLOGISTS.—Section 1861(ll)(3) of the Social Security Act (42 U.S.C. 1395x(ll)(3)) is amended by inserting ''(and, beginning October 1, 2023, such aural rehabilitation and treatment services)'' after ''assessment services''.

(b) COVERAGE OF HEARING AIDS.—

(1) INCLUSION OF HEARING AIDS AS PROSTHETIC DEVICES.—Section 1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)) is amended by inserting ", and including hearing aids (as described in section 1834(h)(7)) furnished on or after October 1, 2023, to individuals diagnosed with profound or severe hearing loss" before the semicolon at the end.

(2) PAYMENT LIMITATIONS FOR HEARING AIDS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)), as amended by section 30901(e)(2)(A), is further amended by adding at the end the following new paragraph:

"(7) LIMITATIONS FOR HEARING AIDS.—

"(A) IN GENERAL.—Payment may be made under this part with respect to an individual, with respect to hearing aids furnished on or after October 1, 2023—

"(i) not more than once during a 5-year period;

"(ii) only for types of such hearing aids that are not over-the-counter hearing aids (as defined in section 520(q)(1) of the Federal Food, Drug, and Cosmetic Act) and that are determined appropriate by the Secretary; and

"(iii) only if furnished pursuant to a written order of a physician or qualified audiologist (as defined in section 1861(ll)(4)(B)).

"(B) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(i) the determination of the types of hearing aids paid for under subparagraph (A)(ii); or

"(ii) the determination of fee schedule rates for hearing aids described in this paragraph.".

(3) APPLICATION OF COMPETITIVE ACQUISITION.—

(A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section 30901(e)(2)(B)(i), is further amended—

(i) in the header, by inserting ", HEARING AIDS" after "DENTURES";

(ii) by inserting ", of hearing aids described in paragraph (2)(E) of such section," after "paragraph (2)(D) of such section"; and

(iii) in clause (i), by inserting ", such hearing aids" after "such dentures".

(B) CONFORMING AMENDMENT.—

(i) IN GENERAL.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)), as amended by section 30901(e)(2)(B)(ii), is further amended by adding at the end the following new subparagraph:

"(E) HEARING AIDS.—Hearing aids described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)), as amended by section 30901(e)(2)(B)(iii), is further amended by adding at the end the following new subparagraph:

"(D) CERTAIN HEARING AIDS.—Those items and services described in paragraph (2)(E) if furnished by a physician or other practitioner (as defined by the Secretary) to the physician's or practitioner's own patients as

part of the physician's or practitioner's professional service.''.

(4) INCLUSION OF AUDIOLOGISTS AS CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON AN ASSIGNMENT-RELATED BASIS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)), as amended by section 30901(d)(4), is further amended by adding at the end the following new clause:

''(viii) Beginning October 1, 2023, a qualified audiologist (as defined in section 1861(ll)(4)(B)).''.

(c) EXCLUSION MODIFICATION.—Section 1862(a)(7) of the Social Security Act (42 U.S.C. 1395y(a)(7)) is amended by inserting ''(except such hearing aids or examinations therefor as described in and otherwise allowed under section 1861(s)(8))'' after ''hearing aids or examinations therefor''.

(d) CERTAIN NON-APPLICATION.—

(1) IN GENERAL.—The last sentence of section 1839(a)(1) of the Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section 30901(g)(1), is amended by striking ''section 30901 (other than subsection (g))'' and inserting ''sections 30901

(other than subsection (g)), 30902 (other than subsection (d))''.

(2) PAYMENT.—Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as added by section 30901(g)(2), is amended by striking ''section 30901 (other than subsection (g))'' and inserting ''sections 30901 (other than subsection (g)), 30902 (other than subsection (d))''.

(e) IMPLEMENTATION.—

(1) FUNDING.—

(A) IN GENERAL.—In addition to amounts otherwise available, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid Services Program Management Account of—

(i) $20,000,000 for each of fiscal years 2022 through 2023 for purposes of implementing the amendments made by this section; and

(ii) such sums as determined appropriate by the Secretary for each subse-

quent fiscal year for purposes of administering the provisions of such amendments.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 30901 and 30903.

(2) ADMINISTRATION.—The Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the provisions of, or the amendments made by, this section.

SEC. 30903. PROVIDING COVERAGE FOR VISION CARE UNDER THE MEDICARE PROGRAM.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as amended by section 30901(a), is further amended—

(1) in subparagraph (HH), by striking ''and'' after the semicolon at the end;

(2) in subparagraph (II), by striking the period at the end and adding "; and"; and

(3) by adding at the end the following new subparagraph:

"(JJ) vision services (as defined in subsection (mmm));".

(b) VISION SERVICES DEFINED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by section 30901(b), is further amended by adding at the end the following new subsection:

"(mmm) VISION SERVICES.—The term 'vision services' means—

"(1) routine eye examinations to determine the refractive state of the eyes, including procedures performed during the course of such examination; and

"(2) contact lens fitting services;

furnished on or after October 1, 2022, by or under the direct supervision of an ophthalmologist or optometrist who is legally authorized to furnish such examinations, procedures, or fitting services (as applicable) under State law (or the State regulatory mechanism provided by State law) of the State in which the examinations, procedures, or fitting services are furnished.".

(c) PAYMENT LIMITATIONS.—Section 1834 of the Social Security Act (42 U.S.C. 1395m), as amended by

1 section 30901(c)(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,

2022, and including conventional eyeglasses or contact lenses (as described in section 1834(h)(8)), whether or not furnished subsequent to such a surgery, if furnished on or after October 1, 2022''.

(2) CONFORMING AMENDMENT.—Section 1842(b)(11)(A) of the Social Security Act (42 U.S.C. 1395u(b)(11)(A)) is amended by inserting ''furnished prior to October 1, 2022,'' after ''relating to them,''.

(f) SPECIAL PAYMENT RULES FOR EYEGLASSES AND CONTACT LENSES.—

(1) LIMITATIONS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)), as amended by section 30901(e)(2)(A) and section 30902(b)(2), is further amended by adding at the end the following new paragraph:

''(8) PAYMENT LIMITATIONS FOR EYEGLASSES AND CONTACT LENSES.—

''(A) IN GENERAL.—With respect to eyeglasses and contact lenses furnished to an individual on or after October 1, 2022, subject to subparagraph (B), payment may be made under this part only—

''(i) during a 2-year period, for either 1 pair of eyeglasses (including lenses and

frames) or not more than a 2-year supply of contact lenses;

"(ii) with respect to amounts attributable to the lenses and frames of such a pair of eyeglasses or amounts attributable to such a 2-year supply of contact lenses, in an amount not greater than—

"(I) for a pair of eyeglasses furnished in, or a 2-year supply of contact lenses beginning in, 2022—

"(aa) $85 for the lenses of such pair of eyeglasses and $85 for the frames of such pair of eyeglasses; or

"(bb) $85 for such 2-year supply of contact lenses; and

"(II) for the lenses and frames of a pair of eyeglasses furnished in, or a 2-year supply of contact lenses beginning in, a subsequent year, the dollar amounts specified under this subparagraph for the previous year, increased by the percentage change in the consumer price index for all urban consumers (United States city average)

for the 12-month period ending with June of the previous year;

"(iii) if furnished pursuant to a written order of an ophthalmologist or optometrist described in subsection (mmm); and

"(iv) if during the 2-year period described in clause (i), the individual did not already receive (as described in subparagraph (B)) one pair of conventional eyeglasses or contact lenses subsequent to a cataract surgery with insertion of an intraocular lens furnished during such period.

"(B) EXCEPTION.—With respect to a 2-year period described in subparagraph (A)(i), in the case of an individual who receives cataract surgery with insertion of an intraocular lens, notwithstanding subparagraph (A), payment may be made under this part for one pair of conventional eyeglasses or contact lenses furnished subsequent to such cataract surgery during such period.

"(C) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(i) the determination of the types of eyeglasses and contact lenses covered under this paragraph; or

"(ii) the determination of fee schedule rates under this subsection for eyeglasses and contact lenses.".

(2) APPLICATION OF COMPETITIVE ACQUISITION.—

(A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section 30901(e)(2)(B)(i) and section 30902(b)(3)(A), is further amended—

(i) in the header by inserting ", EYEGLASSES, AND CONTACT LENSES" after "HEARING AIDS";

(ii) by inserting "and of eyeglasses and contact lenses described in paragraph (2)(F) of such section," after "paragraph (2)(E) of such section,"; and

(iii) in clause (i), by inserting ", or such eyeglasses and contact lenses" after "such hearing aids".

(B) CONFORMING AMENDMENT.—

(i) IN GENERAL.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)), as amended by section 30901(e)(2)(B)(ii) and section 30902(b)(3)(B)(i), is further amended by adding at the end the following new subparagraph:

"(F) EYEGLASSES AND CONTACT LENSES.—Eyeglasses and contact lenses described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)), as amended by section 30901(e)(2)(B)(iii) and section 30902(b)(3)(B)(ii), is further amended by adding at the end the following new subparagraph:

"(E) CERTAIN EYEGLASSES AND CONTACT LENSES.—Those items and services described in paragraph (2)(F) if furnished by a physician or other practitioner (as defined by the Secretary) to the physician's or practitioner's own patients

as part of the physician's or practitioner's professional service.''.

(g) EXCLUSION MODIFICATIONS.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)), as amended by section 30901(f), is further amended—

(1) in paragraph (1)—

(A) in subparagraph (P), by striking ''and'' at the end;

(B) in subparagraph (Q), by striking the semicolon at the end and inserting '', and''; and

(C) by adding at the end the following new subparagraph:

''(R) in the case of vision services (as defined in section 1861(mmm)) that are routine eye examinations and contact lens fitting services (as described in paragraph (1) or (2), respectively, of such section), which are furnished more frequently than once during a 2-year period;''; and

(2) in paragraph (7)—

(A) by inserting ''(other than such an examination that is a vision service that is covered under section 1861(s)(2)(JJ))'' after ''eye examinations''; and

(B) by inserting ''(other than such a procedure that is a vision service that is covered

under section 1861(s)(2)(JJ))'' after ''refractive state of the eyes''.

(h) CERTAIN NON-APPLICATION.—

(1) IN GENERAL.—The last sentence of section 1839(a)(1) of the Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section 30901(g)(1) and amended by section 30902(d)(1), is further amended by inserting '', and 30903 (other than subsection (h))'' after ''30902 (other than subsection (d))''.

(2) PAYMENT.—Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as added by section 30901(g)(2) and amended by section 30902(d)(2), is further amended by inserting '', and 30903 (other than subsection (h))'' after ''30902 (other than subsection (d))''.

(i) IMPLEMENTATION.—

(1) FUNDING.—

(A) IN GENERAL.—In addition to amounts otherwise available, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) to

the Centers for Medicare & Medicaid Services Program Management Account of—

(i) $20,000,000 for each of fiscal years 2022 and 2023 for purposes of implementing the amendments made by this section; and

(ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year for purposes of administering the provisions of such amendments.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 30901 and 30902.

(2) ADMINISTRATION.—The Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to

the provisions of, or the amendments made by, this section.

Subtitle J—Public Health

PART 1—HEALTH CARE INFRASTRUCTURE AND WORKFORCE

SEC. 31001. FUNDING TO SUPPORT CORE PUBLIC HEALTH INFRASTRUCTURE FOR STATE, TERRITORIAL, LOCAL, AND TRIBAL HEALTH DEPARTMENTS AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary of Health and Human Services (in this subtitle referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $7,000,000,000, to remain available until expended, to carry out, acting through the Director of the Centers for Disease Control and Prevention (in this section referred to as the ''Director''), activities described in subsection (b).

(b) USE OF FUNDS.—Amounts made available pursuant to subsection (a) shall be used to support core public health infrastructure activities to strengthen the public health system of the United States, including by awarding grants under this section and expanding and improving

activities of the Centers for Disease Control and Prevention under subsections (c) and (d).

(c) GRANTS.—

(1) AWARDS.—For the purpose of addressing core public health infrastructure needs, the Secretary shall award—

(A) a grant to each State or territorial health department, and to local health departments that serve counties with a population of at least 2,000,000 or cities with a population of at least 400,000 people; and

(B) grants on a competitive basis to State, territorial, local, or Tribal health departments.

(2) ALLOCATION.—Of the total amount of funds awarded as grants under this subsection for a fiscal year—

(A) not less than 50 percent shall be for grants to health departments under paragraph (1)(A); and

(B) not less than 25 percent shall be for grants to State, local, territorial, or Tribal health departments under paragraph (1)(B).

(3) REQUIRED USES.—

(A) REALLOCATION TO LOCAL HEALTH DEPARTMENTS.—A State health department re-

ceiving funds under subparagraph (A) or (B) of paragraph (1) shall allocate at least 25 percent of the such funds to local health departments, as applicable, within the State to support contributions of the local health departments to core public health infrastructure.

(B) PROGRESS IN MEETING ACCREDITATION STANDARDS.—A health department receiving funds under this section that is not accredited shall report to the Secretary on an annual basis how the department is working to meet accreditation standards.

(4) FORMULA GRANTS TO HEALTH DEPARTMENTS.—In awarding grants under paragraph (1), the Secretary shall award funds to each health department in accordance with a formula which considers population size, the Social Vulnerability Index of the Centers for Disease Control and Prevention, and other factors as determined by the Secretary.

(5) COMPETITIVE GRANTS TO STATE, TERRITORIAL, LOCAL, AND TRIBAL HEALTH DEPARTMENTS.—In making grants under paragraph (1)(B), the Secretary shall give priority to applicants demonstrating core public health infrastructure needs

for all public health agencies in the applicant's jurisdiction.

(6) PERMITTED USES.—

(A) IN GENERAL.—The Secretary may make available a subset of the funds available for grants under paragraph (1) for purposes of awarding grants to State, territorial, local, and Tribal health departments for planning or to support public health accreditation.

(B) USES.—Recipients of such grants may use the grant funds to assess core public health infrastructure needs and report to the Centers for Disease Control and Prevention on efforts to achieve accreditation, as applicable.

(7) REQUIREMENTS.—To be eligible for a grant under this section, an entity shall—

(A) submit an application in such form and containing such information as the Secretary shall require;

(B) demonstrate to the satisfaction of the Secretary that—

(i) funds received through the grant will be expended only to supplement, and not supplant, non-Federal and Federal funds otherwise available to the entity for

the purpose of addressing core public health infrastructure needs; and

(ii) with respect to activities for which the grant is awarded, the entity will maintain expenditures of non-Federal amounts for such activities at a level not less than the level of such expenditures maintained by the entity for fiscal year 2019; and

(C) agree to report annually to the Director regarding the use of the grant funds.

(d) CORE PUBLIC HEALTH INFRASTRUCTURE AND ACTIVITIES FOR THE CDC.—

(1) IN GENERAL.—The Secretary, acting through the Director, shall expand and improve the core public health infrastructure and activities of the Centers for Disease Control and Prevention to support activities necessary to address unmet, ongoing, and emerging public health needs, including prevention, preparation for, and response to public health emergencies.

(2) LIMITATION.—Out of amounts appropriated under subsection (a) to carry out this section for a fiscal year, not more than 25 percent of the funds awarded per fiscal year may be used by the Centers

for Disease Control and Prevention to carry out this subsection.

(e) DEFINITION.—In this section, the term ''core public health infrastructure'' includes—

(1) workforce capacity and competency;

(2) laboratory systems;

(3) all hazards public health and preparedness;

(3) testing capacity, including test platforms, mobile testing units, and personnel;

(4) health information, health information systems, and health information analysis;

(5) disease surveillance;

(6) contact tracing;

(7) communications;

(8) financing;

(9) other relevant components of organizational capacity; and

(10) other related activities.

(f) SUPPLEMENT NOT SUPPLANT.—Amounts made available by this section shall be used to supplement, and not supplant, amounts otherwise made available for the purposes described in this Act.

SEC. 31002. FUNDING FOR HOSPITAL INFRASTRUCTURE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal

year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until expended, to carry out subsection (b) consistent with enhancing the goals of parts B and C of title XVI of the Public Health Service Act (42 U.S.C. 300q et seq.).

(b) USE OF FUNDS.—From amounts made available under subsection (a), the Secretary shall, with priority given to applicants whose projects will include, by design, public health emergency preparedness, natural disaster emergency preparedness, or cybersecurity against cyber threats, award grants to entities described in section 1610(a) of the Public Health Service Act (42 U.S.C. 300r(a)) for purposes of increasing capacity and updating hospitals and other medical facilities in order to better serve communities in need.

(c) CONDITIONS.—The following requirements of parts B and C of title XVI of the Public Health Service Act (42 U.S.C. 300r et seq.) shall apply to funds made available under this section:

(1) The requirements related to reasonable volume of care described under section 1621(b)(1)(K)(ii) of such Act (42 U.S.C. 300s–1(b)(1)(K)(ii)).

(2) Section 1621(b)(1)(I) of such Act (42 U.S.C. 300s–1(b)(1)(I)).

(3) Any other provision of such parts that the Secretary determines (as prescribed by regulation) to be appropriate to carry out this section.

SEC. 31003. FUNDING FOR COMMUNITY HEALTH CENTER CAPITAL GRANTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until expended, for necessary expenses for awarding grants and entering into cooperative agreements for capital projects to health centers funded under section 330 of the Public Health Service Act (42 U.S.C. 254b) to be awarded without regard to the time limitation in subsection (e)(3) and subsections (e)(6)(A)(iii), (e)(6)(B)(iii), and (r)(2)(B) of such section 330, and for necessary expenses for awarding grants and cooperative agreements for capital projects to Federally qualified health centers, as described in section 1861(aa)(4)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(4)(B)). The Secretary shall take such steps as may be necessary to expedite the awarding of such grants to Federally qualified health centers for capital projects.

(b) USE OF FUNDS.—Amounts made available to a recipient of a grant or cooperative agreement pursuant to subsection (a) shall be used for health center facility alter-

ation, renovation, remodeling, expansion, construction, and other capital improvement costs, including the costs of amortizing the principal of, and paying interest on, loans for such purposes.

SEC. 31004. FUNDING FOR COMMUNITY-BASED CARE INFRASTRUCTURE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until expended, for purposes of making awards to qualified teaching health centers (as defined in section 340H of the Public Health Service Act (42 U.S.C. 256h)), behavioral health care centers (as defined by the Secretary to include both substance abuse and mental health care facilities), and pediatric mental health care providers (as used in section 330M(b)(1)(G) of the Public Health Service Act (42 U.S.C. 254c–19(b)(1)(G))).

(b) USE OF FUNDS.—Amounts made available pursuant to subsection (a) shall be used to support the improvement, renovation, or modernization of infrastructure at such centers, including to respond to public health emergencies declared under section 319 of the Public Health Service Act (42 U.S.C. 247d).

SEC. 31005. FUNDING FOR SCHOOLS OF MEDICINE IN UNDERSERVED AREAS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, for purposes of making awards to eligible entities for the establishment, improvement, or expansion of an allopathic or osteopathic school of medicine, or a branch campus of an allopathic or osteopathic school of medicine, consistent with subsection (b).

(b) USE OF FUNDS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, shall, with priority given to minority-serving institutions described in section 371(a) of the Higher Education Act of 1965 (20 U.S.C. 1067q(a)), and taking into consideration equitable distribution of awards among the geographical regions of the United States (which shall include rural regions and populations as defined by the Secretary for the purposes of this section) and the locations of existing schools of medicine and osteopathic medicine, use amounts appropriated by subsection (a) to award grants to eligible entities to—

(1) recruit, enroll, and retain students, including individuals who are from disadvantaged backgrounds (including racial and ethnic groups under-

represented among medical students and health professions), individuals from rural and underserved areas, low-income individuals, and first generation college students (as defined in section 402A(h)(3) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(h)(3))), at a school of medicine or osteopathic medicine or branch campus of a school of medicine or osteopathic medicine;

(2) develop, implement, and expand curriculum that emphasizes care for rural and underserved populations, including accessible and culturally appropriate and linguistically appropriate care and services, at such school or branch campus;

(3) plan and construct a school of medicine or osteopathic medicine in an area in which no other such school or branch campus of such a school is based;

(4) plan, develop, and meet criteria for accreditation for a school of medicine or osteopathic medicine or branch campus of such a school;

(5) hire faculty, including faculty from racial and ethnic groups who are underrepresented among the medical and other health professions, and other staff to serve at such a school or branch campus;

(6) support educational programs at such a school or branch campus, including modernizing curriculum;

(7) modernize and expand infrastructure at such a school or branch campus; or

(8) support other activities that the Secretary determines will further the establishment, improvement, or expansion of a school of medicine or osteopathic medicine or branch campus of a school of medicine or osteopathic medicine.

(c) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means an institution of higher education as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(2) BRANCH CAMPUS.—

(A) IN GENERAL.—The term ''branch campus'', with respect to a school of medicine or osteopathic medicine, means an additional location of such school that is geographically apart and independent of the main campus, at which the school offers at least 50 percent of the program leading to a degree of doctor of medicine or doctor of osteopathy that is offered at the main campus.

(B) INDEPENDENCE FROM MAIN CAMPUS.—For purposes of subparagraph (A), the location of a school described in such subparagraph shall be considered to be independent of the main campus described in such subparagraph if the location—

(i) is permanent in nature;

(ii) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential;

(iii) has its own faculty and administrative or supervisory organization; and

(iv) has its own budgetary and hiring authority.

SEC. 31006. FUNDING FOR NURSING EDUCATION ENHANCEMENT AND MODERNIZATION GRANTS IN UNDERSERVED AREAS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, for purposes of making awards to schools of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)) to enhance and modernize

nursing education programs and increase the number of faculty and students at such schools.

(b) USE OF FUNDS.—The Secretary, acting through the Administrator of the Health Resources and Services Administration, taking into consideration equitable distribution of awards among the geographical regions of the United States and the capacity of a school of nursing to provide care in underserved areas, shall use amounts appropriated by subsection (a) to award grants for purposes of—

(1) recruiting, enrolling, and retaining students at such school, with a priority for students from disadvantaged backgrounds (including racial or ethnic groups underrepresented in the nursing workforce), individuals from rural and underserved areas, low-income individuals, and first generation college students (as defined in section 402A(h)(3) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(h)(3)));

(2) creating, supporting, or modernizing educational programs and curricula at such school;

(3) retaining current faculty, and hiring new faculty, with an emphasis on faculty from racial or ethnic groups that are underrepresented in the nursing workforce;

(4) modernizing infrastructure at such school, including audiovisual or other equipment, personal protective equipment, simulation and augmented reality resources, telehealth technologies, and virtual and physical laboratories;

(5) partnering with a health care facility, nurse-managed health clinic, community health center, or other facility that provides health care, in order to provide educational opportunities for the purpose of establishing or expanding clinical education;

(6) enhancing and expanding nursing programs that prepare nurse researchers and scientists;

(7) establishing nurse-led intradisciplinary and interprofessional educational partnerships; or

(8) other activities that the Secretary determines will further the development, improvement, and expansion of schools of nursing.

SEC. 31007. FUNDING FOR TEACHING HEALTH CENTER GRADUATE MEDICAL EDUCATION.

(a) IN GENERAL.—In addition to amounts otherwise available, and notwithstanding the limitations referred to in subsections (b)(2) and (d)(2) of section 340H of the Public Health Service Act (42 U.S.C. 256h), there is appropriated to the Secretary for fiscal year 2022, out of

any money in the Treasury not otherwise appropriated, $6,000,000,000, to remain available until expended, for—

(1) the program of payments to teaching health centers that operate graduate medical education programs under such section; and

(2) the award of teaching health center development grants pursuant to section 749A of the Public Health Service Act (42 U.S.C. 293l–1).

(b) USE OF FUNDS.—Amounts made available pursuant to subsection (a) shall be used for the following activities:

(1) For making payments to establish new approved graduate medical residency training programs pursuant to section 340H(a)(1)(C) of the Public Health Service Act (42 U.S.C. 256h(a)(1)(C)).

(2) For making payments under section 340H(a)(1)(A) of the Public Health Service Act (42 U.S.C. 256h(a)(1)(A))) to qualified teaching health centers for maintenance of filled positions at existing approved graduate medical residency training programs.

(3) For making payments under section 340H(a)(1)(B) of the Public Health Service Act (42 U.S.C. 256h(a)(1)(B)) for the expansion of existing

approved graduate medical residency training programs.

(4) For making awards under section 749A of the Public Health Service Act (42 U.S.C. 293l–1) to teaching health centers for the purpose of establishing new accredited or expanded primary care residency programs.

(5) To provide an increase to the per resident amount described in section 340H(a)(2) of the Public Health Service Act (42 U.S.C. 256h(a)(2)).

SEC. 31008. FUNDING FOR CHILDREN'S HOSPITALS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until expended, for carrying out section 340E of the Public Health Service Act (42 U.S.C. 256e).

SEC. 31009. FUNDING FOR THE NURSE CORPS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $300,000,000, to remain available until expended, for car-

rying out section 846 of the Public Health Service Act (42 U.S.C. 297n).

PART 2—PANDEMIC PREPAREDNESS

SEC. 31021. FUNDING FOR LABORATORY ACTIVITIES AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000 for purposes of carrying out, acting through the Director of the Centers for Disease Control and Prevention (in this section referred to as the ''Director''), activities described in subsection (b), to remain available until expended.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Supporting renovation, expansion, and modernization of State and local public health laboratory infrastructure (as the term ''laboratory'' is defined in section 353 of the Public Health Service Act (42 U.S.C. 263a)), including—

(A) increasing and enhancing testing and response capacity;

(B) upgrades and expansion of the Laboratory Response Network for rapid outbreak detection;

(C) improving and expanding genomic sequencing capabilities to detect emerging diseases and variant strains;

(D) expanding biosafety and biosecurity capacity; and

(E) making other laboratory enhancements and modernization as determined by the Director to be important for maintaining public health.

(2) Renovating, expanding, and modernizing laboratories of the Centers for Disease Control and Prevention as described in subparagraphs (A) through (E) of paragraph (1).

(3) Enhancing the ability of the Centers for Disease Control and Prevention to monitor and exercise oversight over biosafety and biosecurity of State and local public health laboratories.

SEC. 31022. FUNDING FOR STRENGTHENING VACCINE CONFIDENCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise

appropriated, $1,250,000,000, to remain available until expended, to carry out, acting through the Director of the Centers for Disease Control and Prevention, directly or by making grants to public or private entities, activities described in subsection (b) in the United States, including its territories and possessions.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used to—

(1) strengthen vaccine confidence;

(2) strengthen routinely recommended vaccine programs; and

(3) improve rates of vaccination, including through activities described in section 313 of the Public Health Service Act (42 U.S.C. 245).

SEC. 31023. FUNDING FOR SURVEILLANCE ACTIVITIES AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, to carry out, acting through the Director of the Centers for Disease Control and Prevention, directly or by making grants to public or private entities, activities described in subsection (b).

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used to—

(1) enhance and strengthen early warning and detection systems, including public health and health care surveillance, wastewater testing, and global and domestic genomic surveillance;

(2) enhance and strengthen surveillance based in hospitals and other health care providers or facilities, and outpatient facility surveillance for severe acute respiratory infection, influenza-like illness, acute febrile illness, and other diseases as determined by the Director of the Centers for Disease Control and Prevention to be in the interest of public health; and

(3) strengthen the antibiotic resistance initiative program to improve research, stewardship, genomic detection capabilities, and surveillance of existing and emerging antimicrobial resistant pathogens.

SEC. 31024. FUNDING FOR DATA MODERNIZATION AT THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise

appropriated, $500,000,000, to remain available until expended—

(1) to carry out, acting through the Director of the Centers for Disease Control and Prevention, directly or by making grants to public or private entities, activities described in subsection (b); and

(2) to supplement other available funds to carry out similar data modernization activities authorized by the Public Health Service Act (42 U.S.C. 201 et seq.).

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following:

(1) Supporting public health data surveillance, aggregation, and analytics infrastructure modernization initiatives.

(2) Enhancing reporting and workforce core competencies in informatics and digital health.

(3) Expanding and maintaining efforts to modernize the United States disease warning system to forecast and track hotspots and emerging biological threats.

SEC. 31025. FUNDING FOR PUBLIC HEALTH AND PREPAREDNESS RESEARCH, DEVELOPMENT, AND COUNTERMEASURE CAPACITY.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until expended, to carry out activities, acting through the Assistant Secretary for Preparedness and Response, to prepare for, and respond to, public health emergencies declared under section 319 of the Public Health Service Act (42 U.S.C. 247d)—

(1) $3,000,000,000 to support surge capacity, including through construction, expansion, or modernization of facilities, to respond to a public health emergency, for procurement and domestic manufacture of drugs, active pharmaceutical ingredients, vaccines and other biological products, diagnostic technologies and products, personal protective equipment, medical devices, vials, syringes, needles, and other components or supplies for the Strategic National Stockpile under section 319F–2 of the Public Health Service Act (42 U.S.C. 247d–6b);

(2) $2,000,000,000 to support expanded global and domestic vaccine production capacity, including by developing or acquiring new technology and ex-

panding manufacturing capacity through construction, expansion, or modernization of facilities;

(3) $2,000,000,000 to support activities to mitigate supply chain risks and enhance supply chain elasticity and resilience for critical drugs, active pharmaceutical ingredients, and supplies (including essential medicines, medical countermeasures, and supplies in shortage or at risk of shortage), drug and vaccine raw materials, and other supplies, as the Secretary determines appropriate, including construction, expansion, or modernization of facilities, adoption of advanced manufacturing processes, and other activities to support domestic manufacturing of such supplies;

(4) $500,000,000 to support activities conducted by the Biomedical Advanced Research and Development Authority for advanced research, standards development, and domestic manufacturing capacity for drugs, including essential medicines, diagnostics, vaccines, therapeutics, and personal protective equipment; and

(5) $500,000,000 to support increased biosafety and biosecurity in research on infectious diseases, including by modernization or improvement of facilities.

PART 3—INNOVATION

SEC. 31031. FUNDING FOR ADVANCED RESEARCH PROJECTS FOR HEALTH.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,000,000,000, to remain available until expended, to establish the Advanced Research Projects Agency for Health (in this section referred to as the ''ARPA–H'') for purposes of making pivotal investments in breakthrough technologies and broadly applicable platforms, capabilities, resources, and solutions that have the potential to transform important areas of medicine and health for the benefit of all individuals and that cannot readily be accomplished through traditional biomedical research or commercial activity.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used to—

(1) hire a Director to head the ARPA–H (for a term of no more than 5 years subject to one renewal period); and

(2) acting through the Director of the ARPA–H, in consultation, as applicable, with the Director of the National Institutes of Health, the Commissioner of Food and Drugs, the Administrator of the Centers for Medicare & Medicaid Services, the Di-

rector of the Biomedical Advanced Research and Development Authority, the Deputy Assistant Secretary for Minority Health, and the heads of other agencies, shall—

(A) ensure to the maximum extent practicable that the projects and activities of the ARPA–H funded by subsection (a) are coordinated with, and do not duplicate the efforts of, programs within, or research conducted or supported by, the Department of Health and Human Services; and

(B) in using amounts made available by subsection (a), expedite the development, application, and implementation of health breakthroughs to prevent, detect, and treat serious or life-threatening diseases, including—

(i) providing awards in the form of grants, contracts, cooperative agreements, prizes, and other transactions (as defined under section 402(n) of the Public Health Service Act (42 U.S.C. 282(n))) to entities to carry out advanced research projects for health, including through multiyear contracts (subject to the availability of funds) and prize competitions;

(ii) developing funding criteria and evaluation criteria to assess projects funded under clause (i);

(iii) establishing metrics or criteria to prioritize investments and research that should be funded under clause (i), including the novelty, scientific, and technical merit of proposed projects, the future commercial applications of projects, and the unmet need within patient populations;

(iv) identifying and promoting potential advances in basic research that will assist in carrying out advanced health research and development;

(v) identifying areas of research and innovation that are high-risk, high-reward or where the incentives of the commercial market are unlikely to result in adequate or timely development;

(vi) supporting collaboration and communication among other Federal agencies, including both health and scientific agencies, institutions of higher education, private or public research institutions, private 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

of no more than 3 years subject to one renewal period) to establish research and development goals for the ARPA–H, provide project oversight and management of strategic initiatives, recommend restructure, expansion, or termination of research projects under this section, as necessary and appropriate, and carry out other activities described in this subsection;

(III) recruiting and retaining a diverse workforce, including individuals underrepresented in science and medicine and, racial and ethnic minorities; and

(IV) hiring and appointing administrative, financial, and information technology staff as necessary to carry out this subsection;

(ix) compensating personnel at a rate to be determined by the Director of the ARPA–H;

(x) acquiring (by purchase, lease, condemnation, or otherwise), constructing, im-

proving, repairing, operating, and maintaining such real and personal property as are necessary to carry out this section; and

(xi) entering into or terminating contracts, including multiyear contracts, as appropriate to support advanced research projects for health.

(c) FUNDING AWARDS.—Research funded by amounts made available under this section shall not be subject to the requirements of section 406(a)(3)(A)(ii) or 492 of the Public Health Service Act (42 U.S.C. 284a(a)(3)(A)(ii), 289a).

(d) SUPPLEMENT NOT SUPPLANT.—Funds appropriated by this section shall be used to supplement and not supplant any appropriations for institutes and centers of the National Institutes of Health.

PART 4—MATERNAL MORTALITY

SEC. 31041. FUNDING FOR LOCAL ENTITIES ADDRESSING SOCIAL DETERMINANTS OF MATERNAL HEALTH.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $175,000,000, to remain available until expended, to award grants to community-based organiza-

tions, Urban Indian organizations, Native Hawaiian organizations, or other nonprofit organizations working with a community-based organization, operating in areas with high rates of adverse maternal health outcomes or with significant racial or ethnic disparities in maternal health outcomes.

(b) USE OF FUNDING.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Addressing social determinants of maternal health for pregnant and postpartum individuals and eliminating racial and ethnic disparities in maternal health outcomes by—

(A) hiring, training, or retaining staff;

(B) developing or distributing culturally and linguistically appropriate resources for social services programs;

(C) offering programs and resources to address social determinants of health;

(D) conducting demonstration projects to address social determinants of health;

(E) establishing a culturally and linguistically appropriate resource center that provides multiple social services programs in a single location; and

(F) consulting with pregnant and postpartum individuals to conduct an assessment of the activities conducted under this section.

(2) Promoting evidence-based health literacy and pregnancy, childbirth, and parenting education for pregnant and postpartum individuals, and individuals seeking to become pregnant.

(3) Providing support from perinatal health workers, support persons, and providers to pregnant and postpartum individuals.

(4) Providing culturally congruent, linguistically appropriate, and trauma-informed training to perinatal health workers.

(5) Conducting outreach to eligible entities to encourage such entities to apply for grants under this section.

(6) Providing technical assistance to the eligible entities receiving funding under this section.

(c) MINIMUM FOR COMMUNITY-BASED ORGANIZATIONS.—Of the amounts made available by subsection (a), the Secretary shall award not less than $75,000,000 for the Office of Minority Health to award grants to community-based organizations to carry out the activities described in subsection (b).

SEC. 31042. FUNDING TO GROW AND DIVERSIFY THE NURSING WORKFORCE IN MATERNAL AND PERINATAL HEALTH.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until expended, for grants to accredited schools of nursing for the purpose of growing and diversifying the perinatal nursing workforce.

(b) USES OF FUNDS.—

(1) GRANTEES.—Prioritizing students and registered nurses who practice in a health professional shortage area designated under such section of the Public Health Service Act, amounts made available to grantees by subsection (a) shall be used for the following activities:

(A) Providing scholarships to students seeking to become nurse practitioners whose education includes a focus on maternal and perinatal health.

(B) Providing scholarships to students seeking to become clinical nurse specialists whose education includes a focus on maternal and perinatal health.

(C) Providing scholarships to students seeking to become certified nurse midwives.

(D) Providing scholarships to registered nurses seeking certification as an obstetrics and gynecology registered nurse.

(2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection (a) for the following activities:

(A) Developing and implementing strategies to recruit and retain a diverse pool of students seeking to enter careers focused on maternal and perinatal health.

(B) Developing partnerships with practice settings in a health professional shortage area designated under section 332 of the Public Health Service Act (42 U.S.C. 254e) for the clinical placements of students at the schools receiving such grants.

(C) Developing curriculum for students seeking to enter careers focused on maternal and perinatal health that includes training programs on bias, racism, or discrimination.

(D) Carrying out other activities under title VIII of the Public Health Service Act (42

U.S.C. 296 et seq.) for the purpose under subsection (a).

SEC. 31043. FUNDING TO GROW AND DIVERSIFY THE DOULA WORKFORCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, for grants to health professions schools, academic health centers, State or local governments, territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian organizations, or other appropriate public or private nonprofit entities (or consortia of entities, including entities promoting multidisciplinary approaches), to establish or expand programs to grow and diversify the doula workforce.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Establishing programs that provide education and training to individuals seeking appropriate training or certification as doulas.

(2) Expanding the capacity of existing programs described in paragraph (1), for the purpose of increasing the number of students enrolled in such

programs, including by awarding scholarships for students.

(3) Developing and implementing strategies to recruit and retain students from underserved communities, particularly from demographic groups experiencing high rates of maternal mortality and severe maternal morbidity, including racial and ethnic minority groups, into programs described in paragraphs (1) and (2).

SEC. 31044. FUNDING TO GROW AND DIVERSIFY THE MATERNAL MENTAL HEALTH AND SUBSTANCE USE DISORDER TREATMENT WORKFORCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until expended, for grants to health professions schools, academic health centers, State or local governments, territories, Indian Tribes and Tribal organizations, Urban Indian organizations, Native Hawaiian organizations, or other appropriate public or private nonprofit entities (or consortia of entities, including entities promoting multidisciplinary approaches), to establish or expand programs to grow and diversify the maternal mental health and substance use disorder treatment workforce.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Establishing programs that provide education and training to individuals seeking appropriate licensing or certification as mental health or substance use disorder treatment providers who plan to specialize in maternal mental health conditions or substance use disorders.

(2) Expanding the capacity of existing programs described in paragraph (1), for the purposes of increasing the number of students enrolled in such programs, including by awarding scholarships for students.

(3) Developing and implementing strategies to recruit and retain students from underserved communities into programs described in paragraphs (1) and (2).

SEC. 31045. FUNDING FOR MATERNAL MENTAL HEALTH EQUITY GRANT PROGRAMS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, for grants to community-based organizations, 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.

(9) Establishing or expanding programs to provide education and training to maternity care providers with respect to—

(A) identifying potential warning signs for maternal mental health conditions or substance use disorders in pregnant, lactating, and postpartum individuals, with a focus on individuals from racial and ethnic minority groups; and

(B) in the case where such providers identify such warning signs, offering referrals to mental health substance use disorder treatment professionals.

(10) Developing a national website, or other source, that includes information on health care providers who treat maternal mental health conditions and substance use disorders.

(11) Establishing or expanding programs in communities to improve coordination between maternity care providers and mental health and substance use disorder providers who treat maternal mental health conditions and substance use disorders.

(12) Carrying other programs aligned with evidence-based or evidence-informed practices for addressing maternal mental health conditions and sub-

stance use disorders for pregnant and postpartum individuals from racial and ethnic minority groups.

SEC. 31046. FUNDING FOR EDUCATION AND TRAINING AT HEALTH PROFESSIONS SCHOOLS TO IDENTIFY AND ADDRESS HEALTH RISKS ASSOCIATED WITH CLIMATE CHANGE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $85,000,000, to remain available until expended, for grants to accredited medical schools, accredited schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant education programs, residency or fellowship programs, or other schools or programs determined appropriate by the Secretary, to support the development and integration of education and training programs for identifying and addressing health risks associated with climate change for pregnant, lactating, and postpartum individuals.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for developing, integrating, and implementing curriculum and continuing education that focuses on the following:

(1) Identifying health risks associated with climate change for pregnant, lactating, and

postpartum individuals and individuals with the intent to become pregnant.

(2) How health risks associated with climate change affect pregnant, lactating, and postpartum individuals and individuals with the intent to become pregnant.

(3) Racial and ethnic disparities in exposure to, and the effects of, health risks associated with climate change for pregnant, lactating, and postpartum individuals and individuals with the intent to become pregnant.

(4) Patient counseling and mitigation strategies relating to health risks associated with climate change for pregnant, lactating, and postpartum individuals.

(5) Relevant services and support for pregnant, lactating, and postpartum individuals relating to health risks associated with climate change and strategies for ensuring such individuals have access to such services and support.

(6) Implicit and explicit bias, racism, and discrimination in providing care to pregnant, lactating, and postpartum individuals and individuals with the intent to become pregnant.

SEC. 31047. FUNDING FOR MINORITY-SERVING INSTITUTIONS TO STUDY MATERNAL MORTALITY, SEVERE MATERNAL MORBIDITY, AND ADVERSE MATERNAL HEALTH OUTCOMES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended for minority-serving institutions described in section 371 of the Higher Education Act of 1965 (20 U.S.C. 1067q).

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Developing and implementing systematic processes of listening to the stories of pregnant and postpartum individuals from racial and ethnic minority groups, and perinatal health workers supporting such individuals, to fully understand the causes of, and inform potential solutions to, the maternal mortality and severe maternal morbidity crisis within their respective communities.

(2) Assessing the potential causes of relatively low rates of maternal mortality among Hispanic individuals and foreign-born Black women.

(3) Assessing differences in rates of adverse maternal health outcomes among subgroups identifying as Hispanic.

(4) Conducting outreach to eligible minority-serving institutions to raise awareness of the availability of the grants.

(5) Providing technical assistance on the application process for such grant.

(6) Promoting capacity building to eligible entities.

SEC. 31048. FUNDING FOR IDENTIFICATION OF MATERNITY CARE HEALTH PROFESSIONAL TARGET AREAS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until expended, for carrying out section 332(k) of the Public Health Service Act (42 U.S.C. 254e(k)).

SEC. 31049. FUNDING FOR MATERNAL MORTALITY REVIEW COMMITTEES TO PROMOTE REPRESENTATIVE COMMUNITY ENGAGEMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

$50,000,000, to remain available until expended, for carrying out section 317K(d) of the Public Health Service Act (42 U.S.C. 247b–12(d)) to promote community engagement in maternal mortality review committees to increase the diversity of a committee's membership with respect to race and ethnicity, location, and professional background.

SEC. 31050. FUNDING FOR THE SURVEILLANCE FOR EMERGING THREATS TO MOTHERS AND BABIES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until expended, for carrying out section 317K of the Public Health Service Act (42 U.S.C. 247b–12) with respect to conducting surveillance for emerging threats to mothers and babies.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Expanding the Surveillance for Emerging Threats to Mothers and Babies activities of the Centers for Disease Control and Prevention.

(2) Working with public health, clinical, and community-based organizations to provide timely,

continually updated, evidence-based guidance to families and health care providers on ways to reduce risk to pregnant and postpartum individuals and their newborns and tailor interventions to improve their long-term health.

(3) Partnering with more State, Tribal, territorial, and local public health programs in the collection and analysis of clinical data on the impact of COVID–19 on pregnant and postpartum patients and their newborns, particularly among patients from racial and ethnic minority groups.

(4) Establishing regionally based centers of excellence to offer medical, public health, and other knowledge (in coordination with State and Tribal public health authorities) to ensure that communities, especially communities with large populations of individuals from racial and ethnic minority groups, can help pregnant and postpartum individuals and newborns get the care and support they need.

SEC. 31051. FUNDING FOR ENHANCING REVIEWS AND SURVEILLANCE TO ELIMINATE MATERNAL MORTALITY PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal

year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until expended, for carrying out the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality program established under section 317K of the Public Health Service Act (42 U.S.C. 247b–12).

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Expanding the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality program (commonly known as the ''ERASE MM program'') of the Centers for Disease Control and Prevention.

(2) Expanding partnerships with States, territories, Indian Tribes, and Tribal organizations to support Maternal Mortality Review Committees.

(3) Providing technical assistance to existing maternal mortality review committees.

SEC. 31052. FUNDING FOR THE PREGNANCY RISK ASSESSMENT MONITORING SYSTEM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,000,000, to remain available until expended, for carrying out section 317K of the Public

Health Service Act (42 U.S.C. 247b–12) with respect to the Pregnancy Risk Assessment Monitoring System.

(b) USE OF FUNDS.—Amounts made available by subsection (a) shall be used for the following activities:

(1) Supporting COVID–19 supplements to the Pregnancy Risk Assessment Monitoring System questionnaire.

(2) Conducting a rapid assessment of COVID–19 awareness, impact on care and experiences, and use of preventive measures among pregnant, laboring and birthing, and postpartum individuals.

(3) Supporting the transition of the questionnaire described in paragraph (1) to an electronic platform and expanding the distribution of the questionnaire to a larger population, with a special focus on reaching underrepresented communities.

SEC. 31053. FUNDING FOR THE NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,000,000, to remain available until expended, for carrying out section 301 of the Public Health Service Act (42 U.S.C. 241) and title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) with respect to child health

and human development, to conduct or support research for interventions to mitigate the effects of the COVID–19 public health emergency on pregnant, lactating, and postpartum individuals, with a particular focus on individuals from racial and ethnic minority groups.

SEC. 31054. FUNDING FOR EXPANDING THE USE OF TECHNOLOGY-ENABLED COLLABORATIVE LEARNING AND CAPACITY MODELS FOR PREGNANT AND POSTPARTUM INDIVIDUALS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until expended, for grants to community-based organizations, health care providers, accredited medical schools, accredited schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant education programs, residency or fellowship programs, or other schools or programs determined appropriate by the Secretary, that are operating in health professional shortage areas designated under section 332 of the Public Health Service Act (42 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic disparities in maternal health outcomes, to evaluate, develop, and expand the use of technology-enabled collaborative learning.

(b) USE OF FUNDS.—

(1) GRANTEES.—A recipient of a grant awarded pursuant to subsection (a) shall use such grant amounts to—

(A) train maternal health care providers and students through the use and expansion of technology-enabled collaborative learning and capacity building models, including hardware and software that—

(i) enables distance learning and technical support; and

(ii) supports the secure exchange of electronic health information; and

(B) conduct evaluations on the use of technology-enabled collaborative learning to improve maternal health outcomes.

(2) SECRETARY.—The Secretary shall use amounts made available pursuant to subsection (a) to provide technical assistance to recipients of grants awarded pursuant to subsection (a) on the development, use, and sustainability of technology-enabled collaborative learning and capacity building models to expand access to maternal health services provided by such entities.

SEC. 31055. FUNDING FOR PROMOTING EQUITY IN MATERNAL HEALTH OUTCOMES THROUGH DIGITAL TOOLS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until expended, for grants to community-based organizations, health care providers, accredited medical schools, accredited schools of nursing, teaching hospitals, accredited midwifery programs, physician assistant education programs, residency or fellowship programs, or other schools or programs determined appropriate by the Secretary, that are operating in health professional shortage areas designated under section 332 of the Public Health Service Act (42 U.S.C. 254e) with high rates of adverse maternal health outcomes or significant racial and ethnic disparities in maternal health outcomes to reduce racial and ethnic disparities in maternal health outcomes by increasing access to digital tools related to maternal health care.

(b) USE OF FUNDS.—Amounts made available pursuant to subsection (a) shall be used for the following activities:

(1) Increasing access to digital tools that could improve maternal health outcomes, such as wearable

technologies, patient portals, telehealth services, and mobile phone applications.

(2) Providing technical assistance to recipients of grants awarded pursuant to subsection (a) on the development, use, evaluation, and postgrant sustainability of digital tools for purposes of promoting equity in maternal health outcomes.

SEC. 31056. FUNDING FOR ANTIDISCRIMINATION AND BIAS TRAINING.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until expended, for the purpose described in subsection (b).

(b) USE OF FUNDS.—The Secretary shall use amounts appropriated under subsection (a) to award competitive grants or contracts to national nonprofit organizations focused on improving health equity, accredited schools of medicine or nursing, and other health professional training programs to develop, disseminate, review, research, and evaluate training for health professionals and all staff who interact with patients to reduce discrimination and bias in the provision of health care, with a focus on maternal health care.

PART 5—OTHER PUBLIC HEALTH INVESTMENTS

SEC. 31061. FUNDING FOR MENTAL HEALTH AND SUBSTANCE USE DISORDER PROFESSIONALS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, for purposes of carrying out section 597 of the Public Health Service Act (42 U.S.C. 290ll).

SEC. 31062. FUNDING FOR PROJECT AWARE.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until expended, for carrying out section 520A of the Public Health Service Act (42 U.S.C. 290bb–32) with respect to advancing wellness and resiliency in education.

SEC. 31063. FUNDING FOR THE NATIONAL SUICIDE PREVENTION LIFELINE.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until expended, for advancing infrastructure for the National Suicide Prevention Lifeline program under section 520E–3 of the Public Health Service Act (42 U.S.C. 290bb–36c) in order to ex-

pand existing capabilities for response in a manner that avoids duplicating existing capabilities for text-based crisis support.

SEC. 31064. FUNDING FOR COMMUNITY VIOLENCE AND TRAUMA INTERVENTIONS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated to remain available until expended, for the purposes described in subsection (b):

(1) $150,000,000 for fiscal year 2022.

(2) $250,000,000 for fiscal year 2023.

(3) $450,000,000 for fiscal year 2024.

(4) $550,000,000 for each of fiscal years 2025, 2026, and 2027.

(b) USE OF FUNDING.—The Secretary, acting through the Director of the Centers for Disease Control and Prevention, and in consultation with the Assistant Secretary for Mental Health and Substance Use, the Administrator of the Health Resources and Services Administration, and the Deputy Assistant Secretary for Minority Health and with public health and medical professionals, victim services community-based organizations, and other violence reduction experts, shall use amounts appropriated by subsection (a) to support public health approaches to

reduce community violence and trauma, taking into consideration the needs of communities with high rates of, and prevalence of risk factors associated with, violence-related injuries and deaths, by—

(1) awarding competitive grants or contracts to local governmental entities, States, territories, Indian Tribes and Tribal organizations, Urban Indian organizations, hospitals and community health centers, nonprofit community-based organizations, culturally specific organizations, victim services providers, or other entities as determined by the Secretary (or consortia of such entities) to support evidence-based, culturally competent, and developmentally appropriate strategies to reduce community violence, including outreach and conflict mediation, hospital-based violence intervention, violence interruption, and services for victims and individuals and communities at risk for experiencing violence, such as trauma-informed mental health care and counseling, school-based mental health services, and other services; and

(2) supporting training, technical assistance, surveillance systems, and data collection to facilitate support for strategies to reduce community violence and ensure safe and healthy communities.

(c) SUPPLEMENT NOT SUPPLANT.—Amounts appropriated under this section shall be used to supplement and not supplant any Federal, State, or local funding otherwise made available for the purposes described in this section.

SEC. 31065. FUNDING FOR THE NATIONAL CHILD TRAUMATIC STRESS NETWORK.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until expended, for carrying out section 582 of the Public Health Service Act (42 U.S.C. 290hh–1) with respect to addressing the problem of high-risk or medically underserved persons who experience violence-related stress.

SEC. 31066. FUNDING FOR HIV HEALTH CARE SERVICES PROGRAMS.

In addition to amounts otherwise available, there is appropriated to the Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until expended, for modifications to existing contracts, and supplements to existing grants and cooperative agreements under parts A, B, C, and D of title XXVI of the Public Health Service

Act (42 U.S.C. 300ff–11 et seq.) and section 2692(a) of such Act (42 U.S.C. 300ff–111(a)).

SEC. 31067. SUPPLEMENTAL FUNDING FOR THE WORLD TRADE CENTER HEALTH PROGRAM.

(a) SUPPLEMENTAL FUND.—

(1) IN GENERAL.—Title XXXIII of the Public Health Service Act (42 U.S.C. 300mm et seq.) is amended by adding at the end the following:

"SEC. 3352. SUPPLEMENTAL FUND.

"(a) IN GENERAL.—There is established a fund to be known as the World Trade Center Health Program Supplemental Fund (referred to in this section as the 'Supplemental Fund'), consisting of amounts deposited into the Supplemental Fund under subsection (b).

"(b) AMOUNT.—Out of any money in the Treasury not otherwise appropriated, there is appropriated for fiscal year 2022, $2,860,000,000, for deposit into the Supplemental Fund, which amounts shall remain available through fiscal year 2031.

"(c) USES OF FUNDS.—Amounts deposited into the Supplemental Fund under subsection (b) shall be available, without further appropriation and without regard to any spending limitation under section 3351(c), to the WTC Program Administrator as needed at the discretion

of such Administrator for carrying out any provision in this title, including sections 3303 and 3341(c).

"(d) RETURN OF FUNDS.—Any amounts that remain in the Supplemental Fund on September 30, 2031, shall be deposited into the Treasury as miscellaneous receipts.".

(2) CONFORMING AMENDMENTS.—Title XXXIII of the Public Health Service Act (42 U.S.C. 300mm et seq.) is amended—

(A) in section 3311(a)(4)(B)(i)(II) (42 U.S.C. 300mm–21(a)(4)(B)(i)(II)), by striking "section 3351" and inserting "sections 3351 and 3352";

(B) in section 3321(a)(3)(B)(i)(II) (42 U.S.C. 300mm–31(a)(3)(B)(i)(II)), by striking "section 3351" and inserting "sections 3351 and 3352";

(C) in section 3331 (42 U.S.C. 300mm–41)—

(i) in subsection (a), by inserting "and the World Trade Center Health Program Supplemental Fund" before the period at the end; and

(ii) in subsection (d)—

(I) in paragraph (1)(B), by inserting "(excluding any expenditures

from amounts in the World Trade Center Health Program Supplemental Fund under section 3352)'' before the period at the end; and

(II) in paragraph (2), in the flush text following subparagraph (C), by inserting ''(excluding any expenditures from amounts in the World Trade Center Health Program Supplemental Fund under section 3352)'' before the period at the end; and

(D) in section 3351(b) (42 U.S.C. 300mm–61(b))—

(i) in paragraph (2), by inserting ''or as available from the World Trade Center Health Program Supplemental Fund under section 3352'' before the period at the end; and

(ii) in paragraph (3), by inserting ''or as available from the World Trade Center Health Program Supplemental Fund under section 3352'' before the period at the end.

(b) RESEARCH COHORT FOR EMERGING HEALTH IMPACTS ON YOUTH.—

(1) IN GENERAL.—Section 3341 of the Public Health Service Act (42 U.S.C. 300mm–51) is amended—

(A) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(B) by inserting after subsection (b) the following:

''(c) RESEARCH COHORT FOR EMERGING HEALTH IMPACTS ON YOUTH.—The WTC Program Administrator shall establish a research cohort of sufficient size to conduct research studies on the health and educational impacts of exposure to airborne toxins, or any other hazard or adverse condition, resulting from the September 11, 2001, terrorist attacks on the population of individuals who were 21 years of age or younger at the time of exposure and who are enrolled in the WTC Program or otherwise eligible for enrollment in the Program under section 3321.''.

(2) SPENDING LIMITATION EXEMPTION.—Section 3351(c)(5) of such Act (42 U.S.C. 300mm–61(c)(5)) is amended in the matter preceding subparagraph (A), by inserting ''(other than subsection (c) of such section)'' after ''section 3341''.

(3) CONFORMING AMENDMENT.—Section 3301(f)(2)(E) of such Act (42 U.S.C.

300mm(f)(2)(E)) is amended by striking ''section 3341(a)'' and inserting ''subsection (a) or (c) of section 3341''.

Subtitle K—Next Generation 9–1–1

SEC. 31101. DEPLOYMENT OF NEXT GENERATION 9–1–1.

(a) APPROPRIATION.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Assistant Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until September 30, 2030, to make grants to eligible entities for implementing Next Generation 9–1–1, operating and maintaining Next Generation 9–1–1, training directly related to implementing, maintaining, and operating Next Generation 9–1–1, if the cost related to such training does not exceed 3 percent of the total grant award, and planning and implementation activities, if the cost related to such planning and implementation does not exceed 1 percent of the total grant award.

(2) ADMINISTRATIVE EXPENSES.—Of the amount appropriated in this subsection, the Assistant Secretary may use not more than 2 percent to implement and administer this section.

(3) RULEMAKING REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Assistant Secretary shall, after public notice and opportunity for comment, issue rules to implement this section.

(b) ELIGIBILITY.—

(1) IN GENERAL.—The Assistant Secretary shall not make a grant under this section to any eligible entity unless such entity certifies to the Assistant Secretary that—

(A) no portion of any 9–1–1 fee or charge imposed by the eligible entity, or (in the case that the eligible entity is not a covered State or Tribal organization) any State or taxing jurisdiction within which the eligible entity will carry out activities using grant funds, will be obligated or expended for any purpose or function other than a purpose or function for which the obligation or expenditure of such a fee or charge is acceptable (as determined by the Federal Communications Commission pursuant to the rules issued under section 6(f)(3) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(f)(3)), as such rules are in effect on the date on which the eli-

gible entity makes the certification) during any period during which the funds from the grant are available to the eligible entity;

(B) any funds received by the eligible entity will be used to support the deployment of Next Generation 9–1–1 in a manner that ensures reliability, interoperability, and requires the use of commonly accepted standards;

(C) the eligible entity has established, or commits to establish not later than 3 years after the date on which the funds are distributed to the eligible entity, a sustainable funding mechanism for Next Generation 9–1–1 and effective cybersecurity for Next Generation 9–1–1; and

(D) no funds received by the eligible entity will be used to purchase, rent, lease, or otherwise obtain covered communications equipment or services (as defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608)).

(2) OTHER REQUIREMENTS.—The Assistant Secretary shall not make a grant under this section to an eligible entity unless such entity certifies to the Assistant Secretary that—

(A) the eligible entity, and (in the case that the eligible entity is not a covered State or Tribal organization) any covered State within which the eligible entity will carry out activities using grant funds, has designated a single officer or governmental body to serve as the point of contact to coordinate the implementation of Next Generation 9–1–1 for such covered State or Tribal organization; and

(B) the eligible entity has developed and submitted a plan for the coordination and implementation of Next Generation 9–1–1 consistent with the requirements of the Assistant Secretary that, at a minimum—

(i) ensures interoperability, reliability, resiliency, and the use of commonly accepted standards;

(ii) enables emergency communications centers to process, analyze, and store multimedia, data, and other information;

(iii) incorporates cybersecurity tools, including intrusion detection and prevention measures;

(iv) includes strategies for coordinating cybersecurity information sharing

between Federal, covered State, Tribal, and local government partners;

(v) includes a governance body or bodies, either by creation of a new body or bodies or use of an existing body or bodies, for the development and deployment of Next Generation 9–1–1;

(vi) creates efficiencies related to Next Generation 9–1–1 functions, including the virtualization and sharing of infrastructure, equipment, and services; and

(vii) utilizes an effective, competitive approach to establishing authentication, credentialing, secure connections, and access in deploying Next Generation 9–1–1, including by—

(I) requiring certificate authorities to be capable of cross-certification with other authorities;

(II) avoiding risk of a single point of failure or vulnerability; and

(III) adhering to Federal agency best practices such as those promulgated by the National Institute of Standards and Technology.

(3) RETURN OF FUNDING.—If, after making a grant award to an eligible entity under subsection (a), the Assistant Secretary determines that such eligible entity has acted in a manner not in accordance with the certifications required under this subsection, the Assistant Secretary shall, after affording due process, rescind such grant award and recoup funds from such eligible entity.

(c) OVERSIGHT.—In addition to amounts otherwise available, there is appropriated to the Inspector General of the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2030, to conduct oversight to combat waste, fraud, and abuse of grant awards made under this section.

SEC. 31102. ESTABLISHMENT OF NEXT GENERATION 9–1–1 CYBERSECURITY CENTER.

In addition to amounts otherwise available, there is appropriated to the Assistant Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $80,000,000, to remain available until September 30, 2030, to establish a Next Generation 9–1–1 Cybersecurity Center to coordinate with covered State, local, and regional governments on the sharing of cybersecurity information about, the analysis of

cybersecurity threats to, and guidelines for strategies to detect and prevent cybersecurity intrusions relating to Next Generation 9–1–1.

SEC. 31103. PUBLIC SAFETY NEXT GENERATION 9–1–1 ADVISORY BOARD.

In addition to amounts otherwise available, there is appropriated to the Assistant Secretary for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2030, to establish a 16-member Public Safety Next Generation 9–1–1 Advisory Board (in this section referred to as the ''Board''), to be comprised of representatives of public safety organizations, to provide recommendations to the Assistant Secretary with respect to carrying out the duties and responsibilities of the Assistant Secretary related to Next Generation 9–1–1, including with respect to the grant program established pursuant to section 31101.

SEC. 31104. DEFINITIONS.

In this subtitle:

(1) 9–1–1 FEE OR CHARGE.—The term ''9–1–1 fee or charge'' has the meaning given such term in section 6(f)(3)(D) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(f)(3)(D)).

(2) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the Assistant Secretary of Commerce for Communications and Information.

(3) COMMONLY ACCEPTED STANDARDS.—The term ''commonly accepted standards'' means the technical standards followed by the communications industry for network, device, and Internet Protocol connectivity that—

(A) enable interoperability; and

(B) are—

(i) developed and approved by a standards development organization that is accredited by a United States or international standards body in a process that—

(I) is open to the public, including open for participation by any organization; and

(II) provides for a conflict resolution process;

(ii) subject to an open comment and input process before being finalized by the standards development organization;

(iii) consensus-based; and

(iv) made publicly available once approved.

(4) COST RELATED TO PLANNING AND IMPLEMENTATION.—The term ''cost related to planning and implementation'' means any cost incurred by an eligible entity related to planning for and preparing an application and related materials as required under this title.

(5) COVERED STATE.—The term ''covered State'' means any State of the United States, the District of Columbia, Puerto Rico, American Samoa, Guam, the United States Virgin Islands, the Northern Mariana Islands, and any other territory or possession of the United States.

(6) ELIGIBLE ENTITY.—The term ''eligible entity''—

(A) means a covered State or a Tribal organization; and

(B) may be an entity, including a public authority, board, or commission, established by one or more entities described in subparagraph (A).

(7) EMERGENCY COMMUNICATIONS CENTER.—

(A) IN GENERAL.—The term ''emergency communications center''—

(i) means a facility that—

(I) is designated to receive a 9–1–1 request for emergency assistance; and

(II) performs one or more of the functions described in subparagraph (B); and

(ii) may be a public safety answering point, as defined in section 222 of the Communications Act of 1934 (47 U.S.C. 222).

(B) FUNCTIONS DESCRIBED.—The functions described in this subparagraph are the following:

(i) Process and analyze 9–1–1 requests for emergency assistance and information and data related to such requests.

(ii) Dispatch appropriate emergency response providers.

(iii) Transfer or exchange 9–1–1 requests for emergency assistance and information and data related to such requests with one or more facilities described under this paragraph and emergency response providers.

(iv) Analyze any communications received from emergency response providers.

(v) Support incident command functions.

(8) INTEROPERABLE; INTEROPERABILITY.—The term ''interoperable'' or ''interoperability'' means the capability of emergency communications centers to receive 9–1–1 requests for emergency assistance and information and data related to such requests, such as location information and callback numbers from a person initiating the request, and then process and share the 9–1–1 requests for emergency assistance and information and data related to such requests with other emergency communications centers and emergency response providers without the need for proprietary interfaces and regardless of jurisdiction, equipment, device, software, service provider, or other factors.

(9) NEXT GENERATION 9–1–1.—The term ''Next Generation 9–1–1'' means an interoperable, secure, Internet Protocol-based system that—

(A) employs commonly accepted standards;

(B) enables emergency communications centers to receive, process, and analyze all types of 9–1–1 requests for emergency assistance;

(C) acquires and integrates additional information useful to handling 9–1–1 requests for emergency assistance; and

(D) supports sharing information related to 9–1–1 requests for emergency assistance among emergency communications centers and emergency response providers.

(10) PUBLIC SAFETY ORGANIZATION.—The term ''public safety organization'' means an organization that represents the interests of personnel in—

(A) local law enforcement;

(B) fire and rescue;

(C) emergency medical service; or

(D) 9–1–1 services.

(11) RELIABILITY.—The term ''reliability'' means the employment of sufficient measures to ensure the ongoing operation of Next Generation 9–1–1, including through the use of geo-diverse, device- and network-agnostic elements that provide more than one physical route between end points with no common points where a single failure at that point would cause the operation of Next Generation 9–1–1 to fail.

(12) STATE OR TAXING JURISDICTION.—The term ''State or taxing jurisdiction'' has the meaning

given such term in section 6(f)(3)(D) of the Wireless Communications and Public Safety Act of 1999 (47 U.S.C. 615a–1(f)(3)(D)).

(13) SUSTAINABLE FUNDING MECHANISM.—The term ''sustainable funding mechanism'' means a funding mechanism that provides adequate revenues to cover ongoing expenses, including operations, maintenance, and upgrades.

Subtitle L—Spectrum Auctions

SEC. 31201. SPECTRUM AUCTIONS AND INNOVATION.

(a) DEFINITIONS.—In this section:

(1) ASSISTANT SECRETARY.—The term ''Assistant Secretary'' means the Assistant Secretary of Commerce for Communications and Information.

(2) COMMISSION.—The term ''Commission'' means the Federal Communications Commission.

(3) COVERED BAND.—The term ''covered band'' means the band of frequencies between 3100 megahertz and 3450 megahertz, inclusive.

(4) RELEVANT CONGRESSIONAL COMMITTEES.—The term ''relevant congressional committees'' means—

(A) the Committee on Energy and Commerce of the House of Representatives; and

(B) the Committee on Commerce, Science, and Transportation of the Senate.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Commerce.

(b) 3.1–3.45 GHZ BAND.—

(1) PRE-AUCTION FUNDING.—

(A) IN GENERAL.—On the date of enactment of this Act, the Director of the Office of Management and Budget shall transfer $50,000,000 from the Spectrum Relocation Fund established under section 118 of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 928) to the Secretary for the purpose of engineering studies, economic analyses, activities with respect to systems, or other planning activities to improve efficiency and effectiveness of Federal spectrum use in order to make available—

(i) frequencies in the covered band for identification by the Secretary under paragraph (2)(A); and

(ii) frequencies in the covered band for identification by the Secretary under paragraph (2)(B).

(B) EXEMPTION.—Section 118(g) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 928(g)) shall not apply with respect to the payment required under subparagraph (A).

(C) PLAN.—Not later than 180 days after the date of enactment of this Act, the Assistant Secretary, in coordination with the Secretary of Defense and the Executive Office of the President, shall develop a plan for conducting the engineering studies, economic analyses, activities with respect to systems, or other planning activities described in subparagraph (A).

(D) CONSIDERATION OF COMMON PLATFORM.—In developing the plan required by subparagraph (C), the Assistant Secretary shall consider facilitating the sharing of spectrum between Federal and non-Federal users implemented through a Federal user informing common platform developed by the Assistant Secretary, in coordination with the Commission.

(E) OVERSIGHT.—The Assistant Secretary and the Executive Office of the President shall continuously review and provide oversight of the

execution of the plan required by subparagraph (C).

(F) REPORT TO SECRETARY OF COMMERCE AND CONGRESS.—Not later than 18 months after the date of enactment of this Act, for the purposes of aiding the Secretary in making the identification under paragraph (2) and informed by the findings of the engineering studies, economic analyses, activities with respect to systems, or other planning activities described in subparagraph (A), the Assistant Secretary, in consultation with the Secretary of Defense, shall submit to the Secretary and the relevant congressional committees a report that—

(i) contains such findings; and

(ii) recommends—

(I) frequencies in the covered band for identification by the Secretary under paragraph (2)(A); and

(II) frequencies in the covered band for identification by the Secretary under paragraph (2)(B).

(2) IDENTIFICATION.—Not later than 24 months after the date of enactment of this Act, informed by the findings of the engineering studies,

economic analyses, activities with respect to systems, or other planning activities described in paragraph (1)(A) and the report required under paragraph (1)(F), the Secretary, in consultation with the Secretary of Defense, the Director of the Office of Science and Technology Policy, and the Commission, shall submit to the President, the Commission, and the relevant congressional committees a report that—

(A) identifies for inclusion in a system of competitive bidding under paragraph (3) at least 200 megahertz of frequencies in the covered band for non-Federal use, shared Federal and non-Federal use, or a combination thereof; and

(B) identifies additional frequencies of electromagnetic spectrum in the covered band that could be made available for non-Federal use, shared Federal and non-Federal use, or a combination thereof.

(3) AUCTION.—

(A) IN GENERAL.—Not later than 7 years after the date of enactment of this Act, the Commission, in coordination with the Assistant Secretary, shall commence a system of competi-

tive bidding under section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), in accordance with paragraph (2) of this subsection, of the frequencies identified under subparagraph (A) of that paragraph.

(B) PROHIBITION.—No entity that is on the list required by section 2 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1601) may participate in the system of competitive bidding required by subparagraph (A).

(4) PREPARING SPECTRUM FOR AUCTION.—

(A) IN GENERAL.—The President shall modify or withdraw any assignment to a Federal Government station of the frequencies identified under paragraph (2)(A) to accommodate non-Federal use or shared Federal and non-Federal use in accordance with that paragraph.

(B) TIMING.—The President may not modify or withdraw any assignment to a Federal Government station as described in subparagraph (A) before November 30, 2024.

(5) AUCTION PROCEEDS TO COVER 110 PERCENT OF FEDERAL RELOCATION OR SHARING COSTS.—Nothing in this subsection shall be con-

strued to relieve the Commission from the requirements under section 309(j)(16)(B) of the Communications Act of 1934 (47 U.S.C. 309(j)(16)(B)).

(6) RULES AUTHORIZING ADDITIONAL USE OF SPECTRUM IN COVERED BAND.—Not later than 4 years after the date of enactment of this Act, the Commission, in consultation with the Assistant Secretary, shall adopt rules that authorize the use of spectrum in the covered band identified under paragraph (2)(B) for non-Federal use, shared Federal and non-Federal use, or a combination thereof.

(7) OPPORTUNISTIC USE OF IDENTIFIED FREQUENCIES.—Not later than 4 years after the date of enactment of this Act, if the President modifies or withdraws assignments under paragraph (4), or if President accommodates the use described in paragraph (2)(A) without such modification or withdrawal, the Commission, in coordination with the Assistant Secretary, shall allow for the opportunistic use of the frequencies identified under such paragraph before the auction required by paragraph (3) is conducted. Opportunistic use, if such use is inconsistent with the rights of licensees that obtained licenses through such auction, shall cease upon the issuance by the Commission of such licenses.

(c) FCC AUCTION AUTHORITY.—

(1) TERMINATION.—Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by inserting after "2025" the following: ", and with respect to the electromagnetic spectrum identified under section 31201(b)(2)(A) of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14, such authority shall expire on the date that is 7 years after the date of enactment of that Act".

(2) SPECTRUM PIPELINE ACT OF 2015.—The Spectrum Pipeline Act of 2015 (Public Law 114–74; 129 Stat. 621) is amended—

(A) in section 1004—

(i) in subsection (a), by striking "2022" and inserting "2024"; and

(ii) in subsection (b)(1), by striking "2022" and inserting "2024"; and

(B) in section 1006(c)(1), by striking "2022" and inserting "2024".

Subtitle M—Distance Learning

SEC. 31301. ADDITIONAL SUPPORT FOR DISTANCE LEARNING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022,

out of any money in the Treasury not otherwise appropriated—

(1) $4,000,000,000 to the Emergency Connectivity Fund established under subsection (c)(1) of section 7402 of the American Rescue Plan Act of 2021 (Public Law 117–2) to provide support under the covered regulations promulgated under subsection (a) of such section, except that such amount shall be used to provide support under the covered regulations for costs incurred after the date of enactment of this Act but before June 30, 2030, regardless of whether those costs are incurred during a COVID–19 emergency period (as defined in subsection (d) of such section); and

(2) $500,000 to the Inspector General of the Federal Communications Commission to conduct oversight of support provided under the covered regulations.

Amounts appropriated by this subsection shall remain available until September 30, 2030.

(b) LIMITATION.—None of the funds appropriated by subsection (a)(1) may be used to purchase, rent, lease, or otherwise obtain any covered communications equipment or service (as defined in section 9 of the Secure and Trust-

ed Communications Networks Act of 2019 (47 U.S.C. 1608)).

Subtitle N—Manufacturing Supply Chain

SEC. 31401. CRITICAL MANUFACTURING SUPPLY CHAIN RESILIENCE.

(a) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated to the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until expended, except that no amounts may be expended after September 30, 2031, to support the resilience, diversity, security, and strength of critical manufacturing supply chains affecting interstate commerce and related administrative costs.

(b) PURPOSES.—The amount under subsection (a) shall be available to the Secretary of Commerce for—

(1) critical manufacturing supply chain mapping and monitoring, which may include providing grants and other financial assistance as appropriate to eligible entities for private and public sector-led mapping, monitoring, and forecasting;

(2) facilitating and supporting the establishment of voluntary standards, guidelines, and best practices to reduce risks to the resilience, diversity,

security, and strength of critical manufacturing supply chains;

(3) identifying, accelerating, promoting, and demonstrating technological advances for critical manufacturing supply chains; and

(4) providing grants and other financial assistance as appropriate that support the resilience, diversity, security, or strength of a critical manufacturing supply chain to eligible entities for activities that may include enhancements to a domestic manufacturing facility, process, or practice, the preservation of surge capacity, the provision of goods, or other activities at the determination of the Secretary.

(c) LIMITATION.—Of the amounts made available under subsection (a), not more than 3 percent may be used for related administrative expenses.

(d) ELIGIBLE ENTITY DEFINED.—The term ''eligible entity'' means—

(1) a domestic enterprise;

(2) a domestic manufacturer;

(3) a State, local, or Tribal government entity;

(4) a domestic regional technology and manufacturing hub;

(5) a domestic institution of higher education;

(6) a domestic public or private nonprofit organization or association; or

(7) a consortium of any of the entities described in paragraphs (1) through (6).

Subtitle O—FTC Privacy Enforcement

SEC. 31501. FEDERAL TRADE COMMISSION FUNDING FOR A PRIVACY BUREAU AND RELATED EXPENSES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Federal Trade Commission for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, for carrying out this section.

(b) PURPOSES.—The Federal Trade Commission shall use the funds appropriated under subsection (a) to create and operate a bureau, including by hiring and retaining technologists, user experience designers, and other experts as the Commission considers appropriate, to accomplish the work of the Commission related to unfair or deceptive acts or practices relating to privacy, data security, identity theft, data abuses, and related matters.

Subtitle P—Department of Commerce Inspector General

SEC. 31601. FUNDING FOR THE OFFICE OF THE INSPECTOR GENERAL OF THE DEPARTMENT OF COMMERCE.

In addition to amounts otherwise available, there is appropriated to the Office of the Inspector General of the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2031, for oversight of activities supported with funds appropriated to the Department of Commerce in this Act.

TITLE IV—COMMITTEE ON FINANCIAL SERVICES

Subtitle A—Creating and Preserving Affordable, Equitable and Accessible Housing for the 21st Century

SEC. 40001. PUBLIC HOUSING INVESTMENTS.

(a) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $10,000,000,000 for the Capital Fund under section 9(d) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)) pursuant to the same formula as in fiscal year 2021, to be made available within 60 days of the date of the enactment of this Act;

(2) $66,500,000,000 for eligible activities under section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) for priority investments as determined by the Secretary to repair, replace, or construct properties assisted under such section 9;

(3) $2,750,000,000 for competitive grants under section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) (in this section referred to as ''section 24''), under the terms and conditions in subsection (b), for transformation, rehabilitation, and replacement housing needs of public housing, to transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods ; and

(4) $750,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Public Housing Capital Fund and the section 24 grant program generally, including information technology, financial reporting, re-

search and evaluation, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts set aside under this subparagraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) TERMS AND CONDITIONS FOR SECTION 24 GRANTS.—Grants awarded under subsection (a)(3) shall be subject to terms and conditions determined by the Secretary, which shall include the following:

(1) USE.—Grant funds may be used for resident and community services, community development and revitalization, and affordable housing needs in the community.

(2) APPLICANTS.—Eligible recipients of grants shall include lead applicants and joint applicants, as follows:

(A) LEAD APPLICANTS.—A lead applicant shall be a local government or a public housing agency.

(B) JOINT APPLICANTS.—A nonprofit organization or a for-profit developer may apply jointly as a joint applicant with such public entities specified in subparagraph (A).

(3) PERIOD OF AFFORDABILITY.—Grantees shall commit to a period of affordability determined by the Secretary of not fewer than 20 years, but the Secretary may specify a period of affordability that is fewer than 20 years with respect to homeownership units developed with section 24 grants.

(4) ENVIRONMENTAL REVIEW.—For purposes of environmental review, a grantee shall be treated as a public housing agency under section 26 of the United States Housing Act of 1937 (42 U.S.C. 1437x) and grants from amounts made available under this heading shall be subject to the regulations issued by the Secretary to implement such section.

(5) PARTNERSHIPS.—Grantees shall create partnerships with other local organizations, included assisted housing owners, service agencies, and resident organizations.

(6) UNOBLIGATED BALANCES.—The Secretary may, until September 30, 2031, obligate any available unobligated balances made available under subsection (a)(3).

(7) LOW-INCOME HOUSING.—Amounts made available under this section shall be used for low-income housing (as such term is defined under section

3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) and affordable housing, which shall be housing for which the owner or purchaser of the project has recorded an affordability use restriction approved by the Secretary for households earning up to 120 percent of the area median income for no fewer than 20 years.

(c) OTHER TERMS AND CONDITIONS.—Grants awarded under this section shall be subject to the following terms and conditions:

(1) LIMITATION.—Amounts provided pursuant to this section may not be used for operating costs or rental assistance.

(2) DEVELOPMENT OF NEW UNITS.—Paragraph (3) of section 9(g) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(3)) shall not apply to new funds made available under this section.

(3) HEALTH AND SAFETY.—Amounts made available under this section shall be used to address health, safety, and environmental hazards, including lead, fire, carbon monoxide, mold, asbestos, radon, pest infestation, and other hazards as defined by the Secretary.

(4) ENERGY EFFICIENCY AND RESILIENCE.—Amounts made available under this section shall ad-

vance improvements to energy and water efficiency or climate and disaster resilience in housing assisted under this section.

(5) ALTERNATIVE DEADLINES.—The Secretary shall establish, by notice, alternative deadlines to those established in section 9(j) of the United States Housing Act of 1937 (42 U.S.C. 1437g(j)) to provide public housing agencies reasonable periods of time to obligate and expend funds provided under paragraphs (1) and (2) of subsection (a).

(6) RECAPTURE.—If the Secretary recaptures funding allocated by formula from a public housing agency under paragraph (a)(1), such recaptured amounts shall be added to the amounts available under paragraph (a)(2), and shall be obligated by the Secretary prior to the expiration of such funds.

(7) SUPPLEMENTATION OF FUNDS.—The Secretary shall ensure that amounts provided pursuant to this section shall serve to supplement and not supplant other amounts generated by a recipient of such amounts or amounts provided by other Federal, State, or local sources.

(8) WAIVERS AND ALTERNATIVE REQUIREMENTS.—The Secretary may waive or specify alternative requirements for subsections (d)(1), (d)(2),

(e), and (j) of section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) and associated regulations in connection with the use of amounts made available under this section other than requirements related to tenant rights and protections, fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to facilitate the use of amounts made available under this section.

(d) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40002. INVESTMENTS IN AFFORDABLE AND ACCESSIBLE HOUSING PRODUCTION.

(a) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $34,770,000,000, for activities and assistance for the HOME Investment Partnerships Pro-

gram (in this section referred to as the ''HOME program''), as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) (in this section referred to as ''NAHA'');

(2) $36,770,000,000 for activities and assistance for the HOME Investment Partnerships Program, as authorized under title II of NAHA, subject to the terms and conditions in paragraphs (1) and (2) of subsection (b);

(3) $100,000,000 to make new awards or increase prior awards to existing technical assistance providers, except that increases to prior awards do not exceed 10 percent of the amount made available under this subparagraph, to provide an increase in capacity building and technical assistance available to any grantees implementing activities or projects consistent with this section, except that the Secretary may use not more than 10 percent of the amount made available under this paragraph to increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance; and

(4) $360,000,000 for the costs to the Secretary of administering and overseeing the implementation

of this section and the HOME and Housing Trust Fund programs generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs. The Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) TERMS AND CONDITION.—

(1) FORMULA.—The Secretary shall allocate amounts made available under subsection (a)(2) pursuant to the formula specified in section 1338(c)(3) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(3)) to grantees that received Housing Trust Fund allocations pursuant to that same formula in fiscal year 2021 and shall make such allocations within 60 days of the date of the enactment of this Act.

(2) ELIGIBLE ACTIVITIES.—Other than as provided in paragraph (5) of this subsection, funds made available under subsection (a)(2) may only be used for eligible activities described in subparagraphs (A) through (B)(i) of section 1338(c)(7) of

the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568(c)(7)), except that not more than 10 percent of funds made available may be used for activities under such subparagraph (B)(i).

(3) FUNDING RESTRICTIONS.—The commitment requirements in section 218(g) (42 U.S.C. 12748(g)) of NAHA, the matching requirements in section 220 (42 U.S.C. 12750) of NAHA, and the set-aside for housing developed, sponsored, or owned by community housing development organizations required in section 231 of NAHA (42 U.S.C. 12771) shall not apply for amounts made available under this section.

(4) REALLOCATION.—For funds provided under paragraphs (1) and (2) of subsection (a), the Secretary may recapture certain amounts remaining available to a grantee under this section or amounts declined by a grantee, and reallocate such amounts to other grantees under that paragraph to ensure fund expenditure, geographic diversity, and availability of funding to communities within the State from which the funds have been recaptured.

(5) ADMINISTRATION.— Notwithstanding subsections (c) and (d)(1) of section 212 of NAHA (42

U.S.C. 12742), eligible grantees may use not more than 15 percent of their allocations under this section for administrative and planning costs.

(c) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of NAHA (42 U.S.C. 12701 et seq.) or regulation for the administration of the amounts made available under this section other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(d) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40003. HOUSING INVESTMENT FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the Housing Investment Fund, which shall be within the Community Development Financial Institutions Fund (in this section referred to as the ''CDFI Fund''), to—

(1) increase and preserve the affordability and quality of housing;

(2) increase the availability of affordable, accessible housing;

(3) improve the energy and water efficiency and resiliency of affordable housing;

(4) enhance economic opportunities for residents, by financing or supporting affordable housing located within proximity to public transportation, as defined in section 5302 of title 49, United States Code, or centers of employment, and education, and critical community services;

(5) match the creation of housing supply to existing demand and projected demand growth in the area, to the benefit of existing residents and with attention to preventing displacement of residents; and

(6) further fair housing purposes addressing historic disinvestment, the concentration of poverty, and housing segregation on the basis of race, color, religion, natural origin, sex, disability, or familial status.

(b) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $9,640,000,000 to the Housing Investment Fund established by this section; and

(2) $360,000,000 for the costs to the CDFI Fund of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluations, fair housing compliance, and other costs.

Amounts appropriated by this section shall remain available until September 30, 2031.

(c) EXPENDITURES FROM FUND.—Amounts in the Housing Investment Fund shall be available to the CDFI Fund to make grants to increase investment in the development, preservation, rehabilitation, financing, or purchase of affordable housing primarily for low-, very low- , and extremely low- income families , and for homeowners with incomes up to 120 percent of the area median income. The CDFI Fund may impose such conditions as it deems necessary to achieve the program goals, including coordinating with the Secretary of Housing and Urban Development to housing achieve the purposes of subsection (a)(6).

(d) ELIGIBLE GRANTEES.—A grant under this section may be made, pursuant to such requirements as the CDFI Fund shall establish for experience and success in

carrying out the types of activities proposed under the application of the grantee, only to—

(1) a CDFI Fund certified community development financial institution, as such term is defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702) that is not found to be out of compliance with the obligation to affirmatively further fair housing, as applicable;

(2) a nonprofit organization having as one of its principal purposes the creation, development, or preservation of affordable housing and that is not found to be out of compliance with the obligation to affirmatively further fair housing, as applicable, including a subsidiary of a public housing authority; or

(3) a consortium comprised of certified community development financial institutions, eligible nonprofit housing organizations, or a combination of both.

(e) ELIGIBLE USES.—Grant amounts awarded from the Housing Investment Fund pursuant to this section may be used for the purposes described in subsection (c), including for the following uses:

(1) To provide loan loss reserves.

(2) To capitalize an acquisition fund to acquire residential, industrial, or commercial property and land for the purpose of the preservation, development, or rehabilitation of affordable, accessible housing, including to support the creation, preservation, or rehabilitation of resident-owned manufactured housing communities.

(3) To capitalize an affordable housing fund , for development, preservation, rehabilitation, or financing of affordable housing and economic development activities, including community facilities, if part of a mixed-use project, or activities described in this paragraph related to transit-oriented development, which may also be designated as a focus of such a fund.

(4) To capitalize an affordable housing mortgage fund, to facilitate the origination of mortgages to buyers that may experience significant barriers to accessing affordable mortgage credit, including mortgages having low original principal obligations.

(5) For risk-sharing loans.

(6) To provide loan guarantees.

(7) To fund rental housing operations.

(f) APPLICATIONS.—The CDFI Fund shall provide, an application process, for eligible grantees under sub-

section (d) to submit applications for Housing Investment Fund grants to the CDFI Fund at such time and in such manner as the CDFI Fund shall determine.

(g) GRANT LIMITATION.—

(1) IN GENERAL.—The CDFI Fund shall establish limitations on aggregate funds available for an eligible grantee and its subsidiaries and affiliates, and eligible uses and activities as appropriate.

(2) LEVERAGE OF FUNDS.—Each grant from the Housing Investment Fund awarded under this section shall be reasonably expected to result in eligible affordable housing activities that support or sustain affordable housing funded by a grant under this section and capital from other public and private sources.

(h) DIRECT HIRING AUTHORITY.—The CDFI Fund may use direct hiring authority to hire employees to administer the Housing Investment Fund.

(i) IMPLEMENTATION.—The CDFI Fund shall have the authority to issue such regulations or other guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40004. SECTION 811 SUPPORTIVE HOUSING FOR PEOPLE WITH DISABILITIES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $898,000,000 for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013) (in this section referred to as the ''Act''), and for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of the Act and for project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667), for project rental assistance to State housing finance agencies and other appropriate entities as authorized under section 811(b)(3) of the Act, for State housing finance agencies;

(2) $15,000,000 for providing technical assistance to support State-level efforts to integrate housing assistance and voluntary supportive services for residents of housing receiving such assistance, which

funding may also be used to provide technical assistance to applicants and potential applicants to understand program requirements and develop effective applications; and the Secretary may use up to 10 percent of such amounts made available under this paragraph to increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance; and

(3) $87,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Supportive Housing for Persons with Disabilities program generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of section 811(b)(3) of the Act (42 U.S.C. 8013(b)(3)), or regulation that the Secretary administers that is applicable to such

statute other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to facilitate the use of amounts made available under this section.

(c) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40005. SECTION 202 SUPPORTIVE HOUSING FOR THE ELDERLY PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $2,360,000,000 for the Supportive Housing for the Elderly Program authorized under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) (in this section referred to as the ''Act''), which shall be used—

(A) for capital advance awards in accordance with section 202(c)(1) of the Act to recipients that are eligible under the Act;

(B) for section 8 project-based rental assistance contracts in accordance with subsection (b) of this section and section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), (in this section referred to as the ''1937 Act'') for capital advance projects, including new project-based rental assistance contracts under section 8 of the 1937 Act for capital advance projects notwithstanding subsections (b) and (c) of section 202 of the Act (12 U.S.C. 1701q) and section 8 of the 1937 Act (42 U.S.C. 1437f), with the Secretary setting the terms of such project-based rental assistance contracts, including the duration and provisions regarding rent setting and rent adjustment; and

(C) for service coordinators;

(2) $15,000,000, to provide technical assistance to support State-level efforts to improve the design and delivery of voluntary supportive services for residents of any housing assisted under the Act and other housing supporting low-income older adults, in order to support residents to age-in-place and avoid

institutional care, as well as to assist applicants and potential applicants with project-specific design; and the Secretary may use up to 10 percent of such amounts made available under this paragraph to increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance; and

(3) $125,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Supportive Housing for the Elderly program generally, including information technology, financial reporting, research and evaluation, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of section 202 of the Act (12 U.S.C. 1701q), section 8 of the 1937 Act (42 U.S.C. 1437f), or regulation that the Secretary administers that is applicable to such statutes other than requirements related to fair housing, nondiscrimination,

labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to facilitate the use of amounts made available under this section.

(c) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40006. IMPROVING ENERGY EFFICIENCY OR WATER EFFICIENCY OR CLIMATE RESILIENCE OF AFFORDABLE HOUSING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $5,314,000,000 for providing direct loans, which may be forgivable, and grants, subject to terms and conditions, including affordability requirements, determined by the Secretary, to fund projects that improve the energy or water efficiency, implement low-emission technologies, materials, or processes, including zero-emission electricity generation,

energy storage, or building electrification, electric car charging station installations, or address climate resilience of multifamily properties;

(2) $76,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluation, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; and the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301;

(3) $360,000,000 for expenses of contracts administered by the Secretary, including to carry out property climate risk, energy, or water assessments, due diligence, and underwriting functions for such grant and direct loan program; and

(4) $250,000,000 for energy and water benchmarking of properties eligible to receive grants or loans under this section, regardless of whether they actually received such grants, along with associated data analysis and evaluation at the property and portfolio level, including the development of information technology systems necessary for the collection, evaluation, and analysis of such data.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) ELIGIBLE RECIPIENTS.—Amounts made available under this section shall be for direct loans, grants, and direct loans that can be converted to grants to properties receiving project-based assistance pursuant to section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), or section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)).

(c) COSTS.—The costs of direct loans provided under this section, including the cost of modifying such direct loans or converting direct loans into grants, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

(d) WAIVER.—The Secretary may waive or specify alternative requirements for any provision of section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), or any regulation applicable to such statutes other than requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative re-

quirement is necessary to facilitate the use of such amounts.

SEC. 40007. REVITALIZATION OF DISTRESSED MULTI-FAMILY PROPERTIES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $3,870,000,000 for providing direct loans, which may be forgivable, to owners of distressed properties for the purpose of making necessary physical improvements, including to subsidize gross obligations for the principal amount of direct loans not to exceed $6,000,000,000, subject to the terms and conditions in subsection (b); and

(2) $130,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Office of Housing programs generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031

(b) LOAN TERMS AND CONDITIONS.—

(1) ELIGIBILITY.—Owners of distressed multifamily housing projects who meet each of the following requirements shall be eligible for loan assistance under this section:

(A) The actual rents received by the owner of the distressed property would not adequately sustain the debt needed to make necessary physical improvements.

(B) Any such additional eligibility criteria as the Secretary determines to be appropriate, including factors that contributed to the property's distressed state.

(2) USE OF LOAN FUNDS.—Each recipient of loan assistance under this section may only use such loan assistance to make necessary physical improvements to a distressed property.

(3) LOAN AVAILABILITY.—The Secretary shall only provide loan assistance to an owner of a distressed property when such assistance, considered with other financial resources available to the owner, is necessary to remove the property from a distressed state. The Secretary may provide assistance

in any amount that the Secretary determines is needed to make the necessary physical improvements that will correct the deficiencies of the distressed property.

(4) INTEREST RATES AND LENGTH.—Loans provided under this section shall bear interest at 1 percent, and at origination shall have a repayment period coterminous with the affordability period established under paragraph (5), with the frequency and amount of repayments to be determined by requirements established by the Secretary.

(5) LOAN MODIFICATIONS OR FORGIVENESS.—With respect to loans provided under this section, the Secretary may take any of the following actions if the Secretary determines that doing so will preserve affordability of the property:

(A) Waive any due on sale or due on refinancing restriction.

(B) Consent to the terms of new owner debt to which the loans may be subordinate, even if such new debt would impact the rate of repayment of the loans.

(C) Extend the term of the loan.

(D) Forgive the loan in whole or in part.

(6) EXTENDED AFFORDABILITY PERIOD.—Each recipient of loan assistance under this section shall agree to an extended affordability period for the property that is subject to the loan by extending any existing affordable housing use agreements for an additional 30 years or, if the property is not currently subject to a use agreement establishing affordability requirements, by establishing a use agreement for 30 years.

(7) MATCHING CONTRIBUTION.—Each recipient of loan assistance under this section shall secure at least 20 percent of the total cost needed to make the necessary physical improvements from non-Federal sources other than under this section, except in cases where the Secretary determines that a lack of financial resources qualifies a loan recipient for—

(A) a reduced contribution below 20 percent; or

(B) an exemption to the matching contribution requirement.

(8) ADDITIONAL LOAN CONDITIONS.—The Secretary may establish additional conditions for loan eligibility provided under this section as the Secretary determines to be appropriate.

(9) PROPERTIES INSURED UNDER NATIONAL HOUSING ACT.—In the case of a loan issued under this section that is secured by a property with insurance under title II of the National Housing Act (12 U.S.C. 1707 et seq.), the Secretary may use funds available under this section as necessary to pay for the costs of modifying such loan in accordance with section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

(10) COSTS.—The costs of direct loans provided under this section, including the cost of modifying such direct loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

(c) DEFINITIONS.—As used in this section—

(1) the term ''multifamily housing project'' means a project consisting of more than four dwelling units assisted, insured, or with a loan held by the Secretary or a State or State agency in part or in whole pursuant to—

(A) section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), not including under subsection (o)(13) of such section;

(B) section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as amended by section

801 of the Cranston-Gonzalez National Affordable Housing Act;

(C) section 202 of the Housing Act of 1959 (former 12 U.S.C. 1701q), as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(D) section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013); or

(E) section 236 of the National Housing Act (12 U.S.C. 1715z-1);

(2) the term ''distressed property''? means a multifamily housing project that has deficiencies that cause the property to be at risk of physical obsolescence or economic non-viability;

(3) the term ''Secretary''? means the Secretary of Housing and Urban Development; and

(4) the term ''necessary physical improvements'' means capital improvements that the Secretary determines are necessary to address the conditions making a property a distressed property or that rise to such a level that delaying physical improvements to the property would be detrimental to the longevity of the property as suitable housing for occupancy.

(d) IMPLEMENTATION.—The Secretary shall have the authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40008. INVESTMENTS IN RURAL RENTAL HOUSING.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $4,360,000,000, to remain available until expended, for carrying out new construction, improvements to energy and water efficiency or climate resilience, the removal of health and safety hazards, and the preservation and revitalization of housing authorized under sections 514, 515, and 516 of the Housing Act of 1949 (42 U.S.C. 1484, 1485, and 1486)), subject to the terms and conditions in subsection (b);

(2) $200,000,000, to remain available until September 30, 2024, to provide grants under section 521(a)(2) of the Housing Act of 1949 (42 U.S.C.

1490a(a)(2)) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949 (42 U.S.C. 1472(c)(5)(D)), to provide continued assistance to households assisted pursuant to Section 3203 of the American Rescue Plan Act of 2021; and

(3) $240,000,000, to remain available until expended, for the costs to the Secretary of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs.

(b) PRESERVATION AND REVITALIZATION TERMS AND CONDITIONS.—

(1) LOANS AND GRANTS AND OTHER ASSISTANCE.—The Secretary shall provide direct loans and grants, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), to restructure existing Department of Agriculture multi-family housing loans expressly for the purposes of ensuring the project has sufficient resources to preserve the project for the purpose of providing safe and affordable housing

for low-income residents and farm laborers, including—

(A) reducing or eliminating interest;

(B) deferring loan payments;

(C) subordinating, reducing, or re-amortizing loan debt; and

(D) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary, including such assistance to nonprofit entities and public housing authorities.

(2) RESTRICTIVE USE AGREEMENT.—The Secretary shall as part of the preservation and revitalization agreement obtain a restrictive use agreement consistent with the terms of the restructuring.

(c) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40009. HOUSING VOUCHERS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $48,460,000,000 for—

(A) incremental tenant-based rental assistance for extremely low-income families under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o));

(B) renewals of such tenant-based rental assistance; and

(C) fees for the costs of administering tenant-based rental assistance and other eligible expenses, as determined by the Secretary, such as security deposit assistance and other costs related to the retention and support of participating owners;

(2) $24,000,000,000 for—

(A) incremental tenant-based rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for households experiencing or at risk of homelessness, survivors of domestic violence, dating vio-

lence, sexual assault, and stalking, and survivors of trafficking families;

(B) renewals of such tenant-based rental assistance; and

(C) fees for the costs of administering tenant-based rental assistance and other eligible expenses, as determined by the Secretary, such as security deposit assistance and other costs related to the retention and support of participating owners;

(3) $500,000,000 for—

(A) tenant protection vouchers for relocation and replacement of public housing units demolished or disposed of pursuant to section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) as part of a public housing preservation or project-based replacement transaction using funds made available under this Act;

(B) renewals of such tenant-based rental assistance; and

(C) fees for the costs of administering tenant-based rental assistance and other eligible expenses, as determined by the Secretary, such as security deposit assistance and other costs

related to the retention and support of participating owners;

(4) $750,000,000 for competitive grants, subject to terms and conditions determined by the Secretary, to public housing agencies for mobility-related services for voucher families, including families with children, and service coordination;

(5) $500,000,0000 for eligible expenses to facilitate the use of voucher assistance under this section and for other voucher assistance under section 8(o) of the United States Housing Act of 1937, as determined by the Secretary, including property owner outreach and retention activities such as incentive payments, security deposit payments and loss reserves, landlord liaisons, and other uses of funds designed primarily—

(A) to recruit owners of dwelling units, particularly dwelling units in census tracts with a poverty rate of less than 20 percent, to enter into housing assistance payment contracts; and

(B) to encourage owners that enter into housing assistance payment contracts as described in subparagraph (A) to continue to lease their dwelling units to tenants assisted

under section 8(o) of the United States Housing Act of 1937;

(6) $750,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Housing Choice Voucher program generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; and

(7) $40,000,000 for making new awards or increasing prior awards to existing technical assistance providers to provide an increase in capacity building and technical assistance available to public housing agencies, except that the Secretary may use not more than 10 percent of the amount made available under this paragraph to increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance.

(b) TERMS AND CONDITIONS.—

(1) ALLOCATION.—The Secretary shall allocate initial incremental assistance provided for rental assistance under subsection (a)(1) and (2) in each fiscal year commencing in 2022 and ending in 2026 in

accordance with a formula that includes measures of severe housing need among extremely low-income renters and public housing agency capacity, and ensures geographic diversity among public housing agencies administering the Housing Choice Voucher program.

(2) ELECTION TO ADMINISTER.—The Secretary shall establish a procedure for public housing agencies to accept or decline the incremental vouchers made available under this section.

(3) FAILURE TO USE VOUCHERS PROMPTLY.—If a public housing agency fails to lease the authorized vouchers it has received under this subsection on behalf of eligible families within a reasonable period of time, the Secretary may offset the agency's voucher renewal allocations or revoke and redistribute any unleased vouchers and associated funds, including administrative fees and other expenses referred to in subsections (a)(3) and (a)(4), to other public housing agencies.

(4) PROHIBITION OF USE UNDER MOVING TO WORK PROGRAM.— Public housing agencies designated as Moving to Work agencies shall be eligible for an allocation under this section, but may only use such amounts for the activities listed in sub-

sections (a) for which the funds were provided to such agency.

(5) CAP ON PROJECT-BASED VOUCHERS FOR VULNERABLE POPULATIONS.—Upon request by a public housing agency, the Secretary may designate a number of the public housing agency's vouchers allocated under this section as excepted units that do not count against the percentage limitation on the number of authorized units a public housing agency may project-base under section 8(o)(13)(B) of the United States Housing Act of 1937, in accordance with the conditions established by the Secretary. This paragraph may not be construed to waive, limit, or specify alternative requirements, or permit such waivers, limitations, or alternative requirements, related to fair housing and nondiscrimination, including the requirement to provide housing and services to individuals with disabilities in integrated settings.

(c) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to en-

sure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40010. PROJECT-BASED RENTAL ASSISTANCE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $14,760,000,000 for the project-based rental assistance program, as authorized under section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)), (in this section referred to as the ''Act''), subject to the terms and conditions of subsection (b) of this section;

(2) $40,000,000 for providing technical assistance to recipients of or applicants for project-based rental assistance or to States allocating the project-based rental assistance; and

(3) $200,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the section 8 project-based rental assistance program generally, including information technology, financial reporting, research and evaluations, and other cross-program costs in support of programs administered by the Secretary in this title,

and other costs; and the Secretary may transfer and merge amounts appropriated under this subparagraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) TERMS AND CONDITIONS.—

(1) AUTHORITY.—Notwithstanding section 8(a) the Act (42 U.S.C. 1437f(a)), the Secretary may use amounts made available under this section to provide assistance payments with respect to newly constructed housing, existing housing, or substantially rehabilitated non-housing structures for use as new multifamily housing in accordance with this section and the provisions of section 8 of the Act. In addition, the Secretary may use amounts made available under this section for performance-based contract administrators for section 8 project-based assistance, for carrying out this section and section 8 of the Act.

(2) PROJECT-BASED RENTAL ASSISTANCE.—The Secretary may make assistance payments using amounts made available under this section pursuant to contracts with owners or prospective owners who agree to construct housing, to substantially rehabilitate existing housing, to substantially rehabilitate

non-housing structures for use as new multifamily housing, or to attach the assistance to newly constructed housing in which some or all of the units shall be available for occupancy by very low-income families in accordance with the provisions of section 8 of the Act. In awarding contracts pursuant to this section, the Secretary shall give priority to owners or prospective owners of multifamily housing projects located or to be located in areas of high opportunity, as defined by the Secretary, in areas experiencing economic growth or rising housing prices to prevent displacement or secure affordable housing for low-income households, or that serve people at risk of homelessness or that integrate additional units that are accessible for persons with mobility impairments and persons with hearing or visual impairments beyond those required by applicable Federal accessibility standards.

(3) ALLOCATION.—The Secretary may use various mechanisms, alone or in combination, to award grants with amounts made available under this section, including—

(A) using a competitive process, which the Secretary may carry out in multiple rounds of competition, each of which may have its own se-

lection, performance, and reporting criteria as established by the Secretary;

(B) selecting proposals submitted through FHA loan applications that meet specified criteria;

(C) delegating to States and territories the awarding of contracts, including related determinations such as the maximum monthly rent, subject to the requirements of section 8 of the Act, as determined by the Secretary; and

(D) using any other means that the Secretary determines to be reasonable to accomplish the purposes of this section.

(4) CONTRACT TERM, RENT SETTING, AND RENT ADJUSTMENTS.—The Secretary may set the terms of the contract, including the duration and provisions regarding rent setting and rent adjustments.

(c) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of section 8 of the Act (42 U.S.C. 1437f) or regulation that the Secretary administers that is applicable to such statute other than requirements related to tenant rights and protections, rent setting, fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or

alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(d) IMPLEMENTATION.—The Secretary shall have the authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40011. INVESTMENTS IN NATIVE AMERICAN COMMUNITIES.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $784,375,000 for grants under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (in this section referred to as ''NAHASDA'') (25 U.S.C. 4101 et seq.) , and the Secretary shall distribute such amount according to the same funding formula used in fiscal year 2021;

(2) $7,000,000 for grants under title VIII of NAHASDA (25 U.S.C. 4221 et seq.);

(3) $784,375,000 for competitive grants to eligible recipients authorized under title I of NAHASDA (25 U.S.C. 4111 et seq.), which may be used for—

(A) new construction and rehabilitation of affordable housing;

(B) improving water or energy efficiency or increasing resilience to natural hazards for housing assisted by amounts made available under this subsection; or

(C)) other eligible affordable housing activities under NAHASDA;

(4) $334,250,000 for—

(A) competitive single-purpose Indian community development block grants for Indian tribes under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); and

(B) imminent threat grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) for Indian tribes, or a tribal organization, governmental entity, or nonprofit organization designated by the Indian tribe to apply for a grant on its behalf, which may be used to—

(i) address environmental threats, including long-term environmental threats;

(ii) assist Indian tribes with relocating a portion of or entire communities due to changes to the local environment; or

(iii) assist Indian tribes with addressing other threats to health and safety;

(5) $50,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and Native American programs generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this Act, and other costs; and

(6) $40,000,000 to make new awards or increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance to grantees; and the Secretary may use not more than 10 percent of the amount under this paragraph to increase prior awards to existing technical assistance providers to provide an immediate increase in capacity building and technical assistance.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) GRANTEE ELIGIBILITY.—Notwithstanding any other provision of this section, of NAHASDA (25 U.S.C. 4101 et seq.), or of the provisions of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq) applicable to the Indian community development block grant program, an Indian tribe shall be ineligible to receive grants with amounts made available under this section if the Secretary determines that the Indian tribe is not in compliance with obligations under its 1866 treaty with the United States as it relates to the inclusion of persons who are lineal descendants of Freedmen as having the rights of the citizens of such tribes, unless a Federal court has issued a final order that determines the treaty obligations with respect to including Freedmen as citizens. For purposes of this subsection, a court order is not considered final if time remains for an appeal or application for discretionary review with respect to the order.

(c) PRELIMINARY FUNDING.—

(1) USE OF IMMINENT THREAT GRANT AMOUNTS.—Of any amounts made available in subsection (a)(4)(B), and in consultation with the Department of the Interior, the Secretary may award preliminary grants of up to $2,000,000 each to applicants that have applied for a grant under subsection (a)(4)(B) before making a final determina-

tion as to whether to award a grant under subsection (a)(4)(B) to such applicant.

(2) NEED AND CAPACITY.—Prior to awarding a preliminary grant under this subsection, the Secretary must determine, based on a preliminary assessment of need and administrative capacity, that the applicant is likely able to carry out the grant successfully but would need additional administrative and planning resources to develop a comprehensive implementation plan and additional administrative capacity in order to successfully administer a grant under subsection (a)(4)(B).

(3) ELIGIBLE ACTIVITIES.—Such preliminary grants shall be used for eligible program activities, as defined by the Secretary, that the Secretary determines will allow the applicant to successfully implement the grant.

(4) INAPPLICABILITY.—Such preliminary grants are not subject to administrative and planning caps.

(5) FUNDING DETERMINATIONS.—The determination of whether to award a final grant under subsection (a)(4)(B) to an applicant after preliminary funding was granted to an applicant shall not be subject to review.

(d) REALLOCATION.—Amounts made available under subsection (a)(1) that are not accepted within a time specified by the Secretary, are voluntarily returned, or are otherwise recaptured for any reason may be used to fund grants under paragraph (3) or (4) of subsection (a).

(e) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of NAHASDA (25 U.S.C. 4101 et seq.), title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq), or regulation that the Secretary administers that is applicable to such statutes other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(f) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

Subtitle B—21st Century Sustainable and Equitable Communities

SEC. 40101. COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR AFFORDABLE HOUSING AND INFRASTRUCTURE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $6,600,000,000 for grants to grantees under section 106 of the Housing and Community Development Act of 1974 (42 U.S.C.5306) under the community development block grant program under title I of such Act, subject to subsection (b) of this section, except that for purposes of amounts made available by this paragraph, paragraph (2) of such section 106(a) shall be applied by substituting ''$70,000,000'' for ''$7,000,000'';

(2) $1,000,000,000 for assistance to community development block grant grantees, as determined by the Secretary, under section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306), only for colonias, to address the community

and housing infrastructure needs of existing colonia residents based on a formula that takes into account persons in poverty in the colonia areas, except that grantees may use funds in colonias outside of the 150-mile border area upon approval of the Secretary;

(3) $500,000,000 for grants under the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) to eligible recipients under subsection (d) of this section for manufactured housing infrastructure improvements in eligible manufactured home communities;

(4) $300,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section, the Community Development Block Grant program, and the manufactured home construction and safety standards program generally, including information technology, financial reporting, research and evaluations, fair housing compliance, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; and the Secretary may transfer and merge amounts set aside under this paragraph to section 40301; and

(5) $100,000,000 for providing technical assistance to recipients of or applicants for grants under this section.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) HOUSING CONSTRUCTION.—Expenditures on new construction of housing shall be an eligible expense for a recipient of funds made available under this section that is not a recipient of funds under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 42 U.S.C. 12721 et seq.).

(c) MANUFACTURED HOUSING COMMUNITY IMPROVEMENT GRANT PROGRAM.—

(1) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out a competitive grant program to award funds appropriated under subsection (a)(4) to eligible recipients to carry out eligible projects for improvements in eligible manufactured home communities.

(2) ELIGIBLE PROJECTS.—Amounts from grants under this subsection shall be used only to assist in carrying out a project for construction, reconstruction, repair, or clearance of housing, facilities and improvements in or serving a manufactured housing community that—

(A) is critically needed to protect the health and safety of the residents of the manufactured housing community and the long-term sustainability of the community;

(B) can be commenced expeditiously assisted by a grant under this subsection; and

(C) includes activities—

(i) eligible under the community development block grant program under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

(ii) to facilitate installation, including foundation construction for new manufactured homes, as defined in section 603 of the National Manufactured Construction and Safety Standards Act of 1974 (42 U.S.C. 5402) and regulated under associated regulations, and previously sold certified manufactured homes; or

(iii) to mitigate flood risk.

(3) CRITERIA.—The Secretary shall prioritize awards under this section by the extent to which the project will assist low-income families and preserve

long-term housing affordability for residents of an eligible manufactured home community.

(d) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) or regulation that the Secretary administers in connection with use of amounts made available under this section other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COLONIA AREA.—The term ''colonia area'' means any census tract that—

(A) is an area of the United States within 150 miles of the contiguous border between the United States and Mexico, except as otherwise determined by the Secretary; and

(B) lacks potable water supply, adequate sewage systems, and lack of decent, safe, sanitary housing, and other objective criteria as approved by the Secretary.

(2) ELIGIBLE MANUFACTURED HOME COMMUNITY.—The term ''eligible manufactured home community'' means a community that—

(A) meets the affordable housing safe harbor requirements of the Internal Revenue Service under section 601.201 of title 26, Code of Federal Regulations; and

(B)(i) is owned by the residents of the manufactured housing community through a resident-controlled entity, as defined by the Secretary, in which at least two-thirds of residents are member-owners of the land-owning entity; or

(ii) the Secretary otherwise determines is subject to such binding agreements as are necessary to ensure that the manufactured housing community will be maintained as such a community, and affordable for low-income families (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704)), on a long-term basis.

(3) ELIGIBLE RECIPIENT.—The term ''eligible recipient'' means a partnership of—

(A) a grantee under section 106 of the Housing and Community Development Act of 1974 (42 U.S.C.5306); and

(B) an eligible manufactured home community, a nonprofit entity, or a consortia of nonprofit entities working with an eligible manufactured home community.

(4) MANUFACTURED HOME COMMUNITY.—The term ''manufactured home community'' means any community, court, or park equipped to accommodate manufactured homes for which pad sites, with or without existing manufactured homes or other allowed homes, or other suitable sites, are used primarily for residential purposes, with any additional requirements as determined by the Secretary, including any manufactured housing community as such term is used for purposes of the program of the Federal National Mortgage Association for multifamily loans for manufactured housing communities and the program of the Federal Home Loan Mortgage Corporation for loans for manufactured housing communities.

(f) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be nec-

essary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40102. LEAD-BASED PAINT HAZARD CONTROL AND HOUSING-RELATED HEALTH AND SAFETY HAZARD MITIGATION IN HOUSING OF FAMILIES WITH LOWER INCOMES.

(a) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $6,430,000,000 for grants to States, units of general local government, Indian tribes or their tribally designated housing entities, and nonprofit organizations for the activities under subsection (c) in target housing units, and common areas servicing such units, where low-income families reside or are expected to reside that is not public housing, housing assisted by project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), including under subsection (o)(13) of such section, nor housing assisted under section 202 of the Housing Act of 1959 (12 U.S.C.

1701q) or section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013);

(2) $500,000,000 for grants to State or local governments or nonprofit entities for the activities in subsection (c) in target housing units, and common areas servicing such units, that are being assisted under the Weatherization Assistance Program authorized under title IV of the Energy Conservation and Production Act (42 U.S.C. 6851 et seq.) but are not public housing, housing assisted by project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), including under subsection (o)(13) of such section, nor housing assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) or section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013);

(3) $2,000,000,000 for grants to owners of a property receiving project-based rental assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), including under subsection (o)(13) of such section, that meets the definition of target housing and that has not received a grant for similar purposes under this Act for the activities in subsection (c), except subsection (c)(2), in target

housing units receiving such assistance and common areas servicing such units;

(4) $810,000,000 for costs related to training and technical assistance to support identification and mitigation of lead and housing-related health and safety hazards, research, and evaluation related to activities under this section; and

(5) $260,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section, and the Secretary's lead hazard reduction and related programs generally including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this Act, and other costs; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) TERMS AND CONDITIONS.—

(1) INCOME ELIGIBILITY DETERMINATIONS.—Notwithstanding any inconsistent requirements, the Secretary may make income determinations of eligibility for enrollment of housing units for grants awarded under—

(A) subsection (a)(1) using criteria under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.), title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 et seq.), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), title IV of the Energy Conservation and Production Act (42 U.S.C. 6851 et seq.), section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624), or section 2044 of title 38, United States Code, as determined appropriate by the Secretary;

(B) subsection (a)(2) using criteria under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or title IV of the Energy Conservation and Production Act (42 U.S.C. 6851 et seq.).

(2) HOUSING FAMILIES WITH YOUNG CHILDREN.—An owner of rental property that receives assistance under subsection (a)(3) shall give priority in renting units for which the lead-based paint has been abated pursuant to subsection (a)(3), for not less than 3 years following the completion of lead

abatement activities, to families with a child under the age of 6 years.

(3) ADMINISTRATIVE EXPENSES.—A recipient of a grant under this section may use up to 10 percent of the grant for administrative expenses associated with the activities funded by this section.

(c) ELIGIBLE ACTIVITIES.—Grants awarded under this section shall be used for—

(1) abatement of lead-based paint in target housing;

(2) interim controls of lead-based paint hazards in target housing;

(3) lead-based paint inspections;

(4) lead risk assessments;

(5) lead hazard control clearance examinations;

(6) testing for housing-related health and safety hazards;

(7) mitigation of housing-related health and safety hazards, including lead faucets, fixtures, and interior lines;

(8) technical assistance;

(9) providing work practices training to local residents;

(10) outreach and engagement with community stakeholders, including stakeholders in disadvantaged communities;

(11) capacity building;

(12) program evaluation and research;

(13) environmental reviews; or

(14) activities that directly or indirectly support the work under this section, as applicable, that without which such activities could not be conducted.

(d) ENVIRONMENTAL REVIEW.—For purposes of environmental review pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under subsection (a) of this section shall be considered funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), provided that references in such section 305(c) to ''State or unit of general local government'' shall be deemed to include Indian tribes.

(e) DEFINITIONS.—For purposes of this section, the following definitions, and definitions in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851b), shall apply:

(1) NONPROFIT; NONPROFIT ORGANIZATION.—The terms ''nonprofit'' and ''nonprofit organization'' mean a corporation, community chest, fund, or foundation not organized for profit, but organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes; or an organization not organized for profit but operated exclusively for the promotion of social welfare.

(2) PUBLIC HOUSING; PUBLIC HOUSING AGENCY; LOW-INCOME FAMILY.—The terms ''public housing'', ''public housing agency'', and ''low-income family' '' have the same meaning given such terms in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(3) TRIBALLY DESIGNATED HOUSING ENTITY; INDIAN TRIBE.—The terms ''tribally designated housing entity'' and ''Indian tribe'' have the same meaning given such terms in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103).

(4) UNIT OF GENERAL LOCAL GOVERNMENT.—The term ''unit of general local government'' has the same meaning given such term in section 102 of the

Housing and Community Development Act of 1974 (42 U.S.C. 5302).

(f) IMPLEMENTATION.—The Secretary shall have the authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40103. UNLOCKING POSSIBILITIES PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $4,260,000,000 for awarding planning grants under this section to develop and evaluate housing policy plans and substantially improve housing strategies;

(2) $20,000,000 for research and evaluation related to housing policy planning and other associated costs;

(3) $70,000,000 to provide technical assistance to grantees or applicants for grants made available by this section; and

(4) $150,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluations, fair housing compliance, and other cross-program costs in support of programs administered by the Secretary in this title; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) PROGRAM ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish a competitive grant program for—

(1) planning grants to develop and evaluate housing policy plans and substantially improve housing strategies;

(2) streamlining regulatory requirements and shorten processes, reform zoning codes, or other initiatives that reduce barriers to housing supply elasticity and affordability;

(3) developing and evaluating local or regional plans for urban development to substantially improve urban development strategies related to sustainability, fair housing, and location efficiency;

(4) implementation and livable community investment grants; and

(5) research and evaluation.

(c) GRANTS.—

(1) PLANNING GRANTS.—The Secretary shall, under selection criteria determined by the Secretary, award grants under this paragraph on a competitive basis to eligible entities to finance planning activities, including engagement with community stakeholders and housing practitioners, to—

(A) develop housing policy plans;

(B) substantially improve State or local housing strategies;

(C) develop new regulatory requirements and processes, reform zoning codes, or undertake other initiatives to reduce barriers to housing supply elasticity and affordability;

(D) develop local or regional plans for urban development; and

(E) substantially improve urban development strategies, including strategies to increase availability and access to affordable housing, to further access to public transportation or to advance other sustainable or location-efficient urban development goals.

(2) IMPLEMENTATION AND LIVABLE COMMUNITY INVESTMENT GRANTS.—The Secretary shall award implementation grants under this paragraph on a competitive basis to eligible entities for the purpose of implementing—

(A) completed housing strategies and housing policy plans and any planning to affirmatively further fair housing within the meaning of subsections (d) and (e) of section 808 of the Fair Housing Act (42 U.S.C. 608) and applicable regulations and for community investments that support the goals identified in such housing strategies or housing policy plans;

(B) new regulatory requirements and processes, reformed zoning codes, or other initiatives to reduce barriers to housing supply elasticity and affordability that are consistent with a plan under subparagraph (A);

(C) completed local or regional plans for urban development and any planning to increase availability and access to affordable housing, access to public transportation and other sustainable or location-efficient urban development goals.

(d) COORDINATION WITH FTA ADMINISTRATOR.—To the extent practicable, the Secretary shall coordinate with the Federal Transit Administrator in carrying out this section.

(e) DEFINITIONS.—For purposes of this section, the following definitions apply:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State, insular area, metropolitan city, or urban county, as such terms are defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302); or

(B) for purposes of grants under subsection (b)(1), a regional planning agency or consortia.

(2) HOUSING POLICY PLAN; HOUSING STRATEGY.—

(A) HOUSING POLICY PLAN.—The term ''housing policy plan'' means a plan of an eligible entity to, with respect to the area within the jurisdiction of the eligible entity—

(i) match the creation of housing supply to existing demand and projected demand growth in the area, with attention to preventing displacement of residents, re-

ducing the concentration of poverty, and meaningfully reducing and not perpetuating housing segregation on the basis of race, color, religion, natural origin, sex, disability, or familial status;

(ii) increase the affordability of housing in the area, increase the accessibility of housing in the area for people with disabilities, including location-efficient housing, and preserve or improve the quality of housing in the area;

(iii) reduce barriers to housing development in the area, with consideration for location efficiency, affordability, and accessibility; and

(iv) coordinate with the metropolitan transportation plan of the area under the jurisdiction of the eligible entity, or other regional plan.

(B) HOUSING STRATEGY.—The term ''housing strategy'' means the housing strategy required under section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705).

(f) COSTS TO GRANTEES.—Up to 15 percent of a recipient's grant may be used for administrative costs.

(g) RULES OF CONSTRUCTION.—

(1) IN GENERAL.— Except as otherwise provided by this section, amounts appropriated or otherwise made available under this section shall be subject to the community development block grant program requirements under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

(2) EXCEPTIONS.—

(A) HOUSING CONSTRUCTION.—Expenditures on new construction of housing shall be an eligible expense under this section.

(B) BUILDINGS FOR GENERAL CONDUCT OF GOVERNMENT .—Expenditures on building for the general conduct of government, other than the Federal Government, shall be eligible under this section when necessary and appropriate as a part of a natural hazard mitigation project.

(h) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) or regulation for the administration

of the amounts made available under this section other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(i) IMPLEMENTATION.—The Secretary shall have the authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40104. STRENGTHENING RESILIENCE UNDER NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM DEBT.—

(1) CANCELLATION.—Subject only to paragraphs (2) and (3) and notwithstanding any other provision of law, all indebtedness of the Administrator of the Federal Emergency Management Agency under any notes or other obligations issued pursuant to section 1309(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 7 4016(a)) and section 15(e) of the Federal Insurance Act of 1956 (42 U.S.C. 2414(e)), and outstanding as of the date of

the enactment of this Act, is hereby canceled, the Administrator and the National Flood Insurance Fund are relieved of all liability to the Secretary of the Treasury under any such notes or other obligations, including for any capitalized interest due under such notes or other obligations and any other fees and charges payable in connection with such notes and obligations, and the total amount of notes and obligations issued by the Administrator pursuant to such section shall be considered to be reduced by such amount for purposes of the limitation on such total amount under such section.

(2) USE OF SAVINGS.—Effective on and after October 1, 2031, the Administrator of the Federal Emergency Management Agency shall use any savings accruing from the cancellation of debt under paragraph (1), including any amounts of interest payments avoided from such cancellation, only for deposit in and use under the National Flood Insurance Reserve Fund under section 1310A of the National Flood Insurance Act of 1968 (42 U.S.C. 4017A).

(3) TREATMENT OF CANCELED DEBT.—The amount of the indebtedness canceled under para-

graph (1) may be treated as a public debt of the United States.

(b) FLOOD HAZARD MAPPING AND RISK ANALYSIS.——In addition to amounts otherwise available, there is appropriated to the Administrator of the Federal Emergency Management Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,000,000,000, to remain available until expended, for necessary expenses for flood hazard mapping and risk analysis, which shall be in addition to, and shall supplement—

(1) amounts otherwise available for those purposes, including amounts appropriated to the National Flood Insurance Fund established under section 1310 of such Act (42 U.S.C. 4017); and

(2) any funds provided to the Administrator by States and local governments under section 1360(f)(2) of such Act (42 U.S.C. 4101(f)(2)).

(c) MEANS-TESTED ASSISTANCE FOR NATIONAL FLOOD INSURANCE PROGRAM POLICYHOLDERS.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Administrator of the Federal Emergency Management Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

$1,000,000,000, to remain available until September 30, 2026, to carry out a means-tested program under which the Administrator provides assistance to eligible policyholders in the form of graduated discounts for insurance costs with respect to covered properties.

(2) TERMS AND CONDITIONS.—

(A) DISCOUNTS.—The Administrator shall use funds provided under this subsection to establish graduated discounts available to eligible policyholders under this subsection, with respect to covered properties, which may be based on the following factors:

(i) The percentage by which the household income of the eligible policyholder is equal to, or less than, 120 percent of the area median income for the area in which the property to which the policy applies is located.

(ii) The number of eligible policyholders participating in the program authorized under this subsection.

(iii) The availability of funding.

(iv) Any other factor that the Administrator finds reasonable and necessary to carry out the purposes of this subsection

(B) DISTRIBUTION OF PREMIUM.—With respect to the amount of the discounts provided under this subsection in a fiscal year, and any administrative expenses incurred in carrying out this subsection for that fiscal year, the Administrator shall, from amounts made available to carry out this subsection for that fiscal year, deposit in the National Flood Insurance Fund established under section 1310 of the National Flood Insurance Act of 1968 (42 U.S.C. 4017) an amount equal to those discounts and administrative expenses, except to the extent that section 1310A of the National Flood Insurance Act of 1968 (42 U.S.C. 4017a) applies to any portion of those discounts or administrative expenses, in which case the Administrator shall deposit an amount equal to those amounts to which such section 1310A applies in the National Flood Insurance Reserve Fund established under such section 1310A.

(C) REQUIREMENT ON TIMING.—Not later than 21 months after the date of the enactment

of this section, the Administrator shall issue interim guidance to implement this subsection which shall expire on the later of—

(i) the date that is 60 months after the date of the enactment of this section; or

(ii) the date on which a final rule issued to implement this subsection takes effect.

(3) DEFINITIONS.—In this subsection:

(A) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Federal Emergency Management Agency.

(B) COVERED PROPERTY.—The term ''covered property'' means—

(i) a primary residential dwelling designed for the occupancy of from 1 to 4 families; or

(ii) personal property relating to a dwelling described in clause (i).

(C) ELIGIBLE POLICYHOLDER.—The term ''eligible policyholder'' means a policyholder with a household income that is not more than 120 percent of the area median income for the

area in which the property to which the policy applies is located.

(D) INSURANCE COSTS.—The term ''insurance costs'' means, with respect to a covered property for a year—

(i) risk premiums and fees estimated under section 1307 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) and charged under section 1308 of such Act (42 U.S.C. 4015);

(ii) surcharges assessed under sections 1304 and 1308A of such Act (42 U.S.C. 4011, 4015a); and

(iii) any amount established under section 1310A(c) of such Act (42 U.S.C. 4017a).

SEC. 40105. COMMUNITY RESTORATION AND REVITALIZATION FUND.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Community Restoration and Revitalization Fund established under subsection (b) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $5,700,000,000 for awards of planning and implementation grants to eligible recipients to carry

out community-led projects to stabilize neighborhoods and increase access to economic opportunity for residents by creating equitable civic infrastructure and creating or preserving affordable, accessible housing;

(2) $500,000,000 for awards of grants to eligible recipients to create, expand, and maintain community land trusts and shared equity homeownership, including through the acquisition, rehabilitation, and new construction of affordable, accessible housing;

(3) $1,000,000,000 for the Secretary to provide technical assistance, capacity building, program support to applicants, potential applicants, and recipients of amounts appropriated for grants under this section; and

(4) $300,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluations, fair housing compliance, and other cross-program costs in support of programs administered by the Secretary in this title; the Secretary may transfer and merge amounts appropriated under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) ESTABLISHMENT OF FUND.—The Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') shall establish a Community Restoration and Revitalization Fund (in this section referred to as the ''Fund'') to award planning and implementation grants on a competitive basis to eligible recipients as defined in this section for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) for community-led projects that create civic infrastructure to support a community's social, economic, and civic fabric, create fair, affordable and accessible housing opportunities, prevent residential displacement, acquire and remediate blighted properties, and promote quality job creation and retention.

(c) GRANTS.—

(1) GEOGRAPHICAL AREAS.—The Secretary shall award grants from the Fund to eligible recipients within geographical areas at the neighborhood, county, census tract, or census tract level, including census tracts adjacent to the project area that are areas in need of investment, and that have at least two of the following indicators:

(A) Dwelling unit sales prices that are lower than the cost to acquire and rehabilitate, or build, a new dwelling unit.

(B) High proportions of residential and commercial properties that are vacant due to foreclosure, eviction, abandonment, or other causes.

(C) Low rates of homeownership.

(D) Disparities in racial and ethnic homeownership rates.

(E) High and persistent rates of poverty.

(F) High rates of unemployment and underemployment.

(G) Population at risk of displacement due to rising housing costs.

(H) Historic population loss.

(I) Lack of private sector lending on fair and competitive terms for individuals to purchase homes or start small businesses.

(J) Other indicators of economic distress.

(d) ELIGIBLE RECIPIENTS AND APPLICANTS.—

(1) ELIGIBLE RECIPIENT.—An eligible recipient of a grant under subsection (b)(1) shall be a local partnership of a lead applicant and one or more joint applicants with the ability to administer the

grant. An eligible recipient of a grant under subsection (b)(2) shall be a lead applicant with the ability to administer the grant, including a regional or national nonprofit, that may include a joint applicant.

(2) LEAD APPLICANT.—An eligible lead applicant for a grant awarded under this section shall be—

(A)(i) a nonprofit organization that—

(I) demonstrates a commitment to anti-displacement efforts and has expertise in community planning, engagement, organizing, housing and community development, or neighborhood revitalization; and

(II) is located within or serves the geographical area of the project or that derives its mission and operational priorities from the needs of the geographical area of the project; or

(ii) if the geographical area of the project is located in any area where no such local nonprofit organization exists, a national nonprofit organization with such expertise;

(B) a community development corporation, that is located within or serves the geographical

area of the project and can demonstrate a track record of making investments in the geographical area of the project, and demonstrates a commitment to anti-displacement efforts;

(C) a community housing development organization, defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704) or a community-based development organization, that is located within or serves the geographical area of the project and experienced in neighborhood revitalization, community-based economic development, housing development activities, and demonstrates a commitment to anti-displacement efforts; or

(D) a community development financial institution, as defined by section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702), that is located within or serves the geographical area of the project, demonstrates a commitment to anti-displacement efforts, and has a track record of making investments in the geographic project area.

(3) JOINT APPLICANTS.—A joint applicant shall be a local, regional or national entity that is—

(A) an organization that qualifies as a lead applicant;

(B) a unit of general local government, as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302);

(C) an Indian tribe, as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302);

(D) a nonprofit organization;

(E) a community development corporation;

(F) an anchor institution;

(G) a State housing finance agency (as such term is defined in section 106(h) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(h))) or a related State agency;

(H) a land bank;

(I) a fair housing enforcement organization (as such term is defined in section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a));

(J) a public housing agency (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)));

(K) a community development financial institution, as defined by section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702); or

(L) a philanthropic organization.

(e) ELIGIBLE USES.—

(1) IN GENERAL.—Grants awarded under this section may be used to support civic infrastructure and housing-related activities. Projects must include at least one civic infrastructure and at least one housing-related activity.

(2) PLANNING GRANTS.—Planning grants awarded under this section may be used for civic infrastructure and housing-related activities, including—

(A) fair housing planning, to affirmatively further fair housing;

(B) planning to prevent displacement especially of extremely-low, very-low, low- and moderate-income homeowners, renters, and people experiencing homelessness;

(C) community planning and outreach;

(D) neighborhood engagement with resident leaders and community groups;

(E) pre-development activities;

(F) community engagement processes;

(G) market analysis;

(H) financial planning and feasibility; and

(I) site surveys.

(3) IMPLEMENTATION GRANTS.—Implementation grants awarded under this section may be used for activities eligible under section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) and other activities to support civic infrastructure and housing-related activities, including—

(A) new construction of housing;

(B) demolition of abandoned or distressed structures, but only if such activity is part of a strategy that incorporates rehabilitation or new construction, anti-displacement efforts such as tenants' right to return and right of first refusal to purchase, and efforts to increase affordable, accessible housing and homeownership, except that not more than 10 percent of any grant made under this section may be used for activities under this subparagraph unless the Secretary determines that such use is to the benefit of existing residents;

(C) facilitating the creation, maintenance, or availability of rental units, including units in mixed-use properties, affordable and accessible to a household whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary, for a period of not less than 30 years;

(D) facilitating the creation, maintenance, or availability of homeownership units affordable and accessible to households whose incomes do not exceed 120 percent of the median income for the area, as determined by the Secretary;

(E) establishing or operating land banks; and

(F) providing assistance to existing residents experiencing economic distress or at risk of displacement, including purchasing nonperforming mortgages and clearing and obtaining formal title.

(4) COMMUNITY LAND TRUST GRANTS.—An eligible recipient of a community land trust grant awarded under this section may use such grant for activities to support civic infrastructure, including the production, acquisition, and rehabilitation of

housing for use in a community land trust or shared equity homeownership program, and expanding the capacity of the recipient to carry out the grant.

(5) COSTS OF GRANTEES.—Up to 20 percent of a recipient's grant may be used for administrative costs.

(f) RULES OF CONSTRUCTION.—Except as otherwise provided by this section, amounts appropriated or otherwise made available under this section shall be subject to the community development block grant program requirements under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

(g) WAIVERS.—The Secretary may waive or specify alternative requirements for any provision of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) or regulation for the administration of the amounts made available under this section other than requirements related to fair housing, nondiscrimination, labor standards, and the environment, upon a finding that the waiver or alternative requirement is necessary to expedite or facilitate the use of amounts made available under this section.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ANCHOR INSTITUTION.—The term ''anchor institution'' means a school, a library, a healthcare provider, a community college or other institution of higher education, museum or cultural institution, or another community support organization or entity.

(2) COMMUNITY LAND TRUST.—The term ''community land trust'' means a nonprofit organization or State or local governments or instrumentalities that—

(A) use a ground lease or deed covenant with an affordability period of at least 30 years or more to—

(i) make rental and homeownership units affordable to households; and

(ii) stipulate a preemptive option to purchase the affordable rentals or homeownership units so that the affordability of the units is preserved for successive income-eligible households; and

(B) monitor properties to ensure affordability is preserved.

(3) LAND BANK.—The term ''land bank'' means a government entity, agency, or program, or a special purpose nonprofit entity formed by one or more units of government in accordance with State

or local land bank enabling law, that has been designated by one or more State or local governments to acquire, steward, and dispose of vacant, abandoned, or other problem properties in accordance with locally-determined priorities and goals.

(4) SHARED EQUITY HOMEOWNERSHIP PROGRAM.—The term ''shared equity homeownership program'' means a program to facilitate affordable homeownership preservation through a resale restriction program administered by a community land trust, other nonprofit organization, or State or local government or instrumentalities and that utilizes a ground lease, deed restriction, subordinate loan, or similar legal mechanism that includes provisions ensuring that the program shall—

(A) maintain the home as affordable for subsequent very low-, low-, or moderate-income families for an affordability term of at least 30 years after recordation;

(B) apply a resale formula that limits the homeowner's proceeds upon resale; and

(C) provide the program administrator or such administrator's assignee a preemptive option to purchase the homeownership unit from the homeowner at resale.

SEC. 40106. FAIR HOUSING ACTIVITIES AND INVESTIGATIONS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $770,000,000 for the Fair Housing Initiatives Program under section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a) to ensure existing and new fair housing organizations have expanded and strengthened capacity to address fair housing inquiries and complaints, conduct local, regional, and national testing and investigations, conduct education and outreach activities, and address costs of delivering or adapting services to meet increased housing market activity and evolving business practices in the housing, housing-related, and lending markets. Amounts made available under this section shall support greater organizational continuity and capacity, including through up to 10-year grants; and

(2) $230,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Fair Housing Initiatives and Fair Housing Assistance Programs generally, includ-

ing information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs. The Secretary may transfer and merge amounts set aside under this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40107. INTERGOVERNMENTAL FAIR HOUSING ACTIVITIES AND INVESTIGATIONS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $184,000,000 for support for cooperative efforts with State and local agencies administering fair housing laws under section 817 of the Fair

Housing Act (42 U.S.C. 3616) to assist the Secretary to affirmatively further fair housing, and for Fair Housing Assistance Program cooperative agreements with interim certified and certified State and local agencies, under the requirements of subpart C of part 115 of title 24, Code of Federal Regulations, to ensure expanded and strengthened capacity of substantially equivalent agencies to assume a greater share of the responsibility for the administration and enforcement of fair housing laws; the Secretary may transfer and merge amounts appropriated by this paragraph to section 40301; and

(2) $66,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Fair Housing Assistance and Fair Housing Initiatives Programs generally, including information technology, financial reporting, research and evaluations, other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts appropriated by this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

Subtitle C—Homeownership Investments

SEC. 40201. FIRST-GENERATION DOWNPAYMENT ASSISTANCE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the First Generation Downpayment Fund established under subsection (b) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $6,825,000,000 for the First-Generation Downpayment Assistance Fund under this section for allocation among States that the Secretary of Housing and Urban Development has not found to be out of compliance with the obligation to affirmatively further fair housing, in accordance with a formula established by the Secretary, which shall take into consideration adult population size excluding homeowners, median area home prices, and racial

disparities in homeownership rates, to carry out the eligible uses of the Fund as described in subsection (c);

(2) $2,275,000,000 for the First-Generation Downpayment Assistance Program under this section for competitive grants to eligible entities that the Secretary has not found to be out of compliance with the obligation to affirmatively further fair housing, to carry out the eligible uses of the Fund as described in subsection (d);

(3) $500,000,000 for the costs of providing housing counseling required under the First-Generation Downpayment Assistance Program under subsection (c)(1); and

(4) $400,000,000 for the costs to the Secretary of administering and overseeing the implementation of the First-Generation Downpayment Assistance Program, including information technology, financial reporting, programmatic reporting, ensuring fair housing and fair lending compliance, research and evaluations, technical assistance to recipients of amounts under this section, and other cross-program costs in support to programs administered by the Secretary in this Act, and other costs; the Secretary

may transfer and merge accounts set aside under this clause to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish and manage a fund to be known as the First Generation Downpayment Fund (in this section referred to as the ''Fund'') for the uses set forth in subsection (d).

(c) ALLOCATION OF FUNDS.—

(1) INITIAL ALLOCATION.—The Secretary shall allocate and award funding provided by subsection (a) as provided under such subsection not later than 12 months after the date of the enactment of this section.

(2) REALLOCATION OF FUNDS.—If a State or eligible entity does not demonstrate the capacity to expend grant funds provided under this section, the Secretary shall reallocate the grant funds of such grantee among States and eligible entities that demonstrate to the Secretary the capacity to expend such amounts and that are satisfactorily meeting the goals of this section.

(d) TERMS AND CONDITIONS OF GRANTS ALLOCATED OR AWARDED FROM FUND.—

(1) USES OF FUNDS.—States and eligible entities receiving grants from the Fund shall—

(A) use such grants to provide assistance on behalf of a qualified homebuyer who has completed a program of housing counseling before entering into a sales purchase agreement, as the Secretary shall require, provided through a housing counseling agency approved by the Secretary for—

(i) costs in connection with the acquisition, involving an eligible mortgage loan, of an eligible home, including downpayment costs, closing costs, and costs to reduce the rates of interest on eligible mortgage loans;

(ii) subsidies to make shared equity homes affordable to eligible homebuyers by discounting the price for which the home will be sold and to preserve the home's affordability for subsequent homebuyers; and

(iii) pre-occupancy home modifications that may be necessary to meet required property standards or accommodate qualified homebuyers or members of their household with disabilities;

(B) use not more than 10 percent of their grant allocation or award for administrative costs and training for carrying out the program of the State or eligible entity to provide assistance with such grant amounts, as well as to develop the capacity to track and monitor program outcomes in consultation with community-based and nonprofit organizations that have as their mission to advance fair housing and fair lending; and

(C) comply with the obligation to affirmatively further fair housing, as defined by the Secretary to implement section 808(e)(5) of the Fair Housing Act (42 U.S.C. 3608(e)(5)), in any program or activity related to the use of such funds.

(2) AMOUNT AND LAYERING OF ASSISTANCE.—Assistance under this section—

(A) may be provided to or on behalf of any qualified homebuyer only once;

(B) may not exceed the greater of $20,000 or 10 percent of the purchase price in the case of a qualified homebuyer, not to include assistance received under subsection (d)(1)(A)(iii) for disability related home modifications, except

that the Secretary may increase such maximum limitation amounts in the case of a qualified homebuyer who is economically disadvantaged; and

(C) may be provided to or on behalf of a qualified homebuyer who is receiving assistance from other sources, including other State, Federal, local, private, public, and nonprofit sources, for acquisition of an eligible home.

(3) PROHIBITION OF PRIORITY.—In selecting qualified homebuyers for assistance with grant amounts under this section, a State or eligible entity may not provide any priority or preference for homebuyers who are acquiring eligible homes with a mortgage loan made, insured, guaranteed, or otherwise assisted by the State housing finance agency for the State, any other housing agency of the State, or an eligible entity when applicable.

(4) REPAYMENT OF ASSISTANCE.—

(A) REQUIREMENT.—The Secretary shall require that, if a homebuyer to or on behalf of whom assistance is provided from grant amounts under this section fails or ceases to occupy the property acquired using such assistance as the primary residence of the home-

buyer, except in the case of assistance is provided in connection with the purchase of a principal residence through a shared equity homeownership program, the homebuyer shall repay to the State or eligible entity, as applicable, in a proportional amount of the assistance the homebuyer receives based on the number of years they have occupied the eligible home up to 5 years, except that no assistance shall be repaid if the qualified homebuyer occupies the eligible home as a primary residence for 5 years or more.

(B) LIMITATION.—Notwithstanding subparagraph (A), a homebuyer to or on behalf of whom assistance is provided from grant amounts under this section shall not be liable to the State or eligible entity for the repayment of the amount of such shortage if the homebuyer fails or ceases to occupy the property acquired using such assistance as the principal residence of the homebuyer at least in part because of a hardship, such as death or military deployment; a financial hardship, such as a significant reduction in income, or increase in medical expenses; relocation for a reason related to do-

mestic violence, dating violence, sexual assault, or stalking, as defined in the Secretary's regulations implementing the Violence Against Women Act; or relocation for a reason related to the homebuyer or a member of the household's disabilities; or another hardships based on criteria established by the Secretary, or sells the property acquired with such assistance before the expiration of the 60-month period beginning on such date of acquisition and the capital gains from such sale to a bona fide purchaser in an arm's length transaction are less than the amount the homebuyer is required to repay the State or eligible entity under subparagraph (A).

(5) COMMUNITY LAND TRUSTS AND SHARED EQUITY HOMEOWNERSHIP PROGRAMS.—If assistance from grant amounts under this section is provided in connection with an eligible home made available through a community land trust or shared equity homeownership program, such assistance shall remain in the community land trust or shared equity property upon transfer of the property to keep the home affordable to the next eligible community land trust or shared equity homebuyer.

(6) RELIANCE ON BORROWER ATTESTATIONS.—No additional documentation beyond the borrower's attestation shall be required to demonstrate eligibility under subparagraphs (B) and (C) of subsection (e)(6) and no State, eligible entity, or creditor shall be subject to liability, including monetary penalties or requirements to indemnify a Federal agency or repurchase a loan that has been sold or securitized, based on the provision of assistance under this section to or on behalf of a borrower who does not meet the eligibility requirements under such subparagraphs if the creditor does so in good faith reliance on borrower attestations of eligibility required under such subparagraphs.

(7) REPORTING.—The Secretary may require the reporting of such information on the use of grants provided from the Fund as the Secretary may require to carry out this subsection.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) COMMUNITY LAND TRUST.—The term ''community land trust''″ means a nonprofit organization or State or local government, agencies or instrumentalities thereof, that—

(A) use a ground lease or deed covenant with an affordability period of at least 30 years to—

(i) make homeownership units affordable to households; and

(ii) stipulate a preemptive option to purchase the affordable homeownership units so that the affordability of the units is preserved for successive income-eligible households; and

(B) monitor properties to ensure affordability is preserved.

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a minority depository institution, as such term is defined in section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note);

(B) a community development financial institution, as such term is defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702), that is certified by the Secretary of the Treasury and targets services to low-income and socially disadvantaged populations

and provides services in neighborhoods having high concentrations of minority, low-income and socially disadvantaged populations; and

(C) any other nonprofit, mission-driven entity that the Secretary finds has a track record of providing assistance to homeowners, targets services to low-income and socially disadvantaged populations, and provides services in neighborhoods having high concentrations of minority, low-income, or socially disadvantaged populations.

(3) ELIGIBLE HOME.—The term ''eligible home'' means a residential dwelling, including a unit in a condominium or cooperative project or a manufactured housing unit, that—

(A) consists of 1 to 4 dwelling units; and

(B) will be occupied by the qualified homebuyer, in accordance with such assurances and commitments as the Secretary shall require, as the primary residence of the homebuyer.

(4) ELIGIBLE MORTGAGE LOAN.—The term ''eligible mortgage loan'' means a single-family residential mortgage loan that—

(A) meets the underwriting requirements and dollar amount limitations for acquisition by

the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(B) is made, insured, or guaranteed under any program administered by the Secretary;

(C) is made, insured, or guaranteed under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.);

(D) is a qualified mortgage, as such term is defined in section 129C(b)(2) of the Truth in Lending Act (15 U.S.C. 1639c(b)(2)); or

(E) is made, insured, or guaranteed for the benefit of a veteran.

(5) FIRST GENERATION HOMEBUYER.—The term ''first-generation homebuyer'' means a homebuyer that is, as attested by the homebuyer—

(A) an individual—

(i) whose living parents or legal guardians do not, to the best of the individual's knowledge, have any present fee simple ownership interest in a principal residence in any State, excluding ownership of heir property;

(ii) who, if no parents or legal guardians are living upon acquisition of the eligible home to be acquired using such assist-

ance, to the best of the individual's knowledge, their parents or legal guardians did not have any ownership interest in a principal residence in any State at the time of their death, excluding ownership of heir property; and

(iii) whose spouse or domestic partner has not, during the 3-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any present ownership interest in a principal residence in any State, excluding ownership of heir property, whether the individual is a co-borrower on the loan or not; or

(B) an individual who has at any time been placed in foster care or institutional care whose spouse or domestic partner has not, during the 3-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any ownership interest in a principal residence in any State, excluding ownership of heir property, whether such individuals are co-borrowers on the loan or not.

(6) QUALIFIED HOMEBUYER.—The term "qualified homebuyer" means a homebuyer—

(A) having an annual household income that is less than or equal to—

(i) 120 percent of median income, as determined by the Secretary, for—

(I) the area in which the home to be acquired using such assistance is located; or

(II) the area in which the place of residence of the homebuyer is located; or

(ii) 140 percent of the median income, as determined by the Secretary, for the area within which the eligible home to be acquired using such assistance is located if the homebuyer is acquiring an eligible home located in a high-cost area;

(B) who is a first-time homebuyer, as such term is defined at 42 U.S.C. 12704, except that ownership of heir property shall not be treated as owning a home for purposes of determining whether a borrower qualifies as a first-time homebuyer; and

(C) who is a first-generation homebuyer.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(8) SHARED EQUITY HOMEOWNERSHIP PROGRAM.—

(A) IN GENERAL.—The term ''shared equity homeownership program'' means affordable homeownership preservation through a resale restriction program administered by a community land trust, other nonprofit organization, or State or local government or instrumentalities.

(B) AFFORDABILITY REQUIREMENTS.—Any such program under subparagraph (A) shall—

(i) provide affordable homeownership opportunities to households; and

(ii) utilize a ground lease, deed restriction, subordinate loan, or similar legal mechanism that includes provisions ensuring that the program shall—

(I) maintain the homeownership unit as affordable for subsequent very low-, low-, or moderate-income families for an affordability term of at least 30 years after recordation;

(II) apply a resale formula that limits the homeowner's proceeds upon resale; and

(III) provide the program administrator or such administrator's assignee a preemptive option to purchase the homeownership unit from the homeowner at resale.

(9) STATE.—The term ''State'' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa.

(10) HEIR PROPERTY.—The term ''heir property'' means residential property for which title passed by operation of law through intestacy and is held by two or more heirs as tenants in common.

(f) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40202. WEALTH-BUILDING HOME LOAN PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated—

(1) $480,000,000 to the Secretary of Housing and Urban Development for carrying out the program established under subsection (b) and programs of the Federal Housing Administration and the Government National Mortgage Association generally, including information technology, financial reporting, other cross-program costs in support of programs administered by the Secretary in this Act, other costs, and for the cost of guaranteed loans and other obligations; and

(2) $20,000,000 to the Secretary of Agriculture for carrying out the program established under subsection (b) and programs of the Rural Housing Service generally, including information technology and financial reporting in support of the Program administered by the Secretary of Agriculture in this Act, other costs, and for the cost of guaranteed loans and other obligations.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) ESTABLISHMENT OF LIFT HOME FUNDS.—

(1) IN GENERAL.—There is established in each Loan Guarantee Agency a fund to be known as the LIFT HOME Fund, into which amounts appropriated under this section shall be deposited and which shall be used by each Department for carrying out the purposes of this section.

(2) MANAGEMENT OF FUND.—The LIFT HOME Fund of each Loan Guarantee Agency shall be administered and managed by the respective Secretary, who shall establish reasonable and prudent criteria for the management and operation of any amounts in the Fund.

(c) USE OF FUNDS.—

(1) TRANSFER OF AMOUNTS TO TREASURY.—Such portions of the appropriation to the Secretary of Housing and Urban Development shall be transferred by the Secretary of Housing and Urban Development to the Department of the Treasury in an amount equal to, as determined by the Secretary of the Treasury, in consultation with the Secretary of Housing and Urban Development—

(A) the amount the Secretary of the Treasury estimates to be necessary for the purchase of securities under the Program during the pe-

riod for which the funds are intended to be available;

(B) the difference between—

(i) the Secretary of the Treasury's receipts from the sale or other disposition of securities acquired under the Program; and

(ii) the Secretary of the Treasury's costs in purchasing such securities; and

(C) the Department of the Treasury's administrative expenses related to the Program.

(2) CREDIT SUBSIDY.—Such portion of the appropriation to each Secretary as may be necessary may be used for the cost to the respective Loan Guarantee Agency of guaranteed loans under this section. Such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

(d) ESTABLISHMENT OF THE LIFT HOME PROGRAM.—Each Secretary shall establish, and carry out, with respect to any mortgage with a case number issued on or before December 31, 2025, that is subsequently insured or guaranteed by such Secretary, a program to make covered mortgage loans available to eligible homebuyers to purchase a single-family residence for use as

their principal residence (referred to in this section as the "Program"), under which—

(1) the Secretary of the Treasury—

(A) shall act as a purchaser, on behalf of the Secretary of Housing and Urban Development, of securities that are secured by covered mortgage loans;

(B) may designate financial institutions, including banks, savings associations, trust companies, security brokers or dealers, asset managers, investment advisers, and other institutions and such institutions shall—

(i) perform all reasonable duties related to this section as a financial agent of the United States as may be required; and

(ii) be paid for such duties using appropriations available to the Secretary of the Treasury to reimburse financial institutions in their capacity as financial agents of the United States;

(C) may use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality or component thereof is authorized to provide services as re-

1 quested 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-

nated 30-year mortgage loan with the same loan balance insured or guaranteed by the Loan Guarantee Agency as determined by each Secretary, or such pricing terms as are determined by each Secretary to be necessary to develop liquidity for securities backed by covered mortgage loans and expand Program participation by eligible homebuyers; and

(B) establish an outreach and counseling program to increase stakeholder awareness of the Program; and

(3) the Secretary of Housing and Urban Development shall—

(A) in consultation with the Secretary of Treasury, establish the pricing terms for the purchase of securities guaranteed by the Association secured by covered mortgage loans such that the covered mortgage loans carry a monthly mortgage payment of principal and interest that is not more than 110 percent and not less than 100 percent of the monthly payment of principal, interest, and periodic mortgage insurance premium or loan guarantee fee associated with a newly originated 30-year mortgage loan with the same loan balance insured or guaran-

teed by the Loan Guarantee Agency, or such pricing terms as are determined by the Secretaries to be necessary to develop liquidity for securities backed by covered mortgage loans and expand Program participation by eligible homebuyers;

(B) have the authority to designate mortgage bankers, financial institutions, including banks, savings associations, trust companies, security brokers or dealers, asset managers, investment advisers, and other institutions and such institutions shall—

(i) perform all reasonable duties related to this section as an agent of the United States as may be required; and

(ii) be paid for such duties using appropriations available under this section to the Secretary of Housing and Urban Development to reimburse these entities in their capacity as agents of the United States;

(C) have the authority to use the services of any agency or instrumentality of the United States or component thereof on a reimbursable basis, and any such agency or instrumentality

or component thereof is authorized to provide services as requested by the Secretary of Housing and Urban Development using all authorities vested in or delegated to that agency, instrumentality, or component;

(D) operate the Program in coordination with the Association, the Federal Housing Administration, the Rural Housing Service, and the Secretary of the Treasury so as to demonstrate feasibility and workability to market participants, including—

(i) originators and servicers of mortgages;

(ii) issuers of mortgage-backed securities; and

(iii) investors; and

(E) gain price discovery experience by instructing the Secretary of the Treasury, following consultation with the Secretary of Treasury to sell acquired securities described in subparagraph (A) as soon as practicable, thereby hastening the development of liquidity for securities backed by covered mortgage loans.

(3) LIMITATION ON AGGREGATE LOAN GUARANTEE AUTHORITY.—The aggregate original prin-

cipal obligation of all covered mortgage loans under this section for each Loan Guarantee Agency may not exceed $5,000,000,000.

(4) GNMA GUARANTEE AUTHORITY.—To carry out the purposes of this section, the Association may enter into new commitments to issue guarantees of securities based on or backed by mortgages insured under this section, not exceeding $10,000,000,000.

(5) GNMA GUARANTY FEE.—To carry out the purposes of this section, the Association may collect guaranty fees consistent with section 306(g)(1) of the National Housing Act (12 U.S.C. 1721(g)(1)) that are paid at securitization.

(e) DEFINITIONS.—In this section:

(1) ASSOCIATION.—The term ''Association'' means the Government National Mortgage Association.

(2) COVERED MORTGAGE LOAN.—

(A) IN GENERAL.—The term ''covered mortgage loan'' means, for purposes of the Program established by the Secretary of Housing and Urban Development, a mortgage loan that—

(i) is insured or guaranteed by the Federal Housing Administration pursuant

to section 203(b) of the National Housing Act, subject to the eligibility criteria set forth in this subsection, and has a case number issued on or before December 31, 2025;

(ii) is made for an original term of 20 years or for an original term determined by the Secretary to be necessary to develop liquidity for securities backed by covered mortgage loans and expand Program participation by eligible homebuyers;

(iii) subject to subparagraph (C) of this paragraph and notwithstanding section 203(b)(2)(C) of the National Housing Act (12 U.S.C. 1709(b)(2)(C)), has a mortgage insurance premium of not more than 4 percent of the loan balance that is paid at closing, financed into the principal balance of the loan, paid through an annual premium, or a combination thereof;

(iv) involves a rate of interest that is fixed over the term of the mortgage loan; and

(v) is secured by a single-family residence that is the principal residence of an eligible homebuyer.

(B) The term ''covered mortgage loan'' means, for purposes of the Program established by the Secretary of Agriculture, a loan guaranteed under section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)) that—

(i) notwithstanding section 502(h)(7)(A) of the Housing Act of 1949 (42 U.S.C. 1472(h)(7)(A)), is made for an original term of 20 years or for an original term determined by the Secretary to be necessary to develop liquidity for securities backed by covered mortgage loans and expand Program participation by eligible homebuyers; and

(ii) subject to subparagraph (C) of this paragraph and notwithstanding section 502(h)(8)(A) of the Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)), has a loan guarantee fee of not more than 4 percent of the principal obligation of the loan.

(C) WAIVER OF MORTGAGE INSURANCE PREMIUM REQUIREMENT.—Each Secretary, in

consultation with the Secretary of the Treasury, and notwithstanding section 502(h)(8)(A) of the Housing Act of 1949 (42 U.S.C. 1472(h)(8)(A)) for purposes of the Program established by the Secretary of Agriculture, may waive the mortgage insurance premium cap or loan guarantee fee cap under subparagraphs (A)(iii) and (B)(ii) with respect to covered mortgage loans insured or guaranteed by the Loan Guarantee Agency of which that Secretary is the head if necessary to protect the solvency of the associated insurance fund.

(3) DEPARTMENT.—Unless otherwise specified, the term ''Department'' means the Department of Housing and Urban Development or the Department of Agriculture, as appropriate.

(4) ELIGIBLE HOMEBUYER.—The term ''eligible homebuyer'' means an individual who—

(A) for purposes of the Program established by the Secretary of Housing and Urban Development—

(i) has an annual household income that is less than or equal to—

(I) 120 percent of median income for the area, as determined by the

Secretary of Housing and Urban Development for—

(aa) the area in which the home to be acquired using such assistance is located; or

(bb) the area in which the place of residence of the homebuyer is located; or

(II) if the homebuyer is acquiring an eligible home that is located in a high-cost area, 140 percent of the median income, as determined by the Secretary, for the area within which the eligible home to be acquired using assistance provided under this section is located;

(ii) is a first-time homebuyer, as defined in paragraph (6) of this subsection; and

(iii) (iii) is a first-generation homebuyer as defined in paragraph (5) of this subsection;

(B) for purposes of the Program established by the Secretary of Agriculture—

(i) meets the applicable requirements in section 502(h) of the Housing Act of 1949 (42 U.S.C. 1472(h)); and

(ii) is a first-time homebuyer as defined in paragraph (6) of this subsection and a first-generation homebuyer as defined in paragraph (5) of this subsection.

(5) FIRST-GENERATION HOMEBUYER.—The term ''first-generation homebuyer'' means a homebuyer that, as attested by the homebuyer, is—

(A) an individual—

(i) whose living parents or legal guardians do not, to the best of the individual's knowledge, have any present fee simple ownership interest in a principal residence in any State, excluding ownership of heir property;

(ii) if no parents or legal guardians are living upon acquisition of the eligible home to be acquired using such assistance, to the best of the individual's knowledge, whose parents or legal guardians did not have any ownership interest in a principal residence in any State at the time of their

death, excluding ownership of heir property; and

(iii) whose spouse, or domestic partner has not, during the 3-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any present ownership interest in a principal residence in any State, excluding ownership of heir property, whether the individual is a co-borrower on the loan or not; or

(B) an individual who has at any time been placed in foster care or institutional care whose spouse or domestic partner has not, during the 3-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any ownership interest in a principal residence in any State, excluding ownership of heir property, whether such individuals are co-borrowers on the loan or not.

(6) FIRST-TIME HOMEBUYER.—The term ''first-time homebuyer'' means a homebuyer as defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704), except that ownership of heir property shall not be treated

as owning a home for purposes of determining whether a borrower qualifies as a first-time homebuyer.

(7) HEIR PROPERTY.—The term ''heir property'' means residential property for which title passed by operation of law through intestacy and is held by two or more heirs as tenants in common.

(8) LOAN GUARANTEE AGENCY.—Unless otherwise specified, the term ''Loan Guarantee Agency'' means the Federal Housing Administration of the Department of Housing and Urban Development or the Rural Housing Service of the Department of Agriculture, as appropriate.

(9) SECRETARY.—Unless otherwise specified, the term ''Secretary'' means the Secretary of Housing and Urban Development or the Secretary of Agriculture, as appropriate.

(f) RELIANCE ON BORROWER ATTESTATIONS.—No additional documentation beyond the borrower's attestation shall be required to demonstrate eligibility under paragraph (4) of subsection (e) and no State, eligible entity, or creditor shall be subject to liability, including monetary penalties or requirements to indemnify a Federal agency or repurchase a loan that has been sold or securitized, based on the provision of assistance under this

section to a borrower who does not meet the eligibility requirements under paragraph (4) of subsection (e) if the creditor does so in good faith reliance on borrower attestations of eligibility required under such paragraph.

(g) IMPLEMENTATION.—The Secretary of Housing and Urban Development, the Secretary of Agriculture, and the Secretary of Treasury shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40203. HUD-INSURED SMALL DOLLAR MORTGAGE DEMONSTRATION PROGRAM.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $76,000,000 for a program to increase access to small-dollar mortgages, as defined in subsection (b), which may include payment of incentives to lenders, adjustments to terms and costs, individual financial assistance, technical assistance to

lenders and certain financial institutions to help originate loans, lender and borrower outreach, and other activities;

(2) $10,000,000 for the cost of insured or guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a); and

(3) $14,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and programs in the Office of Housing generally, including information technology, financial reporting, research and evaluations, fair lending compliance, and other cross-program costs in support of programs administered by the Secretary in this title, and other costs; the Secretary may transfer and merge amounts appropriated by this paragraph to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) SMALL-DOLLAR MORTGAGE.—For purposes of this section, the term ''small-dollar mortgage'' means a forward mortgage that—

(1) has an original principal balance of $100,000 or less;

(2) is secured by a one- to four-unit property that is the mortgagor's principal residence; and

(3) is insured by the Secretary pursuant to title II of the National Housing Act (12 U.S.C. 1707 et seq.), or guaranteed by the Secretary pursuant to section 184 or 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a, 1715z-13b).

(c) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40204. INVESTMENTS IN RURAL HOMEOWNERSHIP.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Agriculture (in this section referred to as the ''Secretary''), out of any money in the Treasury not otherwise appropriated—

(1) $70,000,000 for direct loans made under section 502 of the Housing Act of 1949 (42 U.S.C. 1472);

(2) $95,000,000 for providing single family housing repair grants under section 504 of the Housing Act of 1949 (42 U.S.C. 1474), subject to the terms and conditions in subsection (b) of this section;

(3) $25,000,000 for grants under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c); and

(4) $10,000,000 for administrative expenses of the Secretary that in whole or in part support activities funded by this section and related activities.

Amounts appropriated by this section shall remain available until expended.

(b) TERMS AND CONDITIONS.—

(1) ELIGIBILITY.—Eligibility for grants from amounts made available by subsection (a)(2) shall not be subject to the limitations in section 3550.103(b) of title 7, Code of Federal Regulations.

(2) USES.—Notwithstanding the limitations in section 3550.102(a) of title 7, Code of Federal Regulations, grants from amounts made available by subsection (a)(2) shall be available for the eligible purposes in section 3550.102(b) of title 7, Code of Federal Regulations.

SEC. 40205. SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, to the Secretary of Housing and Urban Development—

(1) $49,500,000 for grants under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note); and

(2) $500,000 for costs to the Secretary of administering and overseeing the implementation of this section, including information technology, financial reporting, research and evaluations, fair lending compliance, and other cross-program costs in support of programs administered by the Secretary in this title, and other costs.

Amounts appropriated by this section shall remain available until September 30, 2031.

Subtitle D—HUD and Community Capacity Building

SEC. 40301. PROGRAM ADMINISTRATION, TRAINING, TECHNICAL ASSISTANCE, CAPACITY BUILDING, AND USICH.

(a) APPROPRIATION.—In addition to amounts otherwise 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

the Department of Housing and Urban Development in carrying out the Inspector General Act of 1978. Amounts appropriated by this section shall remain available until September 30, 2031.

(b) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

SEC. 40302. COMMUNITY-LED CAPACITY BUILDING.

(a) APPROPRIATION.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Housing and Urban Development (in this section referred to as the ''Secretary'') for fiscal year 2022, out of any money in the Treasury not otherwise appropriated—

(1) $90,000,000 for competitively awarded funds for technical assistance and capacity building to non-Federal entities, including nonprofit organizations that can provide technical assistance activities to community development corporations, community housing development organizations, community land trusts, nonprofit organizations in insular areas, and other mission-driven and nonprofit orga-

nizations that target services to low-income and socially disadvantaged populations, and provide services in neighborhoods having high concentrations of minority, low-income, or socially disadvantaged populations to—

(A) provide training, education, support, and advice to enhance the technical and administrative capabilities of community development corporations, community housing development organizations, community land trusts, and other mission-driven and nonprofit organizations seeking to undertake affordable housing development, acquisition, preservation, or rehabilitation activities;

(B) provide grants or predevelopment assistance to community development corporations, community housing development organizations, and other mission-driven and nonprofit organizations seeking to undertake affordable housing development, acquisition, preservation, or rehabilitation activities; and

(C) carry out such other activities as may be determined by the grantees in consultation with the Secretary; and

(2) $10,000,000 for the costs to the Secretary of administering and overseeing the implementation of this section and the Department's technical assistance programs generally, including information technology, research and evaluations, financial reporting, fair housing compliance, and other cross-program costs in support of programs administered by the Secretary in this title and other costs; the Secretary may transfer and merge amounts set aside under this subsection to section 40301.

Amounts appropriated by this section shall remain available until September 30, 2031.

(b) IMPLEMENTATION.—The Secretary shall have authority to issue such regulations or other notices, guidance, forms, instructions, and publications as may be necessary or appropriate to carry out the programs, projects, or activities authorized under this section, including to ensure that such programs, projects, or activities are completed in a timely and effective manner.

Subtitle E—Economic Development

SEC. 40401. MINORITY BUSINESS DEVELOPMENT AGENCY.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Minority Business Development Agency for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated—

(1) $200,000,000, to remain available until September 30, 2026, for carrying out subsection (b)(1);

(2) $1,200,000,000, to remain available until September 30, 2029, for carrying out subparagraphs (A), (B), (C), (D), (E), (F), and (H) of subsection (b)(2);

(3) $50,000,000, to remain available until September 30, 2026, for carrying out subparagraph (G) of subsection (b)(2);

(4) $1,500,000,000, to remain available until September 30, 2026, for carrying out subsection (b)(3); and

(5) $150,000,000, to remain available until September 30, 2029, for administrative costs associated with carrying out subsection (b)(3).

(b) MINORITY BUSINESS DEVELOPMENT AGENCY.—

(1) RURAL BUSINESS CENTERS.—The Director of the Minority Business Development Agency may enter into agreements with one or more rural Business Centers of the Agency that are operated by a minority-serving institution of higher education or by a consortium of institutions of higher education that is led by a minority-serving institution of higher education. Under such an agreement, a rural Busi-

ness Center shall provide assistance primarily to eligible business enterprises located within a rural area, as defined by the Director.

(2) OTHER ACTIVITIES.—The Director of the Minority Business Development Agency shall—

(A) pay salaries and related costs for employees;

(B) pay for administrative and other costs to support initiatives that assist the formation, growth, and expansion of eligible business enterprises;

(C) establish and provide assistance to Business Centers and specialty Business Centers, prioritizing for such establishment in States or regions that lack a Business Center and have a significant population of members of an underrepresented community;

(D) establish not fewer than 5 regional offices, in locations determined by the Director;

(E) conduct an annual forum between the Federal Government and businesses to review existing programs and current challenges relating to capital formation by eligible business enterprises;

(F) establish a program to assist small, underserved manufacturers in accessing private capital by accelerating technology adoption and providing training and support in supply chain integration;

(G) provide grants to minority-serving institutions of higher education to develop and implement entrepreneurship curricula; and

(H) collect data and develop research and policies regarding the needs and development of eligible business enterprises.

(3) GRANTS.—

(A) IN GENERAL.—The Director of the Minority Business Development Agency may provide grants to—

(i) a eligible business enterprise; and

(ii) an eligible nonprofit organization that will make subgrants to eligible business enterprises located in areas with significant populations of members of underrepresented communities.

(B) APPLICATION.—In making grants and subgrants to eligible business enterprises and eligible nonprofit organizations under this section, the Director shall establish an application

process and selection criteria, which shall include—

(i) assurances that the eligible business enterprise and eligible nonprofit organization will use such grants and subgrants to address gaps in access to capital, assist with startup costs, or support business expansion;

(ii) criteria for determining the size of grant or subgrant award for the eligible business enterprise and eligible nonprofit organization; and

(iii) other criteria as determined by the Director.

(C) ELIGIBLE NONPROFIT ORGANIZATIONS.—An eligible nonprofit organization that receives a grant under this section shall, when making a subgrant to an eligible business enterprise described under subparagraph (A)(ii), also use such grant to provide support to the eligible business enterprise in one or more of the following ways:

(i) Providing resources, which may include 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.

(E) ELIGIBLE NONPROFIT ORGANIZATION.—In this paragraph, the term ''eligible nonprofit organization'' means an organization that is described in paragraph (3) or (6) of section 501(c) of the Internal Revenue Code of 1986 and that is exempt from taxation under section 501(a) of such Code for which a primary activity of the organization is to provide services or financial support to eligible business enterprises located in areas with significant populations of members of underrepresented communities.

(4) RETURNING FUNDS.—If an entity that receives a grant or assistance under this subsection fails to use all the funds or permanently ceases operations on or before September 30, 2031, the entity shall return the funds to the Minority Business Development Agency. The Minority Business Development Agency shall return all such funds to the Treasury if not expended by September 30, 2031.

(5) PENALTIES FOR FAILURE TO ABIDE BY TERMS OR CONDITIONS OF AWARD.—At the discretion of the Director and in addition to any other civil or criminal consequences, the Director shall withhold payments to an eligible applicant or order

the eligible applicant to return any assistance provided under this section for failure to abide by the terms and conditions of such assistance.

(c) DEFINITIONS.—In this section:

(1) BUSINESS CENTER.—The term ''Business Center'' means any business center that—

(A) is established by the Minority Business Development Agency; and

(B) provides technical business assistance to minority business enterprises.

(2) ELIGIBLE BUSINESS ENTERPRISE.—The term ''eligible business enterprise'' means a business owned or controlled by one or more members of an underrepresented community.

(3) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—The term ''member of an underrepresented community'' means an individual who is—

(A) a resident of—

(i) a low-income community, as defined in section 45D(e) of the Internal Revenue Code of 1986;

(ii) a low-income rural community; or

(iii) a HUBZone, as defined in section 31(b) of the Small Business Act (15 U.S.C. 657a);

(B) a member of an Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131);

(C) an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(D) a veteran, as defined in section 101 of title 38, United States Code;

(E) an individual who completed a term of imprisonment;

(F) an Afghan refugee, including an individual who has received a Special Immigrant Visa, a P–2 classification, or special parole status; or

(G) an individual otherwise identified by the Director.

(4) MINORITY-SERVING INSTITUTION OF HIGHER EDUCATION.—The term ''minority-serving institution of higher education'' means—

(A) an institution described in section 371(a) of the Higher Education Act of 1965 (20 U.S.C. 1067q(a)); or

(B) a junior or community college, as defined in section 312 of the Higher Education Act of 1965 (20 U.S.C. 1058).

(5) SPECIALTY BUSINESS CENTER.—The term ''specialty Business Center'' means a Business Center that provides specialty services focusing on specific business needs, including assistance relating to—

(A) capital access;

(B) Federal procurement;

(C) entrepreneurship;

(D) technology transfer; or

(E) any other area determined necessary or appropriate based on the priorities of the Director of the Minority Business Development Agency.

SEC. 40402. MANUFACTURING FACILITY.

(a) IN GENERAL.—The State Small Business Credit Initiative Act of 2010 (12 U.S.C. 5701 et seq.) is amended—

(1) in section 3003—

(A) in subsection (b), by adding at the end the following:

"(3) 2022 ALLOCATION.—

"(A) IN GENERAL.—Not later than 30 days after the date of enactment of this paragraph, the Secretary shall allocate Federal funds to participating States so that each State is eligible to receive an amount equal to what the State would receive under the 2022 allocation, as determined under subparagraph (B).

"(B) 2022 ALLOCATION FORMULA.—

"(i) IN GENERAL.—With respect to States, the Secretary shall determine the 2022 allocation by allocating Federal funds among the States based on the manufacturing job losses per State over the 30-year period ending on the date of enactment of this paragraph.

"(ii) MANUFACTURING JOB LOSS DATA.—If the Secretary determines that manufacturing job loss data with respect to a State is unavailable from the Bureau of Labor Statistics of the Department of Labor, the Secretary shall consider such other economic and employment data that

is otherwise available for purposes of determining the employment data of such State.''; and

(B) by adding at the end the following:

''(g) RULES FOR THE 2022 ALLOCATION.—With respect to the 2022 allocation:

''(1) TRANSFER OF ALLOCATION.—The Secretary shall transfer the full amount of each allocation to a State in a single transfer and shall complete such transfer before September 30, 2022.

''(2) USE OF TRANSFERRED FUNDS.—States may use allocations of amounts appropriated for fiscal year 2022 to carry out the Program only—

''(A) for making Federal contributions to, or for the account of, an approved State program, for the purposes of, as determined by the Secretary of the Treasury—

''(i) maintaining the economic competitiveness of the United States;

''(ii) maintaining a strong manufacturing base in the United States, including promoting advanced manufacturing technology and innovative technology;

''(iii) increasing the supply and innovation of factory-built housing for afford-

ability, accessibility, efficiency, and resilience; or

"(iv) helping the United States transition to clean energy or clean manufacturing processes to combat climate change or to invest in innovation for climate change adapted production processes;

"(B) as collateral for a qualifying loan or swap funding facility, for the purposes described under subparagraph (A); and

"(C) for paying administrative costs incurred by the State in implementing an approved State program in an amount not to exceed 5 percent of such State's allocation.

"(3) SPECIAL PERMISSION FOR CERTAIN MUNICIPALITIES.—Section 3004(d) shall apply to the 2022 allocation to the same extent as such provision applies to an allocation made under subsection (d), except that—

"(A) paragraph (1) of section 3004(d) shall be applied by substituting '6 months' for '9 months'; and

"(B) paragraph (2) of section 3004(d) shall be applied by substituting '9 months' for '12 months'."; and

(2) in section 3009(c), by striking ''7-year period'' and inserting ''10-year period''.

(b) APPROPRIATION.—In addition to amounts otherwise available, there is hereby appropriated to the Secretary of the Treasury for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, to carry out the amendments made by subsection (a).

(c) RULE OF APPLICATION.—The amendments made by this section shall apply with respect to funds appropriated on the date of enactment of this section.

TITLE V—COMMITTEE ON HOMELAND SECURITY

SEC. 50001. CYBERSECURITY AND INFRASTRUCTURE SECURITY AGENCY.

In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $50,000,000 to the Cybersecurity and Infrastructure Security Agency for support of the Multi-State Information Sharing and Analysis Center;

(2) $25,000,000 to the Cybersecurity and Infrastructure Security Agency for operating a cyber range;

(3) $25,000,000 to the Cybersecurity and Infrastructure Security Agency for the execution of a national multi-factor authentication campaign;

(4) $400,000,000 to the Cybersecurity and Infrastructure Security Agency for the implementation of Executive Order 14028 (86 Fed. Reg. 26633; relating to improving the cybersecurity of the United States), including the implementation of multi-factor authentication, endpoint detection and response, improved logging, and securing cloud systems;

(5) $50,000,000 to the Cybersecurity and Infrastructure Security Agency for expansion and operation of the Crossfeed program;

(6) $75,000,000 to the Cybersecurity and Infrastructure Security Agency for expansion and operation of the CyberSentry program;

(7) $10,000,000 to the Cybersecurity and Infrastructure Security Agency for performing activities in support of the development of the continuity of the economy plan required under section 9603(a) of title XCVI of the William M. (Mac) Thornberry

National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283; 6 U.S.C. 322);

(8) $20,000,000 to the Cybersecurity and Infrastructure Security Agency for expanding programs working with international partners on the protection of critical infrastructure;

(9) $50,000,000 to the Cybersecurity and Infrastructure Agency for researching and developing means to secure operational technology, including industrial control systems, against cybersecurity vulnerabilities;

(10) $100,000,000 to the Cybersecurity and Infrastructure Security Agency for cybersecurity workforce development and education, including providing education, training, and capacity development, including in collaboration with historically Black colleges and universities, other minority-serving institutions, and community colleges, and to the Cybersecurity Education and Training Program, to be used for purposes that include—

(A) cybersecurity training and upskilling veterans;

(B) implementing cybersecurity apprenticeships at the Agency; and

(C) cybersecurity programs for underserved communities, as a focus for activities authorized under section 2217 of the Homeland Security Act of 2002 (6 U.S.C. 665f); and

(11) $60,000,000 to the Cybersecurity and Infrastructure Security Agency for enhancing the cloud architecture, migration advisory services, and cloud threat hunting capabilities of the Agency.

TITLE VI—COMMITTEE ON THE JUDICIARY

Subtitle A—Immigration Provisions

SEC. 60001. LAWFUL PERMANENT RESIDENCE FOR CERTAIN ENTRANTS.

(a) IN GENERAL.—Chapter 5 of title II of the Immigration and Nationality Act (8 U.S.C. 1255 et seq.) is amended by inserting after section 245A the following:

"SEC. 245B. ADJUSTMENT OF STATUS OF CERTAIN ENTRANTS.

"(a) IN GENERAL.—Notwithstanding sections 201, 202, 203, and 245(c), and subject to subsection (c), the Secretary of Homeland Security shall adjust to the status of an alien lawfully admitted for permanent residence, an alien described in subsection (b), if such alien—

"(1) submits an application for adjustment of status in accordance with procedures established by the Secretary;

"(2) in addition to any administrative processing fee, pays a supplemental fee of $1,500; and

"(3) completes, to the satisfaction of the Secretary—

"(A) security and law enforcement background checks; and

"(B) a medical examination consistent with section 221(d).

"(b) ALIENS DESCRIBED.—An alien described in this subsection is an alien who—

"(1)(A) has been continuously physically present in the United States since January 1, 2021;

"(B) was 18 years of age or younger on the date on which the alien entered the United States and has continuously resided in the United States since such entry; and

"(C) demonstrates—

"(i) a record of honorable service in the Uniformed Services of the United States;

"(ii) attainment of, or completion of not less than 2 years, in good standing, of a program leading to—

"(I) a degree from a United States institution of higher education; or

"(II) a postsecondary credential from an area career and technical education school in the United States;

"(iii) during the 3-year period immediately preceding the date on which the alien submits an application for adjustment of status under this section, a consistent record of earned income in the United States; or

"(iv)(I) enrollment in a program described in clause (ii); and

"(II) current employment or participation in an internship, apprenticeship, or similar training program;

"(2)(A) has been continuously physically present in the United States since January 1, 2021; and

"(B) has demonstrated a consistent record of earned income in the United States in an occupation described in the guidance of the Department of Homeland Security entitled 'Advisory Memorandum on Ensuring Essential Critical Infrastructure Workers' Ability to Work During the COVID–19 Response', issued on August 10, 2021, during the pe-

riod beginning on January 31, 2020, and ending on August 24, 2021;

"(3)(A) has been continuously physically present in the United States for not less than 3 years; and

"(B)(i) is a national of a foreign state (or a part of a foreign state) (or in the case of an alien having no nationality, is a person who last habitually resided in such state) with a designation under subsection (b) of section 244 on January 1, 2017;

"(ii) notwithstanding paragraphs (1)(A)(iv) and (3)(C) of subsection (c) of section 244, had or was otherwise eligible for temporary protected status under section 244 on that date; and

"(iii) has not engaged in conduct since that date that would render the alien ineligible for temporary protected status under section 244(c)(2); or

"(4)(A) has been continuously physically present in the United States for not less than 3 years; and

"(B)(i) was eligible for deferred enforced departure as of January 20, 2021; and

"(ii) has not engaged in conduct since that date that would render the alien ineligible for deferred 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

3 offenses and imprisoned for an aggregate of 90 days or more; and

"(D) has registered under the Military Selective Service Act (50 U.S.C. 3801 et seq.), if the alien is subject to registration under that Act.

"(2) WAIVER.—With respect to any benefit under this section, the Secretary of Homeland Security may waive the grounds of inadmissibility under paragraph (2), (6)(E), (6)(G), or (10)(D) of section 212(a)—

"(A) for humanitarian purposes or family unity; or

"(B) if a waiver is otherwise in the public interest.

"(3) TREATMENT OF EXPUNGED CONVICTIONS.—For purposes of paragraph (1), the Secretary—

"(A) may not automatically treat an expunged conviction as a conviction; and

"(B) shall evaluate expunged convictions on a case-by-case basis according to the nature and severity of the underlying offense to determine whether, under the circumstances, the 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

"(iv) an education program assisting students in obtaining a high school diploma or its equivalent.

"(e) EFFECTIVE DATE.—The section shall take effect on the earlier of—

"(1) the date that is 180 days after the date of the enactment of this section; or

"(2) May 1, 2022.".

(b) CONFORMING AMENDMENT.—The table of contents for the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended by inserting after the item relating to 245A the following:

"Sec. 245B. Adjustment of status of certain entrants.".

SEC. 60002. RECAPTURE OF UNUSED IMMIGRANT VISA NUMBERS.

(a) RECAPTURE OF UNUSED IMMIGRANT VISA NUMBERS.—

(1) ENSURING FUTURE USE OF ALL IMMIGRANT VISAS.—Section 201(c)(1)(B)(ii) of the Immigration and Nationality Act (8 U.S.C. 1151(c)(1)(B)(ii)) is amended to read as follows:

"(ii) In no case shall the number computed under subparagraph (A) be less than the sum of—

"(I) 226,000; and

"(II) the number computed under paragraph (3).".

(2) RECAPTURING UNUSED VISAS.—Section 201 of the Immigration and Nationality Act (8 U.S.C. 1151) is amended by adding at the end the following:

"(g) RECAPTURING UNUSED VISAS.—

"(1) FAMILY-SPONSORED VISAS.—

"(A) IN GENERAL.—Notwithstanding the numerical limitations set forth in this section or in sections 202 or 203, beginning in fiscal year 2022, the number of family-sponsored immigrant visas that may be issued under section 203(a) shall be increased by the number computed under subparagraph (B).

"(B) UNUSED VISAS.—The number computed under this subparagraph is the difference, if any, between—

"(i) the difference, if any, between—

"(I) the number of visas that were originally made available to family-sponsored immigrants under section 201(c)(1) for fiscal years 1992 through 2021, setting aside any unused 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-

ployment-based immigrants under section 201(d)(1) for fiscal years 1992 through 2021, setting aside any unused visas made available to such immigrants in such fiscal years under section 201(d)(2); and

"(II) the number of visas described in subclause (I) that were issued under section 203(b), or, in accordance with section 201(c)(3)(C), under section 203(a); and

"(ii) the number of visas resulting from the calculation under clause (i) issued under section 203(b) after fiscal year 2021.

"(3) DIVERSITY VISAS.—Notwithstanding section 204(a)(1)(I)(ii)(II), an immigrant visa for an alien selected in accordance with section 203(e)(2) in fiscal year 2017, 2018, 2019, 2020, or 2021 shall remain available to such alien (and the spouse and children of such alien) if—

"(A) the alien was refused a visa, prevented from seeking admission, or denied admission to the United States solely because of Executive Order 13769, Executive Order

13780, Presidential Proclamation 9645, or Presidential Proclamation 9983; or

"(B) because of restrictions or limitations on visa processing, visa issuance, travel, or other effects associated with the COVID–19 public health emergency—

"(i) the alien was unable to receive a visa interview despite submitting an Online Immigrant Visa and Alien Registration Application (Form DS–260) to the Secretary of State; or

"(ii) the alien was unable to seek admission or was denied admission to the United States despite being approved for a visa under section 203(c).".

SEC. 60003. ADJUSTMENT OF STATUS.

Section 245 of the Immigration and Nationality Act (8 U.S.C. 1255) is amended by adding at the end the following:

"(n) VISA AVAILABILITY.—

"(1) IN GENERAL.—Notwithstanding section (a)(3), the Secretary of Homeland Security may accept for filing, an application for adjustment of status from an alien (and the spouse and children of such alien) if such alien—

"(A) is the beneficiary of an approved petition under section 204(a)(1);

"(B) pays a supplemental fee of $1,500, plus $250 for each derivative beneficiary; and

"(C) is otherwise eligible for such adjustment.

"(2) EXEMPTION.—The Secretary of State shall exempt an alien (and the spouse and children of such alien) from the numerical limitations described in sections 201, 202, and 203 and the Secretary of Homeland Security may adjust the status of such alien (and the spouse and children of such alien) to lawful permanent resident if such alien submits or has submitted an application for adjustment of status and—

"(A) such alien—

"(i) is the beneficiary of an approved petition under subparagraph (A)(i) or (B)(i)(I) of section 204(a)(1) that bears a priority date that is more than 2 years before the date the alien requests a waiver of the numerical limitations; and

"(ii) pays a supplemental fee of $2,500;

"(B) such alien—

"(i) is the beneficiary of an approved petition under subparagraph (E) or (F) of section 204(a)(1) that bears a priority date that is more than 2 years before the date the alien requests a waiver of the numerical limitations; and

"(ii) pays a supplemental fee of $5,000; or

"(C) such alien—

"(i) is the beneficiary of an approved petition under subparagraph (H) of section 204(a)(1) that bears a priority date that is more than 2 years before the date the alien requests a waiver of the numerical limitations; and

"(ii) pays a supplemental fee of $50,000.

"(3) EFFECTIVE DATE.—

"(A) IN GENERAL.—The provisions of this subsection—

"(i) shall take effect on the earlier of the date that is—

"(I) 180 days after the date of the enactment of this subsection; or

"(II) May 1, 2022; and

"(ii) except as provided in subparagraph (B), shall cease to have effect on September 30, 2031.

"(B) CONTINUATION.—Paragraph (2) shall continue in effect with respect to an alien who requested a waiver of the numerical limitations and paid the requisite fee prior to the date described in subparagraph (A)(ii), until the Secretary of Homeland Security renders a final administrative decision on such application.".

SEC. 60004. ADDITIONAL SUPPLEMENTAL FEES.

(a) TREASURY.—The supplemental fees described in subsection (b) of this section, and in sections 245B(a)(2) and 245(n) of the Immigration and Nationality Act, as added by this subtitle, shall be deposited in the general fund of the Treasury of the United States.

(b) SUPPLEMENTAL PETITION FEE.—Section 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)) is amended—

(1) in subparagraph (A)(i), by adding at the end the following: "A petition for classification by reason of a relationship described in paragraph (1), (3), or (4) of section 203(a) shall be accompanied by a supplemental fee in the amount of $100.";

(2) in subparagraph (B)(i)(I), by adding at the end the following: ''Such petition shall be accompanied by a supplemental fee in the amount of $100.'';

(3) in subparagraph (E), by adding at the end the following: ''Such petition shall be accompanied by a supplemental fee in the amount of $800.'';

(4) in subparagraph (F), by adding at the end the following: ''Such petition shall be accompanied by a supplemental fee in the amount of $800.''; and

(5) in subparagraph (H), by adding at the end the following: ''Such petition shall be accompanied by a supplemental fee in the amount of $15,000.''.

SEC. 60005. U.S. CITIZENSHIP AND IMMIGRATION SERVICES.

In addition to amounts otherwise available, there is appropriated to U.S. Citizenship and Immigration Services for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,800,000,000, to remain available until expended, for the purpose of increasing the capacity of U.S. Citizenship and Immigration Services to efficiently adjudicate applications described in sections 245B and 245(n) of the Immigration and Nationality Act, as added by sections 60001 and 60003 of this Act, respectively, and to reduce case processing backlogs.

Subtitle B—Community Violence Prevention

SEC. 61001. FUNDING FOR COMMUNITY-BASED VIOLENCE INTERVENTION INITIATIVES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Attorney General for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,500,000,000, to remain available until September 30, 2031, for the purposes described in subsection (b).

(b) USE OF FUNDING.—The Attorney General, acting through the Assistant Attorney General of the Office of Justice Programs, the Director of the Office of Community Oriented Policing Services, and the Director of the Office on Violence Against Women, shall use amounts appropriated by subsection (a)—

(1) to award competitive grants or contracts to units of local government, States, Indian Tribes, nonprofit community-based organizations, victim services providers, or other entities as determined by the Attorney General, to support evidence-informed intervention strategies to reduce community violence;

(2) to support training, technical assistance, research, evaluation, and data collection on strategies

to effectively reduce community violence and ensure public safety; and

(3) to support research, evaluation, and data collection on the differing impact of community violence on demographic categories.

(c) EXPENDITURE REQUIREMENT.—All expenditures made pursuant to subsection (a) shall be made on or before September 30, 2031.

TITLE VII—COMMITTEE ON NATURAL RESOURCES

Subtitle A—Bureau of Indian Affairs and Indian Health Service

SEC. 70101. TRIBAL CONSULTATION.

In addition to amounts otherwise available, there is appropriated to the Department of the Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $30,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the purposes of conducting consultation with Tribal Governments.

SEC. 70102. BUREAU OF INDIAN AFFAIRS.

(a) BIA ROAD MAINTENANCE.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated,

$300,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the ''Snyder Act'') for Bureau of Indian Affairs road maintenance and to address the deferred maintenance backlog, of which no more than 2 percent shall be used for administrative costs to carry out this subsection.

(b) BIA PUBLIC SAFETY.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the ''Snyder Act'') for Bureau of Indian Affairs Public Safety and Justice, of which no more than 2 percent shall be used for administrative costs to carry out this subsection.

(c) BIA CLIMATE RESILIENCE.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, except that no amounts may be expended after Sep-

tember 30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the ''Snyder Act'') for Tribal climate resilience and adaptation programs, of which no more than 2 percent shall be used for administrative costs to carry out this subsection.

(d) TRIBAL HOUSING.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the ''Snyder Act'') to improve Tribal housing, of which no more than 2 percent shall be used for administrative costs to carry out this subsection.

(e) TRIBAL ENERGY.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $35,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of November 2, 1921 (25 U.S.C. 13; commonly known as the ''Snyder Act'') for Tribal energy programs, of which no more than 2 percent shall be used for administrative costs to carry out this subsection.

(f) SMALL AND NEEDY PROGRAM.—Funds made available under this section shall be excluded from the calculation of funds received by those Tribal Governments that participate in the ''Small and Needy'' program.

(g) ONE-TIME BASIS FUNDS.—Funds made available under this section to Tribes and Tribal organizations under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5301) shall be available on a one-time basis. Such nonrecurring funds shall not be part of the amount required by section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5325), and such funds shall only be used for the purposes identified in this section.

SEC. 70103. INDIAN HEALTH SERVICE.

(a) IHS INFORMATION TECHNOLOGY.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $140,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health 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,

2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for maintenance and improvement of Indian Health Service and Tribal facilities.

(d) GREEN INFRASTRUCTURE.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for sustainability features for existing facilities.

(e) INPATIENT AND COMMUNITY HEALTH FACILITIES.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $40,000,000, to remain available until Sep-

tember 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for Inpatient and Community Health Facilities Design, Construction, in accordance with 25 U.S.C. 1665h.

(f) MEDICAL EQUIPMENT.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for maintaining, upgrading, and replacing medical equipment for IHS and Tribal facilities.

(g) SMALL AMBULATORY CONSTRUCTION.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of

any money in the Treasury not otherwise appropriated, $60,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for the small ambulatory construction program.

(h) PERSONNEL QUARTERS CONSTRUCTION.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $278,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination and Education Assistance Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act, with respect to the Indian Health Service, for personnel quarters construction.

(i) IHS PRIORITY HEALTH CARE FACILITIES.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appro-

priated, $2,000,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for projects identified through the health care facility priority system established and maintained pursuant to section 301(c) of the Indian Health Care Improvement Act (25 U.S.C. 1631(c)).

(j) FACILITIES SUPPORT.—In addition to amounts otherwise available, there is appropriated to the Indian Health Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $170,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for environmental health and facilities support activities of the Indian Health Service.

(k) NONRECURRING FUNDS.—Funds made available under this section to Tribes and Tribal organizations under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5301 et seq.) shall be available on a one-time basis. Such nonrecurring funds shall not be part of the amount required by section 106 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5325), and such funds shall only be used for the purposes identified in this section.

Subtitle B—Subcommittee on National Parks, Forests, and Public Lands

SEC. 70201. OAK FLAT WITHDRAWAL.

(a) DEFINITIONS.—In this section:

(1) DISPOSAL.—The term ''disposal'' means that the lands identified are not available under the proceedings outlined under section 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1713).

(2) ENTRY.—The term ''entry'' has the meaning as it is used under section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)), in its application to lands under the jurisdiction of the Secretary.

(3) LOCATION.—The term ''location'' has the meaning as it is used under section 2320 of the Revised Statutes (30 U.S.C. 23), in its application to lands under the jurisdiction of the Secretary;

(4) OAK FLAT WITHDRAWAL AREA.—the term ''Oak Flat'' means the approximately 2,422 acres of Forest System land in the Tonto National Forest in southeastern Arizona commonly known as ''Oak Flat'' and generally depicted as ''Oak Flat With-

drawal Area'' on the map titled ''Oak Flat Withdrawal'' and dated June 15, 2021.

(5) PATENT.—The term ''patent'' has the meaning as it is used under section 2325 of the Revised Statutes (30 U.S.C. 29), in its application to lands under the jurisdiction of the Secretary.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(b) REPEAL.—Section 3003 of the Carl Levin and Howard P. ''Buck'' McKeon National Defense Authorization Act for Fiscal Year 2015 (16 U.S.C. 539p) is repealed.

(c) WITHDRAWAL.—Subject to valid rights in existence on the date of the enactment of this section, Oak Flat is withdrawn from all forms of disposal, location, entry, and patent.

SEC. 70202. CIVILIAN CLIMATE CORPS.

(a) NATIONAL PARK SERVICE CIVILIAN CLIMATE CORPS.—

(1) DEFINITIONS.—With regard to this subsection:

(A) CONSERVATION PROJECT.—The term ''conservation project'' means a project for the conservation, restoration, construction, or reha-

bilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

(B) CORPS PROGRAM.—The term ''corps program'' means a program established by a Federal, State, Tribal, or local government, or nonprofit organization that performs conservation projects on Public Lands.

(C) PUBLIC LANDS.—The term ''Public Lands'' means lands administered by the National Park Service.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,700,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out education and job training projects and conservation projects on Public Lands, including through the use of direct expenditure, contracts, grants, and cooperative agreements with corps programs.

(3) ADMINISTRATIVE EXPENSES.—Of the funds provided by this subsection, no more than 2 percent shall be used for administrative costs to carry out this section.

(b) BUREAU OF LAND MANAGEMENT CIVILIAN CLIMATE CORPS.—

(1) DEFINITIONS.—With regard to this subsection:

(A) CONSERVATION PROJECT.—The term ''conservation project'' means a project for the conservation, restoration, construction, or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

(B) CORPS PROGRAM.—The term ''corps program'' means a program established by a Federal, State, Tribal, or local government, or nonprofit organization that performs conservation projects on Public Lands.

(C) PUBLIC LANDS.—The term ''Public Lands'' means lands administered by the Bureau of Land Management.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $900,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out education and job training projects and conservation

projects on Public Lands, including through the use of direct expenditure, contracts, grants, and cooperative agreements with corps programs.

(3) ADMINISTRATIVE EXPENSES.—Of the funds provided by this subsection, no more than 2 percent shall be used for administrative costs to carry out this section.

(c) UNITED STATES FISH AND WILDLIFE SERVICE CIVILIAN CLIMATE CORPS.—

(1) DEFINITIONS.—With regard to this subsection:

(A) CONSERVATION PROJECT.—The term ''conservation project'' means a project for the conservation, restoration, construction, or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

(B) CORPS PROGRAM.—The term ''corps program'' means a program established by a Federal, State, Tribal, or local government, or nonprofit organization that performs conservation projects on Public Lands.

(C) PUBLIC LANDS.—The term ''Public Lands'' means lands administered by the United States Fish and Wildlife Service.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $400,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out education and job training projects and conservation projects on Public Lands, including through the use of direct expenditure, contracts, grants, and cooperative agreements with corps programs.

(3) ADMINISTRATIVE EXPENSES.—Of the funds provided by this subsection, no more than 2 percent shall be used for administrative costs to carry out this section.

(d) TRIBAL CIVILIAN CLIMATE CORPS.—

(1) DEFINITIONS.—With regard to this subsection:

(A) CONSERVATION PROJECT.—The term ''conservation project'' means any project for the conservation, restoration, construction, or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

(B) CORPS PROGRAM.—The term ''corps program'' means a program established by a Federal, State, Tribal, or local government, or nonprofit organization that performs appropriate conservation projects on Public Lands.

(C) INDIAN LAND.—The term ''Indian land'' means land of an Indian Tribe or an Indian individual that is—

(I) held in trust by the United States; or

(ii) subject to a restriction against alienation imposed by the United States.

(D) INDIAN TRIBE.—The term ''Indian Tribe'' has the meaning given the term in section 101 of the Federally Recognized Indian Tribe List Act (25 U.S.C. 5130).

(E) NATIVE HAWAIIAN.—The term ''Native Hawaiian'' means any individual who is—

(I) a citizen of the United States; and

(ii) a descendant of the aboriginal people who, before 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii, as evidenced by—

(I) genealogical records;

(II) Kupuna (elders) or Kamaaina (long-term community residents) verification; or

(III) certified birth records.

(F) NATIVE HAWAIIAN ORGANIZATION.—The term ''Native Hawaiian organization'' means a private nonprofit organization that—

(I) serves the interests of Native Hawaiians;

(ii) has Native Hawaiians in substantive and policymaking positions within the organization; and

(iii) is recognized by the Governor of Hawaii for the purposes of planning, conducting, or administering programs (or portions of programs) for the benefit of Native Hawaiians.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Indian Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out education and job training projects and conservation

projects, including through the use of direct expenditure, contracts, grants, and cooperative agreements with corps programs, and including projects on Indian lands, pursuant to an agreement between an Indian Tribe or Native Hawaiian organization and a corps program for the benefit of an Indian Tribe or Native Hawaiians. None of the funds provided by this subsection shall be subject to cost-share requirements.

(3) ADMINISTRATIVE EXPENSES.—Of the funds provided by this subsection, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70203. PRESIDIO TRUST.

(a) PRESIDIO TRUST DEFINED.—With regard to this section, the term ''Presidio Trust'' means the entity established under section 103(a) of title I of division I of Public Law 104–333 and under the requirements placed upon that entity by section 104(a) of title I of division I of Public Law 104–333.

(b) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Presidio Trust for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2026, for carrying out projects identi-

fied by the Presidio Trust in accordance with the purposes identified under the first section of Public Law 92–589 (16 U.S.C. 460bb).

SEC. 70204. GRAND CANYON.

(a) DEFINITION.—In this section:

(1) DISPOSAL.—The term ''disposal'' means that the lands identified are not available under the proceedings outlined under section 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1713).

(2) ENTRY.—The term ''entry'' has the meaning as it is used under section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)), in its application to lands under the jurisdiction of the Secretary.

(3) GRAND CANYON PROTECTION AREA.—The term ''Grand Canyon Protection Area'' means the approximately 1,054,923 acres of land depicted as ''Federal Mineral Estate to be Withdrawn'' on the map entitled ''Grand Canyon Protection Area'' and dated August 23, 2021.

(4) LOCATION.—The term ''location'' has the meaning as it is used under section 2320 of the Revised Statutes (30 U.S.C. 23), in its application to lands under the jurisdiction of the Secretary.

(5) PATENT.—The term ''patent'' has the meaning as it is used under section 2325 of the Revised Statutes (30 U.S.C. 29), in its application to lands under the jurisdiction of the Secretary.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(b) WITHDRAWAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,500,000, to remain available until September 30, 2026, to carry out, subject to valid rights in existence on the date of enactment of this section, the withdrawal of the Grand Canyon Protection Area from all forms of disposal, location, entry, and patent.

SEC. 70205. WILDFIRE.

(a) PROTECTING COMMUNITIES AND ECOSYSTEMS FROM WILDFIRE.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $900,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to reduce wildfire risk on landscapes and communities 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

be expended after September 30, 2031, for carrying out a research, development, and testing pilot program to—

(1) assess new technologies, including unmanned aircraft system, geospatial, or remote sensing technologies, across all reforestation activities;

(2) accelerate the deployment and integration of such technologies into the operations of the Secretary of the Interior; and

(3) collaborate and cooperate with State, Tribal, and private geospatial information system organizations with respect to such technologies.

SEC. 70206. URBAN PARKS.

In addition to amounts otherwise available, there is appropriated to the National Park Service for fiscal year 2022, out of any amounts in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2026, to carry out direct, competitive grants to localities to create or significantly enhance access to parks or outdoor recreation facilities in urban areas, in accordance with the authorities outlined under section 200305(e)(2)(A) or 200305(e)(3) of title 54, United States Code, and subject to limitations outlined under section 200305(f)(3) of such title, of which no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70207. EVERY KID OUTDOORS.

(a) DEFINITIONS.—With respect to this section:

(1) FEDERAL LAND AND WATERS.—The term ''Federal land and waters'' means any Federal land or body of water under the jurisdiction of the Director to which the public has access.

(2) DIRECTOR.—The term ''Director'' means the Director of the National Park Service.

(3) STUDENT OR STUDENTS.—The term ''student'' or ''students'' means any fourth, fifth, or sixth grader or home-schooled learner 10 years of age residing in the United States.

(b) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the carrying out of the issuance and administration of passes, effective during the period beginning on September 1 and ending on August 31 of the following year, at the request of a student, which allows access, when the student to which the pass was issued is present, to Federal lands and waters for which access is subject to an entrance, standard amenity, or day use fee, free of charge for the student and three accompanying adults, and for

carrying out the purposes outlined under section 9001(b)(3)(D) of Public Law 116–9.

SEC. 70208. NATIONAL PARK SERVICE CLIMATE RESILIENCE.

In addition to amounts otherwise available, there is appropriated to the National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $115,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the protection, restoration, and resiliency of public lands and resources in accordance with the purposes outlined in section 100101(a) of title 54, United States Code. None of the funds provided by this section shall be subject to cost-sharing requirements.

SEC. 70209. BUREAU OF LAND MANAGEMENT CLIMATE RESILIENCE.

In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $110,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the protection, restoration, and resiliency of public lands and resources in accordance with the purposes outlined in section 102(a)(8)

of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701(a)(8). None of the funds provided by this section shall be subject to cost-sharing requirements.

SEC. 70210. HISTORIC PRESERVATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Director of the National Park Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to carry out preservation or historic preservation as defined by section 300315 of title 54, United States Code.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70211. THOMPSON DIVIDE.

(a) THOMPSON DIVIDE WITHDRAWAL.—

(1) THOMPSON DIVIDE WITHDRAWAL AND PROTECTION AREA DEFINED.—For the purposes of this subsection, the term ''Thompson Divide Withdrawal and Protection area'' means the Federal land and minerals generally depicted as the ''Thompson Divide Withdrawal and Protection Area'' on the map entitled ''Greater Thompson Divide Area Map'' and dated June 13, 2019.

(2) WITHDRAWAL.—Subject to valid rights in existence on the date of the enactment of this section, the Thompson Divide Withdrawal and Protection Area is withdrawn from—

(A) entry, appropriation, and disposal under the public land laws;

(B) location, entry, and patent under the mining laws; and

(C) operation of the mineral leasing, mineral materials, and geothermal leasing laws.

(b) THOMPSON DIVIDE LEASE PAYMENTS.—

(1) THOMPSON DIVIDE WITHDRAWAL AND PROTECTION AREA DEFINED.—With regard to this subsection, the term ''Thompson Divide Withdrawal and Protection Area'' means the Federal land and minerals generally depicted as the ''Thompson Divide Withdrawal and Protection Area'' on the map entitled ''Greater Thompson Divide Area Map'' and dated June 13, 2019.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000 to remain available until September 30, 2026, to acquire, from willing sellers, the

rights to oil or gas leases within the Thompson Divide Withdrawal and Protection Area, provided such leases are in effect on the date of enactment of this subsection. All rights acquired under this subsection shall be permanently cancelled and unavailable for reissue.

(3) ADMINISTRATIVE EXPENSES.—Of the funds provided by this subsection, no more than 2 percent shall be used for administrative costs to carry out this subsection.

(c) FUGITIVE COAL MINE METHANE USE PILOT PROGRAM.—

(1) PILOT PROGRAM AREA DEFINED.—For the purposes of this subsection, the term ''pilot program area'' means the areas identified as ''Coal Mine Methane Capture Areas'' on the map entitled ''Greater Thompson Divide Fugitive Coal Mine Methane Use Pilot Program Area'' and dated June 17, 2019.

(2) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000 to remain available until September 30, 2026, for carrying out a pilot program

in the pilot program area to inventory and, subject to valid existing rights, to lease, capture, mitigate or sequester methane emissions that would leak or be vented into the atmosphere from an active, inactive, or abandoned underground coal mine.

SEC. 70212. CHACO CANYON.

(a) DEFINITIONS.—For the purposes of this section:

(1) CHACO CULTURAL HERITAGE WITHDRAWAL AREA.—The term ''Chaco Cultural Heritage Withdrawal Area'' means the Federal land generally depicted as the ''Chaco Cultural Heritage Withdrawal Area'' on the map entitled ''Chaco Cultural Heritage Withdrawal Area'' and dated April 2, 2019.

(2) NON-PRODUCING LEASES.—The term ''non-producing leases'' means any oil and gas lease on Federal land within the Chaco Cultural Heritage Withdrawal Area—

(A) on which drilling operations have not been commenced before the end of the primary term of the applicable lease;

(B) that is not producing oil and gas in paying quantities; and,

(C) that is not subject to a valid cooperative or unit plan of development.

(b) WITHDRAWAL.—Subject to valid rights in existence on the date of enactment of this section, the Chaco Cultural Heritage Withdrawal Area is withdrawn from—

(1) entry and disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) operation of the mineral leasing, mineral materials, and geothermal leasing laws.

(c) NON-PRODUCING LEASES.—A non-producing lease shall terminate pursuant to section 17(e) of the Mineral Leasing Act (30 U.S.C. 226(e)) and subpart 3108 of title 43, Code of Federal Regulations, and may not be extended.

Subtitle C—Drought Response and Preparedness

SEC. 70301. BUREAU OF RECLAMATION WATER SETTLEMENT FUNDING.

Section 10501 of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 407) is amended as follows:

(1) In subsection (b), by adding at the end the following:

"(3) ADDITIONAL DEPOSITS.—In addition to amounts otherwise available, there is appropriated—

"(A) for fiscal year 2032 and each fiscal year thereafter out of any money in the Treasury not otherwise appropriated, $370,000,000, for deposit in the Fund, to remain available until expended; and

"(B) for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, for deposit in the Fund, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031.".

(2) In subsection (c)(1)—

(A) in subparagraph (A), by striking "for each of fiscal years 2020 through 2034, the Secretary may expend from the Fund an amount not to exceed $120,000,000," and inserting "for fiscal year 2022 and each fiscal year thereafter, the Secretary may expend from the Fund an amount not to exceed $370,000,000";

(B) in subparagraph (B), by striking "more than $120,000,000, for any fiscal year if such amounts are available in the Fund due to expenditures not reaching $120,000,000" and inserting "more than $370,000,000 for any fis-

cal year if such amounts are available in the Fund, for the fiscal year in which expenditures are made pursuant to subparagraph (D) and paragraphs (2) and (3)''; and

(C) by adding at the end the following:

''(C) The Secretary shall expend all amounts in the Fund available from deposits made under subsection (b)(1) and subsection (b)(3)(B) not later than the end of fiscal year 2031.

''(D) If, in the judgment of the Secretary on an annual basis, the Secretary is unlikely to expend the amounts as required under subparagraph (C) because expenditures cannot be made for activities authorized under paragraph (2), the Secretary shall expend from the Fund on an annual basis any projected unspent amounts by not later than the end of fiscal year 2031 on grants to disadvantaged communities (identified according to criteria adopted by the Secretary) or on grants to Indian Tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), in a manner as determined by the Secretary, for up to 100 percent of the cost of the planning,

design, or construction of water projects the primary purpose of which is to provide potable water supplies to communities or households that do not have reliable access to potable water in a State or territory described in the first section of the Act of June 17, 1902 (43 U.S.C. 391; 32 Stat. 388, chapter 1093).''.

(3) In subsection (c), by amending paragraph (2) to read as follows:

''(2) AUTHORITY.—

''(A) NON-TRIBAL SETTLEMENT EXPENDITURES.—The Secretary may expend money from the Fund to implement a settlement agreement approved by Congress that resolves, in whole or in part, litigation involving the United States and a party that is not an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), if the settlement agreement or implementing legislation requires the Bureau of Reclamation to provide financial assistance for, or plan, design, and construct—

''(i) water supply infrastructure; or

''(ii) a project—

"(I) to rehabilitate a water delivery system to conserve water; or

"(II) to restore habitat or otherwise improve environmental conditions associated with or affected by, or located within the same river basin as, a Federal reclamation project that is in existence on March 30, 2009.

"(B) TRIBAL EXPENDITURES.—The Secretary may expend money from the Fund to implement a settlement agreement approved by Congress that resolves, in whole or in part, claims concerning Indian water resources, if the settlement agreement or implementing legislation authorizes the Secretary to provide financial assistance for, or plan, design, and construct—

"(i) water supply infrastructure; or

"(ii) a project—

"(I) to rehabilitate a water delivery system to conserve water; or

"(II) to restore habitat or otherwise improve environmental conditions associated with or affected by, or lo-

cated within the same river basin as, a Federal reclamation project.''.

(5) In subsection (c)(3)(C), by striking ''for any authorized use'' and inserting ''for any use authorized under paragraph (2) or paragraph (1)(D)''.

(6) By striking subsection (f).

SEC. 70302. EMERGENCY DROUGHT RELIEF.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2026, except that no amounts shall be expended after September 30, 2026, for near-term drought relief actions carried out under—

(1) the Reclamation States Emergency Drought Relief Act of 1991 (Public Law 102–250);

(2) the Klamath Basin Water Supply Enhancement Act of 2000 (Public Law 106–498);

(3) section 201 of division D of Public Law 108–7; or

(4) section 1109 of division FF of Public Law 116–260.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent may be used for administrative costs to carry out this section.

SEC. 70303. EMERGENCY DROUGHT RELIEF FOR TRIBES.

In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2026, for near-term drought relief actions to mitigate drought impacts for Indian Tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)) that are impacted by the operation of a Bureau of Reclamation water project, including through direct financial assistance to address drinking water shortages and to mitigate for the loss of Tribal trust resources.

SEC. 70304. SALTON SEA PROJECTS.

(a) APPROPRIATION.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to provide grants and enter into contracts and cooperative agreements to carry out projects located in the area of the Salton

Sea in Southern California to improve air quality, habitat, and water quality, in partnership with—

(A) State, Tribal, and local governments;

(B) water districts;

(C) joint powers authorities;

(D) nonprofit organizations; and

(E) institutions of higher education.

(2) COST SHARE.—The non-Federal share of the cost of a project under this subsection shall be 50 percent of the cost of the project.

(b) INCLUDED ACTIVITIES.—The projects described in subsection (a) may include—

(1) construction, operation, maintenance, permitting, and design activities required for such projects; and

(2) dust suppression projects.

(c) FUNDING ELIGIBILITY.—To be eligible to receive funding, non-Tribal grantees must demonstrate compliance with prevailing wage requirements.

(d) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70305. WATER RESOURCES RESEARCH AND TECHNOLOGY INSTITUTES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out section 104 of the Water Resources Research Act of 1984 (42 U.S.C. 10303).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70306. FEDERAL PRIORITY STREAMGAGES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for making operational streamgages that are identified by the Secretary of the Interior as Federal priority streamgages.

(b) COLLABORATION WITH NON-FEDERAL PARTNERS.—The United States Geological Survey shall prioritize the expenditure of funds available under sub-

section (a) in a manner that seeks to leverage the use of non-Federal funds made available through streamgage funding agreements with States and local agencies to improve environmental quality and water supply reliability.

(c) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70307. SNOW WATER SUPPLY FORECASTING.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out section 1111 of division FF of the Consolidated Appropriations Act, 2021 (Public Law 116–260).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70308. WATER TECHNOLOGY INVESTMENT.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts

may be expended after September 30, 2031, for carrying out section 1112 of division FF of the Consolidated Appropriations Act, 2021 (Public Law 116–260).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70309. AQUATIC ECOSYSTEM RESTORATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until September 30, 2031, except that no amounts may be expended before fiscal year 2027 or after September 30, 2031, for carrying out section 1109 of division FF of the Consolidated Appropriations Act, 2021 (Public Law 116–260).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70310. LARGE SCALE WATER REUSE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State, Indian Tribe, municipality, irrigation district, water district, wastewater dis-

trict, or other organization with water or power delivery authority;

(B) a State, regional, or local authority, the members of which include 1 or more organizations with water or power delivery authority; or

(C) an agency established under State law for the joint exercise of powers or a combination of entities described in subparagraphs (A) through (B).

(2) INDIAN TRIBE.—The term ''Indian Tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(3) RECLAMATION STATE.—The term ''Reclamation State'' means a State or territory described in the first section of the Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43 U.S.C. 391).

(b) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended before fiscal year 2027 or after September 30, 2031, to provide nonreimbursable grants

on a competitive basis to eligible entities that shall not exceed 25 percent of the total cost of an eligible project unless the project advances at least a proportionate share of nonreimbursable benefits authorized under the reclamation laws (including fish and wildlife benefits provided through measurable reductions in water diversions from imperiled ecosystems) up to a maximum 75 percent of the total costs of an eligible project, to carry out the planning, design, and construction of projects to reclaim and reuse municipal, industrial, domestic, or agricultural wastewater or impaired ground or surface waters that have a total estimated cost of more than $500,000,000 and that provide substantial water supply and other benefits to drought stricken regions within the Reclamation States for the purposes of—

(1) helping to advance water management plans across a multi-state area, such as drought contingency plans in the Colorado River Basin;

(2) providing multiple benefits, including water supply reliability benefits for drought-stricken States, Tribes, and communities, fish and wildlife benefits, and water quality improvements; and

(3) reducing impacts on environmental resources from water projects owned or operated by Federal and State agencies, including through meas-

urable reductions in water diversions from imperiled ecosystems.

(c) TOTAL DOLLAR CAP.—The Bureau of Reclamation shall not impose a total dollar cap on Federal contributions that applies to all individual projects funded under this section.

(d) FUNDING ELIGIBILITY.—An eligible project shall not be considered ineligible for assistance under this section because the project has received assistance authorized under title XVI of Public Law 102–575 or section 4009 of Public Law 114–322.

(e) TREATMENT OF CONVEYANCE.—The Bureau of Reclamation shall consider the planning, design, and construction of an eligible project's conveyance system to be eligible for grant funding under this section.

SEC. 70311. CONVEYANCE REPAIRS AND BUILD BACK BETTER FUNDS FOR SOLAR CANAL INTEGRATION.

(a) CONVEYANCE REPAIRS.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to provide nonreimbursable grants in a manner as deter-

mined by the Secretary of the Interior (in this section referred to as the ''Secretary'') on a competitive basis to eligible entities that in aggregate shall not exceed 33 percent of the total cost of an eligible project to carry out the planning, design, and construction of projects to make major, non-recurring maintenance repairs to water conveyance facilities that do not enlarge the carrying capacity of a conveyance facility beyond the capacity as previously constructed for conveyance facilities in need of emergency capacity restoration due to subsidence and experiencing exceptional drought for the purposes of increasing drought resiliency, primarily through groundwater recharge.

(b) BUILD BACK BETTER FUNDS FOR SOLAR CANAL INTEGRATION.—In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the design, study, and implementation of projects (including pilot and demonstration projects) to cover conveyance facilities receiving grants under subparagraph (a) with solar panels to generate renewable energy in a manner as determined by the Secretary or for other solar projects associated with Bureau of Reclamation projects that in-

crease water efficiency and assist in implementation of clean energy goals.

SEC. 70312. RIO GRANDE PUEBLOS IRRIGATION INFRASTRUCTURE GRANTS.

In addition to amounts otherwise available, there is appropriated to the Bureau of Reclamation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out section 9106(d) of the Omnibus Public Land Management Act of 2009 (Public Law 111–11).

Subtitle D—Efficient and Effective NEPA Implementation

SEC. 70401. EFFICIENT AND EFFECTIVE NEPA IMPLEMENTATION.

In addition to amounts otherwise available, there is appropriated to the Department of the Interior for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to provide for more efficient and more effective environmental reviews under the National Environmental Policy Act of 1969 through the hiring and training of additional personnel, the develop-

ment of programmatic assessments or templates, the procurement of technical or scientific services, the development of data or technology systems, stakeholder and community engagement, and the purchase of new equipment.

Subtitle E—National Oceanic and Atmospheric Administration

SEC. 70501. COASTAL AND GREAT LAKES RESTORATION AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $9,500,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, through direct expenditure, contracts, grants, and cooperative agreements to provide funding and technical assistance for the purposes of restoring a marine, estuarine, coastal, or Great Lake habitat; or providing adaptation to climate change, including by protecting, restoring, or establishing ecological features that protects coastal communities from sea-level rise, coastal storms, or flooding; or designing or implementing blue carbon projects. None of the funds provided by this section shall be subject to cost share or matching requirements.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70502. PACIFIC COASTAL SALMON RECOVERY FUND.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of funds in the Treasury not otherwise appropriated $400,000,000, to remain available until 2026, for the purposes of climate resilience, habitat protection, and other habitat restoration projects to recover Pacific salmon. None of the funds provided by this section shall be subject to cost-sharing or matching requirements.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70503. NOAA STOCK ASSESSMENTS.

(a) STOCK ASSESSMENTS.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2031, except that no amount may be expended after September 30, 2031, for carrying out section 401 of the Magnuson-Stevens Fishery Conservation and Man-

agement Reauthorization Act of 2006 (16 U.S.C. 1881) and, section 117 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1386) for fisheries data collections, surveys, and science, management, and ecosystem-based assessments in support of federally managed marine fisheries.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70504. COASTAL HAZARDS AND SEA LEVEL RISE.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of section 12304 of the Integrated Coastal and Ocean Observation System Act of 2009 (33 U.S.C. 3603), section 4 of the Digital Coast Act (16 U.S.C. 1467), section 310 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456c), section 303 of the Hydrographic Services Improvement Act of 1988 (33 U.S.C. 892a), and the first section and section 2 of the Act of August 6, 1947 (chapter 504; 33 U.S.C. 883a and 33 U.S.C. 883b), popularly known as the Coast and Geo-

detic Survey Act of 1947; for the purposes of making upgrades to the Integrated Ocean Observing System; making upgrades to the Shoreline Mapping Program; developing products, services, and coordinated decision-support frameworks with respect to coastal floods, sea level rise, Great Lakes water level, and vertical land motion data and conducting the research and development necessary to support such products and services; producing and maintaining authoritative and timely data, maps, charts, tidal and water level observations and information services for communities to plan for present and future coastal flood risks and to sustain the economic viability of ports and marine transportation system; and providing technical assistance to States, Insular areas, local governments, and end user at-risk communities.

SEC. 70505. BLUE CARBON.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $95,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of section 117 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006 (16 U.S.C. 1891a); and section

309 of the National Marine Sanctuaries Act (16 U.S.C. 1440); for research and extension activities to characterize, quantify, map, and study blue carbon ecosystems or protection and restoration efforts in blue carbon ecosystems, which include marine and coastal freshwater, brackish, and saltwater-fed ecosystems, such as coastal wetland forest and other tidal or historically tidal wetlands that have the capacity to sequester carbon from the atmosphere for a period of not less than 100 years in the Gulf of Mexico region.

SEC. 70506. COASTAL HAZARDS IN UNITED STATES INSULAR AREAS.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of the Integrated Coastal and Ocean Observation System Act of 2009 (33 U.S.C. 3601), section 4 of the Digital Coast Act (16 U.S.C. 1467, and section 303 of the Hydrographic Services Improvement Act (33 U.S.C. 892a) to improve weather data collection and provide science, data, information, and impact-based decision support services to reduce tsunami, hurricane, ty-

phoon, drought, tide, and sea-level rise impacts in Insular Areas.

SEC. 70507. NMFS SHORESIDE FACILITIES.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of sections 404 through 408 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1881c–1884), to replace, renovate, or maintain aging facilities in need of repair or replacement including piers, fisheries laboratories, and laboratory facilities.

SEC. 70508. NOAA VESSEL RECAPITALIZATION.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the treasury not otherwise appropriated, $300,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for vessel recapitalization needs.

SEC. 70509. CIVILIAN CLIMATE CORPS AT NOAA.

(a) NOAA CIVILIAN CLIMATE CORPS.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $120,000,000, to remain available until September 30, 2026, to carry out education and job training projects that conserve, restore, construct, or rehabilitate natural, cultural, historic, archaeological, recreational, or scenic resources through direct expenditure, contracts, grants, and cooperative agreements. None of the funds provided by this section shall be subject to cost-sharing or matching requirements.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70510. NOAA HATCHERIES.

(a) NOAA HATCHERIES.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $250,000,000, to remain available until September 30, 2026, for grants to States and Indian Tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304), to repair, replace, and upgrade hatchery infrastructure for produc-

tion of a marine fishery. None of the funds provided by this section shall be subject to cost-sharing or matching requirements.

(b) FUNDING ELIGIBILITY.—To be eligible to receive funding under this section, non-Tribal grantees must demonstrate compliance with prevailing wage requirements.

SEC. 70511. ELECTRONIC MONITORING.

(a) ELECTRONIC MONITORING.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the purposes of supporting the continued and timely implementation of electronic monitoring and fishing effort reporting.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70512. WORKING WATERFRONTS.

(a) WORKING WATERFRONTS.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $160,000,000, to remain available until

September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of section 309 of the Coastal Zone Management Act (16 U.S.C. 1456b) through direct expenditure, contracts, grants, and cooperative agreements for projects that preserve and protect coastal access for water-dependent commercial activities.

(b) FUNDING ELIGIBILITY.—To be eligible to receive funding under this section, the grantee must demonstrate compliance with prevailing wage requirements.

SEC. 70513. MARINE SANCTUARY AND NATIONAL ESTUARINE RESEARCH RESERVE MAINTENANCE BACKLOG.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $98,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of the National Marine Sanctuary Act (16 U.S.C. 1431) and the Coastal Zone Management Act (16 U.S.C. 1461) for construction, maintenance, and renovation of facilities of National Marine Sanctuaries and National Estuarine Research Reserves.

SEC. 70514. SEAFOOD IMPORT MONITORING PROGRAM EXPANSION.

In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out the provisions of section 307 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act (16 U.S.C. 1857(1)(Q)), to expand the Seafood Import Monitoring Program to apply to all seafood and seafood products.

Subtitle F—United States Fish and Wildlife Service

SEC. 70601. ENDANGERED SPECIES ACT RECOVERY PLANS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the development and implementation of recovery plans under section 4(f) of the Endangered Species Act of 1973 (16 U.S.C. 1533(f)).

(b) CANDIDATE CONSERVATION.—In addition to the amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $75,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for developing Candidate Conservation Agreements and Candidate Conservation Agreements with Assurances for candidate and other at-risk species pursuant section 10 of the Endangered Species Act (16 U.S.C. 1539).

SEC. 70602. ENDANGERED SPECIES ACT HABITAT CONSERVATION.

In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for United States Fish and Wildlife Service responsibilities in the development, review, and permitting of Habitat Conservation Plans under section 10(a)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)(2)) and for State programs under section 6(d) of the Endangered Species Act of 1973 (16 U.S.C. 1535(d)).

SEC. 70603. ENDANGERED SPECIES ACT INTERAGENCY CONSULTATIONS.

In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $40,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for carrying out consultations with Federal agencies that undertake agency actions affecting endangered species and threatened species under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536).

SEC. 70604. FUNDING FOR ISLAND PLANT CONSERVATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the conservation of endangered species and threatened species of plants in the Hawaiian Islands and the Pacific Island Territories of the United States as authorized by section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70605. FUNDING FOR POLLINATOR CONSERVATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the conservation of endangered species and threatened species of pollinators in the United States as authorized by section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70606. FUNDING FOR MUSSEL CONSERVATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the conservation of endangered species and threatened

species of freshwater mussels in the United States as authorized by section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70607. FUNDING FOR DESERT FISH CONSERVATION.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the conservation of endangered species and threatened species of desert fish in the Southwestern United States as authorized by section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533).

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70608. FUNDING FOR THE UNITED STATES FISH AND WILDLIFE SERVICE TO ADDRESS CLIMATE-INDUCED WEATHER EVENTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the United States Fish

and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the purposes of carrying out the Fish and Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish and Wildlife Coordination Act (16 U.S.C. 661), through direct expenditure, contracts, grants, and cooperative agreements, for the purposes of rebuilding and restoring units of the National Wildlife Refuge System, other Federal public assets, and State wildlife management areas including by addressing the threat of invasive species, increasing the resiliency and capacity of habitats and infrastructure to withstand weather events, or reducing the amount of damage caused by those events. None of the funds provided by this section shall be subject to cost-share requirements.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, no more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70609. FUNDING FOR THE UNITED STATES FISH AND WILDLIFE SERVICE FOR WILDLIFE CORRIDOR CONSERVATION.

In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Serv-

ice for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2026, to carry out the provisions of the Fish and Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish and Wildlife Coordination Act (16 U.S.C. 661) through direct expenditure,, contracts, grants, and cooperative agreements, for mapping wildlife corridors and providing assistance to States and Indian Tribes as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304) for the conservation and restoration of wildlife corridors.

SEC. 70610. FUNDING FOR THE UNITED STATES FISH AND WILDLIFE SERVICE FOR GRASSLAND RESTORATION.

In addition to amounts otherwise available, there is appropriated to the United States Fish and Wildlife Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2026, except that no amounts may be expended after September 30, 2026, to carry out the provisions of the Fish and Wildlife Act of 1956 (16 U.S.C. 742a) and the Fish and Wildlife Coordination Act (16 U.S.C. 661) through direct expenditure,

contracts, grants, and cooperative agreements, for the protection and restoration of grassland habitats.

Subtitle G—Insular Affairs

SEC. 70701. INSULAR AFFAIRS HOSPITAL AND OTHER CRITICAL HEALTH INFRASTRUCTURE FUNDING.

In addition to amounts otherwise available, there is appropriated to the Department of the Interior Office of Insular Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $993,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for hospitals and other critical health infrastructure in the territories. Amounts made available under this section shall be divided among the territories in accordance with needs identified by assessments completed by the Department of the Interior, Office of Insular Affairs, of health care facilities in each territory, but not less than 35 percent shall be provided to Guam, not less than 35 percent shall be provided to the United States Virgin Islands, not less than 20 percent shall be provided to the Commonwealth of the Northern Mariana Islands, and not less than 10 percent shall be provided to American Samoa.

SEC. 70702. OFFICE OF INSULAR AFFAIRS CLIMATE CHANGE TECHNICAL ASSISTANCE.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Department of the Interior Office of Insular Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2026, to provide technical assistance for climate-change planning, mitigation, adaptation, and resilience to United States-affiliated Insular Areas under the Office of Insular Affairs.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, not more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70703. SETTLEMENT OF CLAIMS AGAINST THE UNITED STATES FOR CERTAIN RESIDENTS OF THE ISLAND OF VIEQUES, PUERTO RICO.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Department of the Interior Office of Insular Affairs, for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $300,000,000, to remain available until September 30, 2031, except that no amounts may be made available after September 30, 2031, to compensate through the appointment of a Special Master, the municipality of Vieques, and an individual claimant who is or was a resident, the child

of a resident, or an immediate heir (as determined by the laws of Puerto Rico) of a deceased claimant who was a resident on the island of Vieques, Puerto Rico, in the period or after the United States Government used the island of Vieques, Puerto Rico, for military readiness.

(b) ADMINISTRATIVE EXPENSES.—Of the funds provided by this section, not more than 2 percent shall be used for administrative costs to carry out this section.

SEC. 70704. DEFINITIONS.

For the purposes of this subtitle:

(1) FREELY ASSOCIATED STATES.—The term ''Freely Associated States'' means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) UNITED STATES-AFFILIATED INSULAR AREAS.—The term ''United States-affiliated Insular Areas'' means the territories and Freely Associated States.

(3) TERRITORIES.—The term ''territories'' means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands of the United States.

(4) TERRITORY.—The term ''territory'' means American Samoa, the Commonwealth of the North-

ern Mariana Islands, Guam, Puerto Rico, or the Virgin Islands of the United States.

Subtitle H—Energy and Mineral Resources

SEC. 70801. OFFSHORE WIND FOR THE TERRITORIES.

(a) APPLICATION OF OUTER CONTINENTAL SHELF LANDS ACT WITH RESPECT TO TERRITORIES OF THE UNITED STATES.—

(1) IN GENERAL.—Section 2 of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended—

(A) in subsection (a)—

(i) by striking ''The term'' and inserting the following:

''(1) The term''

(ii) by inserting after ''control'' the following: ''or lying within the exclusive economic zone of the United States and the outer Continental Shelf adjacent to any territory of the United States''; and

(iii) by adding at the end the following:

''(2) The term 'outer Continental Shelf' does not include any area conveyed by Congress to a territorial government for administration.'';

(B) in subsection (p), by striking ''and'' after the semicolon at the end;

(C) in subsection (q), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(r) The term 'State' means any of the several States and also includes Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands.''.

(2) EXCLUSIONS.—Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended by adding at the end the following:

''(i) This section shall not apply to the scheduling of any lease sale in an area of the outer Continental Shelf that is adjacent to Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, or the Commonwealth of the Northern Mariana Islands.''.

(b) WIND LEASE SALES FOR AREAS OF THE OUTER CONTINENTAL SHELF.—The Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is amended by adding at the end the following:

"SEC. 33. WIND LEASE SALES FOR AREAS OF THE OUTER CONTINENTAL SHELF OFFSHORE OF TERRITORIES OF THE UNITED STATES.

"(a) WIND LEASE SALES OFF COASTS OF TERRITORIES OF THE UNITED STATES.—

"(1) CALL FOR INFORMATION AND NOMINATIONS.—The Secretary shall issue a call for information and nominations for proposed wind lease sales for areas determined to be feasible.

"(2) CONDITIONAL WIND LEASE SALES.—For areas lying within the exclusive economic zone of the United States adjacent to Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands, the Secretary shall conduct not less than one wind lease sale in each such area, so long as:

"(A) The Secretary has concluded that a wind lease sale on the area is feasible.

"(B) The Secretary has determined that there is sufficient interest in leasing the area.

"(C) The Secretary has consulted with other relevant Federal agencies regarding such sale.

"(D) The Secretary has consulted with the Governor of the territory regarding the suit-

ability of the area for wind energy development.''.

SEC. 70802. LEASING ON THE OUTER CONTINENTAL SHELF.

(a) LEASING AUTHORIZED.—The Secretary of the Interior is authorized to grant leases, easements, and rights-of-way pursuant to section 8(p)(1)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)(1)(C)) in the areas withdrawn by the Presidential Memorandum entitled ''Memorandum on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition'' (issued September 8, 2020) and the Presidential Memorandum entitled ''Presidential Determination on the Withdrawal of Certain Areas of the United States Outer Continental Shelf from Leasing Disposition'' (issued September 25, 2020).

(b) WITHDRAWALS.—Any Presidential withdrawal of an area of the Outer Continental Shelf from leasing under section 12(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1341(a)) issued after the date of enactment of this Act shall apply only to leasing authorized under subsections (a) and (i) of section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a) and 1337(i)), unless otherwise specified.

SEC. 70803. UNITED STATES GEOLOGICAL SURVEY.

(a) 3D ELEVATION PROGRAM.—In addition to amounts otherwise available, there is appropriated to the United States Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to carry out the 3D elevation program (43 U.S.C. 3104).

(b) CLIMATE ADAPTATION SCIENCE CENTERS.—In addition to amounts otherwise available, there is appropriated to the United States Geological Survey for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the Regional and National Climate Adaptation Science Centers to provide localized information to help communities respond to climate change.

SEC. 70804. FOSSIL FUEL RESOURCES.

(a) REPEAL OF THE ARCTIC NATIONAL WILDLIFE REFUGE OIL AND GAS PROGRAM.—Section 20001 of Public Law 115–97 is repealed and any leases issued pursuant to section 20001 of Public Law 115–97 are hereby cancelled and all payments related to the leases shall be re-

turned to the lessee(s) within 30 days of enactment of this Act.

(b) PROTECTION OF THE EASTERN GULF, ATLANTIC, AND PACIFIC COASTS.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by adding at the end the following:

"(q) PROHIBITION OF OIL AND GAS LEASING IN CERTAIN AREAS OF THE OUTER CONTINENTAL SHELF.—The Secretary of the Interior may not issue a lease or any other authorization for the exploration, development, or production of oil or natural gas in the areas of the Outer Continental Shelf designated by section 104(a) of the Gulf of Mexico Energy Security Act of 2006 or in any area within the Atlantic Region planning areas or the Pacific Region planning areas (as such planning areas are described in the document entitled '2017 – 2022 Outer Continental Shelf Oil and Gas Leasing Proposed Final Program' dated November 2016, or a subsequent oil and gas leasing program developed under section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344).".

(c) ONSHORE FOSSIL FUEL ROYALTY RATES.—The Mineral Leasing Act (30 U.S.C. 207) is amended—

(1) in section 7(a), by striking "12½" and inserting "20";

(2) in section 17, by—

(A) striking ''12.5'' each place such term appears and inserting ''20''; and

(B) striking ''12 ½'' each place such term appears and inserting ''20''; and

(3) in section 31(e), by striking ''16 ⅔'' both places such term appears and inserting ''25''.

(d) OFFSHORE OIL AND GAS ROYALTY RATE.—Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by striking—

(1) ''12 ½'' each place such term appears and inserting ''20''; and

(2) ''12 and ½'' each place such term appears and inserting ''20''.

(e) OIL AND GAS MINIMUM BID.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) in subsection (b)(1)(B)—

(A) by striking ''$2 per acre'' and inserting ''$10 per acre, except as otherwise provided by this paragraph''; and

(B) by striking ''Federal Onshore Oil and Gas Leasing Reform Act of 1987'' and inserting ''subtitle H of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14 of the 117th Congress'';

(2) in subsection (b)(2)(C), by striking "$2 per acre" and inserting "$10 per acre"; and

(3) by adding at the end the following:

"(q) INFLATION ADJUSTMENT.—The Secretary shall—

"(1) by regulation, at least once every 4 years, adjust each of the dollar amounts that apply under subsections (b)(1)(B), (b)(2)(C), and (d) to reflect the change in inflation; and

"(2) publish each such regulation in the Federal Register.".

(f) DEFERRED COAL BONUS PAYMENTS.—Section 2(a) of the Mineral Leasing Act (30 U.S.C. 201(a)) is amended—

(1) in paragraph (1), by striking the second and third sentences; and

(2) by striking paragraphs (4) and (5).

(g) FOSSIL FUEL RENTAL RATES.—

(1) Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207) is amended in the third sentence by inserting "at a rental rate of not less than $100 per acre (as reviewed and, if appropriate, adjusted by the Secretary every 4 years)" before the period.

(2) Section 17(d) of the Mineral Leasing Act (30 U.S.C. 226(d)) is amended in the first sentence

by striking "$1.50 per acre per year for the first through fifth years of the lease and not less than $2 per acre per year for each year thereafter" and inserting "$3 per acre per year during the 2-year period beginning on the date the lease begins for new leases, and after the end of such two-year period not less than $5 per acre per year".

(3) Section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)) is amended by striking "$10" and inserting "$20".

(h) FOSSIL FUEL LEASE TERM LENGTH.—

(1) Section 7 of the Mineral Leasing Act (30 U.S.C. 207) is amended—

(A) in subsection (a)—

(i) in the first sentence, by striking "twenty" and inserting "10";

(ii) in the second sentence, by striking "ten" and inserting "5"; and

(iii) in the sixth sentence—

(I) by striking "twenty" and inserting "10"; and

(II) by striking "ten" and inserting "5"; and

(B) in subsection (b)(5), by striking "20" and inserting "10".

(2) Section 17(e) of the Mineral Leasing Act (30 U.S.C. 226(e)) is amended by striking ''10 years:'' and inserting ''5 years.''.

(i) EXPRESSION OF INTEREST FEE.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226), as amended by this subtitle is amended by adding at the end the following:

''(r) FEE FOR EXPRESSION OF INTEREST.—

''(1) IN GENERAL.—The Secretary shall charge any person who submits, in accordance with procedures established by the Secretary to carry out this subsection, an expression of interest in leasing land available for disposition under this section for exploration for, and development of, oil or gas a fee in an amount determined by the Secretary under paragraph (2).

''(2) AMOUNT.—The fee authorized under paragraph (1) shall be established by the Secretary in an amount that is determined by the Secretary to be appropriate to cover the aggregate cost of processing an expression of interest under this subsection, but not less than $15 per acre of the area covered by the applicable expression of interest.

"(3) ADJUSTMENT OF FEE.—The Secretary shall, by regulation at least every 4 years, establish a higher expression of interest fee—

"(A) to reflect the change in inflation; and

"(B) as the Secretary determines to be necessary to enhance financial returns to the United States.".

(j) ELIMINATION OF NONCOMPETITIVE LEASING.—The Mineral Leasing Act is amended—

(1) in section 17(b) (30 U.S.C. 226(b)), by striking paragraph (3);

(2) by amending section 17(c) (30 U.S.C. 226(c)) to read as follows:

"(c) Lands made available for leasing under subsection (b)(1) but for which no bid is accepted may be made available by the Secretary for a new round of sealed bidding under such subsection.";

(3) in section 17(e) (30 U.S.C. 226(e))—

(A) by striking "Competitive and noncompetitive leases" and inserting "Leases, including leases for tar sand areas,"; and

(B) by striking "*Provided*, however" and all that follows through "ten years.";

(4) in section 31(d)(1) (30 U.S.C. 188(d)(1)) by striking "or (c)";

(5) in section 31(e) (30 U.S.C. 188(e))—

(A) in paragraph (2) by striking ", or the inclusion" and all that follows and inserting a semicolon; and

(B) in paragraph (3) by striking "(A)" and by striking subparagraph (B);

(6) by striking section 31(f) (30 U.S.C. 188(f)); and

(7) in section 31(g) (30 U.S.C. 188(g))—

(A) in paragraph (1) by striking "as a competitive" and all that follows through the period and inserting "in the same manner as the original lease issued pursuant to section 17.";

(B) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as redesignated, by striking ", applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except," and inserting ", except".

(k) OIL AND GAS BONDING REQUIREMENTS.—Section 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)) is amended—

(1) by inserting ''Each such bond, surety, or other financial arrangement shall be considered inadequate if such bond, surety, or other financial arrangement is for less than $150,000 in the case of an arrangement for an individual surface-disturbing activity of each entity on an individual oil or gas lease in a State, or $500,000 in the case of an arrangement for all surface-disturbing activities of each entity on all oil and gas leases in a State.'' after ''on the lease.'';

(2) by redesignating existing subsection (g) as paragraph (1); and

(3) by adding at the end the following new paragraph:

''(2)(A) Not later than 180 days after the date of enactment of subtitle H of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14 of the 117th Congress the Secretary concerned shall initiate a rulemaking to require that an adequate bond, surety, or other financial arrangement be provided by the lessee prior to the commencement of surface-disturbing activities on any lease issued under this Act to ensure the complete and timely remediation and reclamation of any land, water, or other resources (including resources with recreation,

range, timber, mineral, watershed, fish or wildlife, natural scenic, scientific, or historical value) adversely affected by lease activities and operations after the abandonment or cessation of oil and gas operations on the lease.

''(B) The Secretary concerned shall find that a bond, surety or other financial arrangement required by regulation under subparagraph (A) is inadequate if it is for less than—

''(i) the complete and timely reclamation of the lease tract;

''(ii) the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease; and

''(iii) in the case of an idled well, the total plugging and reclamation costs for each idled well controlled by the same operator.

''(C) The Secretary concerned shall review the adequacy of each such bond, surety, or other financial arrangement at least once every 5 years and anytime a lease issued under this Act is transferred.''.

(l) PER-ACRE LEASE FEES.—

(1) OIL AND GAS LEASE FEES.—The Secretary of Interior shall charge onshore and offshore oil and gas leaseholders the following annual, non-refundable fees:

(A) CONSERVATION OF RESOURCES FEE.—There is established a Conservation of Resources Fee of $4 per acre per year on new producing Federal onshore and offshore oil and gas leases.

(B) SPECULATIVE LEASING FEE.—There is established a Speculative Leasing Fee of $6 per acre per year on new nonproducing Federal onshore and offshore oil and gas leases.

(2) DEPOSIT.—All funds collected pursuant to paragraph (1) shall be deposited into the United States Treasury General Fund.

(3) ADJUSTMENT FOR INFLATION.—The Secretary of the Interior shall, by regulation at least once every four years, adjust each fee created by paragraph (1) to reflect any increase in inflation.

(m) ONSHORE OIL AND GAS INSPECTION FEES.—

(1) IN GENERAL.—Section 108 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1718) is amended by adding at the end the following:

"(d) INSPECTION FEES.—

"(1) IN GENERAL.—The designated operator under each oil and gas lease on Federal or Indian lands, or each unit and communitization agreement that includes one or more such Federal or Indian leases, that is subject to inspection under subsection (b) and that is in force at the start of the fiscal year 2021, shall pay a nonrefundable annual inspection fee in an amount that, except as provided in paragraph (2), is established by the Secretary by regulation and is sufficient to recover the full costs incurred by the United States for inspection and enforcement with respect to such leases.

"(2) AMOUNT.—Until the effective date of regulations under paragraph (1), the amount of the fee shall be—

"(A) $800 for each lease or unit or communitization agreement with no active or inactive wells, but with surface use, disturbance or reclamation;

"(B) $1,400 for each lease or unit or communitization agreement with 1 to 10 wells, with any combination of active or inactive wells;

"(C) $5,600 for each lease or unit or communitization agreement with 11 to 50 wells,

with any combination of active or inactive wells; and

"(D) $11,300 for each lease or unit or communitization agreement with more than 50 wells, with any combination of active or inactive wells.

"(3) DUE DATE.—Payment of the fee under this section shall be due, annually, not later than 30 days after the Secretary provides notice of the assessment of the fee.

"(4) PENALTY.—If the designated operator fails to pay the full amount of the fee as prescribed in this section, the Secretary may, in addition to utilizing any other applicable enforcement authority, assess civil penalties against the operator under section 109 in the same manner as if this section were a mineral leasing law.

"(5) EXEMPTION FOR TRIBAL OPERATORS.—An operator that is a Tribe or is controlled by a Tribe is not subject to paragraph (1) with respect to a lease, unit, or communitization agreement that is located entirely on the lands of such Tribe.".

(2) ASSESSMENT FOR FISCAL YEAR 2022.—The Secretary of the Interior shall assess the fee under the amendment made by paragraph (1) for fiscal

year 2022, and provide notice of such assessment to each designated operator who is liable for such fee, by not later than 60 days after the date of enactment of this Act.

(n) OFFSHORE OIL AND GAS INSPECTION FEES.—Section 22 of the Outer Continental Shelf Lands Act (43 U.S.C. 1348) is amended by adding at the end the following:

"(g) INSPECTION FEES.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—The Secretary shall collect from the operators of facilities subject to inspection under subsection (c) nonrefundable fees for such inspections—

"(i) at an aggregate level to offset the annual expenses of such inspections;

"(ii) using a schedule that reflect the differences in complexity among the classes of facilities to be inspected; and

"(iii) in accordance with subparagraph (C).

"(B) ADJUSTMENT FOR INFLATION.—For each fiscal year beginning after fiscal year 2022, the Secretary shall adjust the amount of

the fees collected under this paragraph for inflation.

"(C) FEES FOR FISCAL YEAR 2022.—

"(i) ANNUAL FEES.—For fiscal year 2022, the Secretary shall collect annual fees from the operator of facilities that are above the waterline, excluding drilling rigs, and are in place at the start of the fiscal year in the following amounts:

"(I) $11,725 for facilities with no wells, but with processing equipment or gathering lines.

"(II) $18,984 for facilities with 1 to 10 wells, with any combination of active or inactive wells.

"(III) $35,176 for facilities with more than 10 wells, with any combination of active or inactive wells.

"(ii) FEES FOR DRILLING RIGS.—For fiscal year 2022, the Secretary shall collect fees for each inspection from the operators of drilling rigs in the following amounts:

"(I) $34,059 per inspection for rigs operating in water depths of 500 feet or more.

"(II) $18,649 per inspection for rigs operating in water depths of less than 500 feet.

"(iii) FEES FOR NON-RIG UNITS.—For fiscal year 2022, the Secretary shall collect fees for each inspection from the operators of well operations conducted via non-rig units as outlined in subparts D, E, F, and Q of part 250 of title 30, Code of Federal Regulations (or any successor regulation), in the following amounts:

"(I) $13,260 per inspection for non-rig units operating in water depths of 2,500 feet or more.

"(II) $11,530 per inspection for non-rig units operating in water depths between 500 and 2,499 feet.

"(III) $4,470 per inspection for non-rig units operating in water depths of less than 500 feet.

"(2) DISPOSITION.—Amounts collected as fees under paragraph (1) shall be deposited into the general fund of the Treasury.

"(3) BILLING.—

"(A) ANNUAL FEES.—The Secretary shall bill designated operators under paragraph (1)(C)(i) annually, with payment required not later than 30 days after such billing.

"(B) FEES FOR DRILLING RIGS.—The Secretary shall bill designated operators under paragraph (1)(C)(ii) not later than 30 days after the end of the month in which the inspection occurred, with payment required not later than 30 days after such billing.

"(4) PUBLICATION.—The Secretary shall annually make available to the public the following information about each fee deposited into the Fund:

"(A) The facility that was inspected.

"(B) The name of the operator of such facility.

"(C) The amount of the payment.".

(o) SEVERANCE FEES.—The Secretary of Interior shall collect annual, non-refundable fees on fossil fuels produced from new leases on Federal lands and the Outer Continental Shelf and deposit the funds into the United States Treasury General Fund. Such fees shall be—

(1) not less than $0.50 per barrel of oil equivalent on oil and natural gas produced from Federal lands and the Outer Continental Shelf; and

(2) not less than $2 per metric ton of coal produced from Federal lands.

(p) IDLED WELL FEES.—

(1) IN GENERAL.—The Secretary shall, not later than 180 days after the date of enactment of this section, issue regulations to require each operator of an idled well on Federal land and the Outer Continental Shelf to pay an annual, nonrefundable fee for each such idled well in accordance with this subsection.

(2) AMOUNTS.—Except as provided in paragraph (5), the amount of the fee shall be as follows:

(A) $500 for each well that has been considered an idled well for at least 1 year, but not more than 5 years.

(B) $1,500 for each well that has been considered an idled well for at least 5 years, but not more than 10 years.

(C) $3,500 for each well that has been considered an idled well for at least 10 years, but not more than 15 years.

(D) $7,500 for each well that has been considered an idled well for at least 15 years.

(3) DUE DATE.—An owner of an idled well that is required to pay a fee under this subsection shall

submit to the Secretary such fee by not later than October 1 of each year.

(4) CIVIL PENALTY.—If the operator of a idled well fails to pay the full amount of a fee under this subsection, the Secretary may assess a civil penalty against the operator under section 109 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1719) as if such failure to pay were a violation under such section.

(5) ADJUSTMENT FOR INFLATION.—The Secretary shall, by regulation not less than once every 4 years, adjust each fee under this subsection to account for inflation.

(6) DEPOSIT.—All funds collected pursuant to paragraph (1) shall be deposited into the United States Treasury General Fund.

(7) IDLED WELL DEFINITION.—For the purposes of this section, the term ''idled well'' means a well that has been non-operational for at least two consecutive years and for which there is no anticipated beneficial future use.

(q) ANNUAL PIPELINE OWNERS FEE.—Not later than 180 days after the date of enactment of this Act, the Bureau of Safety and Environmental Enforcement shall issue regulations to assess an annual fee on owners

of offshore oil and gas pipelines. Such fee shall not qualify as a transportation allowance or as a deductible cost in calculating royalties due to the United States and shall be no less than—

(1) $10,000 per mile for such pipelines in water with a depth of 500 feet or greater; and

(2) $1,000 per mile for pipelines in water depth of under 500 feet.

(r) ROYALTIES ON ALL EXTRACTED METHANE.—

(1) ASSESSMENT ON ALL PRODUCTION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), royalties paid for gas produced from Federal lands and on the Outer Continental Shelf shall be assessed on all gas produced, including—

(i) gas used or consumed within the area of the lease tract for the benefit of the lease; and

(ii) all gas that is consumed or lost by venting, flaring, or fugitive releases through any equipment during upstream operations.

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to—

(i) gas vented or flared for not longer than 48 hours in an acute emergency situation that poses a danger to human health; and

(ii) gas used or consumed within the area of the lease tract for the benefit of the lease when the operator is a Tribe or is controlled by a Tribe that is located entirely on the lands of such Tribe.

(2) CONFORMING AMENDMENTS.—

(A) MINERAL LEASING ACT.—The Mineral Leasing Act is amended—

(i) in section 14 (30 U.S.C. 223), by adding at the end the following: ''Royalties shall be assessed with respect to oil and gas, other than gas vented or flared for not longer than 48 hours in an acute emergency situation that poses a danger to human health and gas used or gas consumed within the area of the lease tract for the benefit of the lease when the operator is a Tribe or is controlled by a Tribe that is located entirely on the lands of such Tribe, without regard to whether oil or gas is removed or sold from the leased land.'';

(ii) in section 22 (30 U.S.C. 251), by striking ''sold or removed''; and

(iii) in section 31 (30 U.S.C. 188), by striking ''removed or sold'' each place it appears.

(B) OUTER CONTINENTAL SHELF LANDS ACT.—The Outer Continental Shelf Lands Act is amended—

(i) in section 6(a)(8) (43 U.S.C. 1335(a)(8)), by striking ''saved, removed, or sold'' each place it appears; and

(ii) in section 8(a) (43 U.S.C. 1337(a))—

(I) in paragraph (1), by striking ''saved, removed, or sold'' each place it appears; and

(II) by adding at the end the following:

''(9) Royalties under this Act shall be assessed with respect to oil and gas, other than gas vented or flared for not longer than 48 hours in an acute emergency situation that poses a danger to human health and gas used or gas consumed within the area of the lease tract for the benefit of the lease when the operator is a Tribe or is controlled by a

Tribe that is located entirely on the lands of such Tribe, without regard to whether oil or gas is removed or sold from the leased land.''.

(s) ELIMINATION OF ROYALTY RELIEF.—

(1) IN GENERAL.—

(A) OUTER CONTINENTAL SHELF LANDS ACT RELATING TO THE SUSPENSION OF ROYALTIES.—Section 8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) is amended by striking '', and with suspension of royalties for a period, volume, or value of production determined by the Secretary, which suspensions may vary based on the price of production from the lease''.

(B) OUTER CONTINENTAL SHELF LANDS ACT RELATING TO THE SUSPENSION OF ROYALTIES.—Section 8(a)(1)(H) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(1)(H)) is amended by striking '', and with suspension of royalties for a period, volume, or value of production determined by the Secretary, which suspensions may vary based on the price of production from the lease''.

(C) OUTER CONTINENTAL SHELF LANDS ACT.—Section 8(a)(3) of the Outer Continental

Shelf Lands Act (43 U.S.C. 1337(a)(3)) is amended—

(i) by striking subparagraphs (A) and (B); and

(ii) by redesignating subparagraph (C) as subparagraph (A).

(D) ENERGY POLICY ACT OF 2005.—

(i) INCENTIVES FOR NATURAL GAS PRODUCTION FROM DEEP WELLS IN THE SHALLOW WATERS OF THE GULF OF MEXICO.—Section 344 of the Energy Policy Act of 2005 (42 U.S.C. 15904) is repealed.

(ii) DEEP WATER PRODUCTION.—Section 345 of the Energy Policy Act of 2005 (42 U.S.C. 15905) is repealed.

(2) FUTURE PROVISIONS.—Royalty relief shall not be permitted under a lease issued under section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337).

(3) PROVISIONS RELATING TO NAVAL PETROLEUM RESERVE IN ALASKA.—Section 107 of the Naval Petroleum Reserves Production Act of 1976 (42 U.S.C. 6506a) is amended—

(A) in subsection (i), by striking paragraphs (2) through (6); and

(B) by striking subsection (k).

(4) ROYALTY RELIEF UNDER THE MINERAL LEASING ACT.—

(A) REPEAL.—Section 39 of the Mineral Leasing Act (30 U.S.C. 209) is repealed.

(B) CONFORMING AMENDMENTS.—

(i) Section 8721(b) of title 10, United States Code, is amended by striking ''202–209'' and inserting ''202–208''.

(ii) Section 8735(a) of title 10, United States Code, is amended by striking ''202–209'' and inserting ''202–208''.

(iii) Section 31(h) of the Mineral Leasing Act (30 U.S.C. 188(h)) is amended by striking ''and the provisions of section 39 of this Act''.

SEC. 70805. CIVIL AND CRIMINAL PENALTIES.

(a) MINERAL LEASING ACT.—Section 41 of the Mineral Leasing Act (30 U.S.C. 195) is amended—

(1) in subsection (b), by striking ''$500,000'' and inserting ''$1,000,000''; and

(2) in subsection (c), by striking ''$100,000'' and inserting ''$250,000''.

(b) FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982.—The Federal Oil and Gas Royalty Management Act of 1982 is amended—

(1) in section 109 (30 U.S.C. 1719)—

(A) in subsection (a)(2), by striking ''$500'' and inserting ''$1,500'';

(B) in subsection (b), by striking ''$5,000''and inserting ''$15,000'';

(C) in subsection (c)(3), by striking ''$10,000'' and inserting ''$30,000'';

(D) in subsection (d)(3), by striking ''$25,000'' and inserting ''$75,000'';

(E) by redesignating existing subsections (e) through (l) as (f) through (m), respectively; and

(F) by adding at the end:

''(n) INFLATION ADJUSTMENT OF MAXIMUM PENALTIES.—

''(1) The maximum civil penalty amounts listed in subsections (a) through (d) shall automatically adjust for inflation on the 1st day of each calendar year in accordance with the provisions of this subsection.

''(2) The inflation adjustment under this subsection shall be based on the Consumer Price Index

published by the Department of Labor for all Urban Consumers (CPI–U) and shall be calculated by the percentage change, if any, by which the CPI–U for the month of October preceding the adjustment date exceeds the CPI–U for the month of October one year before.

"(3) The Secretary will provide sufficient notice of adjusted penalties by publishing the adjusted maximum civil penalty amounts on a public website of the Department.

"(4) The Secretary will provide notice, in writing, to the Committee on Natural Resources of the Department's intent to adjust such penalties 180 days before publishing the adjusted maximum civil penalty amounts on a public website of the Department under paragraph (3)."; and

(2) in section 110, by striking "$50,000" and inserting "$150,000".

(c) OUTER CONTINENTAL SHELF LANDS ACT.—

(1) CIVIL PENALTY, GENERALLY.—Section 24(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1350(b)) is amended to read as follows:

"(b) CIVIL PENALTIES.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any person who fails to comply with any

provision of this Act, or any term of a lease, license, or permit issued pursuant to this Act, or any regulation or order issued under this Act, shall be liable for a civil administrative penalty of not more than $75,000 for each day of the continuance of such failure. The Secretary may assess, collect, and compromise any such penalty.

''(2) OPPORTUNITY FOR A HEARING.—No penalty shall be assessed until the person charged with a violation has been given an opportunity for a hearing.

''(3) ADJUSTMENT FOR INFLATION.—The Secretary shall, by regulation at least every 3 years, adjust the penalty specified in this paragraph to reflect any increases in inflation.

''(4) THREAT OF HARM.—If a failure described in paragraph (1) constitutes or constituted a threat of harm or damage to life, property, any mineral deposit, or the marine, coastal, or human environment, a civil penalty of not more than $150,000 shall be assessed for each day of the continuance of the failure.''.

(2) KNOWING AND WILLFUL VIOLATIONS.—Section 24(c) of the Outer Continental Shelf Lands Act

(43 U.S.C. 1350(c)) is amended by striking "$100,000" and inserting "$1,000,000".

(3) OFFICERS AND AGENTS OF CORPORATIONS.—Section 24(d) of the Outer Continental Shelf Lands Act (43 U.S.C. 1350(d)) is amended by striking "knowingly and willfully authorized, ordered, or carried out" and inserting "authorized, ordered, carried out, or through reckless disregard of the law caused".

SEC. 70806. TECHNICAL AMENDMENTS TO FOGRMA.

(a) AMENDMENTS TO DEFINITIONS.—Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1702) is amended—

(1) in paragraph (20)(A), by striking ": *Provided*, That" and all that follows through "subject of the judicial proceeding";

(2) in paragraph (20)(B), by striking "(with written notice to the lessee who designated the designee)";

(3) in paragraph (23)(A), by striking "(with written notice to the lessee who designated the designee)";

(4) by amending paragraph (24) to read as follows:

"(24) 'designee' means a person who pays, offsets, or credits monies, makes adjustments, requests and receives refunds, or submits reports with respect to payments a lessee must make pursuant to section 102(a);";

(5) in paragraph (25), in subparagraph (B)—

(A) by striking "(subject to the provisions of section 102(a) of this Act)"; and

(B) in clause (ii), by striking subclause (IV) and all that follows through the end of the subparagraph and inserting the following:

"(IV) any assignment, that arises from or relates to any lease, easement, right-of-way, permit, or other agreement regardless of form administered by the Secretary for, or any mineral leasing law related to, the exploration, production, and development of oil and gas or other energy resource on Federal lands or the Outer Continental Shelf;"; and

(6) in paragraph (29), by inserting "or permit" after "lease".

(b) COMPLIANCE REVIEWS.—Section 101 of the Federal Oil and Gas Royalty Management Act of 1982 (30

U.S.C. 1711) is amended by adding at the end the following new subsection:

"(d) The Secretary may, as an adjunct to audits of accounts for leases, conduct compliance reviews of accounts. Such reviews shall not constitute nor substitute for audits of lease accounts. The Secretary shall immediately refer any disparity uncovered in such a compliance review to a program auditor. The Secretary shall, before completion of a compliance review, provide notice of the review to designees whose obligations are the subject of the review.".

(c) LIABILITY FOR ROYALTY PAYMENTS.—Section 102(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712(a)) is amended to read as follows:

"(a) LIABILITY FOR ROYALTY PAYMENTS.—

"(1) TIME AND MANNER OF PAYMENT.—In order to increase receipts and achieve effective collections of royalty and other payments, a lessee who is required to make any royalty or other payment under a lease, easement, right-of-way, permit, or other agreement, regardless of form, or under the mineral leasing laws, shall make such payment in the time and manner as may be specified by the Secretary or the applicable delegated State.

"(2) DESIGNEE.—Any person who pays, offsets, or credits monies, makes adjustments, requests and receives refunds, or submits reports with respect to payments the lessee must make is the lessee's designee under this Act.

"(3) LIABILITY.—A designee shall be liable for any payment obligation of any lessee on whose behalf the designee pays royalty under the lease. The person owning operating rights in a lease and a person owning legal record title in a lease shall be liable for that person's pro rata share of payment obligations under the lease.".

(d) RECORDKEEPING.—Section 103(b) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713(b)) is amended by striking "6" and inserting "7".

(e) ADJUSTMENTS AND REFUNDS.—Section 111A of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721a) is amended—

(1) in subsection (a)—

(A) by amending paragraph (3) to read as follows:

"(3)(A) An adjustment or a request for a refund for an obligation may be made after the adjustment period only upon written notice to and approval by the Secretary or the applicable delegated

State, as appropriate, during an audit of the period which includes the production month for which the adjustment is being made.

''(B) Except as provided in subparagraph (C), no adjustment may be made with respect to an obligation after the completion of an audit or compliance review of such obligation unless such adjustment is approved by the Secretary or the applicable delegated State, as appropriate.

''(C) If an overpayment is identified during an audit, the Secretary shall allow a credit in the amount of the overpayment.''; and

(B) in paragraph (4)—

(i) by striking ''six-year'' and inserting ''four-year''; and

(ii) by striking ''period shall'' and inserting ''period may''; and

(2) in subsection (b)(1)—

(A) in subparagraph (C), by striking ''and'';

(B) in subparagraph (D), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(E) is made within the adjustment period for that obligation.''.

(f) OBLIGATION PERIOD.—

(1) Section 115(b)(1) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(b)(1)) is amended to read as follows:

"(1) The Secretary or a delegated State shall commence a judicial proceeding or demand which arises from, or relates to an obligation, within seven years from the date on which the obligation becomes due and if not so commenced shall be barred. A lessee shall commence a judicial proceeding or demand which arises from, or relates to an obligation, within four years from the date on which an obligation becomes due and if not so commenced shall be barred. If the Secretary, a delegated State, a lessee, or designee is barred from commencement of a judicial proceeding or demand for an obligation, it—

"(A) shall not take any other or further action regarding that obligation, including (but not limited to) the issuance of any order, request, demand or other communication seeking any document, accounting, determination, calculation, recalculation, payment, principal, interest, assessment, or penalty or the initiation, pursuit or completion of an audit with respect to that obligation; and

"(B) shall not pursue any other equitable or legal remedy, including equitable recoupment, whether under statute or common law, with respect to an action on, defense against, or an enforcement of said obligation.".

(2) Section 115(c) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(c)) is amended by adding at the end the following new paragraph:

"(3) ADJUSTMENTS.—In the case of an adjustment under section 111A(a) in which a recoupment by the lessee results in an underpayment of an obligation, the obligation becomes due on the date the lessee or its designee makes the adjustment.".

(g) APPEALS.—Section 115(h) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(h)) is amended—

(1) in paragraph (1), in the heading, by striking "33-MONTH" and inserting "48-MONTH";

(2) by striking "33 months" each place it appears and inserting "48 months"; and

(3) by striking "33-month" each place it appears and inserting "48-month".

(h) PENALTY FOR LATE OR INCORRECT REPORTING OF DATA.—

(1) IN GENERAL.—The Secretary of the Interior shall issue regulations by not later than 1 year after the date of enactment of this Act that establish a civil penalty for late or incorrect reporting of data under the Federal Oil and Gas Royalty Management Act of 1982.

(2) AMOUNT.—The amount of the civil penalty shall be—

(A) an amount that the Secretary determines is sufficient to ensure filing of data in accordance with that Act; and

(B) not less than $10 for each failure to file correct data in accordance with that Act.

(3) CONTENT OF REGULATIONS.—Except as provided in paragraph (2), the regulations issued under this section shall be substantially similar to section 216.40 of title 30, Code of Federal Regulations, as most recently in effect before the date of enactment of this Act.

(i) SHARED PENALTIES.—Section 206 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1736) is amended by striking ''Any payments under this section shall be reduced by an amount equal to any payments provided or due to such State or Indian Tribe under the cooperative agreement or delegation, as applicable,

during the fiscal year in which the civil penalty is received, up to the total amount provided or due for that fiscal year.''.

(j) ADJUSTMENTS AND REFUNDS.—Section 111A of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721a) is amended—

(1) in subsection (a)—

(A) by amending paragraph (3) to read as follows:

''(3)(A) An adjustment or a request for a refund for an obligation may be made after the adjustment period only upon written notice to and approval by the Secretary or the applicable delegated State, as appropriate, during an audit of the period which includes the production month for which the adjustment is being made.

''(B) Except as provided in subparagraph (C), no adjustment may be made with respect to an obligation after the completion of an audit or compliance review of such obligation unless such adjustment is approved by the Secretary or the applicable delegated State, as appropriate.

''(C) If an overpayment is identified during an audit, the Secretary shall allow a credit in the amount of the overpayment.''; and

(B) in paragraph (4)—

(i) by striking ''six-year'' and inserting ''four-year''; and

(ii) by striking ''period shall'' and inserting ''period may''; and

(2) in subsection (b)(1)—

(A) in subparagraph (C), by striking ''and'';

(B) in subparagraph (D), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(E) is made within the adjustment period for that obligation.''.

(k) TOLLING AGREEMENTS AND SUBPOENAS.—

(1) TOLLING AGREEMENTS.—Section 115(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(d)(1)) is amended—

(A) by striking ''(with notice to the lessee who designated the designee)''; and

(B) by adding at the end ''A tolling agreement executed by a designee shall bind both the owner of legal record title in a lease and the owner of operating rights in a lease, and any designee. The owner of the legal record title and the owner of operating rights in a lease

shall be bound by the tolling agreement to the extent of their pro rata share of payment obligations under the lease.''.

(2) SUBPOENAS.—Section 115(d)(2)(A) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1724(d)(2)(A)) is amended by striking ''(with notice to the lessee who designated the designee, which notice shall not constitute a subpoena to the lessee)''.

(l) REQUIRED RECORDKEEPING FOR NATURAL GAS PLANTS.—

(1) Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior shall publish final regulations with respect to required recordkeeping, under the authority provided in section 103 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713), as amended by this Act.

(2) Section 103(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1713(a)) is amended to read:

''(a) A lessee, operator, or other person directly involved in developing, producing, treating, transporting, processing, purchasing, or selling oil or gas subject to this chapter through the point of first arm's-length sale, the

point of royalty determination, or the point that processing is complete, whichever is later, shall establish and maintain any records, make any reports, and provide any information that the Secretary may, by rule, reasonably require for the purposes of implementing this chapter or determining compliance with rules or orders under this chapter. Upon the request of any officer or employee duly designated by the Secretary or any State or Indian Tribe conducting an audit or investigation pursuant to this chapter, the appropriate records, reports, or information which may be required by this section shall be made available for inspection and duplication by such officer or employee, State, or Indian Tribe.''.

(m) ENTITLEMENTS.—

(1) DIRECTED RULEMAKING.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall publish final regulations prescribing when a Federal lessee or designee must report and pay royalties on oil and gas production for each month based on—

(A) the volume of oil and gas produced from a lease or allocated to the lease in accordance with the terms of a unit or communitization agreement; or

(B) the actual volume of oil and gas sold by or on behalf of the lessee.

(2) 100 PERCENT ENTITLEMENT REPORTING AND PAYING.—The Secretary shall give consideration to requiring all reporting and paying based on the volume of oil and gas produced from a lease or allocated to the lease in accordance with the terms of a unit or communitization agreement without regard to the actual volume of oil and gas sold by or on behalf of a lessee.

(3) VOLUME ALLOCATION OF OIL AND GAS PRODUCTION.—Section 111(i) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721(i)) is amended to read:

''(i) VOLUME ALLOCATION OF OIL AND GAS PRODUCTION.—Except as otherwise provided by this subsection—

''(A) a lessee or its designee of a lease in any unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the volume of oil and gas produced from such agreement and allocated to the lease in accordance with the terms of the agreement; and

"(B) a lessee or its designee of a lease that is not contained in a unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the volume of oil and gas produced from the lease unless the Secretary promulgates a final rule to allow or require that the lessee report and pay royalties on oil and gas production for each production month based on the actual volume of production sold by or on behalf of that lessee.".

SEC. 70807. HARDROCK MINING.

(a) ABANDONED MINE LAND CLEANUP.—In addition to amounts otherwise available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated $2,500,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for all activities necessary to inventory, assess, decommission, reclaim, respond to hazardous substance releases on, and remediate abandoned locatable minerals mine land.

(b) ROYALTY.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subject to paragraph (3), production of all locatable minerals from any mining claim lo-

cated under the general mining laws and maintained in compliance with this Act, or mineral concentrates or products derived from locatable minerals from any such mining claim, as the case may be, shall be subject to a royalty of 8 percent of the gross income from mining. The claim holder or any operator to whom the claim holder has assigned the obligation to make royalty payments under the claim and any person who controls such claim holder or operator shall be liable for payment of such royalties.

(2) ROYALTY FOR FEDERAL LANDS SUBJECT TO APPROVED PLAN OF OPERATIONS.—The royalty under paragraph (2) shall be 4 percent in the case of any Federal land that is subject to an approved plan of operations on the date of the enactment of this Act.

(3) FEDERAL LAND ADDED TO EXISTING PLANS OF OPERATIONS.—Any Federal land added through a plan modification to a mining plan of operations that is submitted after the date of enactment of this Act shall be subject to the royalty that applies to Federal land under paragraph (1).

(4) LIMITATION ON APPLICATION.—

(A) IN GENERAL.—Any royalty under this subsection shall not apply to small miners. In

this subparagraph, the term ''small miner'' means a person (including all related parties thereto) that certifies to the Secretary in writing that the person had annual gross income in the preceding calendar year from mineral production in an amount less than $100,000.

(B) RELATED PARTIES DEFINED.—For the purposes of this paragraph, the term ''related parties'' means, with respect to a person—

(i) the spouse and all dependents (as defined in section 152 of the Internal Revenue Code of 1986 (26 U.S.C. 152)) of the person; or

(ii) another person who is affiliated with the person, including—

(I) another person who controls, is controlled by, or is under common control with the person; and

(II) a subsidiary or parent company or corporation of the person.

(C) CONTROL DEFINED.—For purposes of this paragraph, the term ''control'' includes actual control, legal control, and the power to exercise control, through or by common directors, officers, stockholders, a voting trust, or a hold-

ing company or investment company, or any other means.

(5) DUTIES OF CLAIM HOLDERS, OPERATORS, AND TRANSPORTERS.—

(A) REGULATION.—The Secretary shall prescribe by rule the time and manner in which—

(i) a person who is required to make a royalty payment under this section shall make such payment; and

(ii) shall notify the Secretary of any assignment that such person may have made of the obligation to make any royalty or other payment under a mining claim under this section.

(B) WRITTEN INSTRUMENT.—Any person paying royalties under this section shall file a written instrument, together with the first royalty payment, affirming that such person is responsible for making proper payments for all amounts due for all time periods for which such person has a payment responsibility.

(C) ADDITIONAL AMOUNTS.—Such responsibility for the periods referred to in subparagraph (B) shall include any and all additional

amounts billed by the Secretary and determined to be due by final agency or judicial action.

(D) JOINT AND SEVERAL LIABILITY.—Any person liable for royalty payments under this section who assigns any payment obligation shall remain jointly and severally liable for all royalty payments due for the period.

(E) OBLIGATIONS.—A person conducting mineral activities shall—

(i) develop and comply with the site security provisions in the mining plan of operations designed to protect from theft the hardrock minerals, concentrates, or products derived therefrom that are produced or stored on the area subject to a mining claim or lease, and such provisions shall conform with such minimum standards as the Secretary may prescribe by rule, taking into account the variety of circumstances on areas subject to mining claims and leases; and

(ii) not later than the 5th business day after production begins anywhere on an area subject to a mining claim, or production resumes after more than 90 days

after production was suspended, notify the Secretary, in the manner prescribed by the Secretary, of the date on which such production has begun or resumed.

(F) REQUIRED DOCUMENTATION.—The Secretary may by rule require any person engaged in transporting a hardrock mineral, concentrate, or product derived therefrom to carry on his or her person, in his or her vehicle, or in his or her immediate control, documentation showing, at a minimum, the amount, origin, and intended destination of the hardrock mineral, concentrate, or product derived therefrom in such circumstances as the Secretary determines is appropriate.

(6) RECORDKEEPING AND REPORTING REQUIREMENTS.—

(A) IN GENERAL.—A claim holder, operator, or other person directly involved in developing, producing, processing, transporting, purchasing, or selling hardrock minerals, concentrates, or products derived therefrom, subject to this section, shall establish and maintain any records, make any reports, and provide any 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-

erator of the obligation to maintain such records.

(7) AUDITS.—The Secretary is authorized to conduct such audits of all operators, transporters, purchasers, processors, or other persons directly or indirectly involved in the production or sale of minerals covered by this section, as the Secretary deems necessary for the purposes of ensuring compliance with the requirements of this section. For purposes of performing such audits, the Secretary shall, at reasonable times and upon request, have access to, and may copy, all books, papers and other documents that relate to compliance with any provision of this section by any person.

(8) INTEREST AND SUBSTANTIAL UNDER-REPORTING ASSESSMENTS.—

(A) PAYMENTS NOT RECEIVED.—In the case of production where royalty payments are not received by the Secretary on the date that such payments are due, the Secretary shall charge interest on such underpayments at the same interest rate as the rate applicable under section 6621(a)(2) of the Internal Revenue Code of 1986. In the case of an underpayment, interest shall be computed and charged only on

the amount of the deficiency and not on the total amount.

(B) UNDERREPORTING.—If there is any underreporting of royalty owed on production for any production month by any person liable for royalty payments under this section, the Secretary shall assess a penalty of not greater than 25 percent of the amount of that underreporting.

(C) SELF-REPORTING.—The Secretary may waive or reduce the assessment provided in subparagraph (B) if the person liable for royalty payments under this section corrects the underreporting before the date such person receives notice from the Secretary that an underreporting may have occurred, or before 90 days after the date of the enactment of this section, whichever is later.

(D) WAIVER.—The Secretary shall waive any portion of an assessment under subparagraph (B) attributable to that portion of the underreporting for which the person responsible for paying the royalty demonstrates that—

(i) such person had written authorization from the Secretary to report royalty

on the value of the production on basis on which it was reported;

(ii) such person had substantial authority for reporting royalty on the value of the production on the basis on which it was reported;

(iii) such person previously had notified the Secretary, in such manner as the Secretary may by rule prescribe, of relevant reasons or facts affecting the royalty treatment of specific production which led to the underreporting; or

(iv) such person meets any other exception which the Secretary may, by rule, establish.

(E) DEFINITION.—For the purposes of this subsection, the term ''underreporting'' means the difference between the royalty on the value of the production that should have been reported and the royalty on the value of the production which was reported, if the value that should have been reported is greater than the value that was reported.

(9) EXPANDED ROYALTY OBLIGATIONS.—Each person liable for royalty payments under this section

shall be jointly and severally liable for royalty on all hardrock minerals, concentrates, or products derived therefrom lost or wasted from a mining claim when such loss or waste is due to negligence on the part of any person or due to the failure to comply with any rule, regulation, or order issued under this section.

(10) GROSS INCOME FROM MINING DEFINED.—For the purposes of this section, for any hardrock mineral, the term ''gross income from mining'' has the same meaning as the term ''gross income'' in the Internal Revenue Code of 1986 (26 C.F.R. 61).

(11) EFFECTIVE DATE.—Royalties under this section shall take effect with respect to the production of hardrock minerals after the enactment of this Act, but any royalty payments attributable to production during the first 12 calendar months after the enactment of this Act shall be payable at the expiration of such 12-month period.

(12) FAILURE TO COMPLY WITH ROYALTY REQUIREMENTS.—Any person who fails to comply with the requirements of this section or any regulation or order issued to implement this section shall be liable for a civil penalty under section 109 of the Federal Oil and Gas Royalty Management Act (30 U.S.C.

1719) to the same extent as if the claim maintained in compliance with this title were a lease under such Act.

(c) RECLAMATION FEE.—

(1) IMPOSITION OF FEE.—Except as provided in paragraph (7), each operator conducting hardrock mineral activities shall pay to the Secretary of the Interior a reclamation fee of 7 cents per ton of displaced material.

(2) PAYMENT DEADLINE.—Such reclamation fee shall be paid not later than 60 days after the end of each calendar year beginning with the first calendar year occurring after the date of enactment of this Act.

(3) SUBMISSION OF STATEMENT.—All operators conducting hardrock mineral activities shall submit to the Secretary a statement of the amount of displaced material produced during mineral activities during the previous calendar year, the accuracy of which shall be sworn to by the operator and notarized.

(4) PENALTY.—Any corporate officer, agent, or director of a person conducting hardrock mineral activities, and any other person acting on behalf of such a person, who knowingly makes any false state-

ment, representation, or certification, or knowingly fails to make any statement, representation, or certification, required under this section with respect to such operation shall, upon conviction, be punished by a fine of not more than $10,000.

(5) CIVIL ACTION TO RECOVER FEE.—Any portion of such reclamation fee not properly or promptly paid pursuant to this section shall be recoverable, with statutory interest, from the hardrock mineral activities operator, in any court of competent jurisdiction in any action at law to compel payment of debts.

(6) EFFECT.—Nothing in this section requires a reduction in, or otherwise affects, any similar fee required under any law (including regulations) of any State.

(7) EXEMPTION.—The fee under this section shall not apply for small miners.

(8) DEFINITIONS.—

(A) The term ''displaced material'' means any unprocessed ore and waste dislodged from its location at the time hardrock mineral activities begin at a surface, underground, or in-situ mine.

(B) The term ''hardrock mineral''—

(i) means any mineral that was subject to location under the general mining laws as of the date of enactment of this Act, and that is not subject to disposition under—

(I) the Mineral Leasing Act (30 U.S.C. 181 et seq.);

(II) the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.);

(III) the Act of July 31, 1947, commonly known as the Materials Act of 1947 (30 U.S.C. 601 et seq.); or

(IV) the Mineral Leasing for Acquired Lands Act (30 U.S.C. 351 et seq.); and

(ii) does not include any mineral that is subject to a restriction against alienation imposed by the United States and is—

(I) held in trust by the United States for any Indian or Indian Tribe, as defined in section 2 of the Indian Miner Development Act of 1982 (25 U.S.C. 2101); or

(II) owned by any Indian or Indian Tribe, as defined in that section.

(C) The term ''mineral activities'' means any activity on a mining claim, mill site, or tunnel site, or a mining plan of operations, for, related to, or incidental to, mineral exploration, mining, beneficiation, processing, or reclamation activities for any hardrock mineral.

(D) The term ''operator'' means any person authorized at the date of enactment of this Act or proposing after the date of enactment of this Act to conduct mineral activities under the Mining Law of 1872 (30 U.S.C. 22)and any agent of such person.

(E) The term ''small miner'' means a person (including all related parties thereto) that certifies to the Secretary in writing that the person had annual gross income in the preceding calendar year from mineral production in an amount less than $100,000.

(F) The term ''displaced material'' means any crude ore and waste dislodged from its location at the time hardrock mineral activities begin at a surface, underground, or in-situ mine.

(d) CLAIM MAINTENANCE FEE.—

(1) HARDROCK MINING CLAIM MAINTENANCE FEE.—

(A) REQUIRED FEES.—

(i) For each unpatented mining claim, mill, or tunnel site on federally owned lands, whether located before, on, or after the date of enactment of this Act, each claimant shall pay to the Secretary, on or before September 1 of each year, a claim maintenance fee of $200 per claim to hold such unpatented mining claim, mill or tunnel site for the assessment year beginning at noon on the next day, September 1.

(ii) For each unpatented placer mining claim on federally owned lands, whether located before, on, or after the date of enactment of this Act, each claimant shall pay to the Secretary, on or before September 1 of each year, a claim maintenance fee of $200 for each 20 acres of the placer claim or portion thereof.

(iii) Such claim maintenance fee described in this section shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30

U.S.C. 28 et seq.) and the related filing requirements contained in section 314 (a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744 (a) and (c)).

(iv) The claim maintenance fee in this section shall be paid for the year in which the location is made, at the time the location notice is recorded with the Bureau of Land Management.

(B) FEE ADJUSTMENTS.—

(i) The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made.

(ii) A fee adjustment under this subsection shall begin to apply the first assessment year which begins after adjustment is made.

(C) EXCEPTION FOR SMALL MINERS.—The claim maintenance fee required under this section may be waived for a claimant who certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(i) held not more than 10 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(ii) have performed assessment work required under the Mining Law of 1872 (30 U.S.C. 28–28e) to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due.

(2) CO-OWNERSHIP.—The co-ownership provisions of the Mining Law of 1872 (30 U.S.C. 28 et seq.) shall remain in effect except that the annual claim maintenance fee, where applicable, shall replace applicable assessment requirements and expenditures.

(3) FAILURE TO PAY.—Failure to timely pay the claim maintenance fee as required by the Secretary shall conclusively constitute a forfeiture of the unpatented mining claim, mill or tunnel site by the claimant and the claim shall be deemed null and void by operation of law.

(e) FUNDING TO PREVENT ENVIRONMENTAL DAMAGE FROM MINING.—In addition to amounts otherwise

available, there is appropriated to the Bureau of Land Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to revise rules and regulations to prevent undue degradation of public lands due to hardrock mining activities as authorized by the Federal Land Policy and Management Act (43 U.S.C. 1701) and the Mining Law of 1872 (30 U.S.C. 22).

Subtitle I—Office of Native Hawaiian Relations

SEC. 70901. NATIVE HAWAIIAN CONSULTATION.

In addition to amounts otherwise available, there is appropriated to the Office of Native Hawaiian Relations for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the purposes of conducting consultations with the Native Hawaiian people.

SEC. 70902. NATIVE HAWAIIAN CLIMATE RESILIENCE.

In addition to amounts otherwise available, there is appropriated to the Office of Native Hawaiian Relations for fiscal year 2022, out of any money in the Treasury

not otherwise appropriated, $30,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, through direct expenditure, contracts, grants, and cooperative agreements to provide funding and technical assistance for climate resilience and adaptation programs that serve the Native Hawaiian people.

Subtitle J—Accountability for Funds

SEC. 71001. OVERSIGHT.

One half of one percent of the amounts made available under this title in each of fiscal years 2022 through 2031 shall be used for the oversight and accountability of the expenditure of funds.

SEC. 71002. LIMITATION.

Of the funds provided under sections 70301, 70303, 70310, 70504, 70505, 70506, 70507, 70508, 70510, 70512, 70513, 70514, 70601, 70602, 70603, 70609, and 70610, no more than 2 percent shall be used for administrative costs to carry out such sections.

SEC. 71003. LIMITATION.

No funds made available under this title may be used to close the national office of the Bureau of Land Management located in Grand Junction, Colorado.

TITLE VIII—COMMITTEE ON OVERSIGHT AND REFORM

SEC. 80001. GENERAL SERVICES ADMINISTRATION CLEAN VEHICLE FLEET.

In addition to amounts otherwise available, there is appropriated to the General Services Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000, to remain available until expended, for the procurement of electric vehicles and related infrastructure for the Federal fleet (excluding any vehicles of the United States Postal Service and including non-tactical vehicles of the Department of Defense), and the management, acquisition, and allocation of such electric vehicles and infrastructure and working with Federal agencies to allocate and lease resources as necessary.

SEC. 80002. GENERAL SERVICES ADMINISTRATION OFFICE OF THE INSPECTOR GENERAL CLEAN VEHICLE FLEET OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Office of the Inspector General of the General Services Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,500,000, to remain available until expended, for oversight of the procurement of electric vehicles and related

infrastructure for the Federal fleet at the General Services Administration.

SEC. 80003. UNITED STATES POSTAL SERVICE; CLEAN VEHICLE FLEET AND FACILITY MAINTENANCE.

In addition to amounts otherwise available, there is appropriated to the United States Postal Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $7,000,000,000, to remain available until expended, to be deposited into the Postal Service Fund established under section 2003 of title 39, United States Code, to acquire electric vehicles for the Postal Service fleet, of which $3,000,000,000 shall be for the purchase of electric delivery vehicles and $4,000,000,000 shall be for the purchase of the related infrastructure to support such vehicles.

SEC. 80004. UNITED STATES POSTAL SERVICE OFFICE OF THE INSPECTOR GENERAL CLEAN VEHICLE FLEET PROCUREMENT OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Office of the Inspector General of the United States Postal Service for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $23,000,000, to remain available until expended, to be deposited into the Postal Service Fund established under section 2003 of title 39, United States Code, to perform

oversight of the United States Postal Service's acquisition and deployment of electric vehicles and such infrastructure as may be required to support such vehicles.

SEC. 80005. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION.

In addition to amounts otherwise available, there is appropriated to the National Archives and Records Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $60,000,000 to remain available until expended to address backlogs in responding to requests from veterans for military personnel records, improve cyber security, improve digital preservation and access to archival Federal records, and address backlogs in requests made under section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act). Such amounts may also be used for the Federal Records Center Program.

SEC. 80006. FUNDING FOR GOVERNMENT ACCOUNTABILITY OFFICE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until expended, for the Comptroller General to conduct oversight of the receipt, disbursement, and use of funds and exercise of authorities provided by this

Act, including oversight of the equitable distribution and use of funds and their economic, social, and environmental impacts, and to prepare such reports that the Comptroller General determines appropriate.

SEC. 80007. FUNDING FOR THE OFFICE OF MANAGEMENT AND BUDGET FOR IMPLEMENTATION OF JUSTICE40.

In addition to amounts otherwise available, there is appropriated to the Office of Management and Budget for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $4,000,000 to remain available until September 30, 2026, for additional personnel and data management expenses to support implementation of the Justice40 Initiative set forth in section 223 of Executive Order No. 14008, ''Executive Order on Tackling the Climate Crisis at Home and Abroad'' (January 27, 2021), including providing assistance to other agencies in the development and implementation of methodologies to measure benefits, the development of a database to track agency benefits to disadvantaged communities, and a public-facing scorecard detailing agency environmental justice performance measures.

SEC. 80008. DISTRICT OF COLUMBIA CLEAN VEHICLE FLEET.

In addition to amounts otherwise available, there is appropriated to the District of Columbia for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until expended, for the procurement of electric vehicles and related infrastructure for the District of Columbia and the management and acquisition of such electric vehicles and infrastructure.

SEC. 80009. FUNDING FOR TECHNOLOGY MODERNIZATION FUND.

In addition to amounts otherwise available, there is appropriated to the Technology Modernization Fund for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031.

SEC. 80010. FUNDING FOR GENERAL SERVICES ADMINISTRATION FEDERAL CITIZEN SERVICES FUND.

In addition to amounts otherwise available, there is appropriated to the General Services Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until September 30, 2031, to be deposited in the Federal Citizen Services Fund.

SEC. 80011. FUNDING FOR INFORMATION TECHNOLOGY OVERSIGHT AND REFORM (ITOR) ACCOUNT.

In addition to amounts otherwise available, there is appropriated to the Office of Management and Budget's Information Technology Oversight and Reform (ITOR) account within the Executive Office of the President for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $350,000,000, to remain available until September 30, 2031.

TITLE IX—COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

SEC. 90001. DEPARTMENT OF COMMERCE REGIONAL INNOVATION.

In addition to amounts otherwise available, there is appropriated to the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for planning and establishment of regional innovation initiatives pursuant to the Stevenson-Wydler Act, and for related administrative expenses. Of the funds provided by this section for regional innovation initiatives, no fewer than one-third of grants or cooperative agreements awarded shall significantly benefit a State that is eligible to receive funding from the

Established Program to Stimulate Competitive Research of the National Science Foundation or a rural or other underserved community.

SEC. 90002. FUNDING FOR DEPARTMENT OF ENERGY LABORATORY INFRASTRUCTURE.

(a) OFFICE OF SCIENCE APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Science for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,391,804,000, to remain available until September 30, 2026, to carry out laboratory infrastructure projects, including—

(1) $7,780,566,000 for Construction Projects, of which—

(A) $220,000,000 shall be used for the Exascale Computing Project;

(B) $493,600,000 shall be used for the Frontier Exascale Computing System;

(C) $427,400,000 shall be used for the Aurora Exascale Computing System;

(D) $155,400,000 shall be used for upgrades to the National Energy Research Scientific Computing Center;

(E) $38,616,000 shall be used for the Energy Sciences Network;

(F) $157,000,000 shall be used for the Advanced Photon Source Upgrade;

(G) $729,800,000 shall be used for the Spallation Neutron Source Proton Power Upgrade and Second Target Station;

(H) $337,600,000 shall be used for the Advanced Light Source Upgrade;

(I) $472,850,000 shall be used for the Linac Coherent Light Source-II, including the High Energy Upgrade;

(J) $86,000,000 shall be used for the Cryomodule Repair and Maintenance Facility;

(K) $25,000,000 shall be used for the High Flux Isotope Reactor Pressure Vessel Replacement;

(L) $1,325,000,000 shall be used for United States contributions to the ITER project as authorized in section 972(c) of the Energy Policy Act of 2005 (42 U.S.C. 16312(c));

(M) $212,300,000 shall be used for the Matter in Extreme Conditions Upgrade;

(N) $581,000,000 shall be used for the Proton Improvement Plan-II project;

(O) $1,300,000,000 shall be used for the Long Baseline Neutrino Facility/Deep Underground Neutrino Experiment;

(P) $13,000,000 shall be used for the Muon to Electron Conversion Experiment;

(Q) $806,000,000 shall be used for the Electron Ion Collider;

(R) $213,000,000 shall be used for the Oak Ridge National Laboratory Radioisotope Processing Facility; and

(S) $187,000,000 shall be used for the United States Stable Isotope Production and Research Center;

(2) $1,470,238,000 for Major Items of Equipment, of which—

(A) $302,000,000 shall be used for the High Performance Data Facility;

(B) $90,000,000 shall be used for the Nanoscale Science Research Center Recapitalization project;

(C) $83,500,000 shall be used for the National Synchrotron Light Source-II Experimental Tools II project;

(D) $59,200,000 shall be used for the Material Plasma Exposure Experiment;

(E) $567,875,000 shall be used for such projects for the High Energy Physics program, including—

(i) $237,000,000 for the Cosmic Microwave Background-Stage 4 experiment; and

(ii) $223,875,000 for upgrades to the Large Hadron Collider; and

(F) $367,663,000 shall be used for such projects for the Nuclear Physics program, including $212,500,000 for the Ton-Scale Neutrinoless Double Beta Decay experiment; and

(3) $1,141,000,000 for Science Laboratories Infrastructure, of which—

(A) $111,500,000 shall be used for such projects at the Oak Ridge National Laboratory;

(B) $115,000,000 shall be used for such projects at the Thomas Jefferson National Accelerator Facility;

(C) $150,400,000 shall be used for such projects at the Princeton Plasma Physics Laboratory;

(D) $29,850,000 shall be used for such projects at the Ames Laboratory;

(E) $90,000,000 shall be used for such projects at the Brookhaven National Laboratory;

(F) $265,000,000 shall be used for such projects at the Lawrence Berkeley National Laboratory;

(G) $152,000,000 shall be used for such projects at the SLAC National Accelerator Laboratory;

(H) $100,000,000 shall be used for such projects at the Argonne National Laboratory; and

(I) $127,250,000 shall be used for such projects at the Fermi National Accelerator Laboratory.

(b) ENERGY EFFICIENCY AND RENEWABLE ENERGY APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Energy Efficiency and Renewable Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $349,200,000, to remain available until September 30, 2026, to carry out laboratory infrastructure projects, of which—

(1) $163,000,000 shall be used for the Energy Materials and Processing at Scale project;

(2) $96,200,000 shall be used for the Advanced Research in Integrated Energy Systems initiative; and

(3) $90,000,000 shall be used for high-performance computing equipment and infrastructure.

(c) NUCLEAR ENERGY APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Nuclear Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $408,000,000, to remain available until September 30, 2026, to carry out laboratory infrastructure projects, of which—

(1) $66,000,000 shall be used for the Sample Preparation Laboratory;

(2) $125,000,000 shall be used for the Advanced Test Reactor and Materials and Fuel Complex Plant Health projects;

(3) $122,000,000 shall be used for the Advanced Test Reactor Recapitalization project; and

(4) $95,000,000 shall be used for the Versatile Test Reactor as authorized in section 955 of the Energy Policy Act of 2005 (42 U.S.C. 16275).

(d) FOSSIL ENERGY AND CARBON MANAGEMENT APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy

Office of Fossil Energy and Carbon Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $20,000,000, to remain available until September 30, 2026, to carry out activities to support high-performance computing equipment and infrastructure.

(e) GENERAL LABORATORY INFRASTRUCTURE.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,080,996,000, to remain available until September 30, 2026, to carry out activities to support infrastructure at Department of Energy National Laboratories for civilian research and development purposes, including General Plant Projects and General Plant Equipment, of which—

(1) not less than $377,301,000 shall be available to the Office of Science;

(2) not less than $209,800,000 shall be available to the Office of Energy Efficiency and Renewable Energy;

(3) not less than $40,000,000 shall be available to the Office of Nuclear Energy;

(4) not less than $190,000,000 shall be available to the Office of Fossil Energy and Carbon Management; and

(5) not less than $102,200,000 shall be available to the Office of Environmental Management.

SEC. 90003. DEPARTMENT OF ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES.

(a) OFFICE OF SCIENCE APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Office of Science of the Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until September 30, 2026, to carry out research and development activities. Of the funds provided by this section:

(1) COMPUTATIONAL SCIENCE GRADUATE FELLOWSHIP.—$116,000,000 shall be used to carry out the Department of Energy Computational Science Graduate Fellowship program.

(2) QUANTUM USER EXPANSION FOR SCIENCE AND TECHNOLOGY.—$340,000,000 shall be used to carry out activities to facilitate access of researchers to United States quantum computing facilities for research purposes as part of the program authorized in title IV of the National Quantum Initiative Act (15 U.S.C. 8851 et seq.).

(3) LOW-DOSE RADIATION RESEARCH.—$180,000,000 shall be used to carry out the activi-

ties of the low-dose radiation research program authorized in section 306(c) of the Department of Energy Research and Innovation Act (42 U.S.C. 18644(c)).

(4) FUSION MATERIALS RESEARCH AND DEVELOPMENT.—$250,000,000 shall be used to carry out the activities of the fusion materials research and development program authorized in section 307(b) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(b)).

(5) INERTIAL FUSION RESEARCH AND DEVELOPMENT.—$140,000,000 shall be used to carry out the activities of the program of research and technology development in inertial fusion for energy applications authorized in section 307(d) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(d)).

(6) ALTERNATIVE AND ENABLING FUSION ENERGY CONCEPTS.—$275,000,000 shall be used to carry out the activities of the alternative and enabling fusion energy concepts program authorized in section 307(e) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(e)).

(7) MILESTONE-BASED FUSION ENERGY DEVELOPMENT PROGRAM.—$325,000,000 shall be used to

carry out the activities of the milestone-based fusion energy development program authorized in section 307(i) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(i)).

(8) FUSION REACTOR SYSTEM DESIGN.—$250,000,000 shall be used to carry out the fusion reactor system design activities authorized in section 307(j) of the Department of Energy Research and Innovation Act (42 U.S.C. 18645(j)).

(b) ENERGY EFFICIENCY AND RENEWABLE ENERGY APPROPRIATION.—

(1) DEMONSTRATION PROJECTS.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Energy Efficiency and Renewable Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,107,500,000, to remain available until September 30, 2026, to carry out demonstration projects, including demonstration of advanced—

(A) wind energy technologies as authorized in section 3003 of the Energy Act of 2020 (42 U.S.C. 16237);

(B) solar energy technologies as authorized in section 3004 of the Energy Act of 2020 (42 U.S.C. 16238), including technologies and proc-

esses to encourage the domestic production of materials, semiconductors, and other components at all stages of the solar supply chain;

(C) geothermal technologies as authorized in section 615 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17194);

(D) water power technologies as authorized in sections 634 and 635 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17213 et al.);

(E) vehicle technologies;

(F) bioenergy technologies, including biofuels; and

(G) building technologies.

(2) CLEAN ENERGY MANUFACTURING INNOVATION INSTITUTE.—In addition to amounts otherwise available, there is appropriated to the Office of Energy Efficiency and Renewable Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $70,000,000, to remain available until September 30, 2026, to carry out activities to support one new Clean Energy Manufacturing Innovation Institute.

(c) NUCLEAR ENERGY APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to

the Department of Energy Office of Nuclear Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $52,500,000, to remain available until September 30, 2026, to carry out the activities of the research reactor infrastructure program as authorized in section 954(a) of the Energy Policy Act of 2005 (42 U.S.C. 16274(a)).

(d) FOSSIL ENERGY AND CARBON MANAGEMENT APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Fossil Energy and Carbon Management for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000, to remain available until September 30, 2026, to carry out on-site demonstration projects on the reduction of environmental impacts of produced water.

(e) DIVERSITY SUPPORT.—In addition to amounts otherwise available, there is appropriated to the Department of Energy Office of Economic Impact and Diversity for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $20,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to support programs across the Department's civilian research, devel-

opment, demonstration, and commercial application activities.

(f) OVERSIGHT.—In addition to amounts otherwise available, there is appropriated to the Department of Energy for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for oversight by the Department of Energy Office of Inspector General of the Department of Energy activities for which funding is appropriated in this title.

SEC. 90004. ENVIRONMENTAL PROTECTION AGENCY CLIMATE CHANGE RESEARCH AND DEVELOPMENT.

In addition to amounts otherwise made available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $264,000,000 to remain available until September 30, 2026, to conduct environmental research and development activities related to climate change, including related administrative expenses. The amounts made available in this section shall be used for the purposes of—

(1) conducting further research on mitigation of climate forcing emissions, adaptation to reduce the

impacts of climate change, and approaches to build resilience to climate change;

(2) providing increased support for evidence-based regional and community climate adaptation and resilience actions, including development of a grants-based regional climate science network;

(3) conducting further social science research to upgrade the utilization and efficacy of scientific tools to mitigate, adapt, and build resilience to the impacts of climate change;

(4) increasing engagement capacity with frontline communities with environmental justice concerns in translating, utilizing, and evaluating scientific research results;

(5) conducting further research to improve understanding of impacts of decarbonized energy sources compared to existing energy sources, including cumulative impacts of pollution from existing sources;

(6) conducting further research to improve understanding of the impacts of the transition to decarbonized energy, transportation, and building sectors on frontline communities;

(7) conducting further research to improve understanding of impacts of climate change, including

cumulative impacts of pollution exposure, in communities that face disproportionate impacts from energy transitions; and

(8) providing increased support to conduct further environmental research and development activities on climate change that the Administrator deems appropriate.

SEC. 90005. FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANTS.

In addition to amounts otherwise available, there is appropriated to the Federal Emergency Management Agency for Fiscal Year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2026, $798,000,000, for Assistance to Firefighters Grants pursuant to the Federal Fire Prevention and Control Act of 1974: *Provided*, That $718,000,000 of such amount shall be available for Assistance to Firefighters Grants for fire and EMS department facility construction, upgrades, and modifications, and for related administrative expenses: *Provided further*, That $80,000,000 of such amount shall be available for Assistance to Firefighters Grants for PFAS-free personal protective equipment and PFAS-free firefighting foam, and for related administrative expenses.

SEC. 90006. FIREFIGHTER GRANT OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Department of Homeland Security for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for oversight by the Department of Homeland Security Office of Inspector General of the activities for which funding is appropriated in section 90005.

SEC. 90007. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION INFRASTRUCTURE.

In addition to amounts otherwise made available, there are appropriated to the National Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $4,000,000,000 to remain available until September 30, 2026, for repair, recapitalization, and modernization of physical infrastructure and facilities, including related administrative expenses, consistent with the responsibilities authorized under section 31502 of title 51, United States Code, on maintenance of facilities and section 31503 of title 51, United States Code, on laboratory productivity.

SEC. 90008. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION CLIMATE CHANGE RESEARCH AND DEVELOPMENT.

In addition to amounts otherwise made available, there are appropriated to the National Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $388,000,000 to remain available until September 30, 2026, of which $85,000,000 shall be for research and development on subseasonal to seasonal models and observations, climate resilience and sustainability, and airborne instruments, campaigns, and surface networks to understand, observe, and mitigate global climate change and its impacts, including related administrative expenses, authorized under section 60501 of title 51, United States Code, and research and development activities on upper atmospheric research authorized under sections 20161, 20163, and 20164 of title 51, United States Code; $28,000,000 shall be for investments in data management and processing to support research, development, and applications to understand, observe, and mitigate the global climate change and its impacts consistent with the responsibilities authorized under section 60506 of title 51, United States Code; $50,000,000 shall be for research and development to support the wildfire community and improve wildfire fighting operations, including the Scalable

Traffic Management for Emergency Response Operations project; and $225,000,000 shall be for advancing aeronautics research and development on sustainable aviation, including sustainable aviation biofuels, including related administrative expenses, consistent with the responsibilities authorized under sections 40701 and 40702 of title 51, United States Code.

SEC. 90009. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION OVERSIGHT AND CYBERSECURITY.

In addition to amounts otherwise made available, there are appropriated to the National Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $7,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for information technology security and cybersecurity activities for which funding is appropriated under sections 90007 and 90008. In addition to amounts otherwise made available, there are appropriated to the National Aeronautics and Space Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for the Office of Inspec-

tor General to provide oversight over the management of funds appropriated under sections 90007 and 90008.

SEC. 90010. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY RESEARCH.

In addition to amounts otherwise available, there is appropriated to the National Institute of Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,195,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for scientific and technical research pursuant to the National Institute of Standards and Technology Act, for artificial intelligence (including AI safety and control), cybersecurity, quantum information science and technology, biotechnology, communications technologies, advanced manufacturing, resilience to natural hazards including wildfires, greenhouse gas and other climate-related measurement, and for related administrative expenses: *Provided,* That $150,000,000 shall be available for cybersecurity research and activities.

SEC. 90011. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY SUPPORTING AMERICAN MANUFACTURING.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Institute

of Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,000,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, of which—

(1) $1,000,000,000 shall be for the Hollings Manufacturing Extension Partnership as authorized by sections 25 and 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278k; 278l), including related administrative expenses;

(2) $850,000,000 shall be to provide funds, through existing programs, for advanced manufacturing research, development, and testbeds, including related administrative expenses; and

(3) $150,000,000 shall be for the creation of a new Manufacturing USA Institute that is focused on semiconductor manufacturing.

(b) LIMITATION.—Amounts provided under subsection (a)(1) shall not be subject to cost share requirements under section 25(e)(2) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(e)(2)). The authority made available pursuant to this preceding sentence shall be elective for any Manufacturing Extension Partnership Center that also receives funding from a State

that is conditioned upon the application of a Federal cost sharing requirement.

SEC. 90012. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY RESEARCH FACILITIES.

In addition to amounts otherwise available, there is appropriated to the National Institute of Standards and Technology for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for necessary expenses as authorized by sections 13 through 15 of the National Institute of Standards and Technology Act (15 U.S.C. 278c-278e) for construction of new research facilities, including architectural and engineering design, and for renovation and maintenance of existing facilities.

SEC. 90013. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for oversight by the Department of Commerce Office of Inspector General of Na-

tional Institute of Standards and Technology activities for which funding is appropriated in this title.

SEC. 90014. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION WEATHER, OCEAN, AND CLIMATE RESEARCH AND FORECASTING.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,240,000,000, to remain available until September 30, 2026, to carry out the provisions of the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et seq.), the National Integrated Drought Information System Act (15 U.S.C. 313d), the National Climate Program Act (15 U.S.C. 2901–2908.), the Harmful Algal Bloom and Hypoxia Research and Control Act (33 U.S.C. 4001–4010), the Federal Ocean Acidification Research and Monitoring Act (33 U.S.C. 3701–3708), title III of the America COMPETES Act (33 U.S.C. 893, 893a, 893b, and 893c), and the Weather Service Organic Act (15 U.S.C. 313 et seq.). The amounts in this section shall be used for the purposes of—

(1) increasing the understanding, and predictive and forecasting capabilities, of weather and climate phenomena including, but not limited to, hurricanes,

tornadoes, drought, wildland fires and associated fire weather, extreme precipitation, extreme heat and extreme heat events, flooding, and other severe weather, and their impacts;

(2) increasing marine research capacity and the understanding of the impacts of climate change on ocean processes and phenomena including, but not limited to, ocean acidification, harmful algal blooms, hypoxia and deoxygenation, sea level change, and ocean warming;

(3) enhancing weather, ocean, climate, and other environmental observations, research, data, data assimilation, and modeling;

(4) facilitating successful transition of research into operations and operations to research, including social science for improved decision support services;

(5) acquiring related high-performance computing, data management, and storage assets; and

(6) developing, leveraging, and employing new capabilities, technologies and instruments, including dissemination and processing.

SEC. 90015. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION CLIMATE ADAPTATION AND RESILIENCE ACTIVITIES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $765,000,000 to remain available until September 30, 2026, to carry out the provisions of the National Climate Program Act (15 U.S.C. 2901–2908), the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et seq.), title III of the America COMPETES Act (33 U.S.C. 893, 893a, 893b, and 893c), the National Integrated Drought Information System Act (15 U.S.C. 313d), the Weather Service Organic Act (15 U.S.C. 313 et seq.), the Harmful Algal Bloom and Hypoxia Research and Control Act (33 U.S.C. 4001–4010), and the Federal Ocean Acidification Research and Monitoring Act (33 U.S.C. 3701–3708) to develop and distribute actionable climate information for communities across all States, territories, and Tribal lands of the United States in an equitable manner, to build climate resilience and develop a climate-ready workforce.

(b) USE OF FUNDS.—The amounts made available in subsection (a) shall be used for the following activities:

(1) $265,000,000 to better enable end users, as appropriate, to assess the relative risk of, determine possible adaptation and mitigation strategies for, and make executive and budgetary decisions in response to climate impacts by—

(A) increasing end user understanding of the impacts of climate change at the local and regional level;

(B) developing actionable climate information and accessible tools and products; and

(C) providing end users with technical assistance.

(2) $500,000,000 to recruit, educate, and train a climate-ready workforce to—

(A) develop and support on-the-ground community-driven projects to enhance climate adaptation and resilience;

(B) support community engagement and participation in monitoring, tracking, and preparing for extreme events;

(C) support local resilience to climate impacts;

(D) conduct community-driven climate science; and

(E) enhance the National Oceanic and Atmospheric Administration's delivery of climate information services, tools, and products, including but not limited to those developed in paragraph (1)(B).

(c) END USERS.—For the purposes of this section, the term ''end users'' shall include—

(1) States;

(2) territories;

(3) Tribes;

(4) local governments;

(5) businesses;

(6) not-for-profit or other organizations; and

(7) individuals.

(d) EXTREME EVENT.—For the purposes of this section, the term ''extreme event'' refers to a time and place in which weather, climate, or environmental conditions, such as temperature, precipitation, drought, or flooding, rank above a threshold value near the upper or lower ends of the range of historical measurements.

SEC. 90016. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION HIGH PERFORMANCE COMPUTING.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmos-

pheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $70,000,000 to remain available until September 30, 2026, to procure and enhance high performance computing, data management, and storage capabilities, and related facilities to enable the National Oceanic and Atmospheric Administration to meet its mission requirements, including related administrative expenses.

SEC. 90017. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION PHASED ARRAY RADAR.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $224,000,000 to remain available until September 30, 2026, to carry out the provisions of the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et seq.) for research and development activities to advance the understanding of phased array radar as a potential future radar technology to improve weather forecasts.

SEC. 90018. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION HURRICANE HUNTER AIRCRAFT.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmos-

pheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,024,000,000 to remain available until September 30, 2026, to carry out the provisions of the Weather Research and Forecasting Innovation Act (15 U.S.C. 8501 et seq.) for the procurement of hurricane hunters and related expenses, and the development and acquisition of airborne phased array radar, to prepare for fleet readiness by fiscal year 2030.

SEC. 90019. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION UNCREWED SYSTEMS.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $12,000,000 to remain available until September 30, 2026, to support uncrewed systems development and application in support of National Oceanic and Atmospheric Administration mission priorities including oceanic and atmospheric research and research to operations, including related administrative expenses.

SEC. 90020. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION RESEARCH INFRASTRUCTURE.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $743,000,000 to remain available until September 30, 2026, to conduct deferred maintenance of meteorological, hydrological, climatological, and other oceanic and atmospheric research and development or operational facilities, and to make improvements to scientific equipment and instruments, including related administrative expenses.

SEC. 90021. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION SPACE WEATHER.

In addition to amounts otherwise made available, there is appropriated to the National Oceanic and Atmospheric Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $173,000,000, to remain available until September 30, 2026, to carry out the provisions of the Promoting Research and Observations of Space Weather to Improve the Forecasting of Tomorrow (PROSWIFT) Act (51 U.S.C. 60601 et seq.) by accelerating the development and delivery of instruments and spacecraft, and prioritizing an

independent launch for the Space Weather Next Lagrange point 1 mission, including related administrative expenses.

SEC. 90022. NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Department of Commerce for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until September 30, 2026, for oversight by the Department of Commerce Office of Inspector General of National Oceanic and Atmospheric Administration activities for which funding is appropriated in this title.

SEC. 90023. NATIONAL SCIENCE FOUNDATION INFRASTRUCTURE.

In addition to amounts otherwise available, there is appropriated to the National Science Foundation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,430,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, for research-enabling equipment, facilities, and infrastructure, including mid-scale research infrastructure, Antarctic infrastructure modernization, related Federal administrative expenses and additional major research equipment and facilities construction projects approved by the National Science

Board as required under section 14 of the National Science Foundation Authorization Act of 2002 (42 U.S.C. 1862n-4): *Provided*, That $1,000,000,000 shall be for activities authorized by title II of Public Law 100–570 for academic research facilities modernization, which may include shore-side facilities for academic research vessels, of which $300,000,000 shall be for academic research facilities modernization at historically Black colleges and universities, Hispanic serving institutions, Tribal colleges and universities, and other minority serving institutions: *Provided further*, That not less than 20 percent of the funds made available in this section shall be for research-enabling equipment, facilities, and infrastructure projects located in a State or territory that is eligible to receive funding from the Established Program to Stimulate competitive Research as established under section 113 of the National Science Foundation Authorization Act of 1988 (42 U.S.C. 1862g).: *Provided further,* That $25,000,000 shall be for the Office of the Chief of Research Security Strategy and Policy for research security activities.

SEC. 90024. NATIONAL SCIENCE FOUNDATION RESEARCH AND DEVELOPMENT.

In addition to amounts otherwise available, there is appropriated to the National Science Foundation for fiscal year 2022, out of any money in the Treasury not otherwise

appropriated, $7,550,000,000, to remain available until September 30, 2031, except that no amounts may be expended after September 30, 2031, to fund or extend new and existing research awards, scholarships, and fellowships across all science, technology, engineering, and mathematics (STEM) and STEM education disciplines, to fund use-inspired and translational research and development awards, entrepreneurial education, and technology transfer activities, to extend existing research awards and scholarships and fellowships to aid in the recovery from COVID-19 related disruptions, and for related administrative expenses: *Provided*, That $400,000,000 shall be available for climate change research, including relating to wildfires: *Provided further*, That $700,000,000 shall be available for research and related activities at historically Black colleges and universities, Tribal colleges and universities, Hispanic serving institutions, and other minority serving institutions.

SEC. 90025. NATIONAL SCIENCE FOUNDATION OVERSIGHT.

In addition to amounts otherwise available, there is appropriated to the Office of Inspector General of the National Science Foundation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2031, except that no amounts may be expended after Sep-

tember 30, 2031, for oversight, investigations, and audits of programs, grants, and projects carried out by the National Science Foundation using funds under this title.

SEC. 90026. WAGE RATE REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, all laborers and mechanics employed by contractors and subcontractors on any project funded directly or assisted in whole or in part by the Federal Government pursuant to this title shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality, as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the ''Davis-Bacon Act'').

(b) AUTHORITY.—With respect to the labor standards specified in paragraph (1), the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

SEC. 90027. FORCED LABOR PROHIBITION.

None of the funds provided in this title may be used in awarding a contract, subcontract, grant, or loan to an entity that is listed pursuant to section 9(b)(3) of the

Uyghur Human Rights Policy Act of 2020 (Public Law 116–145).

TITLE X—COMMITTEE ON SMALL BUSINESS

SEC. 100001. DEFINITIONS.

In this title—

(1) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively; and

(2) the term ''small business concern'' has the meaning given under section 3 of the Small Business Act (15 U.S.C. 632).

Subtitle A—Increasing Federal Contracting Opportunities for Small Businesses

SEC. 100101. VETERAN FEDERAL PROCUREMENT ENTREPRENEURSHIP TRAINING PROGRAM.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $5,000,000 for each of fiscal years 2022 through 2028 for carrying out subsection (h) of section 32 of the Small Business Act (15 U.S.C. 657b), as added by this section. Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(b) ESTABLISHMENT.—Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

"(h) VETERAN FEDERAL PROCUREMENT ENTREPRENEURSHIP TRAINING PROGRAM.—The Administrator, acting through the Associate Administrator, shall make grants to, or enter into cooperative agreements with nonprofit entities to operate a Federal procurement entrepreneurship training program to provide assistance to small business concerns owned and controlled by veterans regarding how to increase the likelihood of being awarded contracts with the Federal Government. A grant or cooperative agreement under this subsection—

"(1) shall be made to or entered into with nonprofit entities that have a track record of successfully providing educational and job training services to targeted veteran populations from diverse locations;

"(2) shall include terms under which the nonprofit entities may, at the discretion of the Administrator, be required to match any Federal funds received for the program with State, local, or private sector funds; and

"(3) shall include terms under which the nonprofit entities shall use a diverse group of profes-

sional service experts, such as Federal, State, and local contracting experts and private sector industry experts with first-hand experience in Federal Government contracting, to provide assistance to small business concerns owned and controlled by veterans.''.

SEC. 100102. EXPANDING SURETY BOND PROGRAM.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2031, for additional capital for the fund established under section 412 of the Small Business Investment Act of 1958 (15 U.S.C. 694c).

(b) EXPANDING SURETY BOND PROGRAM.—Part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.) is amended—

(1) in section 411 (15 U.S.C. 694b)—

(A) in subsection (a)(1)—

(i) in subparagraph (A), by striking ''$6,500,000'' and inserting ''$10,000,000''; and

(ii) by amending subparagraph (B) to read as follows:

"(B) The Administrator may guarantee a surety under subparagraph (A) for a total work order or contract entered into by a Federal agency in an amount that does not exceed $20,000,000."; and

(B) in subsection (e)(2), by striking "$6,500,000" and inserting "the amount described in subparagraph (A) or (B) of subsection (a)(1), as applicable"; and

(2) in section 412 (15 U.S.C. 694c)—

(A) in subsection (a), in the third sentence, by striking ", excluding administrative expenses,";

(B) by redesignating subsection (b) as subsection (c); and

(C) by inserting after subsection (a) the following:

"(b) Not more than 15 percent of the amount that is in the fund described in subsection (a) on the first day of each fiscal year may be obligated during that fiscal year to cover costs incurred by the Administration in connection with the management and administration of this part, including costs related to information technology and systems, personnel, outreach activities, and relevant contracts.".

SEC. 100103. UPLIFT ACCELERATOR PROGRAM; BUSINESS DEVELOPMENT ACADEMY.

(a) UPLIFT ACCELERATOR PROGRAM.—

(1) APPROPRIATIONS.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000 to remain available until September 30, 2031, to carry out subparagraph (K) of section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as added by this subsection; and

(B) SET ASIDE.—Of amounts made available under subparagraph (A), not more than 15 percent may be used by the Administrator for administrative expenses and costs related to monitoring and oversight.

(2) ESTABLISHMENT.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)) is amended by adding at the end the following:

"(K) UPLIFT ACCELERATOR PROGRAM.—

"(i) DEFINITIONS.—In this subparagraph:

"(I) ACCELERATOR.—The term 'accelerator' means an organization—

"(aa) that provides mentorship and other support to growing, startup, and newly established small business concerns; and

"(bb) offers startup capital or the opportunity to raise capital from outside investors to growing, startup, and newly established small business concerns.

"(II) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(aa) a historically black college or university;

"(bb) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965, which primarily educates students who are Black or African American, Hispanic or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other Pacific Islander; or

"(cc) a junior or community college, as defined in section 312 of the Higher Education Act of 1965.

"(III) ELIGIBLE SMALL BUSINESS CONCERN.—The term 'eligible small business concern' means a small business concern—

"(aa) located in a HUBZone, as defined in section 31(b);

"(bb) owned and controlled by a resident of a low-income community, as defined in section 45D(e) of the Internal Revenue Code of 1986;

"(cc) owned and controlled by a resident of a low-income rural community;

"(dd) owned and controlled by a member of an Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified

(including parenthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

"(ee) owned and controlled by a Native Entity;

"(ff) owned and controlled by an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990; or

"(gg) otherwise identified by the Administrator.

"(IV) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term 'historically black college or university' means a 'part B institution', as defined under section 322 of the Higher Education Act of 1965.

"(V) INCUBATOR.—The term 'incubator' means an organization—

"(aa) that provides mentorship and other support to

growing, startup, and established small business concerns; and

"(bb) that may provide a co-working environment or a month-to-month lease program.

"(VI) NATIVE ENTITY.—The term 'Native Entity' means—

"(aa) an Indian tribe, including an Alaska Native village or Regional or Village Corporation, as defined in section 4 of the Indian Self-Determination and Education Assistance Act; and

"(bb) a Native Hawaiian organization, as that term is defined in section 6207 of the Elementary and Secondary Education Act of 1965.

"(ii) USE OF FUNDS.—The Administrator is authorized to establish a competitive grant program to make grants to eligible entities to establish accelerators or incubators to support eligible small business concerns in developing—

"(I) business readiness, including by providing services such as accounting, organization, human resources, and legal assistance;

"(II) growth readiness, including assistance to build past performance and relationships with prime contractors;

"(III) readiness to submit bids for prime contracts, including assistance in developing skills, conducting market research, and drafting capability statements and proposals; or

"(IV) global readiness, including assistance in establishing long-term, additional revenue streams outside of the United States.

"(iii) ACQUISITION AUTHORITIES.—The Administrator shall identify acquisition authorities under which eligible small business concerns assisted under this subparagraph may enter into contracts or agreements with Federal agencies.

"(iv) AMOUNT.—During the period beginning on the date of the enactment of

this subparagraph and ending not later than 10 years after such date, the Administrator shall award not more than an aggregate total of $1,000,000,000 in grants to eligible entities under this subparagraph.''.

(b) BUSINESS DEVELOPMENT ACADEMY.—

(1) APPROPRIATIONS.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $725,000,000 to remain available until September 30, 2031, to carry out subparagraph (L) of section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as added by this subsection.

(B) SET ASIDE.—Of amounts made available under subparagraph (A), not more than 15 percent may be used by the Administrator for administrative expenses and costs related to monitoring and oversight.

(2) ESTABLISHMENT.—Section 7(j)(10) of the Small Business Act (15 U.S.C. 636(j)(10)), as

amended by subsection (a), is further amended by adding at the end the following:

"(L) BUSINESS DEVELOPMENT ACADEMY.—

"(i) DEFINITION OF ELIGIBLE ENTITY.—In this paragraph, the term 'eligible entity' has the meaning given in subparagraph (K)(i).

"(ii) USE OF FUNDS.—The Administrator is authorized to establish a competitive grant program to make grants to eligible entities to support Program Participants.

"(iii) DUTIES OF ELIGIBLE ENTITIES.—An eligible entity that receives a grant under this subparagraph shall use such grant to—

"(I) develop and establish a foundational 12-month executive mentoring and training program for small business concerns described in clause (ii);

"(II) recruit and enroll participants in the program described in

subclause (I), including by providing incentives for participation;

"(III) develop certification programs for eligible entities based on proven best practices of the Administration; and

"(IV) conduct research into the effectiveness of the program described in clause (iv)(I).

"(iv) AMOUNT.—During the period beginning on the date of the enactment of this subparagraph and ending not later than 10 years after such date, the Administrator shall award not more than an aggregate total of $725,000,000 in grants to eligible entities under this subparagraph.".

SEC. 100104. PATHWAY TO PRIME GRANT PROGRAM.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(A) $75,000,000 to carry out subsection (b)(1) of section 49 of the Small Business Act, as added by subsection (b); and

(B) $450,000,000 to carry out subsection (b)(2) of section 49 of the Small Business Act, as added by subsection (b).

(2) SET ASIDE.—Of the amount made available to carry out this section for any fiscal year, not more than 15 percent may be used by the Administrator for administrative expenses.

(b) ESTABLISHMENT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 49 (15 U.S.C. 631 note) as section 55; and

(2) by inserting after section 48 the following:

"SEC. 49. PATHWAY TO PRIME GRANT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) a historically black college or university; or

"(B) an institution of higher education, as defined in section 101 of the Higher Education Act of 1965, which primarily educates students who are Black or African American, Hispanic

or Latino, American Indian, Alaska Native, Asian, Native Hawaiian, or other Pacific Islander.

"(2) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.—The term 'historically black college or university' has the meaning given the term 'part B institution' under section 322 of the Higher Education Act of 1965.

"(3) PATHWAY FIRM.—The term 'pathway firm' means a small business concern that is—

"(A) a subcontractor of the Federal Government;

"(B) a contractor or subcontractor of a State, local, or tribal government, including such contractor or subcontractor for a project funded by the CARES Act (Public Law 116–136), the American Rescue Plan Act of 2021 (Public Law 117–2), or an Act providing funds for infrastructure that is enacted during the 117th Congress (as determined by the Administrator).

"(b) ESTABLISHMENT.—The Administrator shall establish a program to assist pathway firms to become prime contractors of the Federal Government by—

"(1) making competitive grants to eligible entities to establish a national contracting and subcontracting network and database of pathway firms and grantees under paragraph (2) to track and connect pathway firms with Federal prime contracting opportunities based on the record of the pathway firm in competing for and obtaining—

"(A) prime contracts or contracts with Federal, State, local, or tribal governments;

"(B) subcontracts with Federal prime contractors; and

"(C) subcontracts from State, local, or tribal governments participating in projects funded by the CARES Act (Public Law 116–136), the American Rescue Plan Act of 2021 (Public Law 117–2), or an Act providing funds for infrastructure that is enacted during the 117th Congress (as determined by the Administrator; and

"(2) making competitive grants to not fewer than 20 State or local governments or federally recognized Tribal governments to—

"(A) participate in the national small business contracting network established in paragraph (1); and

"(B) assist pathway firms within the geographic regions served by those governments.

"(c) USE OF FUNDS.—A recipient of a grant made under this section shall—

"(1) provide resources to enable pathway firms to gain the experience and capabilities necessary to compete for and obtain prime contracts;

"(2) facilitate engagement between pathway firms and Federal, State, local, or tribal governments;

"(3) work with the Administration to ensure that prime contractors with subcontracting plans under section 8(d) meet the requirements of those plans;

"(4) work with the Administration to maximize opportunities for small business concerns to obtaining subcontracts from State, local, or tribal governments participating in projects funded by the CARES Act (Public Law 116–136), the American Rescue Plan Act of 2021 (Public Law 117–2), or an Act providing funds for infrastructure that is enacted during the 117th Congress (as determined by the Administrator); and

"(5) make publicly available data to advocate for best practices and policies that promote small

business concerns as prime contractors of the Federal Government.''.

Subtitle B—Empowering Small Business Creation and Expansion in Underrepresented Communities

SEC. 100201. GRANTS FOR BUSINESS INCUBATORS.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, for carrying out section 50 of the Small Business Act, as added by subsection (b).

(2) SET ASIDE.—Of the amounts made available under this subsection for a fiscal year, not more than 15 percent shall be available for administrative expenses and costs related to monitoring and oversight.

(b) ESTABLISHMENT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 49, as added by section 10104, the following:

"SEC. 50. GRANTS FOR BUSINESS INCUBATORS.

''(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).

"(3) ELIGIBLE APPLICANT.—The term 'eligible applicant' means—

"(A) an economic development organization;

"(B) an eligible entity, as defined in section 7(j)(10)(K)(i)(II);

"(C) an SBA partner organization; or

"(D) any entity that provides support to startups and small business concerns, as determined by the Administrator.

"(4) ELIGIBLE SMALL BUSINESS CONCERN.—The term 'eligible small business concern' means a business concern that—

"(A) is organized or incorporated in the United States;

"(B) is operating primarily in the United States;

"(C) meets—

"(i) the applicable industry-based size standard established under section 3; or

"(ii) the alternate size standard applicable to the program under section 7(a) or the loan programs under title V of the Small Business Investment Act of 1958;

"(D) is in the planning stages or has been in business for not more than 5 years as of the date on which assistance under this section commences; and

"(E) is—

"(i) owned and controlled by 1 or more members of an underrepresented community; or

"(ii) a Native Entity, as defined in section 7(j)(10)(K)(i).

"(5) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—The term 'member of an underrepresented community' means an individual who is—

"(A) a resident of—

"(i) a low-income community, as defined in section 45D(e) of the Internal Revenue Code of 1986;

"(ii) a low-income rural community; or

"(iii) a HUBZone, as defined in section 31(b);

"(B) a member of an Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including par-

enthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

"(C) an individual with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990;

"(D) a veteran;

"(E) an individual who completed a term of imprisonment; or

"(F) otherwise identified by the Administrator.

"(6) SBA PARTNER ORGANIZATION.—The term 'SBA partner organization' means any organization awarded financial assistance in the form of a grant, cooperative agreement, or contract for the purpose of conducting a public project funded, either in whole or in part, under a program of the Administration.

"(b) AUTHORITY.—The Administrator may provide financial assistance on a competitive basis in the form of a grant, prize, cooperative agreement, or contract for an eligible applicant to provide the services of a business incubator to eligible small business concerns.

"(c) USE OF FUNDS.—An eligible applicant that receives assistance under this section shall support areas

that serve members of an underrepresented community and provide services that shall—

"(1) be carried out in such areas as to provide maximum accessibility and benefits to the eligible small business concerns that the project is intended to serve; and

"(2) not impose or otherwise collect a fee or other compensation from eligible small business concerns in connection with such services.

"(d) ONE OR MORE BUSINESS INCUBATORS.—An eligible applicant that receives financial assistance under this section may share such assistance among one or more business incubators to expand access to resources, information, and best practices.

"(e) AWARD AMOUNT.—An award of financial assistance under this section shall be for not more than $1,250,000 for each fiscal year for which the award is granted.

"(f) PENALTIES FOR FAILURE TO ABIDE BY TERMS OR CONDITIONS OF AWARD.—At the discretion of the Administrator and in addition to any other civil or criminal consequences, the Administrator shall withhold payments to an eligible applicant or order the eligible applicant to return any assistance provided under this section for fail-

ure to abide by the terms and conditions of such assistance.''.

SEC. 100202. OFFICE OF NATIVE AMERICAN AFFAIRS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out section 51 of the Small Business Act, as added by subsection (b). Amounts appropriated by this subsection shall remain available until September 30, 2031.

(b) ESTABLISHMENT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 50, as added by section 10201 of this title, the following:

''SEC. 51. OFFICE OF NATIVE AMERICAN AFFAIRS.

''(a) DEFINITIONS.—In this section:

''(1) INDIAN TRIBE.—The term 'Indian Tribe' has the meaning given in section 4 of the Indian Self-Determination and Education Assistance Act.

''(2) NATIVE AMERICAN.—The term 'Native American' means a member of an Indian Tribe.

''(3) NATIVE HAWAIIAN ORGANIZATION.—The term 'Native Hawaiian Organization' has the meaning given in section 6207 of the Elementary and Secondary Education Act of 1965.

"(4) RESOURCE PARTNERS.—The term 'resource partners' means—

"(A) small business development centers;

"(B) women's business centers described in section 29;

"(C) chapters of the Service Corps of Retired Executives established under section 8(b)(1)(B); and

"(D) Veteran Business Outreach Centers described in section 32.

"(b) ESTABLISHMENT.—There is established in the Administration an Office of Native American Affairs, in this section referred to as the 'Office', which shall provide entrepreneurship outreach and development assistance to Native Americans, Native Hawaiian Organizations and members thereof, and Indian Tribes, through the Native American Outreach Program established under subsection (c).

"(c) NATIVE AMERICAN OUTREACH PROGRAM.—

"(1) ESTABLISHMENT.—The Administrator shall establish and administer a Native American Outreach Program within the Office—

"(A) to ensure that small business concerns owned and controlled by Native Americans, 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;

"(B) education on management of a small business concern, including planning, organizing, staffing, and marketing;

"(C) identifying domestic and international market opportunities; and

"(D) implementing economic and business development strategies to improve long-term job growth.".

SEC. 100203. OFFICE OF RURAL AFFAIRS.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out this section. Amounts appropriated by this subsection shall remain available until September 30, 2031.

(2) SET ASIDE.—Of the amounts made available under this subsection for a fiscal year, not more than 15 percent shall be available for administrative expenses related to carrying out this section.

(b) OFFICE OF RURAL AFFAIRS.—Section 26 of the Small Business Act (15 U.S.C. 653) is amended by adding at the end the following:

"(d) RURAL SMALL BUSINESS CONFERENCES.—

"(1) IN GENERAL.—The Office shall administer 1 or more annual Rural Small Business Conferences, to be held in various regions of the United States. The purpose of such Conferences shall be to—

"(A) promote policies and programs of the Administration specific to small business concerns located in rural areas, and make publicly available information about such policies and programs;

"(B) coordinate with all offices of the Administration, resource partners, lenders, and other interested persons to ensure that the needs of small business concerns located in rural area are being met; and

"(C) analyze data on the effectiveness of programs of the Administration that benefit small business concerns located in rural areas.".

SEC. 100204. OFFICE OF EMERGING MARKETS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $2,000,000 for each of fiscal years 2022 through 2031 for carrying out subsection (o) of section 7 of the Small Business Act (15 U.S.C. 636), as

added by subsection (b). Amounts appropriated by this subsection shall remain available until September 30, 2031.

(b) ESTABLISHMENT.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

"(o) OFFICE OF EMERGING MARKETS.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'Director' means the Director of the Office of Emerging Markets;

"(B) the term 'microloan program' means the program described in subsection (m);

"(C) the term 'small business concern in an emerging market' means a small business concern—

"(i) that is located in—

"(I) a low-income or moderate-income area for purposes of the Community Development Block Grant Program under title I of the Housing and Community Development Act of 1974; or

"(II) a HUBZone, as that term is defined in section 31(b);

"(ii) that is growing, newly established, or a startup;

"(iii) owned and controlled by veterans;

"(iv) owned and controlled by individuals with a disability, as defined in section 3 of the Americans with Disabilities Act of 1990; or

"(v) owned and controlled by other individuals or groups identified by the Administrator.

"(2) ESTABLISHMENT.—There is established within the Office of Capital Access of the Administration an office to be known as the 'Office of Emerging Markets', which shall be responsible for the planning, coordination, implementation, evaluation, and improvement of the efforts of the Administrator to enhance the economic well-being of small business concerns in an emerging market.

"(3) ADMINISTRATION.—The Office of Emerging Markets shall be administered by a Director, who shall—

"(A) create and implement strategies and programs that provide an integrated approach

to the development of small business concerns in an emerging market;

"(B) review the effectiveness and impact of access to capital programs (including the microloan program) of the Administration and recommend policies on such programs with respect to small business concerns in an emerging market;

"(C) coordinate with the Office of Entrepreneurial Development and the Office of Veterans Business Development of the Administration to establish partnerships to advance the goal of improving the economic success of small business concerns in an emerging market;

"(D) consult with the Associate Administrator of the Office of Field Operations; and

"(E) coordinate the activities of—

"(i) the SBIC Working Group established under section 10404 of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14;

"(ii) the Office of Native American Affairs established under section 51; and

"(iii) the Office of Rural Affairs established under section 26.".

SEC. 100205. STATE TRADE EXPANSION PROGRAM.

In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $30,000,000 for each of fiscal years 2022 through 2025 for carrying out section 22(l) of the Small Business Act (15 U.S.C. 649(l)). Amounts appropriated by this subsection shall remain available for 3 fiscal years.

Subtitle C—Encouraging Small Businesses to Fully Engage in the Innovation Economy

SEC. 100301. GROWTH ACCELERATOR COMPETITION.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $400,000,000, to remain available until September 30, 2031, for carrying out section 52 of the Small Business Act, as added by subsection (b).

(2) SET ASIDE.—Of the amounts made available under this subsection for a fiscal year, not more than 5 percent shall be available for administrative expenses related to carrying out this section.

(b) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 51, as added by section 10202 of this title, the following:

"SEC. 52. GROWTH ACCELERATOR COMPETITION.

"(a) DEFINITIONS.—In this section:

"(1) AWARD.—The term 'award' means a grant, prize, contract, cooperative agreement, or other cash or cash equivalent (as determined by the Administrator).

"(2) DISABILITY.—The term 'disability' has the meaning given the term in section 3 of the Americans with Disabilities Act of 1990.

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an eligible entity, as defined in section 49; or

"(B) an organization that is a growth accelerator located in the United States.

"(4) GROWTH ACCELERATOR.—The term 'growth accelerator' means an organization that—

"(A) supports new small business concerns that have a focus on technology, research, and development;

"(B) frequently provides, but is not exclusively designed to provide, seed investment in exchange for a small amount of equity;

"(C) works with a new small business concern for a predetermined amount of time;

"(D) provides mentorship and instruction to small business concerns to scale businesses; or

"(E) offers startup capital or the opportunity to raise capital from outside investors.

"(5) NEW SMALL BUSINESS CONCERN.—The term 'new small business concern' means a small business concern that has been in operation for not more than 5 years.

"(b) ESTABLISHMENT.—The Administrator shall make competitive awards of not less than $100,000 to eligible entities to accelerate the growth of new small business concerns by providing—

"(1) assistance to small business concerns with accessing capital and finding mentors and networking opportunities; and

"(2) advice to small business concerns, including advising on market analysis, company strategy, revenue growth, commercialization, and securing funding.

"(c) USE OF FUNDS.—An award under this section—

"(1) may be used by an eligible entity for construction costs, acquisition of physical workspace and facilities, and programmatic purposes to benefit new small business concerns; and

"(2) may not be used by an eligible entity to provide capital to new small business concerns directly or through the subaward of funds.

"(d) APPLICATION.—In making awards under this section, the Administrator shall establish an application process and selection criteria, which shall include—

"(1) assurances that the eligible entity will use such award to provide assistance for not less than 5 new small business concerns each year;

"(2) if located within 20 miles of a minority serving institution, proof of a referral or programmatic relationship between the eligible entity and such institution;

"(3) an assessment of the need for additional assistance for new small business concerns in the geographic area to be served by the eligible entity; and

"(4) other criteria, as determined by the Administrator.

"(e) PENALTIES FOR FAILURE TO ABIDE BY TERMS OR CONDITIONS OF AWARD.—At the discretion of the Ad-

ministrator and in addition to any other civil or criminal consequences, the Administrator shall withhold payments to an eligible entity or order the eligible entity to return an award made under this section for failure to abide by the terms and conditions of the award.''.

SEC. 100302. BUILDING A NATIONAL INNOVATION SUPPORT ECOSYSTEM NETWORK.

(a) APPROPRIATIONS.—

(1) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031, for carrying out this section—

(A) $525,000,000 to carry out subsection (c)(1) of this section; and

(B) $150,000,000 to carry out subsection (c)(2) of this section.

(2) SET ASIDE.—Of the amounts made available under paragraph (1)(A) of this subsection for a fiscal year, not more than 5 percent shall be available for administrative expenses related to carrying out this section.

(b) DEFINITIONS.—In this section:

(1) BUSINESS INCUBATOR.—The term ''business incubator'' means an organization that—

(A) provides resources, which may include physical workspace and facilities, to startups and established small business concerns; and

(B) is designed to accelerate the growth and success of businesses through a variety of business support resources and services, including—

(i) access to capital, business education, and counseling;

(ii) networking opportunities;

(iii) mentorship opportunities; and

(iv) other services intended to aid in developing a business.

(2) ECONOMIC DEVELOPMENT ORGANIZATION.—The term ''economic development organization'' means a regional, State, tribal, or local organization established for purposes of promoting or otherwise facilitating economic development.

(3) ELIGIBLE APPLICANT.—The term ''eligible applicant'' means—

(A) an economic development organization;

(B) an eligible entity, as defined in section 7(j)(10)(K)(i) of the Small Business Act, as added by section 100103;

(C) a business incubator;

(D) a growth accelerator;

(E) an SBA partner organization, as defined in section 50 of the Small Business Act (as added by section 10201 of this title); or

(F) any combination or collaboration of the entities described in subparagraphs (A) through (E).

(4) ELIGIBLE BUSINESS.—The term ''eligible business'' means any innovative startup seeking to—

(A) participate in the SBIR and STTR programs described in section 9 of the Small Business Act (15 U.S.C. 638); or

(B) otherwise develop, through research and development, or commercialize advanced technologies.

(5) GROWTH ACCELERATOR.—The term ''growth accelerator'' has the meaning given the term in section 52 of the Small Business Act, as added by section 10301 of this title.

(6) INNOVATIVE STARTUP.—The term ''innovative startup'' means a science, technology, engineer-

ing, and math entrepreneur or small business concern that—

(A) was founded or commenced a trade or business not earlier than 5 years before receiving assistance under this section; and

(B) has a primary focus on the development or commercialization of advanced technologies.

(7) MEMBER OF AN UNDERREPRESENTED COMMUNITY.—The term ''member of an underrepresented community'' has the meaning given in section 50 of the Small Business Act, as added by section 10201 of this title.

(c) ESTABLISHMENT.—The Administrator shall—

(1) make grants or award prizes to, or enter into contracts or cooperative agreements with, eligible applicants to address the training, proposal development, mentoring, partnering, coordinating, networking, customer discovery, and business incubator and growth accelerator needs of eligible businesses to expand and accelerate the growth of eligible businesses; and

(2) facilitate fellowships and internships in the fields of science, technology, engineering, and mathematics, prioritizing members of an underrepresented

community through partnerships with or supplemental grants or awards to provide opportunities at the undergraduate, graduate, and postdoctoral levels.

Subtitle D—Increasing Equity Opportunities for Small Manufacturers

SEC. 100401. INCREASING EQUITY INVESTMENT BY THE SBIC PROGRAM.

(a) VENTURE SMALL BUSINESS INVESTMENT COMPANY FACILITY.—

(1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031, $9,500,000,000, to be deposited into the facility established under section 321 of the Small Business Investment Act of 1958, as added by paragraph (2).

(2) ESTABLISHMENT.—The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(A) in section 103 (15 U.S.C. 662)—

(i) in paragraph (9)(B)(iii)—

(I) in subclause (II), by striking "and" at the end;

(II) in subclause (III), by adding "and" at the end; and

(III) by adding at the end the following:

"(IV) funds obtained from any financial institution identified under section 302(b);"; and

(ii) in paragraph (10)—

(I) in subparagraph (A), by adding "and" at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

"(B) partnership interests purchased by the Administration, as described in section 321.";

(B) in section 302(a)(1) (15 U.S.C. 682(a)(1))—

(i) in subparagraph (A), by striking "or" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(C) $20,000,000, adjusted every 5 years for inflation, with respect to each licensee participating in the facility under section 321.";

(C) in section 303(b)(2)(B) (15 U.S.C. 683(b)(2)(B)), by striking "$350,000,000" and inserting "$400,000,000"; and

(D) in section 304—

"(e) Notwithstanding section 310(c)(6), a licensee under section 321 may, subject to regulations to be issued by the Administration, invest equity capital in investment funds which—

"(1) are majority controlled by members of an underrepresented community (as defined in section 50 of the Small Business Act);

"(2) receive annual assistance provided by such licensee; or

"(3) meet additional criteria as determined by the Administration."; and

(E) by adding at the end the following:

"SEC. 321. VENTURE SMALL BUSINESS INVESTMENT COMPANY FACILITY.

"(a) DEFINITIONS.—In this section:

"(1) COVERED INVESTMENTS.—The term 'covered investments' means investments in—

"(A) infrastructure, including—

"(i) roads, bridges, and mass transit;

"(ii) water supply and sewer;

"(iii) the electrical grid;

"(iv) broadband and telecommunications;

"(v) clean energy; or

"(vi) child care and elder care;

"(B) manufacturing;

"(C) low-income communities, as that term is defined in section 45D(e) of the Internal Revenue Code of 1986;

"(D) HUBZones, as defined in section 31(b) of the Small Business Act;

"(E) small business concerns owned and controlled by a member of an Indian tribe individually identified (including parenthetically) in the most recent list published pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994;

"(F) small business concerns owned and controlled by an individual with a disability, as

defined in section 3 of the Americans with Disabilities Act of 1990;

"(G) small business concerns owned and controlled by a veteran; or

"(H) small business concerns identified by the Administrator as critical.

"(2) FACILITY.—The term 'facility' means the facility established under subsection (b).

"(3) PARTNERSHIP INTEREST.—The term 'partnership interest' means a limited partnership equity interest in a licensee purchased and held by the Administration under this section.

"(4) VENTURE SMALL BUSINESS INVESTMENT COMPANY.—The term 'venture small business investment company' means a private equity fund—

"(A) that makes early-stage venture capital investments in small business concerns approved to participate in the facility by the Administration; and

"(B) for which 75 percent of total financings shall be invested in covered investments, of which not more than 33 percent of such investments are in small business concerns in infrastructure or manufacturing.

"(b) ESTABLISHMENT AND ADMINISTRATION OF FACILITY.—

"(1) IN GENERAL.—The Administrator shall establish and carry out a facility to purchase partnership interests from venture small business investment companies.

"(2) ADMINISTRATION.—The facility shall be administered by the Administrator acting through the Associate Administrator described in section 201.

"(3) USE OF AMOUNTS.—The Administrator shall use amounts deposited in the facility to purchase partnership interests from venture small business investment companies.

"(4) BIFURCATION.—Losses to the Administration under this section—

"(A) shall not be offset by fees or any other charges on licenses not authorized by the Administration;

"(B) shall be borne solely by the facility; and

"(C) shall not be included in the calculation of the subsidy rate under section 303(j).

"(c) LICENSING MATTERS.—

"(1) IN GENERAL.—A venture small business investment company shall be licensed under section 301(c) and approved by the Administrator to issue partnership interests.

"(2) CONSIDERATION.—In issuing a license under paragraph (1), the Administrator shall take into consideration investment risk through criteria set by the Administrator.

"(d) REQUIRED INVESTMENTS.—

"(1) IN GENERAL.—Except as described in paragraph (2), a venture small business investment company shall invest solely in small business concerns.

"(2) EXCEPTION AND WAIVER.—Notwithstanding section 310(c)(6) and subject to rules issued by the Administrator, a venture small business investment company may invest equity capital in venture capital funds if—

"(A) such venture capital funds are majority controlled by underrepresented individuals;

"(B) not less than 50 percent of total capital of each such venture capital fund is invested in covered investments; and

"(C) the venture small business investment company provides annual assistance to the venture capital fund.

"(e) PARTNERSHIP INTERESTS.—

"(1) IN GENERAL.—The Administrator may, out of amounts available in the facility, purchase partnership interests as described in this subsection.

"(2) ISSUANCE AND PURCHASE OF PARTNERSHIP INTERESTS.—

"(A) IN GENERAL.—The Administrator may purchase venture equity securities issued by a venture small business investment company in an amount that does not exceed the lesser of 100 percent of the private capital of the venture small business investment company or a lesser amount to be determined by the Administrator.

"(3) PARTNERSHIP INTEREST TERMS.—A partnership interest purchased by the Administrator from a venture small business investment company under this subsection shall be subject to such restrictions and limitations as the Administrator may determine.".

(b) EMERGING MANAGERS PROGRAM.—

(1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $20,000,000, to remain available until September 30, 2031, for carrying out this subsection.

(2) ESTABLISHMENT.—The Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

"SEC. 322. EMERGING MANAGERS PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) COVERED INVESTMENTS.—The term 'covered investments' has the meaning given in section 321.

''(2) EMERGING MANAGER COMPANY.—The term 'emerging manager company' means an investment management firm that is focused on investing private equity that meets not less than 2 of the following criteria:

''(A) The partners of the firm have—

''(i) an investment track record of less than 10 years of combined investment experience; or

"(ii) a documented record of successful business experience.

"(B) The firm has a focus on underserved markets.

"(C) The firm is not less than 50 percent owned, managed, or controlled by members of an underrepresented community (as defined in section 50 of the Small Business Act).

"(b) ESTABLISHMENT.—The Administrator shall establish an emerging managers program pursuant to which managers with substantial experience in operating small business investment companies may enter into a written agreement approved by the Administrator to provide guidance and assistance to an applicant for a license for a small business investment company that is to be managed by an emerging manager company. The manager with substantial experience may hold a minority financial interest in the small business investment company that is to be managed by an emerging manager company.

"(c) LICENSING.—An applicant described in subsection (b) shall apply with for a license under section 301(c) and shall—

"(1) have private capital not to exceed $100,000,000;

"(2) be managed by not less than two individuals;

"(3) be a second generation fund or earlier; and

"(4) focus its investment strategy on covered investments.

"(d) WAIVER OF MAXIMUM LEVERAGE.—The approval of a written agreement under subsection (b) by the Administrator shall operate as a waiver of the requirements of section 303(b)(2)(B) to the extent that such section would otherwise apply.

"(e) INCREASED LEVERAGE MAXIMUM.—An existing small business investment company that enters into a written agreement under subsection (b) that is approved by the Administrator may increase the maximum leverage cap of the company under section 303(b)(2)—

"(1) under subparagraph (A) of such section, with respect to a single license, by not more than $17,500,000; and

"(2) under subparagraph (B) of such section, with respect to multiple licenses under common control, by not more than $35,000,000.".

SEC. 100402. MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Administration

for fiscal year 2022, out of amounts in the Treasury not otherwise appropriated, $40,000,000, to remain available until September 30, 2031, to carry out paragraph (5) of section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)), as added by subsection (b).

(b) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) is amended by adding at the end the following:

"(5) MICROCAP SMALL BUSINESS INVESTMENT COMPANY LICENSE.—

"(A) IN GENERAL.—The Administrator may issue a number of licenses under this subsection to applicants—

"(i) that do not satisfy the qualification requirements under paragraph (3)(A)(ii) to the extent that such requirements relate to investment experience and track record, including any such requirements further set forth in section 107.305 of title 13, Code of Federal Regulations, or any successor regulation;

"(ii) that would otherwise be issued a license under this subsection, except that 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

in section 321), of which not more than 33 percent of such investments are in small business concerns in infrastructure or manufacturing.

"(C) TIMING FOR ISSUANCE OF LICENSE.—The Administrator shall establish policies to ensure the timely disposition and issuance of licenses under this paragraph.

"(D) LEVERAGE.—A company licensed pursuant to this paragraph shall—

"(i) not be eligible to receive leverage in an amount that is more than $50,000,000; and

"(ii) be able to access leverage in an amount that is not more than 200 percent of the private capital of the applicant.

"(E) INVESTMENT COMMITTEE.—If a company licensed pursuant to this paragraph has investment committee members or control persons who are principals approved by the Administration or control persons of licensed small business investment companies not licensed under this paragraph, such licensee or licensees shall not be deemed to be under common control with the company licensed pursuant to this

paragraph solely for the purpose of section 303(b)(2)(B).

"(F) FEES.—In addition to the fees authorized under sections 301(e) and 310(b), the Administration may prescribe fees to be paid by each company designated to operate under this paragraph.".

SEC. 100403. FUNDING FOR SBIC OUTREACH AND EDUCATION.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,500,000, to remain available until September 30, 2031, for carrying out this section.

(b) OUTREACH AND EDUCATION.—The Administrator shall develop and implement a program to promote to, conduct outreach to, and educate prospective licensees on the licensing procedures and other programs of small business investment companies under title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.).

SEC. 100404. SBIC WORKING GROUP.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in

the Treasury not otherwise appropriated, $2,000,000, to remain available until September 30, 2031, to carry out this section.

(b) DEFINITIONS.—In this section—

(1) the term ''covered Members'' means the Chair and Ranking Member of—

(A) the Committee on Small Business and Entrepreneurship of the Senate; and

(B) the Committee on Small Business of the House of Representatives;

(2) the terms ''licensee'', ''small business investment company'', and ''underlicensed State'' have the meanings given those terms, respectively, in section 103 of the Small Business Investment Act of 1958 (15 U.S.C. 662);

(3) the term ''low-income community'' has the meaning given the term in section 45D(e) of the Internal Revenue Code of 1986;

(4) the term ''member of an underrepresented community'' has the meaning given in section 50 of the Small Business Act, as added by section 10201 of this title.

(5) the term ''underfinanced State'' means a State that has below median financing, as determined by the Administrator; and

(6) the term ''underserved community'' means—

(A) a HUBZone, as defined in section 31(b) of the Small Business Act (15 U.S.C. 657a(b));

(B) a low-income community; or

(C) a low-income rural community.

(c) ESTABLISHMENT.—Not later than 90 days after the date on which the covered Members are required to submit to the Administrator a notification that the individuals selected by the covered Members under paragraph (1) have accepted those assignments, the Administrator shall establish a small business investment company Working Group (referred to in this section as the ''Working Group''), which shall—

(1) consist of—

(A) 4 representatives—

(i) among general partners of licensees that have a demonstrated record of investing in—

(I) low-income communities;

(II) businesses primarily engaged in research and development;

(III) manufacturers;

(IV) businesses primarily owned or controlled by individuals in underserved communities before receiving capital from the licensee; and

(V) low-income rural communities; and

(ii) of whom—

(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(IV) 1 shall be selected by the Ranking Member of the Committee on Small Business of the House of Representatives;

(B) 4 representatives—

(i) from licensees, of whom 1 shall be an owner of a small business investment company or fund manager that is located in—

(I) a low-income community;

(II) an underserved community;

(III) a low-income rural community; or

(IV) an underfinanced State; and

(ii) of whom—

(I) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(II) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(III) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(IV) 1 shall be selected by the Ranking Member of the Committee on

Small Business of the House of Representatives;

(C) the Associate Administrator for the Office of Investment and Innovation of the Administration, who shall—

(i) serve as the Chair of the Working Group; and

(ii) select not more than 4 additional representatives from the Office of Investment and Innovation of the Administration to serve as representatives of the Working Group; and

(D) 4 representatives from the investment industry or academia, or who are bank limited partners, with expertise in developing and monitoring interventions to expand the investment industry, of whom—

(i) 1 shall be selected by the Chair of the Committee on Small Business and Entrepreneurship of the Senate;

(ii) 1 shall be selected by the Ranking Member of the Committee on Small Business and Entrepreneurship of the Senate;

(iii) 1 shall be selected by the Chair of the Committee on Small Business of the House of Representatives; and

(iv) 1 shall be selected by the Ranking Member of the Committee on Small Business of the House of Representatives;

(2) develop recommendations regarding how the Administrator could increase the number of—

(A) applicants to become small business investment companies, with a focus on management teams or companies located in—

(i) low-income communities;

(ii) underserved communities; and

(iii) low-income rural communities; and

(B) investments made in underfinanced States;

(3) develop recommendations for incentives for small business investment companies to—

(A) invest and locate in underlicensed States and underfinanced States; and

(B) invest in small business concerns, including those owned and controlled by members of an underrepresented community, small business concerns owned and controlled by veterans,

and small business concerns owned and controlled by women; and

(4) develop recommendations for metrics of success, and benchmarks for success, with respect to the goals described in this section.

(d) REPORT.—Not later than 1 year after the date on which the Administrator establishes the Working Group under subsection (b), the Working Group shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that includes—

(1) the recommendations of the Working Group; and

(2) a recommended plan and timeline for implementing the recommendations described in paragraph (1).

(e) TERMINATION.—The Working Group shall terminate on the date on which the Working Group submits the report required under subsection (e).

Subtitle E—Increasing Access to Lending and Investment Capital

SEC. 100501. FUNDING FOR COMMUNITY ADVANTAGE LOAN PROGRAM.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $281,000,000 for carrying out paragraph (38) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (b);

(2) $5,000,000 for carrying out subparagraph (F) of such paragraph (38); and

(3) $314,000,000 for administrative expenses related to carrying out such paragraph (38), including issuing interim final rules.

(b) ESTABLISHMENT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

''(38) COMMUNITY ADVANTAGE LOAN PROGRAM.—

''(A) DEFINITIONS.—In this paragraph—

''(i) the term 'covered institution' means—

"(I) a development company, as defined in section 103 of the Small Business Investment Act of 1958, participating in the loan program established under title V of such Act;

"(II) a non-Federally regulated entity certified as a community development financial institution under the Community Development Banking and Financial Institutions Act of 1994;

"(III) an intermediary, as defined in subsection (m)(11), that is a nonprofit organization and is participating in the microloan program under subsection (m); and

"(IV) an eligible intermediary, as defined in subsection (l)(1), participating in the small business intermediary lending pilot program established under subsection (l)(2);

"(ii) the term 'existing business' means a small business concern that has been in existence for not less than 2 years

on the date on which a loan is made to the small business concern under the program;

"(iii) the term 'new business' means a small business concern that has been in existence for not more than 2 years on the date on which a loan is made to the small business concern under the program;

"(iv) the term 'program' means the Community Advantage Loan Program established under subparagraph (B);

"(v) the term 'small business concern in an underserved market' means a small business concern—

"(I) that is located in—

"(aa) a low- to moderate-income community;

"(bb) a HUBZone, as that term is defined in section 31(b);

"(cc) a rural area; or

"(dd) any area for which a disaster declaration or determination described in subparagraph (B), (C), or (E) of subsection (b)(2) has been made that has not terminated more than 2

years before the date (or later, as determined by the Administrator) on which a loan is made to such concern under such subsection, or in any area for which a major disaster described in subsection (b)(2)(A) has been declared, that period shall be 5 years; or

''(II) that is a new business;

''(III) owned and controlled by veterans;

''(IV) owned and controlled by an individual who has completed a term of imprisonment;

''(V) owned and controlled by an individual with a disability, as that term is defined in section 3 of the Americans with Disabilities Act of 1990;

''(VI) owned and controlled by a member of an Indian tribe individually identified (including parenthetically) in the most recent list published 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,

the Administrator may approve a guarantee of a loan under the program that is more than $250,000 and not more than $350,000.

"(bb) NOTIFICATION.—As soon as practicable and not later than 14 business days after receiving a request under item (aa), the Administration shall—

"(AA) review the request; and

"(BB) provide a decision regarding the request to the covered institution making the loan.

"(II) MAJOR DISASTERS.—The maximum loan amount for a loan guaranteed under the program that is made to a small business concern located in an area affected by a major disaster described in subsection (b)(2)(A) is $350,000.

"(E) INTEREST RATES.—The maximum interest rate for a loan guaranteed under the

program shall not exceed the maximum interest rate, as determined by the Administration, applicable to other loans guaranteed under this subsection.

"(F) TRAINING.—The Administrator shall develop a training course and provide free or low-cost training to covered institutions making loans under the program.".

SEC. 100502. FUNDING FOR CREDIT ENHANCEMENT AND SMALL DOLLAR LOAN FUNDING.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $3,365,000,000 to carry out paragraph (39) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (b); and

(2) $1,100,000,000 for administrative expenses related to carrying out such paragraph (39), including issuing interim final rules.

(b) SMALL DOLLAR LOAN FUNDING.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 10501, is further amended—

(1) in paragraph (1)(A)(i), in the third sentence, by striking "; and" and all that follows through the period at the end and inserting a period;

(2) in paragraph (26), by inserting "(except for those collected under paragraph (39))" after "profits"; and

(3) by adding at the end the following:

"(39) SMALL DOLLAR LOAN FUNDING.—

"(A) DEFINITIONS.—In this paragraph:

"(i) SMALL GOVERNMENT CONTRACTOR.—The term 'small government contractor' means a small business concern that is performing a Government contract.

"(ii) SMALL MANUFACTURER.—The term 'small manufacturer' means a small business concern that is assigned a North American Industry Classification System code beginning with 31, 32, or 33 at the time at which the small business concern receives loan under this subsection.

"(B) DIRECT LOANS.—The Administrator is authorized to originate and disburse direct loans, including through partnerships with third parties, to small business concerns.

"(C) TERMS.—

"(i) LOAN SIZE.—Notwithstanding paragraph (3)(C) of this subsection, a loan made in accordance with this paragraph shall be—

"(I) except as provided in subclause (II), not more than $150,000; or

"(II) not more than $1,000,000, if the borrower is a small manufacturer or a small government contractor.

"(D) FEES.—With respect to each loan made in accordance with this paragraph, the Administrator, an authorized third party, or an agent may—

"(i) impose, collect, retain, and utilize fees, which may be charged to the borrower, to cover any costs associated with referring applications or originating, making, underwriting, disbursing, closing, servicing, or liquidating the loan, including any direct lending agent costs, other program or contract costs, or other agent administrative expenses;

"(ii) impose, collect, retain, and use fees (including unused fees and draw fees), which may be charged to the borrower on loans for revolving lines of credit; and

"(iii) pay third parties, including direct lending agents and financial institutions, with which the Administration partners for assistance in referring applicants or promoting, originating, making, underwriting, disbursing, closing, servicing, or liquidating loans in accordance with this paragraph on behalf of the Administration.

"(E) OTHER TERMS.—

"(i) IN GENERAL.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall issue interim final rules relating to the underwriting criteria, interest rate, maturity, and other terms of a loan made in accordance with this paragraph and revising any other rules necessary to carry out this paragraph.

"(ii) REPAYMENT.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall

issue rules to allow reasonable assurance of repayment of a loan made in accordance with this paragraph, including reasonable assurance of repayment from the assets converting to cash to be the sole and primary form of repayment under this paragraph.''.

SEC. 100503. EXTENSION OF TEMPORARY FEE REDUCTIONS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2026, for carrying out this section.

(b) 7(a) LOAN PROGRAM.—Section 326 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (title III of division N of Public Law 116–260; 134 Stat. 2036; 15 U.S.C. 636 note) is amended—

(1) in subsection (a)(2), by striking ''October 1, 2021'' and inserting ''October 1, 2026''; and

(2) in subsection (b)(2), by striking ''October 1, 2021'' and inserting ''October 1, 2026''.

(c) OTHER FEES.—Section 327 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues

Act (title III of division N of Public Law 116–260; 134 Stat. 2037; 15 U.S.C. 636 note) is amended—

(1) in subsection (a)(1), by striking ''September 30, 2021'' and inserting ''September 30, 2026''; and

(2) in subsection (b)(1), by striking ''September 30, 2021'' and inserting ''September 30, 2026''.

SEC. 100504. FUNDING FOR COOPERATIVES.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2031, for carrying out paragraph (40) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as added by subsection (b).

(b) COOPERATIVE LENDING PILOT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)), as amended by section 10502, is amended by adding at the end the following:

''(40) COOPERATIVE LENDING PILOT.—

''(A) DEFINITIONS.—In this paragraph:

''(i) COMMUNITY FINANCIAL INSTITUTION.—The term 'community financial institution' has the meaning given in paragraph (36)(A);

"(ii) COOPERATIVE.—The term 'cooperative'—

"(I) means an entity determined by the Administrator to be a cooperative; and

"(II) includes an entity owned by employees or consumers of the entity.

"(iii) ELIGIBLE EMPLOYEE-OWNED BUSINESS CONCERN.—The term 'eligible employee-owned business concern' means—

"(I) a cooperative in which the employees of the cooperative are eligible for membership;

"(II) a qualified employee trust; or

"(III) other employee-owned entities as determined by the Administrator.

"(iv) PILOT PROGRAM.—The term 'pilot program' means the pilot program established under subparagraph (B).

"(B) ESTABLISHMENT.—There is established a pilot program under which the Administrator shall guarantee loans (including loans made by community financial institutions),

without the requirement of a personal or entity guarantee, where such loans are made to co-operatives or eligible employee-owned business concerns.

"(C) TERMINATION.—The pilot program shall terminate on the date that is 5 years after the date of enactment of this paragraph.".

(c) DELEGATED LENDING AUTHORITY FOR PREFERRED LENDERS.—Section 5(b)(7) of the Small Business Act (15 U.S.C. 634(b)(7)) is amended by striking "paragraph (15) or (35)" and inserting "paragraph (15), (35), or (40)".

SEC. 100505. FUNDING FOR DIRECT DEBENTURES.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, to remain available until September 30, 2031—

(1) $2,118,000,000 for carrying out subsection (j) of section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697), as added by subsection (b); and

(2) $628,000,000 for administrative expenses related to carrying out such subsection (j), including issuing interim final rules.

(b) DIRECT DEBENTURES.—Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended by adding at the end the following:

"(j) DIRECT DEBENTURES.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'direct debenture' means a debenture guaranteed by the Administrator under the authority under paragraph (2);

"(B) the term 'eligible entity' means—

"(i) a small business concern in an underserved market;

"(ii) a small government contractor; or

"(iii) a small manufacturer;

"(C) the term 'renewable energy equipment'—

"(i) means such equipment as the Administrator may designate as renewable energy equipment; and

"(ii) includes solar panels, wind turbines, and battery storage;

"(D) the term 'small business concern in an underserved market' has the meaning given in section 7(a)(38) of the Small Business Act;

"(E) the term 'small government contractor' means a small business concern that is performing a government contract; and

"(F) the term 'small manufacturer' means a small business concern that is assigned a North American Industry Classification System code beginning with 31, 32, or 33 at the time at which the small business concern receives loan under this subsection.

"(2) AUTHORITY.—Except as otherwise provided in this subsection, the Administrator may guarantee the timely payment of all principal and interest as scheduled under this subsection on a debenture issued by any qualified State or local development company under the same terms, conditions, and processes as a guarantee made under the authority under subsection (a)(1).

"(3) USE OF PROCEEDS.—The proceeds of a direct debenture—

"(A) for a small business concern that is an eligible entity, may be used for any purpose for which a loan under section 502 may be used, including to acquire renewable energy equipment and for working capital; and

"(B) for a small business concern that is not an eligible entity, may be used to acquire renewable energy equipment.

"(4) MAXIMUM LOAN AMOUNT.—

"(A) IN GENERAL.—A direct debenture shall be in an amount not more than $6,500,000.

"(B) COST OF PROJECT.—The amount of the proceeds of a direct debenture may not exceed the amount equal to 100 percent of the cost of the project for which the proceeds are to be used.

"(5) CRITERIA FOR ASSISTANCE.—

"(A) NO COMMUNITY INJECTION FUNDS REQUIRED.—Compliance with subparagraph (B) of section 502(a)(3) shall not be required for a direct debenture.

"(B) FUNDING FROM SMALL BUSINESS CONCERN.—A small business concern receiving funds under a direct debenture—

"(i) for a direct debenture used for working capital, is not required to provide funds toward the total cost of the project financed;

"(ii) for a direct debenture used for renewable energy equipment, may provide not more than 10 percent of the total cost of the project financed; and

"(iii) for a direct debenture used for any other eligible purpose, shall provide not less than 5 percent of the total cost of the project financed.

"(6) FEES.—With respect to each debenture made in accordance with this paragraph, in addition to other fees authorized under this section, the Administrator, an authorized third party, or an agent may—

"(A) impose, collect, retain, and utilize fees, which shall be charged to the borrower, to cover any costs associated with referring applications or originating, underwriting, making, disbursing, closing, and servicing, or liquidating the loan, including any central servicing agent costs, other program or contract costs, or other agent administrative expenses;

"(B) impose, collect, retain, and use fees (including unused fees and draw fees), which may be charged to the borrower on loans for revolving lines of credit; and

"(C) establish fees that may be charged by interim lenders for interim financing provided in connection with a direct debenture, including for assistance in referring applicants or promoting, originating, making, underwriting, disbursing, closing, servicing, or liquidating loans in accordance with this paragraph on behalf of the Administration.

"(7) INTERIM FINANCING.—Nothing in this subsection shall be construed to restrict the ability of a State or local development company to use a third party lender or another lender to provide interim financing for all project costs except the borrower's contribution, in accordance with section 120.890 of title 13, Code of Federal Regulations, or any successor thereto, in connection with providing a direct debenture to a small business concern.

"(8) OTHER TERMS.—

"(A) IN GENERAL.—Not later than 90 days after the date of the enactment of this paragraph, the Administrator shall issue interim final rules relating to the underwriting criteria, interest rate, maturity, collateral, servicing, and other terms or project requirements of a direct debenture made in accordance with

this subsection and revising any other rules necessary to carry out this subsection.

"(B) REPAYMENT.—Not later than 90 days after the date of the enactment of this subsection, the Administrator shall issue rules to allow reasonable assurance of repayment of a direct debenture, including reasonable assurance of repayment from the assets converting to cash to be the primary form of repayment under this subsection.".

(c) CALCULATION OF JOB CREATION REQUIREMENT.—Section 501(e)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 695(e)(4)) is amended to read as follows:

"(4) Loans for projects of small manufacturers and direct debenture loans under section 503(j) shall be excluded from calculations under paragraph (2) or (3) of this subsection.".

Subtitle F—Supporting Entrepreneurial Second Chances

SEC. 100601. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR INCARCERATED AND FORMERLY INCARCERATED INDIVIDUALS.

(a) REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR INCARCERATED INDIVIDUALS.—

(1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated $5,000,000 for each of fiscal years 2022 through 2028 to carry out section 53 of the Small Business Act, as added by paragraph (2). Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(2) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 52, as added by section 10301 of this title, the following:

"SEC. 53. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR INCARCERATED INDIVIDUALS.

''(a) DEFINITIONS.—In this section:

''(1) COVERED INDIVIDUAL.—The term 'covered individual' means an individual who is completing a term of imprisonment in a facility designated as a minimum, low, or medium security.

''(2) RESOURCE PARTNERS.—The term 'resource partners' means a small business development center (defined in section 3) or a women's business center (described under section 29).

"(b) ESTABLISHMENT.—The Administrator shall coordinate with resource partners and associations formed to pursue matters of common concern to resource partners to provide entrepreneurship counseling and training services to covered individuals pursuant to subsection (c).

"(c) USE OF FUNDS.—Amounts made available under this section shall be used to—

"(1) develop and deliver a curriculum, including classroom instruction and in-depth training to develop skills related to business planning and financial literacy;

"(2) train mentors and instructors;

"(3) establish public-private partnerships to support covered individuals; and

"(4) identify opportunities to access capital.".

(b) REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR FORMERLY INCARCERATED INDIVIDUALS.—

(1) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated $5,000,000, for each of fiscal years 2022 through 2028 to carry out section 54 of the Small Business Act, as added by paragraph (2). Amounts appro-

priated by this subsection shall remain available for 3 fiscal years.

(2) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 53, as added by subsection (a), the following:

"SEC. 54. REENTRY ENTREPRENEURSHIP COUNSELING AND TRAINING FOR FORMERLY INCARCERATED INDIVIDUALS.

"(a) COVERED INDIVIDUAL DEFINED.—In this section, the term 'covered individual' means an individual who completed a term of imprisonment.

"(b) ESTABLISHMENT.—The Administrator shall establish a program under which the Service Corps of Retired Executives authorized by section 8(b)(1)(B) shall provide entrepreneurship counseling and training services to covered individuals on a nationwide basis.

"(c) USE OF FUNDS.—Amounts made available under this section shall be used by the Service Corps of Retired Executives for providing to covered individuals the following services:

"(1) Regular individualized mentoring sessions to identify and support development of the business plans of covered individuals.

"(2) Workshops on topics specifically tailored to meet the needs of covered individuals.

"(3) Instructional videos designed specifically for covered individuals on how to start or expand a small business concern.".

SEC. 100602. NEW START ENTREPRENEURIAL DEVELOPMENT PROGRAM FOR FORMERLY INCARCERATED INDIVIDUALS.

(a) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Small Business Administration, out of any money in the Treasury not otherwise appropriated, $5,000,000, for each of fiscal years 2022 through 2028 for carrying out this section. Amounts appropriated by this subsection shall remain available for 3 fiscal years.

(b) DEFINITIONS.—In this section—

(1) COVERED INDIVIDUAL.—The term "covered individual" means an individual who—

(A) completed a term of imprisonment; and

(B) meets the offense eligibility requirements set forth in any applicable policy notice or other guidance issued by the Small Business Administration for the program established under section 7(m) of the Small Business Act (15 U.S.C. 636(m)).

(2) INTERMEDIARY; MICROLOAN.—The terms ''intermediary'' and ''microloan'' have the meanings given those terms, respectively, in section 7(m)(11) of the Small Business Act (15 U.S.C. 636(m)(11)).

(3) PARTICIPATING LENDER.—The term ''participating lender'' means a participating lender described under section 7(a) of the Small Business Act (15 U.S.C. 636(a)).

(4) PILOT PROGRAM.—The term ''pilot program'' means the pilot program established under subsection (b).

(5) RESOURCE PARTNER.—The term ''resource partner'' means—

(A) a small business development center (defined in section 3 of the Small Business Act (15 U.S.C. 632));

(B) a women's business center (described under section 29 of such Act (15 U.S.C. 656));

(C) a chapter of the Service Corps of Retired Executives (established under section 8(b)(1)(B) of such Act ((15 U.S.C. 637(b)(1)(B))); and

(D) a Veteran Business Outreach Center (described under section 32 of such Act (15 U.S.C. 657b)).

(c) ESTABLISHMENT.—The Administrator shall establish a pilot program to award grants to organizations, or partnerships of organizations, to provide assistance to covered individuals throughout the United States.

(d) APPLICATION.—

(1) IN GENERAL.—An organization or partnership of organizations desiring a grant under the pilot program shall submit an application to the Administrator in such form, in such manner, and containing such information as the Administrator may reasonably require.

(2) CONTENTS.—An application submitted under paragraph (1) shall—

(A) demonstrate that the applicant has a partnership with, or is, an intermediary that shall make microloans to covered individuals;

(B) demonstrate an ability to provide a full range of entrepreneurial development programming on an ongoing basis;

(C) include a plan for reaching covered individuals, including by identifying particular target populations within the community in which a covered individual lives;

(D) include a plan to refer covered individuals who have completed participation in the

pilot program to existing resource partners and participating lenders;

(E) include a comprehensive plan for the use of grant funds, including estimates for administrative expenses and outreach costs; and

(F) any other requirements, as determined by the Administrator.

(e) MATCHING REQUIREMENT.—

(1) IN GENERAL.—As a condition of a grant provided under the pilot program, the Administrator shall require the recipient of the grant to contribute an amount equal to 25 percent of the amount of the grant, obtained solely from non-Federal sources.

(2) FORM.—In addition to cash or other direct funding, the contribution required under paragraph (1) may include indirect costs or in-kind contributions paid for under non-Federal programs.

Subtitle G—Other Matters

SEC. 100701. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated to the Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,250,000,000, to remain available until September 30, 2031, for administrative ex-

penses related to carrying out this title, except as otherwise provided in this title.

(b) RULEMAKING.—Using amounts made available under subsection (a), not later than 30 days after the date of the enactment of this Act, the Administrator may issue rules, including interim final rules, as necessary to carry out this title and the amendments made by this title.

(c) RECISSION.—With respect to amounts appropriated under subsection (a)—

(1) the Secretary of the Treasury shall complete all disbursements and remaining obligations before September 30, 2031; and

(2) the unexpended balance of such amounts September 30, 2031, shall be rescinded and deposited into the general fund of the Treasury.

SEC. 100702. OFFICE OF THE INSPECTOR GENERAL OF THE SMALL BUSINESS ADMINISTRATION.

In addition to amounts otherwise available, there is appropriated to the Office of the Inspector General of the Small Business Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $25,000,000, to remain available until September 30, 2031, for audits, investigations, and other oversight of projects and activities carried out with funds made available by this title to the Small Business Administration.

TITLE XI—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SEC. 110001. AFFORDABLE HOUSING ACCESS PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $9,900,000,000, to remain available until September 30, 2026, for competitive grants to support access to affordable housing and the enhancement of mobility for residents in disadvantaged communities or neighborhoods, in persistent poverty communities, or for low-income riders generally.

(b) CRITERIA AND PROCESS.—The Secretary of Housing and Urban Development and the Administrator of the Federal Transit Administration shall establish criteria and a process for the allocation of funds made available under this section in a manner to ensure that such funds support—

(1) access to affordable housing;

(2) enhanced mobility for residents and riders, including those in disadvantaged communities and neighborhoods, persistent poverty communities, or for low-income riders generally; or

(3) other community benefits for residents of disadvantaged communities or neighborhoods, persistent poverty communities, or for low-income riders generally identified by the Secretary and the Administrator related to enhanced transit service, including—

(A) access to job and educational opportunities;

(B) better connections to medical care; or

(C) enhanced access to grocery stores with fresh foods to help eliminate food deserts.

(c) ADMINISTRATION OF FUNDS.—Funds made available under this section shall—

(1) be available to recipients and subrecipients eligible under chapter 53 of title 49, United States Code;

(2) after allocation, be administered by the Administrator of the Federal Transit Administration—

(A) to recipients and subrecipients in urban areas, as if such funds were provided under section 5307 of title 49, United States Code;

(B) to recipients and subrecipients in rural areas, as if such funds were provided under section 5311 of such title;

(C) for any project activities related to the acquisition of zero-emission buses or related infrastructure, as if funds for such activities were awarded under section 5339(c) of such title;

(D) for any activities related to research that supports efforts to reduce barriers to the deployment of zero-emission transit vehicles in disadvantaged communities or neighborhoods and rural areas, including barriers related to the cost of such vehicles, as if funds for such activities were provided under section 5312 of such title; or

(E) for any activities related to the training and development of the transit workforce that provides service to disadvantaged communities or neighborhoods and rural areas, including the creation of new employment opportunities in the transit industry for workers from such communities, neighborhoods or areas, as if funds for such activities were provided under section 5314 of such title;

(3) not be subject to any restriction on the total amount of funds available for implementation or execution of programs authorized under section 5307,

5311, 5312, 5314, or 5339 of title 49, United States Code;

(4) notwithstanding paragraph (1), be available for grants for up to 100 percent of the net cost of a project; and

(5) be expended in compliance with the requirements of part 26 of title 49, Code of Federal Regulations.

(d) ELIGIBLE ACTIVITIES.—Eligible activities for funds made available under this section shall be—

(1) construction of a new fixed guideway capital project;

(2) construction of a bus rapid transit project or a corridor-based bus rapid transit project that utilizes zero-emission vehicles, including costs related to the acquisition of such vehicles and related charging or fueling infrastructure, or a collection of such projects;

(3) the establishment or expansion of high-frequency bus service that utilizes zero-emission buses, including costs related to the acquisition of such vehicles and related charging or fueling infrastructure, but does not have all of the features of a bus rapid transit project or corridor-based bus rapid transit project;

(4) an expansion of the service area or the frequency of service of recipients or subrecipients under section 5311 of title 49, United States Code, which may include operational expenses, including the provision of fare-free or reduced-fare service, or the acquisition of vehicles or infrastructure to expand service;

(5) notwithstanding subsection (a)(1) of section 5307 of such title, an expansion of the service area or the frequency of service of recipients under such section, which may include operational expenses, including the provision of fare-free or reduced-fare service, or the acquisition of zero-emission vehicles or infrastructure to expand service;

(6) renovation or construction of facilities and incidental expenses to continue or expand transit service in disadvantaged communities or neighborhoods or service that benefits low-income riders generally;

(7) research activities and capital expenses related to research under section 5312 of such title that support efforts to reduce barriers to the deployment of zero-emission transit vehicles in disadvantaged communities or neighborhoods and rural

areas, including barriers related to the cost of such vehicles;

(8) activities under section 5314 of such title that support the training and development of the transit workforce that provides service to disadvantaged communities or neighborhoods and rural areas, including the creation of new employment opportunities in the transit industry for workers from such communities, neighborhoods, or areas;

(9) additional assistance to project sponsors of new fixed guideway capital projects, core capacity improvement projects, or corridor-based bus rapid transit projects not yet open to revenue service, notwithstanding applicable requirements regarding Government share of contributions toward net project cost of the project or the share of contributions from a program carried out by the Administrator of the Federal Transit Administration, if—

(A) the applicant demonstrates that the availability of funding under this section provides additional support for access to affordable housing and the enhancement of mobility for residents in disadvantaged communities or neighborhoods, persistent poverty communities, or for low-income riders generally in the service

area of the recipient, consistent with the purposes described in subsection (b); and

(B) assistance under this paragraph does not increase by more than 10 percentage points—

(i) the Government share of contributions toward net project cost; or

(ii) the Government share of assistance from a program carried out by the Administrator of the Federal Transit Administration;

(10) fleet transition, route, or other public transportation planning, including planning related to economic development; or

(11) projects to upgrade the accessibility of bus or rail public transportation services for persons with disabilities, including individuals who use wheelchairs, in disadvantaged communities or neighborhoods.

(e) ADMINISTRATIVE EXPENSES.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2026, for the following:

(1) The costs of administering and overseeing the implementation of this section.

(2) To make new awards or to increase prior awards to provide technical assistance and capacity building for eligible recipients or subrecipients under this section.

SEC. 110002. COMMUNITY CLIMATE INCENTIVE GRANTS.

(a) FEDERAL HIGHWAY ADMINISTRATION APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration—

(1) to establish a greenhouse gas performance measure that requires States to set performance targets to reduce greenhouse gas emissions;

(2) to establish an incentive structure to reward States that demonstrate the most significant progress towards achieving reductions in greenhouse gas emissions;

(3) to establish consequences for States that do not achieve reductions in greenhouse gas emissions;

(4) to issue guidance and regulations, and provide technical assistance, as necessary to implement this section; and

(5) from any remaining amounts after carrying out paragraphs (1) through (4), for operations and administration of the Federal Highway Administration.

(b) GRANTS TO STATES.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $950,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration, for incentive grants for carbon reduction projects, to be awarded to States that—

(1) qualify for a reward under the incentive structure established by the Administrator under subsection (a)(2); or

(2) have adopted carbon reduction strategies that contribute to achieving net-zero greenhouse gas emissions by 2050, and have incorporated such strategies into the transportation plans required under section 135 of title 23, United States Code.

(c) GRANTS TO OTHER ELIGIBLE ENTITIES.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $3,000,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration for grants,

to be awarded on a competitive basis, for carbon reduction projects to eligible entities that are not States.

(d) USE OF FUNDS.—

(1) IN GENERAL.—Funds made available under subsections (b) and (c) shall be administered as if made available under chapter 1 of title 23, United States Code, and a project carried out under this section shall be treated as a project on a Federal-aid highway under such chapter.

(2) GRANTS TO STATES.—Funds made available under subsection (b) administered by or through a State department of transportation shall be expended in compliance with the requirements of part 26 of title 49, Code of Federal Regulations.

(e) FEDERAL SHARE.—

(1) IN GENERAL.—The Federal share for a recipient of funds that is not a State under this section may be up to 100 percent.

(2) STATES.—The Federal share for a recipient of funds under this section that is a State shall be determined in accordance with section 120 of title 23, United States Code.

(f) LIMITATION.—Funds made available under this section shall not—

(1) be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways; and

(2) be used for projects that result in additional through travel lanes for single occupant passenger vehicles.

(g) DEFINITIONS.—In this section:

(1) CARBON REDUCTION PROJECT.—A carbon reduction project means a project that is eligible under title 23, United State Code, and that—

(A) will result in significant reductions in greenhouse gas emissions related to a surface transportation facility or project;

(B) provides zero-emission transportation options;

(C) reduces dependence on single-occupant vehicle trips; or

(D) advances carbon reduction strategies adopted by an eligible entity that contribute to achieving net-zero greenhouse gas emissions by 2050.

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a unit of local government;

(B) a political subdivision of a State;

(C) a territory;

(D) a metropolitan planning organization (as defined in section 134 of title 23, United States Code);

(E) a special purpose district or public authority with a transportation function;

(F) a recipient of funds under section 202 of title 23, United State Code; or

(G) a State.

(3) STATE.—The term ''State'' has the meaning given the term in section 101 of title 23, United States Code.

SEC. 110003. NEIGHBORHOOD ACCESS AND EQUITY GRANTS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $3,950,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration—

(1) for grants to eligible entities described in subsection (b) to improve walkability, safety, and affordable transportation access through construction (as such term is defined in section 101 of title 23,

United States Code) of projects that are context sensitive—

(A) to remove, remediate, or reuse a facility described in subsection (c)(1);

(B) to replace a facility described in subsection (c)(1) with a facility that is at-grade or lower speed;

(C) to retrofit or cap a facility described in subsection (c)(1);

(D) to build or improve complete streets, multiuse trails, regional greenways, or active transportation networks or spines; or

(E) to provide affordable access to essential destinations, public spaces, or transportation links and hubs;

(2) for mitigation grants to eligible entities described in subsection (b) to remediate negative impacts on the human or natural environment resulting from a facility described in subsection (c)(2) in a disadvantaged or underserved community, including construction (as such term is defined in section 101 of title 23, United States Code) of—

(A) noise barriers to reduce impacts resulting from a facility described in subsection (c)(2);

(B) technologies, infrastructure, and activities to reduce surface transportation-related air pollution, including greenhouse gas emissions;

(C) infrastructure or protective features to reduce or manage stormwater run-off resulting from a facility described in subsection (c)(2), including through natural infrastructure and pervious, permeable, or porous pavement;

(D) infrastructure and natural features to reduce, or to mitigate, urban heat island hot spots in the transportation right of way or on surface transportation facilities; or

(E) safety improvements for vulnerable road users; and

(3) for grants to eligible entities described in subsection (b) for planning and capacity building activities in disadvantaged or underserved communities to—

(A) identify, monitor, or assess local and ambient air quality, emissions of transportation greenhouse gases, hot spot areas of extreme heat or elevated air pollution, gaps in tree canopy coverage, or flood prone locations;

(B) assess transportation equity or pollution impacts and develop local anti-displacement policies and community benefit agreements;

(C) conduct predevelopment activities for projects eligible under this subsection;

(D) expand public participation in transportation planning by individuals and organizations in disadvantaged or underserved communities; or

(E) administer or obtain technical assistance related to activities described in this subsection.

(b) ELIGIBLE ENTITIES DESCRIBED.—An eligible entity referred to in subsection (a) is—

(1) a State (as such term is defined in section 101 of title 23, United States Code);

(2) a unit of local government;

(3) a political subdivision of a State (as such term is defined in section 101 of title 23, United States Code);

(4) a recipient of funds under section 202 of title 23, United States Code;

(5) a territory of the United States;

(6) a metropolitan planning organization (as defined in section 134(b) of title 23, United States Code); or

(7) with respect to a grant described in subsection (a)(3), in addition to an eligible entity described in paragraphs (1) through (6), a nonprofit organization or institution of higher education that has entered into a partnership with an eligible entity described in paragraphs (1) through (6).

(c) FACILITY DESCRIBED.—A facility is—

(1) a surface transportation facility for which high speeds, grade separation, or other design factors create an obstacle to connectivity within a community; or

(2) a surface transportation facility which is a source of air pollution, noise, stormwater, or other burden to a disadvantaged or underserved community.

(d) LOCAL TECHNICAL ASSISTANCE.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $50,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration for—

(1) guidance, technical assistance, templates, training, or tools to facilitate efficient and effective contracting, design, and project delivery by units of local government;

(2) subgrants to units of local government to build capacity of such local government to assume responsibilities to deliver surface transportation projects; and

(3) operations and administration of the Federal Highway Administration.

(e) USE OF FUNDS.—

(1) IN GENERAL.—The Administrator shall provide grants to eligible entities described in subsection (b) that submit an application to the Administrator at such time, in such manner, and containing such information as the Administration requires.

(2) MINIMUM INVESTMENT.—Not less than $1,580,000,000 of funds made available under subsection (a) shall be distributed for projects in communities that—

(A) are economically disadvantaged, including an underserved community or a community located in an area of persistent poverty;

(B) have entered or will enter into a community benefits agreement with representatives of the community;

(C) have an anti-displacement policy, a community land trust, or a community advisory board in effect; or

(D) have demonstrated a plan for employing local residents in the area impacted by the activity or project proposed under this section.

(f) ADMINISTRATION.—

(1) IN GENERAL.—Amounts made available under subsection (a) shall be administered as if made available under chapter 1 of title 23, United States Code, and a project carried out under this section shall be treated as a project on a Federal-aid highway under such chapter.

(2) GRANTS TO STATES.—Funds made available under subsection (a) administered by or through a State department of transportation shall be expended in compliance with the requirements of part 26 of title 49, Code of Federal Regulations.

(g) COST SHARE.—The Federal share of the cost of an activity carried out using a grant awarded under this section shall be not more than 80 percent, except that the

Federal share of the cost of a project in a disadvantaged or underserved community may be up to 100 percent.

(h) LIMITATIONS.—Funds made available under this section shall not—

(1) be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways; and

(2) be used for a project for additional through travel lanes for single-occupant passenger vehicles.

SEC. 110004. FEDERAL HIGHWAY ADMINISTRATION SECTION 202 FUNDS.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration for the purposes described under section 202 of title 23, United States Code.

(b) DISTRIBUTION OF FUNDS.—The Administrator of the Federal Highway Administration shall administer amounts made available under subsection (a) as if allocated under section 202 of title 23, United States Code.

(c) LIMITATION.—Funds made available under this section shall not be subject to any restriction or limitation

on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways.

SEC. 110005. TERRITORIAL HIGHWAY PROGRAM FUNDING.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $320,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Highway Administration for the purposes described under section 165(c) of title 23, United States Code.

(b) ADMINISTRATION OF FUNDS.—The Administrator of the Federal Highway Administration shall administer amounts made available under subsection (a) as if allocated under section 165(c) of title 23, United States Code.

(c) LIMITATION.—Funds made available under this section shall not be subject to any restriction or limitation on the total amount of funds available for implementation or execution of programs authorized for Federal-aid highways.

SEC. 110006. TRAFFIC SAFETY CLEARINGHOUSE.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appro-

priated, $100,000,000 to remain available until September 30, 2026, for the Administrator of the National Highway Traffic Safety Administration to make 1 or more grants, cooperative agreements, or contracts with 1 or more qualified institutions to—

(1) operate a national clearinghouse for fair and equitable traffic safety enforcement programs;

(2) research and develop systems for States to collect traffic safety enforcement data and provide technical assistance to States collecting such data, including the sharing of data to a national database;

(3) develop recommendations and best practices to help States collect and use traffic safety enforcement data to promote equity and reduce traffic-related fatalities and injuries; and

(4) develop information and educational programs on implementing equitable traffic safety enforcement best practices to assist States and local communities.

(b) ADMINISTRATION.—Not more than 5 percent of the amounts made available under this section may be used for salaries, expenses, and administration of the National Highway Traffic Safety Administration.

SEC. 110007. AUTOMATED VEHICLES AND MOBILITY INNOVATION.

In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $8,000,000, to remain available until September 30, 2026, to the Secretary of Transportation to make a grant to a qualified institution of higher education to—

(1) operate a national highly automated vehicle and mobility innovation clearinghouse;

(2) collect, conduct, and support research on the secondary and societal impacts of highly automated vehicles and mobility innovation on the built environment; and

(3) disseminate and make such research available on a public website to assist communities.

SEC. 110008. LOCAL TRANSPORTATION PRIORITIES.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated to the Secretary of Transportation for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $6,000,000,000 to remain available until September 30, 2026, for projects to advance local surface transportation priorities.

(b) DAVIS BACON REQUIREMENT.—

(1) IN GENERAL.—All laborers and mechanics employed by contractors or subcontractors in the

performance of construction, alteration, or repair work carried out, in whole or in part, with assistance made available under this section shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

(2) AUTHORITY AND FUNCTIONS.—With respect to the labor standards specified in this subsection, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

SEC. 110009. PASSENGER RAIL IMPROVEMENT, MODERNIZATION, AND EMISSIONS REDUCTION GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Transportation for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $10,000,000,000, to remain available until September 30, 2026, for financial assistance under chapter 261 of title

49, United States Code, to eligible entities for eligible projects.

(b) ALLOCATION.—Of the funds provided pursuant to subsection (a), not less than 10 percent shall be used for eligible projects as described under subsection (e)(1)(A).

(c) FEDERAL SHARE.—For any financial assistance provided pursuant to this section, the Federal share may not exceed 90 percent of the total cost of the eligible project.

(d) OVERSIGHT.—Not more than 1 percent of the amounts made available under subsection (a) shall be for the use of the Secretary of Transportation for the costs of award and project management of financial assistance provided under this section.

(e) DEFINITIONS.—In this section:

(1) ELIGIBLE PROJECT.—The term ''eligible project'' means—

(A) a planning project for high-speed rail corridor development that consists of planning activities eligible to receive financial assistance under section 26101(b) of title 49, United States Code; or

(B) a capital project for high-speed rail corridor development that—

(i) directly serves rail stations within urban areas, as published by the Bureau of the Census, that are located in close proximity to a census tract, as published by the Bureau of the Census, within the urban area that has a greater population density than the urban area as a whole; and

(ii) is eligible to receive financial assistance for a capital project, as defined in section 26106(b)(3) of title 49, United States Code.

(2) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) an entity eligible to receive financial assistance under section 26101 of title 49, United States Code; or

(B) an applicant eligible to receive a grant under section 26106 of title 49, United States Code.

(3) HIGH-SPEED RAIL.—The term ''high-speed rail'' means non-highway ground transportation that is owned or operated by an eligible entity and reasonably expected to reach speeds of 160 miles per hour or more on shared-use right-of-way or 186 miles per hour or more on dedicated right-of-way.

(4) CORRIDOR.—The term ''corridor'' means an existing, modified, or proposed intercity passenger rail service, as defined in section 26106(b) of title 49, United States Code.

SEC. 110010. RAILROAD REHABILITATION INFRASTRUCTURE AND FINANCING CREDIT RISK PREMIUM ASSISTANCE.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Secretary of Transportation, out of any money in the Treasury not otherwise appropriated, $150,000,000, in fiscal year 2022, to remain available until September 30, 2026, to provide credit risk premium assistance to eligible entities through the railroad rehabilitation infrastructure and financing program established by title V of the Railroad Revitalization and Regulatory Reform Act of 1976.

(b) ELIGIBLE ENTITIES.—For purposes of this section, eligible entities shall include—

(1) railroad carriers as defined in section 20102 of title 49, United States Code;

(2) State or local governments; or

(3) government-sponsored authorities or corporations.

(c) ALLOCATION.—

(1) PUBLIC PASSENGER RAIL PROJECTS.—Not less than 50 percent of the amounts appropriated under subsection (a) shall be set aside for publicly owned or operated passenger rail projects.

(2) FREIGHT RAILROADS.—Not less than 25 percent of the amounts appropriated under subsection (a) shall be set aside for freight railroads that are not Class I railroads.

SEC. 110011. ALTERNATIVE FUEL AND LOW-EMISSION AVIATION TECHNOLOGY PROGRAM.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2026, for the Secretary of Transportation to provide grants to, and enter into cost-sharing agreements with, eligible entities to carry out projects located in the United States that—

(1) develop, demonstrate, or apply low-emission aviation technologies; or

(2) produce, transport, blend, or store sustainable aviation fuels that would reduce greenhouse gas emissions attributable to the operation of aircraft that have fuel uplift in the United States.

(b) SELECTION.—In carrying out subsection (a), the Secretary shall consider, with respect to a proposed project—

(1) the anticipated public benefits of the project;

(2) the potential to increase the domestic production and deployment of sustainable aviation fuel or the use of low-emission aviation technologies among the United States commercial aviation and aerospace industry;

(3) the potential for creating new jobs in the United States;

(4) the potential the project has to reduce or displace, on a lifecycle basis, United States greenhouse gas emissions associated with air travel;

(5) the proposed utilization of non-Federal cost-share contributions;

(6) for projects related to the production of sustainable aviation fuel, the potential net greenhouse gas emissions impact of such fuel on a lifecycle basis, which shall include feedstock, fuel production, and potential direct and indirect greenhouse gas emissions (including resulting from changes in land use);

(7) how the project will strengthen the leadership of the United States in either sustainable aviation fuels or in low-emission aviation technologies;

(8) the benefits of ensuring a diversity of feedstocks for sustainable aviation fuel, including the use of waste carbon oxides and direct air capture;

(9) the potential for partnerships with relevant supply chain stakeholders for sustainable aviation fuel;

(10) the potential to leverage existing industrial infrastructure to accelerate the deployment of sustainable aviation fuels;

(11) aeronautical construction and design improvements that result in more efficient aircraft, including new aircraft architectures, innovative propulsion integration, and high-performance lightweight materials;

(12) more efficient aircraft engines, including innovative engine architectures, hybrid-electric engines, and all-electric engines suitable for fully or partially powering aircraft operations; and

(13) air traffic management and navigation technologies that permit more efficient flight patterns.

(c) FUNDING DISTRIBUTION.—Of the amount made available under subsection (a), 30 percent of such amount shall be awarded for projects described in subsection (a)(1) and 70 percent of such amount shall be awarded for projects described in subsection (a)(2).

(d) FEDERAL COST SHARE.—The Secretary shall determine a higher Federal share of project costs for any cost-share agreement or grant awarded to any eligible recipient for a project under subsection (a) that involves a low-emission aviation technology that exceeds a 20 percent reduction in fuel burn compared to current best in class aircraft or a sustainable aviation fuel that substantially exceeds a 50 percent lifecycle greenhouse gas emission reduction compared to conventional jet fuels.

(e) PROGRAM REQUIREMENTS.—As a condition of receiving funds under this section, the Secretary may approve an award under this section only if the Secretary has received written assurances from the recipient that—

(1) any low-emission aviation technology that is funded or is part of a project funded by a grant under subsection (a)(1) is produced in the United States;

(2) any sustainable aviation fuel that is part of a project funded by a grant under subsection (a)(2) is—

(A) produced in the United States; and

(B) is not derived from feedstocks that are developed through practices that threaten mass deforestation, harm biodiversity, or otherwise promote environmentally unsustainable processes; and

(3) the recipient of grant funding has adequately considered the environmental justice and equity impacts of any project on underserved communities.

(f) DEVELOPMENT PROJECTS.—Section 47112(a) of title 49, United States Code, is amended by inserting ''or labor for a project funded under section 110011 of the Act entitled 'An Act to provide for reconciliation pursuant to title II of S. Con. Res. 14' '' after ''this subchapter''.

(g) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 1 percent of the funds provided under this section to fund the award of, and oversight by the Secretary of, grants made under this section.

(h) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State or local government other than an airport sponsor;

(B) an air carrier;

(C) an airport sponsor;

(D) an accredited institution of higher education;

(E) a person or entity engaged in the production, transportation, blending or storage of sustainable aviation fuel or feedstocks that could be used to produce sustainable aviation fuel;

(F) a person or entity engaged in the development, demonstration, or application of low-emission aviation technologies; or

(G) nonprofit entities or nonprofit consortia with experience in sustainable aviation fuel, low-emission technology, or other clean transportation research programs.

(2) LOW-EMISSION AVIATION TECHNOLOGY.—The term ''low-emission aviation technology'' means technologies that significantly—

(A) improve aircraft fuel efficiency;

(B) increase utilization of sustainable aviation fuels; or

(C) reduce greenhouse gas emissions produced during operation of civil aircraft.

(3) SUSTAINABLE AVIATION FUEL.—The term ''sustainable aviation fuel'' means liquid fuel that—

(A) consists of synthesized hydrocarbons;

(B) meets the requirements of—

(i) ASTM International Standard D7566; or

(ii) the co-processing provisions of ASTM International Standard D1655, Annex A1 (or such successor standard);

(C) is derived from biomass (as such term is defined in section 45K(c)(3) of the Internal Revenue Code of 1986), waste streams, renewable energy sources or gaseous carbon oxides;

(D) is not derived from palm fatty acid distillates; and

(E) achieves at least a 50 percent lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows—

(i) the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core lifecycle greenhouse gas emissions and the induced land use change values under the lifecycle methodology for sustainable aviation fuel adopted by the International Civil Aviation Organization for the Carbon Offsetting

and Reduction Scheme for International Aviation with the agreement of the United States; or

(ii) the fuel production pathway achieves at least a 50 percent reduction of the aggregate attributional core lifecycle greenhouse gas emissions values under another methodology that the Secretary, in consultation with the Administrator of the Environmental Protection Agency, determines is—

(I) reflective of the latest scientific understanding of lifecycle greenhouse gas emissions; and

(II) as stringent as the requirement under clause (i).

(i) TIME LIMIT FOR ADOPTION OF NEW SUSTAINABLE AVIATION FUEL EMISSIONS REDUCTION TEST.—For purposes of clause (ii) of subsection (h)(3)(E), the Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall, not later than 2 years after the date of the enactment of this section, adopt at least 1 methodology for testing lifecycle greenhouse gas emissions that meets the requirements of such clause.

SEC. 110012. IMPLEMENTATION OF THE CARBON OFFSETTING AND REDUCTION SCHEME FOR INTERNATIONAL AVIATION.

(a) IN GENERAL.—In addition to amounts otherwise made available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $6,000,000, to remain available until September 30, 2026, for the Secretary of Transportation to ensure the United States complies with its obligations with respect to volume IV of annex 16 to the Convention on International Civil Aviation (61 Stat. 1180) (''Carbon Offsetting and Reduction Scheme for International Aviation'', hereinafter ''CORSIA'').

(b) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall issue regulations with requirements to ensure the United States complies with the obligations referenced in subsection (a), including requirements for operators of civil aircraft of the United States with respect to—

(A) monitoring, reporting, and verifying quantities of carbon emissions covered under the CORSIA, cancelling eligible emissions units and reporting and verifying such cancellations, and reporting use of CORSIA eligible fuels; and

(B) submission of such information as the Secretary determines is necessary with respect to implementation of the CORSIA.

(2) STANDARDS AND RECOMMENDED PRACTICES.—Regulations issued under this subsection shall be consistent with applicable standards and recommended practices published in volume IV of annex 16 to the Convention on International Civil Aviation (61 Stat. 1180) and associated implementation elements, adopted by the International Civil Aviation Organization prior to enactment of this Act, and any amendments or updates to such standards and related documents with which the United States concurs.

(c) REPORTS.—Not later than December 31, 2022, and every 3 years thereafter, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Technology of the Senate a report assessing the compliance of operators of civil aircraft registered in the United States with regulations issued under this section as well as the standards and recommended practices referenced in subsection (b)(2), as applicable.

SEC. 110013. ASSISTANCE TO UPDATE AND ENFORCE HAZARD RESISTANT CODES AND STANDARDS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $291,000,000, to remain available until expended, to the Administrator of the Federal Emergency Management Agency to carry out activities described in section 203(i) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133(i)), notwithstanding section 203(f)(2) of such Act (42 U.S.C. 5133(f)(2)), including for activities and grants that provide technical assistance and capacity building for State, local, Indian Tribal, or territorial governments for establishing, implementing, and carrying out enforcement activities of the latest published editions of relevant performance-based and consensus-based codes, specifications, and standards that incorporate hazard-resistant designs and the latest requirements for the maintenance and inspection of existing buildings to address hazard risk.

(b) COST SHARE.—The Federal share of the assistance provided in this section shall be 100 percent.

(c) ADMINISTRATION.—In addition to amounts made available for administrative expenses under section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there

is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise available, $9,000,000 to the Administrator of the Federal Emergency Management Agency, to remain available until expended, for administration of this section.

SEC. 110014. HAZARD MITIGATION REVOLVING LOAN FUND.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $495,000,000, to remain available until expended, to the Administrator of the Federal Emergency Management Agency for the establishment and carrying out of hazard mitigation revolving loan fund grants under section 205 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135).

(b) ADMINISTRATION.—In addition to amounts made available for administrative expenses under section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise available, $5,000,000 to the Administrator of the Federal Emergency Management Agency, to remain available until expended, for administration of this section.

SEC. 110015. UPGRADING PUBLIC ALERT AND WARNING.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $24,000,000, to remain available until September 30, 2024, to the Administrator of the Federal Emergency Management Agency to upgrade the Integrated Public Alert and Warning System for implementation of the Next Generation Warning System.

(b) ASSISTANCE TO CERTAIN ENTITIES.—In carrying out subsection (a), the Administrator of the Federal Emergency Management Agency is authorized to issue noncompetitive, risk-informed financial assistance to public broadcasting entities, as defined in section 397 of the Communications Act of 1934 (47 U.S.C. 397).

(c) ADMINISTRATION.—In addition to amounts made available for administrative expenses under section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise available, $1,000,000 to the Administrator of the Federal Emergency Management Agency, to remain available until September 30, 2026, for administration of this section.

SEC. 110016. FEDERAL ASSISTANCE FOR EMERGENCY MANAGERS.

(a) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $412,000,000, to remain available until expended, to the Administrator of the Federal Emergency Management Agency for grants for construction, retrofit, technological enhancement, and updated requirements of State, local, Indian Tribal, and territorial emergency operations centers under section 614 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5196c). A State may provide grant funds under this subsection to local governments and Tribal governments to carry out the activities for which such funds are provided.

(b) ADMINISTRATION.—In addition to amounts made available for administrative expenses under section 205(d)(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5135(d)(2)), there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise available, $13,000,000 to the Administrator of the Federal Emergency Management Agency, to remain available until expended, for administration of this section.

(c) LIMITATION.—The amount of a project under a grant provided under this section may not exceed $4,000,000.

(d) CODE COMPLIANCE.—In using funds under subsection (a), a grant recipient shall act in compliance with the latest published editions of relevant consensus-based codes, specifications, and standards that incorporate the latest hazard resistant designs and establish minimum acceptable criteria for the design, construction, and maintenance of structures and facilities for the purpose of protecting the health, safety, and general welfare of the building users against disasters.

SEC. 110017. FEMA PROCUREMENT, CONSTRUCTION, AND IMPROVEMENTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $200,000,000, to remain available until September 30, 2026, to the Administrator of the Federal Emergency Management Agency for the construction, renovation, retrofit, technological enhancement, and updated requirements of Federal emergency training centers and Federal emergency operations centers.

SEC. 110018. ECONOMIC DEVELOPMENT ADMINISTRATION.

(a) ECONOMIC DEVELOPMENT ASSISTANCE FOR REGIONAL ECONOMIC GROWTH CLUSTERS.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $4,000,000,000, to remain available until September 30, 2027, to the Secretary of Commerce for grants under section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to develop regional economic growth clusters, subject to the condition that sections 204 and 301 of such Act (42 U.S.C. 3144 and 3161) shall not apply to grants made with amounts made available under this subsection.

(b) ECONOMIC ADJUSTMENT ASSISTANCE.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2027, to the Secretary of Commerce for economic adjustment assistance as authorized by section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149), of which—

(1) $500,000,000 shall be to provide assistance to energy and industrial transition communities, including coal, oil and gas, and nuclear transition communities; and

(2) $50,000,000 shall be to provide grants for project predevelopment and capacity building activities, including activities relating to the writing of grant applications (consistent with section 213 of such Act (42 U.S.C. 3153)) and stipends to local community organizations for planning participation, community outreach and engagement activities, subject to the conditions that—

(A) sections 204 and 301 of such Act (42 U.S.C. 3144 and 3161) shall not apply to grants made with amounts made available under this paragraph; and

(B) not less than 50 percent of the amounts made available under this paragraph shall be for activities that are carried out in underserved communities.

(c) GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until September 30, 2027, to the Secretary of Commerce for public works projects as authorized by section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141).

(d) ADMINISTRATION.—Not more than 3 percent of the amounts made available under this section shall be used for the administrative costs of carrying out this section.

SEC. 110019. RECOMPETE PILOT PROGRAM.

(a) ECONOMIC DEVELOPMENT ADMINISTRATION APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $4,000,000,000, to remain available until September 30, 2031, to the Department of Commerce for economic adjustment assistance as authorized by section 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149) to establish a pilot program, to be known as the ''Recompete Pilot Program'', to provide grants to specified entities to carry out activities in eligible areas and Tribal lands for which a specified entity has jurisdiction or otherwise serves to support local labor markets, local communities, and Tribal governments to alleviate persistent economic distress and labor market dislocation, except that sections 204 and 301 of such Act shall not apply to a grant provided under this section.

(b) TERM.—A grant shall have a term of 10 fiscal years and be disbursed at such time and in such manner as determined by the Secretary of Commerce in accord-

ance with benchmarking requirements established by the Secretary.

(c) USE OF FUNDS.—Of the funds provided by this section—

(1) not less than $3,855,000,000 shall be used for grants to be awarded to at least 15 specified entities representing eligible areas to carry out activities described in a recompete plan approved by the Secretary of Commerce;

(2) not more than $25,000,000 may be used for planning and technical assistance grants to be awarded to not more than 50 specified entities representing eligible areas to develop a recompete plan and carry out predevelopment activities; and

(3) not more than 3 percent shall be used for the administrative costs of carrying out this section.

(d) LIMITATIONS.—

(1) ELIGIBLE AREAS.—An eligible area may not benefit from more than 1 grant and 1 grant described in subsection (c)(2).

(2) LIMITATION ON RECIPIENTS.—For purposes of the program under this section, a specified entity may not receive a grant on behalf of more than 1 eligible area.

(e) MAXIMUM AWARD AMOUNT.—In determining the maximum amount of a grant that a specified entity may be awarded, the Secretary shall use the product obtained by multiplying—

(1) the prime-age employment gap of the eligible area;

(2) the prime-age population of the eligible area; and

(3) either—

(A) $70,585 for local labor markets; or

(B) $53,600 for local communities.

(f) DEFINITIONS.—In this section:

(1) ELIGIBLE AREA.—The term ''eligible area'' means either of the following:

(A) A local labor market that—

(i) has a prime-age employment gap equal to not less than 2.5 percent; and

(ii) meets additional criteria as the Secretary may establish.

(B) A local community that—

(i) has a prime-age employment gap equal to not less than 5 percent;

(ii) is not located within an eligible local labor market that meets the criteria described in subparagraph (A); and

(iii) has a median annual household income of not more than $75,000.

(2) LOCAL LABOR MARKET.—The term ''local labor market'' means any of the following areas that contains 1 or more specified entities described in subparagraphs (A) through (D) of paragraph (5):

(A) A commuting zone, as defined by the Economic Research Service of the Department of Agriculture, excluding all core-based statistical areas within the commuting zone described in subparagraph (B).

(B) Subject to subparagraph (C), if 1 or more discrete metropolitan statistical areas or micropolitan statistical areas, as defined by the Office of Management and Budget (collectively referred to as ''core-based statistical areas''), exists within a commuting zone described in subparagraph (A), each such core-based statistical area.

(C) If the remaining area of a commuting zone described in subparagraph (A), excluding all core-based statistical areas within the commuting zone described in subparagraph (B), contains 1 or fewer counties and has a population of 7,500 or fewer residents, that remain-

ing area combined with an adjacent core-based statistical area within the commuting zone.

(D) The Tribal land with a Tribal prime-age population represented by a Tribal government.

(3) LOCAL COMMUNITY.—The term ''local community'' means the area served by a specified entity described in subparagraphs (A) through (C) of paragraph (5) that—

(A)(i) is located within a local labor market or partial local labor market that is not eligible; or

(ii) is not coexistent with, or encompassing the entirety of, a local labor market; and

(B) meets such additional criteria, including a minimum population requirement, as the Secretary may establish.

(4) PRIME-AGE EMPLOYMENT GAP.—

(A) IN GENERAL.—The term ''prime-age employment gap'' means the difference (expressed as a percentage) between—

(i) the national 5-year average prime-age employment rate; and

(ii) the 5-year average prime-age employment rate of the eligible area.

(B) CALCULATION.—For the purposes of subparagraph (A), an individual is prime-age if such individual between the ages of 25 years and 54 years.

(5) RECOMPETE PLAN.—The term ''recompete plan'' means a comprehensive 10-year economic development plan that—

(A) includes—

(i) proposed programs and activities to be carried out with a grant awarded under this section to address the economic challenges of the eligible area in a manner that promotes long-term, sustained economic growth and reduction in the prime-age employment gap of the eligible area;

(ii) projected costs and annual expenditures and proposed disbursement schedule; and

(iii) other information as the Secretary determines appropriate;

(B) is developed by a specified entity that is the recipient of a planning and technical assistance grant described in subsection (c)(2); and

(C) is submitted to the Secretary for approval for a specified entity to be considered for a grant under this section.

(6) SPECIFIED ENTITY.—The term ''specified entity'' means—

(A) a unit of local government;

(B) the District of Columbia;

(C) a territory or possession of the United States;

(D) a Tribal government;

(E) a State-authorized political subdivision or other entity, including a special-purpose entity engaged in economic development activities;

(F) a public entity or nonprofit organization, acting in cooperation with the officials of a political subdivision or entity described in subparagraph (E);

(G) an economic development district (as defined in section 3 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3122); and

(H) a consortium of any of the specified entities described in this paragraph which serve or are contained within the same eligible area.

(7) TRIBAL GOVERNMENT.—The term ''Tribal government'' means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) in the list published by the Bureau of Indian Affairs on January 29, 2021, pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131).

(8) TRIBAL LAND.—The term ''Tribal land'' means any land—

(A) any land located within the boundaries of an Indian reservation, pueblo, or rancheria; or

(B) any land not located within the boundaries of an Indian reservation, pueblo, or rancheria, the title to which is held—

(i) in trust by the United States for the benefit of an Indian Tribe or an individual Indian;

(ii) by an Indian Tribe or an individual Indian, subject to restriction against alienation under laws of the United States; or

(iii) by a dependent Indian community.

(9) TRIBAL PRIME-AGE POPULATION.—

(A) IN GENERAL.—The term ''Tribal prime-age population'' shall be equal to the sum obtained by adding—

(i) the product obtained by multiplying—

(I) the total number of individuals ages 25 through 54 residing on the Tribal land of the Tribal government; and

(II) 0.65; and

(ii) the product obtained by multiplying—

(I) the total number of individuals ages 25 through 54 included on the membership roll of the Tribal government; and

(II) 0.35.

(B) USE OF DATE.—A calculation under subparagraph (A) shall be determined based on data provided by the applicable Tribal government to the Department of the Treasury under the Coronavirus State and Local Fiscal Recov-

ery Fund programs under title VI of the Social Security Act (42 U.S.C. 801 et seq.).

SEC. 110020. ASSISTANCE FOR FEDERAL BUILDINGS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any funds in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, to be deposited in the Federal Buildings Fund established under section 592 of title 40, United States Code, for measures necessary to convert facilities of the Administrator of General Services to high-performance green buildings (as defined in section 401 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17061)).

SEC. 110021. TECHNOLOGY INNOVATION AND CLIMATE RESILIENCE IN MARITIME SECTOR.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $100,000,000, to remain available until September 30, 2027, to the Maritime Administration, for the maritime environmental and technical assistance program under section 50307 of title 46, United States Code, to reduce carbon emissions, reduce vessel noise pollution, and improve the climate resiliency of the marine shipping and the maritime industry.

SEC. 110022. CLIMATE RESILIENT COAST GUARD INFRASTRUCTURE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until September 30, 2031, to the account under the heading ''Coast Guard Procurement, Construction, and Improvements'', for the acquisition, design, and construction of new, or replacement of existing, climate resilient facilities, including personnel readiness facilities such as family support services facilities, that are threatened by or have been impacted by climate change, as authorized under sections 504(e) and 1101(b)(1) of title 14, United States Code. The Coast Guard shall return to the Treasury any funds appropriated under this section that have not been expended by September 30, 2031.

SEC. 110023. GREAT LAKES ICEBREAKER ACQUISITION.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of funds in the Treasury not otherwise appropriated, $350,000,000, to remain available until September, 30, 2031, to the Coast Guard, for acquisition, design, and construction of a Great Lakes heavy icebreaker, as authorized under section 8107 of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–

283). The Coast Guard shall return to the Treasury any funds appropriated under this section that have not been expended by September 30, 2031.

SEC. 110024. POLAR SECURITY CUTTERS AND CLIMATE SCIENCE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $788,000,000, to remain available until September 30, 2031, to the Coast Guard, for the acquisition of the fourth heavy Polar Security Cutter, including scientific laboratory and berthing facilities, to expand access for scientists to the polar regions, to improve climate and weather research, for other polar missions, and for other purposes, as authorized under section 561 of title 14, United States Code.

SEC. 110025. SMALL SHIPYARD GRANTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $300,000,000, to remain available until September 30, 2027, to the Maritime Administration for the purposes of making grants under the assistance for small shipyards program, as authorized by section 54101 of title 46, United States Code, to improve the climate resiliency and environmental sustainability of the maritime industry and maritime trans-

portation system, including workforce training and equipment acquisition projects that improve the efficiency of shipyard operations, vessel construction and vessel repair. The deadlines established in paragraphs (2) and (3) of subsection (b) and paragraph (1) of subsection (f) of section 54101 of such title shall not apply to amounts made available in this section, and the Secretary of Transportation may carry out multiple rounds of competition.

SEC. 110026. PORT INFRASTRUCTURE AND SUPPLY CHAIN RESILIENCE.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $2,500,000,000, to remain available until September 30, 2027, to the Maritime Administration for the purposes of making grants for projects to support supply chain resilience, reduction in port congestion, the development of offshore wind support infrastructure, and environmental remediation, projects to reduce the impact of ports on the environment, and for other purposes. Such grants shall be administered in accordance with the requirements applicable to grants under section 50302 of title 46, United States Code. The deadlines established in paragraph (5) of subsection (c) of section 50302 of such title shall not apply to amounts made available in this section, and the Secretary of Transpor-

tation may carry out multiple rounds of competition. The Maritime Administration shall return to the Treasury any funds appropriated under this section that have not been expended by September 30, 2031.

SEC. 110027. GRANTS FOR RURAL, SMALL, TRIBAL, AND ECONOMICALLY DISADVANTAGED MUNICIPALITY TECHNICAL ASSISTANCE AND CIRCUIT RIDER PROGRAMS AND WORKFORCE DEVELOPMENT.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $495,000,000, to remain available until expended, for the Administrator of the Environmental Protection Agency—

(1) to provide technical assistance to rural, small, Tribal, and economically disadvantaged municipalities for the purposes identified in subsection (b)(8) of section 104 of the Federal Water Pollution Control Act (33 U.S.C. 1254); and

(2) for grants for manpower development and training and retraining of workforce employees of publicly owned treatment works in accordance with subsection (g) of such section.

(b) DETERMINATION OF ECONOMIC DISADVANTAGE.—In determining whether a municipality is economically disadvantaged for the purposes of this section, the Administrator shall, to the maximum extent practicable, take into consideration—

(1) the criteria under paragraph (1) or (2) of section 301(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161); and

(2) any affordability criteria established by the State in which the municipality is located pursuant to section 603(i)(2) or 221(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(i)(2); 1301(c)).

SEC. 110028. ALTERNATIVE WATER SOURCE PROJECT GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $125,000,000, to remain available until expended, for carrying out section 220 of the Federal Water Pollution Control Act (33 U.S.C. 1300), in accordance with subsection (b), which funds may be used to make grants under such section on the condition that—

(1) a project carried out using such funds shall, to the maximum extent practicable, maximize the avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed part of the project (including through the implementation of technologies to recover and reuse energy produced in the treatment of wastewater); and

(2) all of the iron and steel used in the project are produced in the United States in accordance with section 608 of such Act (33 U.S.C. 1388).

(b) LIMITATIONS.—For purposes of subsection (a)—

(1) the limitation in section 220(d)(1) of the Federal Water Pollution Control Act (as in effect on September 1, 2021), as it applies to the receipt of planning or design funds, shall not apply with respect to eligibility for a grant under this section; and

(2) the requirements of sections 220(d)(2) and (e) of such Act (as in effect on September 1, 2021) shall not apply to the making of a grant under this section.

SEC. 110029. SEWER OVERFLOW AND STORMWATER REUSE MUNICIPAL GRANTS.

(a) GENERAL ASSISTANCE.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any

money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, for carrying out section 221 of the Federal Water Pollution Control Act (33 U.S.C. 1301), which funds may be used to make grants under such section on the condition that any activity carried out using such funds shall, to the maximum extent practicable, maximize the avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed part of the activity (including through the implementation of technologies to recover and reuse energy produced in the treatment of wastewater).

(b) FINANCIALLY DISTRESSED COMMUNITIES.—

(1) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, for carrying out section 221 of the Federal Water Pollution Control Act (33 U.S.C. 1301), which funds may be used to make grants under such section to financially distressed communities (as defined in such section), including rural financially distressed communities, on the condition that any activity carried out using such funds shall, to the maximum extent practicable, maximize the

avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed part of the activity (including through the implementation of technologies to recover and reuse energy produced in the treatment of wastewater).

(2) LIMITATION.—In carrying out paragraph (1), the Administrator of the Environmental Protection Agency may not require a financially distressed community receiving a grant pursuant to this subsection to provide, as a condition of eligibility to receive such grant, a share of the cost of the activity for which the grant was made.

SEC. 110030. INDIVIDUAL HOUSEHOLD DECENTRALIZED WASTEWATER TREATMENT SYSTEM GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $450,000,000, to remain available until expended, to make grants, in accordance with subsection (b), to States, municipalities, and nonprofit entities under the Federal Water Pollution Control Act for the construction, repair, or replacement of individual household decentralized wastewater treatment systems of eligible individuals (as

such term is defined in section 603(j) of the Federal Water Pollution Control Act (33 U.S.C. 1383(j)).

(b) PRIORITY.—In carrying out subsection (a), the Administrator of the Environmental Protection Agency shall prioritize the issuance of grants to assist eligible individuals (as such term is defined in section 603(j) of the Federal Water Pollution Control Act (33 U.S.C. 1383(j)) residing in households that are not connected to a system or technology designed to treat domestic sewage, including eligible individuals using household cesspools.

SEC. 110031. TRIBAL CLEAN WATER GRANTS.

(a) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $500,000,000, to remain available until expended, to make grants, in accordance with subsection (b), to Indian tribes and other entities described in section 518(c)(3) of the Federal Water Pollution Control Act (33 U.S.C. 1377)—

(1) for—

(A) projects and activities eligible for assistance under section 603(c) of such Act (33 U.S.C. 1383); and

(B) training, technical assistance, and educational programs related to the operation and

management of treatment works eligible for assistance pursuant to such section 603(c); and

(2) subject to the condition that—

(A) any project or activity carried out using such funds shall, to the maximum extent practicable, maximize the avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed part of the project or activity (including through the implementation of technologies to recover and reuse energy produced in the treatment of wastewater); and

(B) all of the iron and steel used in any project carried out using such funds are produced in the United States in accordance with section 608 of such Act (33 U.S.C. 1388).

(b) LIMITATION.—In carrying out subsection (a), the Administrator of the Environmental Protection Agency may not require an Indian tribe or other entity receiving a grant under this section to provide, as a condition of eligibility to receive such grant, a share of the cost of the project or activity for which the grant was made.

SEC. 110032. WASTEWATER INFRASTRUCTURE ASSISTANCE TO COLONIAS.

In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for

fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $125,000,000, to remain available until expended, for the Administrator of the Environmental Protection Agency for carrying out section 307 of the Safe Drinking Water Act Amendments of 1996 (33 U.S.C. 1281 note; 110 Stat. 1688), which funds may be used to award grants under such section to a border State or municipality with jurisdiction over an eligible community (as such terms are defined in such section), on the condition that—

(1) a project carried out using such funds shall, to the maximum extent practicable, maximize the avoidance, minimization, or mitigation of climate change impacts on, and of, any constructed part of the project (including through the implementation of technologies to recover and reuse energy produced in the treatment of wastewater);

(2) all of the iron and steel used in the project are produced in the United States in accordance with section 608 of the Federal Water Pollution Control Act (33 U.S.C. 1388); and

(3) an eligible community receiving assistance for such project pursuant to this section shall not be required to provide a share of the costs of carrying out the project.

SEC. 110033. CLEAN WATER NEEDS SURVEY.

In addition to amounts otherwise available, there is appropriated to the Environmental Protection Agency for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $5,000,000, to remain available until expended, for grants to States and municipalities to carry out a detailed estimate of the cost of construction of all needed publicly owned treatment works pursuant to section 516(b)(1)(B) of the Federal Water Pollution Control Act (33 U.S.C. 1375(b)(1)(B)).

SEC. 110034. PROHIBITION ON USE OF FUNDS.

The Comptroller General of the United States shall provide a report to Congress accounting for any equipment provided by the United States Coast Guard or the Army Corps of Engineers to any prior regime in Afghanistan and that has been left behind in Afghanistan.

SEC. 110035. POLICY OF THE UNITED STATES ON CHILD LABOR.

It is the policy of the United States that funds made available by this title should not be used to purchase products produced whole or in part through the use of child labor, as such term is defined in Article 3 of the International Labor Organization Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labor (December 2, 2000), or in violation of human rights.

TITLE XII—COMMITTEE ON VETERANS AFFAIRS

SEC. 12001. DEPARTMENT OF VETERANS AFFAIRS INFRASTRUCTURE IMPROVEMENTS.

In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,200,000,000, to remain available until September 30, 2031, for facilities under the jurisdiction of, or for the use of, the Department of Veterans Affairs to carry out sections 2400, 2403, 2404, 2406, 2407, 2412, 8101 through 8110, 8122, and 8161 through 8169 of title 38, United States Code, taking into consideration the integration of climate resiliency into infrastructure as well as the needs of underserved areas and underserved veteran populations.

SEC. 12002. MODIFICATIONS TO ENHANCED-USE LEASE AUTHORITY OF DEPARTMENT OF VETERANS AFFAIRS.

(a) MODIFICATIONS TO AUTHORITY.—Paragraph (2) of section 8162(a) of title 38, United States Code, is amended to read as follows:

''(2)(A) The Secretary may enter into an enhanced-use lease on or after the date of the enactment of this paragraph only if the Secretary determines—

"(i) that the lease will not be inconsistent with, and will not adversely affect—

"(I) the mission of the Department; or

"(II) the operation of facilities, programs, and services of the Department in the local area; and

"(ii) that—

"(I) the lease will enhance the use of the leased property by directly or indirectly benefitting veterans; or

"(II) the leased property will provide supportive housing.

"(B) The Secretary shall give priority to enhanced-use leases that, on the leased property—

"(i) provide supportive housing for veterans;

"(ii) provide direct services or benefits targeted to veterans; or

"(iii) provide services or benefits that indirectly support veterans.".

(b) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $455,000,000 for the Department of Veterans Affairs, to remain available until expended, to enter into en-

hanced-use leases pursuant to section 8162 of title 38, United States Code, as amended by this section.

(c) MODIFICATION OF SUNSET.—Section 8169 of such title is amended by striking ''December 31, 2023'' and inserting ''September 30, 2026''.

SEC. 12003. MAJOR MEDICAL FACILITY LEASES OF THE DEPARTMENT OF VETERANS AFFAIRS.

(a) AUTHORITY TO ENTER INTO MAJOR MEDICAL FACILITY LEASES.—Paragraph (2) of subsection (a) of section 8104 of title 38, United States Code, is amended—

(1) by striking ''No funds'' and inserting ''(A) No funds'';

(2) by striking ''or any major medical facility lease'';

(3) by striking ''or lease''; and

(4) by adding at the end the following new subparagraph:

''(B) Funds may be appropriated for a fiscal year, and the Secretary may obligate and expend funds, including for advance planning and design, for any major medical facility lease.''.

(b) MODIFICATION OF DEFINITION OF MAJOR MEDICAL FACILITY LEASE.—Subparagraph (B) of paragraph (3) of such subsection is amended to read as follows:

''(B) The term 'major medical facility lease'—

"(i) means a lease for space for use as a new medical facility approved through the General Services Administration under section 3307(a)(2) of title 40 at an average annual rent equal to or greater than the dollar threshold described in such section, which shall be subject to annual adjustment in accordance with section 3307(h) of such title; and

"(ii) does not include a lease for space for use as a shared Federal medical facility for which the Department's estimated share of the lease costs does not exceed such dollar threshold.".

(c) INTERIM LEASING ACTIONS.—Such section is further amended by adding at the end the following new subsection:

"(i)(1) The Secretary may carry out interim leasing actions as the Secretary considers necessary for major medical facility leases (as defined in subsection (a)(3)(B)).

"(2) In this subsection, the term 'interim leasing actions' has the meaning given that term by the Administrator of the General Services Administration.".

(d) APPLICABILITY.—The amendments made by this section shall apply with respect to a lease that has not been specifically authorized by law on or before the date

of the enactment of this Act and is included as part of the annual budget submission of the President for fiscal year 2022, 2023, or 2024.

(e) PURCHASE OPTIONS.—The Secretary of Veterans Affairs may obligate and expend funds to exercise a purchase option included in any major medical facility lease described in subsection (d).

(f) APPROPRIATION.—In addition to amounts otherwise available, there is appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $1,805,000,000, to remain available until expended, for major medical facility leases pursuant to subchapter I of chapter 81 of title 38, United States Code, as amended by this section, as requested in the annual budget submission of the President for fiscal year 2022, 2023, or 2024.

(g) TERMINATION AND RESTORATION.—

(1) IN GENERAL.—Effective upon the date of execution of the final lease award for leases described in subsection (d), subsections (a) through (e) of this section and the amendments made by those subsections are repealed and any provision of law amended by those subsections is restored as if those subsections had not been enacted into law.

(2) NOTIFICATION.—The Secretary of Veterans Affairs shall submit to Congress and the Law Revision Counsel of the House of Representatives written notification of the date specified in paragraph (1) not later than 30 days before such date.

SEC. 12004. INCREASE IN NUMBER OF HEALTH PROFESSIONS RESIDENCY POSITIONS AT DEPARTMENT OF VETERANS AFFAIRS MEDICAL FACILITIES.

(a) INCREASE.—In carrying out section 7302(a)(1) of title 38, United States Code, during the seven-year period beginning on the day that is one year after the date of the enactment of this Act, the Secretary of Veterans Affairs shall increase the number of health professions residency positions at medical facilities of the Department of Veterans Affairs by not more than 700 positions (which shall be allocated among occupations included in the most current determination published in the Federal Register pursuant to section 7412(a) of such title, or allocated pursuant to a prioritization by the Secretary of occupations in primary care, mental health care, and any other health professions occupation the Secretary determines appropriate) through the establishment of such new positions at—

(1) medical facilities where the Secretary established such positions pursuant to section 301(b)(2) of the Veterans Access, Choice, and Accountability Act of 2014 (Public Law 113–146; 38 U.S.C. 7302 note); or

(2) any medical facility—

(A) the director of which expresses an interest in establishing or expanding a health professions residency program at the medical facility; or

(B) that is located in a community that has a high concentration of veterans or is experiencing a shortage of health care professionals.

(b) APPROPRIATIONS.—In addition to amounts otherwise available, there is appropriated to the Department of Veterans Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $375,000,000, to remain available until September 30, 2029, for the purpose of carrying out this section.

SEC. 12005. VETERAN RECORDS SCANNING.

In addition to amounts otherwise available, there is appropriated to the Veterans Benefits Administration for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $150,000,000, to remain available until September 30, 2023, for costs of record scanning

and claims processing, to carry out sections 7701 and 7703 of title 38, United States Code.

SEC. 12006. FUNDING FOR DEPARTMENT OF VETERANS AFFAIRS OFFICE OF INSPECTOR GENERAL.

In addition to amounts otherwise available, there is appropriated to the Office of Inspector General of the Department of Veterans Affairs for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $15,000,000, to remain available until September 30, 2031, for audits, investigations, and other oversight of projects and activities carried out with funds made available to the Department of Veterans Affairs.

TITLE XIII—COMMITTEE ON WAYS AND MEANS

Subtitle A—Universal Paid Family and Medical Leave

SEC. 130001. PAID FAMILY AND MEDICAL LEAVE.

The Social Security Act (42 U.S.C. 301 et seq.) is amended by adding at the end the following:

"TITLE XXII—PAID FAMILY AND MEDICAL LEAVE BENEFITS

"SEC. 2201. TABLE OF CONTENTS.

''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,

shall be entitled to such a benefit for each month during such benefit period, except as otherwise provided in this section.

"(b) BENEFIT PERIOD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the benefit period specified in this subsection is the period beginning with the month in which ends the 1st week in which the individual has at least 4 caregiving hours and otherwise meets the criteria specified in paragraphs (1), (2), and (3) of subsection (a) and ending with the month in which ends the 52nd week ending during such period.

"(2) RETROACTIVE BENEFITS.—In the case of an application for benefits under this section with respect to an individual who has at least 4 caregiving hours in a week at any time during the period that begins 90 days before the date on which such application is filed, the benefit period specified in this subsection is the period beginning with the later of—

"(A) the month in which ends the 1st week in which the individual has at least 4 caregiving hours; or

"(B) the 1st month that begins during such 90-day period,

and ending with the month in which ends the 52nd week ending during such period.

"(3) LIMITATION.—Notwithstanding paragraphs (1) and (2), no benefit period under this title may begin with any month beginning prior to July 2023.

"(c) CAREGIVING HOURS.—

"(1) CAREGIVING HOUR DEFINED.—For purposes of this title, the term 'caregiving hour' means a 1-hour period during which the individual engaged in qualified caregiving (determined on the basis of information filed with the Secretary pursuant to subsection (c) of section 2204).

"(2) QUALIFIED CAREGIVING.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified caregiving' means any activity engaged in by an individual in lieu of work, other than for monetary compensation, for any reason described in paragraph (1) or (3) of section 102(a) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)), except that for purposes of this paragraph such section shall be applied—

"(i) by treating such individual as the employee referred to in such paragraph;

"(ii) as if paragraph (1)(C) were amended to read as follows:

"'(C)(i) In order to care for a qualified family member of the employee, if such qualified family member has a serious health condition.

"'(ii) For purposes of clause (i), the term "qualified family member" means, with respect to an employee—

"'(I) a spouse (including a domestic partner in a civil union or other registered domestic partnership recognized by a State) and a spouse's parent;

"'(II) a child and a child's spouse;

"'(III) a parent and a parent's spouse;

"'(IV) a sibling and a sibling's spouse;

"'(V) a grandparent, a grandchild, or a spouse of a grandparent or grandchild; and

"'(VI) any other individual who is related by blood or affinity and whose association with the employee is equivalent of 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:

"'(G) Because of the death of a spouse, parent, or child of the employee.'.

"(vi) as if paragraph (3) were amended by striking 'the spouse, son, daughter, parent, or next of kin' and inserting 'a qualified family member of the employee (as defined in subparagraph (C)(ii))'.

"(B) NO MONETARY COMPENSATION PERMITTED.—For purposes of subparagraph (A), an activity shall be considered to be engaged in by an individual for monetary compensation if the individual received any form of wage compensation from an employer, including paid vacation, paid sick leave, and any other form of accrued paid time off (but not including any such form of accrued paid time off or any non-accrued paid family and medical leave benefits sponsored by an employer to the extent that the sum of such accrued or non-accrued paid leave and any paid family and medical leave benefits under section 2202 does not exceed 100 percent of the individual's regular rate of pay (as determined under section 7(e) of the Fair Labor Standards Act of 1938)), for the time during which the individual was so engaged.

"(C) TREATMENT OF INDIVIDUALS ELIGIBLE FOR EMPLOYER SPONSORED PAID FAMILY AND MEDICAL LEAVE BENEFITS.—For purposes of subparagraph (A), an activity engaged in by an individual shall not be considered to be engaged in in lieu of work if, for the time during which the individual was so engaged, the individual would be eligible for paid family and medical leave benefits under a program sponsored by an employer who receives a grant with respect to such program under section 2210.

"(D) TREATMENT OF INDIVIDUALS EMPLOYED IN LEGACY STATES.—For purposes of subparagraph (A), an activity engaged in by an individual shall not be considered to be engaged in in lieu of work if the time during which the individual was so engaged constitutes leave from employment for which the individual would be eligible to receive paid family or medical leave benefits under the law of a legacy State (as defined in section 2209(b)).

"(d) TREATMENT OF BEREAVEMENT LEAVE.—In the case of an activity engaged in by an individual in lieu of work for a reason described in paragraph (1)(G) of section 102(a) of the Family and Medical Leave Act of 1993 (as

such section is applied for purposes of paragraph (2) of subsection (c)), the total number of caregiving hours attributable to such activity, for each death described in such paragraph (1)(G), that may be credited under section 2203(c) to weeks during the individual's benefit period may not exceed ⅗ of the number of hours in the individual's regular workweek (within the meaning of section 2203(d)).

"(e) NO CAREGIVING HOURS IN INDIVIDUAL'S WEEK OF DEATH.—No caregiving hours of an individual may be credited under section 2203(c) to the week during which the individual dies.

"(f) DISQUALIFICATION FOLLOWING CERTAIN CONVICTIONS.—An individual who has been found to have used false statements or representation to secure benefits under this title shall be ineligible for benefits under this title for a 5-year period following the date of such finding.

"SEC. 2203. BENEFIT AMOUNT.

"(a) IN GENERAL.—The amount of the benefit to which an individual is entitled under section 2202 for a month shall be an amount equal to the sum of the weekly benefit amounts for each week ending during such month. The weekly benefit amount of an individual for a week 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-

ings exceed the amount established for purposes of subparagraph (B) but do not exceed the amount established for purposes of this subparagraph by paragraph (2);

"(D) 25 percent of the individual's average weekly earnings to the extent that such earnings exceed the amount established for purposes of subparagraph (C) but do not exceed the amount established for purposes of this subparagraph by paragraph (2); and

"(E) 5 percent of the individual's average weekly earnings to the extent that such earnings exceed the amount established for purposes of subparagraph (D) but do not exceed the amount established for purposes of this subparagraph by paragraph (2).

"(2) AMOUNTS ESTABLISHED.—

"(A) INITIAL AMOUNTS.—For individuals whose benefit period under this title begins in or before calendar year 2024, the amount established for purposes of subparagraphs (A), (B), (C), (D), and (E) of paragraph (1) shall be 1/52 of $15,080, $34,248, $72,000, $100,000, and $250,000, respectively.

"(B) WAGE INDEXING.—For individuals whose benefit period under this title begins in any calendar year after 2024, each of the amounts so established shall equal the corresponding amount established for the calendar year preceding such calendar year, or, if larger, the product of the corresponding amount established with respect to the calendar year 2024 and the quotient obtained by dividing—

"(i) the national average wage index (as defined in section 2212) for the second calendar year preceding such calendar year, by

"(ii) the national average wage index (as so defined) for 2022.

"(C) ROUNDING.—Each amount established under subparagraph (B) for any calendar year shall be rounded to the nearest $1, except that any amount so established which is a multiple of $0.50 but not of $1 shall be rounded to the next higher $1.

"(3) AVERAGE WEEKLY EARNINGS.—For purposes of this subsection, an individual's average weekly earnings, as calculated by the Secretary, shall be equal to the quotient obtained by dividing—

"(A) the total of the wages and self-employment income received by the individual during the most recent 8-calendar quarter period that ends at least 4 months prior to the beginning of the individual's benefit period; by

"(B) 104.

"(4) EVIDENCE OF EARNINGS.—For purposes of determining the wages and self-employment income of an individual with respect to an application for benefits under section 2202, the Secretary shall make such determination on the basis of wage data provided to the Secretary from the National Directory of New Hires pursuant to section 453(j)(5) and self-employment income data provided by the Secretary, except that the Secretary shall also consider any more recent or additional evidence of wages or self-employment income the individual chooses to additionally submit.

"(c) CREDITING OF CAREGIVING HOURS TO A WEEK.—The number of caregiving hours of an individual credited to a week as determined under this subsection shall equal the number of caregiving hours of the individual occurring during such week, except that—

"(1) such number may not exceed the number of hours in a regular workweek of the individual (as determined in subsection (d));

"(2) no caregiving hours may be credited to a week in which fewer than 4 caregiving hours of the individual occur;

"(3) no caregiving hours of the individual may be credited to the individual's waiting period, consisting of the first week during an individual's benefit period in which at least 4 caregiving hours occur (regardless of whether the individual received paid vacation, paid sick leave, or any other form of accrued paid time off from the individual's employer during such week in accordance with section 2202(c)(2)(B)); and

"(4) the total number of caregiving hours credited to weeks during the individual's benefit period may not exceed the product of 12 multiplied by the number of hours in a regular workweek of the individual (as so determined).

"(d) NUMBER OF HOURS IN A REGULAR WORKWEEK.—For purposes of this section, the number of hours in a regular workweek of an individual shall be the number of hours that the individual regularly works in a week for 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;

"(2) except as otherwise provided in this subsection, a certification, issued by a relevant authority determined under regulations issued by the Secretary, that contains such information as the Secretary shall specify in such regulations as necessary to affirm the circumstances giving rise to the need for such caregiving hours, which shall be no more than the information that is required to be stated under section 103(b) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2613(b));

"(3) an attestation from the individual that notice of the individual's need to be absent from work during such caregiving hours has been provided, not later than 7 days after such need arises, to the individual's employer (except in cases of hardship or other extenuating circumstances or if the individual does not have (or no longer has) an employer);

"(4) pay stubs or such other evidence as the individual may provide demonstrating the individual's wages or self-employment income during the period described in section 2202(a)(3), except that the Secretary may waive this requirement in any case in which such evidence is otherwise available to the Secretary;

"(5) an attestation from the individual stating the number of hours in a regular workweek of the individual (within the meaning of section 2203(d)); and

"(6) an attestation from the individual stating that the leave from employment with respect to which the individual is filing such application is not employment for which the individual has received—

"(A) a notice from a State pursuant to subsection (b)(2)(B) of section 2209 stating that such employment would be eligible for paid family and medical leave benefits under a State legacy program described in such section; or

"(B) a notice from the individual's employer pursuant to subsection (b)(1)(F)(iv) of section 2210 stating that such employment would be eligible for paid family and medical leave benefits under an employer-sponsored program described in such section.

In the case of an individual who applies for a paid family and medical leave benefit in the anticipation of caregiving hours occurring after the date of application, the certification described in paragraph (2), the attestation described 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-

scribed in the second sentence of paragraph (1) with respect to each week in the benefit period that ends before such date.

"(d) DETERMINATIONS AND NOTICE REQUIREMENTS.—

"(1) INITIAL APPLICATION.—

"(A) IN GENERAL.—The Secretary shall determine the initial eligibility of an individual applying for benefits under this title in accordance with section 2202.

"(B) NOTICES.—To ensure payment of benefits in the correct amount and that beneficiaries are aware of the right to appeal a benefit determination of the Secretary—

"(i) not later than 15 days after each application for benefits from an individual under this title is filed, the Secretary shall provide notice to the individual of—

"(I) the initial determination of eligibility for such benefits;

"(II)(aa) the calendar quarter that begins the period described in section 2202(a)(3) with respect to the individual, the 8 calendar quarters 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

(as determined in subsection 2203(d));

"(V) the number of caregiving hours credited to weeks ending prior to the date of such application;

"(VI) the beginning and ending dates of the individual's benefit period; and

"(VII) the individual's right to appeal such initial determination in accordance with the provisions of section 2205; and

"(ii) in any case in which an individual submits additional information with respect to such an application, the Secretary shall provide an updated notice to the individual containing the same information provided in the notice described in clause (i), including a specific indication of any such information that has been updated as a result of the additional information submitted by the individual.

"(2) MONTHLY BENEFIT DETERMINATIONS.—

"(A) IN GENERAL.—On the basis of the information filed with the Secretary pursuant to

subsection (c), the Secretary shall determine, with respect to an individual for each week ending in a month, the number of caregiving hours to be credited to such week in accordance with section 2203(c).

"(B) NOTICES.—To ensure payment of benefits in the correct amount and that beneficiaries are aware of the right to appeal a benefit determination of the Secretary, not later than 15 days after each periodic benefit claim report from an individual is filed (or after filing of initial application for retroactive benefits), the Secretary shall provide notice to the individual specifying—

"(i) whether payment will be made to the individual for each week to which such periodic benefit claim report pertains and the amount of such payment;

"(ii) if the Secretary determines that payment will not be made for a week or that payment will be made based on a number of caregiving hours credited to the week inconsistent with the number of caregiving hours specified for such week in such periodic benefit claim report (or ini-

tial application), the reasons for such determination; and

"(iii) the individual's right to appeal such determination in accordance with the provisions of section 2205.

"(3) CHANGING CIRCUMSTANCES.—The Secretary shall issue regulations to establish a process under which an individual may notify the Secretary if more than one type of circumstance gives rise to the need for caregiving hours during the individual's benefit period. Such caregiving hours shall be credited to weeks within the benefit period in accordance with section 2203(c) regardless of circumstance.

"(4) ACCESSIBILITY OF NOTICES.—The Secretary shall take such actions as are necessary to ensure that any notice to one or more individuals issued pursuant to this title by the Secretary is written in simple and clear language.

"(e) CERTIFICATION OF PAYMENT.—Not later than 15 days after the making of a determination under subsection (d)(2)(A) with respect to the number of caregiving hours of an individual to be credited to weeks ending in a month, the Secretary shall certify payment to such individual of the amount of the paid family and medical leave benefit for such month.

"(f) EXPEDITED BENEFIT PAYMENT IN CASES OF MISSING PAYMENT.—The Secretary shall establish and put into effect procedures under which expedited payment of benefits under this title will be made to an individual to whom a benefit payment was due for a month but was not received by the individual.

"(g) SUBMISSION OF REQUIRED INFORMATION.—

"(1) BY PHONE, MAIL, OR ELECTRONIC MEANS.—To ensure full access to benefits by all eligible individuals, applicable paid leave information with respect to an individual may be submitted to the Secretary by phone, mail, or electronic means.

"(2) BY ANY PERSON.—Any person may submit applicable paid leave information with respect to an individual, including, as applicable, the individual's representative, the individual's employer, or any relevant authority identified under subsection (b)(2). The Secretary shall promptly notify an individual whenever any other person submits such information on the individual's behalf.

"(3) NOTICE OF RECEIPT.—The Secretary shall provide prompt notice of receipt of all applicable paid leave information submitted with respect to an individual.

"(4) DEFINITION OF APPLICABLE PAID LEAVE INFORMATION.—For purposes of this subsection, the term 'applicable paid leave information' means, with respect to an individual, any information submitted to the Secretary with respect to the paid family and medical leave benefits of the individual, including any initial application, periodic benefit claim report, appeal, and any other information submitted in support of such application, report, or appeal.

"SEC. 2205. APPEALS.

"(a) IN GENERAL.—An individual shall have the right—

"(1) to appeal to the Secretary any determination made with respect to—

"(A) paid family and medical leave benefits under section 2202; and

"(B) paid family and medical leave benefits under an employer-sponsored program described in section 2210 whose initial appeal pursuant to subsection (b)(1)(F)(iii)(I) of such section results in a determination unfavorable to the individual; and

"(2) to appeal any final decision of the Secretary by a civil action brought in the district court of the United States for the judicial district in which

the plaintiff resides, or in which the principal place of business of the plaintiff sits, or, if the plaintiff does not reside or such principal place of business does not sit within any such judicial district, in the United States District Court for the District of Columbia.

"(b) PROCEDURES.—The Secretary shall establish procedures for appeals of such determinations that ensure that appeals will be heard in a timely manner by a decisionmaker who is different from the initial decisionmaker using procedures that are similar to the procedures used for appeals of determinations under the Medicare Low-Income Subsidy program described under section 1860D-14(a)(3)(B)(iv)(II).

"(c) AUTHORITY TO ISSUE AND ENFORCE SUBPOENAS.—

"(1) IN GENERAL.—For the purpose of any hearing, investigation, or other proceeding authorized or directed under this title, the Secretary shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question before the Secretary. Such attendance of witnesses and production of evidence at the designated place of such hearing, investiga-

tion, or other proceeding may be required from any place in the United States or in any Territory or possession thereof.

"(2) SERVICE; WITNESSES.—Subpoenas of the Secretary shall be served by anyone authorized by the Secretary—

"(A) by delivering a copy thereof to the individual named therein; or

"(B) by registered mail or by certified mail addressed to such individual at his last dwelling place or principal place of business.

A verified return by the individual serving the subpoena setting forth the manner of service, or, in the case of service by registered mail or by certified mail, the return post-office receipt therefor signed by the individual so served, shall be proof of service. Witnesses so subpoenaed shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(3) CONTUMACY OR REFUSAL TO OBEY A SUBPOENA.—

"(A) IN GENERAL.—In case of contumacy by, or refusal to obey a subpoena duly served upon, any person, any district court of the United States for the judicial district in which

the person charged with contumacy or refusal to obey is found or resides or transacts business, upon application by the Secretary, shall have jurisdiction to issue an order requiring such person to appear and give testimony, or to appear and produce evidence, or both. Any failure to obey such order of the court may be punished by the court as contempt thereof.

"(B) TREATMENT OF EMPLOYERS.—In the case of contumacy by, or refusal to obey a subpoena duly served upon, any employer, the Secretary shall impose such penalties against the employer as the Secretary determines may apply pursuant to section 2210(f).

"SEC. 2206. STEWARDSHIP.

"(a) PROMOTING EQUITY.—The Secretary shall conduct a robust program to analyze and prevent disparities on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity, disability, age, national origin, family composition, or living arrangements with respect to the benefits provided under this title and individuals' access to such benefits.

"(b) UNDERPAYMENTS AND OVERPAYMENTS.—

"(1) IN GENERAL.—Whenever the Secretary determines that more or less than the correct amount

of payment has been made to any individual under this title, the Secretary shall promptly notify the individual of such determination and inform the individual of the right to appeal such determination in accordance with the provisions of section 2205. Proper adjustment or recovery shall be made, under regulations prescribed by the Secretary, as follows:

"(A) UNDERPAYMENTS.—With respect to payment to an individual of less than the correct amount, the Secretary shall promptly pay the balance of the amount due to such underpaid individual.

"(B) OVERPAYMENTS.—

"(i) IN GENERAL.—With respect to payment to an individual of more than the correct amount, the Secretary shall decrease any payment for a month under this title to which such overpaid individual is entitled (except that the weekly benefit amounts for each week ending during such month as determined under section 2203(a) may not be decreased below the amount specified in clause (ii) with respect to such weekly benefit amounts of the individual), or shall require such overpaid indi-

vidual to refund the amount in excess of the correct amount, or shall apply any combination of the foregoing.

"(ii) LIMITATION ON RECOVERY.—

"(I) AMOUNT SPECIFIED.—The amount specified in this clause with respect to a weekly benefit amount of an individual for a week is an amount equal to the weekly benefit amount that would be determined for the individual for such week under section 2203(a) if the individual's weekly benefit rate (as determined under section 2203(b)) were equal to the applicable dollar amount as determined under subclause (II).

"(II) APPLICABLE DOLLAR AMOUNT.—For purposes of subclause (I), the applicable dollar amount is—

"(aa) with respect to a weekly benefit amount determined for a week ending in a month in or before calendar year 2024, $315; and

"(bb) with respect to a weekly benefit amount determined for a week ending in a month in any calendar year after 2024, the corresponding amount established with respect to a weekly benefit amount determined for a week ending in a month in the calendar year preceding such calendar year or, if larger, the product of the corresponding amount specified in item (aa) with respect to a weekly benefit amount determined for a week ending in a month in calendar year 2024 multiplied by the quotient obtained by dividing—

"(AA) the national average wage index (as defined in section 2212) for the second calendar year preceding such calendar year, by

"(BB) the national average wage index (as so defined) for 2022.

"(2) WAIVER OF CERTAIN OVERPAYMENTS.—In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any individual who was without fault in connection with the overpayment if such adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience, or would impede efficient or effective administration of this title, as determined by the Secretary under procedures to be established by the Secretary.

"(3) LIABILITY OF CERTIFYING OR DISBURSING OFFICER.—No certifying or disbursing officer shall be held liable for any amount certified or paid by him to any individual where the adjustment or recovery of such amount is waived under paragraph (2), or where adjustment under paragraph (1) is not completed prior to the death of the individual against whose benefits deductions are authorized.

"(c) PENALTIES AND OTHER PROCEDURES.—

"(1) IN GENERAL.—Whoever—

"(A) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in any application for any benefit under this title,

"(B) at any time knowingly and willfully makes or causes to be made any false statement or representation of a material fact for use in determining rights to any such benefit,

"(C) having knowledge of the occurrence of any event affecting (A) his initial or continued right to any such benefit, or (B) the initial or continued right to any such benefit of any other individual in whose behalf he has applied for or is receiving such benefit, conceals or fails to disclose such event with an intent fraudulently to secure such benefit either in a greater amount or quantity than is due or when no such benefit is authorized,

"(D) having made application to receive any such benefit for the use and benefit of another and having received it, knowingly and willfully converts such benefit or any part thereof to a use other than for the use and benefit of such other person, or

"(E) conspires to commit any offense described in any of subparagraphs (A) through (C),

shall be fined under title 18, United States Code, imprisoned not more than 5 years, or both.

"(2) EXCLUSION FROM PARTICIPATION.—

"(A) IN GENERAL.—No person or entity who is convicted of a violation of paragraph (1) may represent, or submit evidence on behalf of, an individual applying for, or receiving, benefits under this title.

"(B) NOTICE, EFFECTIVE DATE, AND PERIOD OF EXCLUSION.—

"(i) IN GENERAL.—An exclusion under this paragraph shall be effective at such time, for such period, and upon such reasonable notice to the public and to the individual excluded as may be specified in regulations consistent with clause (ii).

"(ii) EFFECTIVE DATE.—Such an exclusion shall be effective with respect to services furnished to any individual on or after the effective date of the exclusion. Nothing in this paragraph may be construed to preclude consideration of any

medical evidence derived from services provided by a health care provider before the effective date of the exclusion of the health care provider under this paragraph.

"(iii) PERIOD OF EXCLUSION.—

"(I) IN GENERAL.—The Secretary shall specify, in the notice of exclusion under clause (i), the period of the exclusion.

"(II) PREVIOUS OFFENSE.—In the case of the exclusion of a person or entity under subparagraph (A) who has previously been subject to an exclusion under such subparagraph—

"(aa) if the person or entity has previously been subject to such an exclusion only once, the period of exclusion shall be not less than 10 years; and

"(bb) if the person or entity has previously been subject to such an exclusion more than once, the exclusion shall be permanent.

"(C) NOTICE TO STATE LICENSING AGENCIES.—The Secretary shall—

"(i) promptly notify the appropriate State or local agency or authority having responsibility for the licensing or certification of a person or entity excluded from participation under this section of the fact and circumstances of the exclusion;

"(ii) request that appropriate investigations be made and sanctions invoked in accordance with applicable State law and policy; and

"(iii) request that the State or local agency or authority keep the Secretary fully and currently informed with respect to any actions taken in response to the request.

"(D) NOTICE, HEARING, AND JUDICIAL REVIEW.—Any person or entity who is excluded (or directed to be excluded) from participation under this section is entitled to reasonable notice and opportunity for a hearing by the Secretary and to judicial review of such final agency decision to the same extent as is provided in section 2205.

"(E) APPLICATION FOR TERMINATION OF EXCLUSION.—

"(i) IN GENERAL.—An individual excluded from participation under this paragraph may apply to the Secretary, in the manner specified by the Secretary in regulations and at the end of the period of exclusion provided under subparagraph (B)(iii) and at such other times as the Secretary may provide, for termination of the exclusion effected under this paragraph.

"(ii) CRITERIA FOR TERMINATION.—The Secretary may terminate the exclusion if the Secretary determines, on the basis of the conduct of the applicant which occurred after the date of the notice of exclusion or which was unknown to the Secretary at the time of the exclusion, that—

"(I) there is no basis under subparagraph (A) for a continuation of the exclusion; and

"(II) there are reasonable assurances that the types of actions which formed the basis for the original ex-

clusion have not recurred and will not recur.

"(F) AVAILABILITY OF RECORDS OF EXCLUDED PERSONS AND ENTITIES.—Nothing in this section shall be construed to have the effect of limiting access by any applicant or beneficiary under this title or the Secretary to records maintained by any person or entity in connection with services provided to the applicant or beneficiary prior to the exclusion of such person or entity under this paragraph.

"(G) REPORTING REQUIREMENT.—Any person or entity participating in, or seeking to participate in, the program under this title shall inform the Secretary, in such form and manner as the Secretary shall prescribe by regulation, whether such person or entity has been convicted of a violation under paragraph (1).

"(d) REDETERMINATION OF ENTITLEMENT.—

"(1) IN GENERAL.—

"(A) PROCEDURES.—The Secretary shall immediately redetermine the entitlement of individuals to paid family and medical leave benefit benefits under this title if there is reason to believe that fraud or similar fault was in-

volved in the application of the individual for such benefits, unless a United States attorney, or equivalent State prosecutor, with jurisdiction over potential or actual related criminal cases, certifies, in writing, that there is a substantial risk that such action by the Secretary with regard to beneficiaries in a particular investigation would jeopardize the criminal prosecution of a person involved in a suspected fraud.

"(B) DISREGARD OF CERTAIN EVIDENCE.—When redetermining the entitlement, or making an initial determination of entitlement, of an individual under this title, the Secretary shall disregard any evidence if there is reason to believe that fraud or similar fault was involved in the providing of such evidence.

"(2) SIMILAR FAULT DESCRIBED.—For purposes of paragraph (1), similar fault is involved with respect to a determination if—

"(A) an incorrect or incomplete statement that is material to the determination is knowingly made; or

"(B) information that is material to the determination is knowingly concealed.

"(3) TERMINATION OF BENEFITS.—If, after redetermining pursuant to this subsection the entitlement of an individual to monthly insurance benefits, the Secretary determines that there is insufficient evidence to support such entitlement, the Secretary may terminate such entitlement and may treat benefits paid on the basis of such insufficient evidence as overpayments.

"SEC. 2207. FUNDING FOR BENEFIT PAYMENTS, GRANTS, AND PROGRAM ADMINISTRATION.

"(a) FUNDING FOR BENEFIT PAYMENTS AND GRANTS.—

"(1) IN GENERAL.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary to pay benefits under section 2202 and for grants under sections 2209 and 2210, subject to paragraph (2).

"(2) LIMITATION.—In no case shall a grant under section 2209 exceed a total amount (for all applicable individuals) equivalent to the sum of benefits paid (including, in the case of a grant under section 2209, the full cost of administering such benefits) for each applicable individual (as described under paragraph (3)) calculated on the basis of a

total number of hours of leave during the individual's benefit period equal to—

"(A) the product of 12 multiplied by the number of hours in a regular workweek of the individual (within the meaning of section 2203(d)), minus

"(B) the number of caregiving hours (as defined in section 2202(c)) of such individual credited in total to months during such benefit period under this title.

"(3) APPLICABLE INDIVIDUAL.—For purposes of paragraph (2), an 'applicable individual' is an individual, with respect to whom a grant under section 2209 is awarded, receiving paid family or medical leave benefits for days of leave under a paid family and medical leave benefit program of a legacy State (as defined in section 2209(b)).

"(b) FUNDING FOR PROGRAM ADMINISTRATION.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, such sums as may be necessary for the following purposes (including through the use of grants or contracts except where otherwise specified):

"(1) Costs related to taking applications, responding to public inquiries, assisting with problem

resolution, taking requests for appeals, and the provision of other necessary assistance to individuals applying for or receiving benefits under this title, including the following:

"(A) Costs related to staffing a national toll-free telephone number (which shall not be carried out through the use of grants or contracts).

"(B) Costs related to technology to support a national toll-free telephone number and to technology related to the design, construction and maintenance of an online application and customer service portal.

"(C) Costs related to mailed notices.

"(2) Costs related to determining eligibility (which shall not be carried out through the use of grants or contracts).

"(3) Costs related to ensuring program integrity and combating fraud, including by issuing regulations to do the following:

"(A) Ensure identity validation of applicants and beneficiaries.

"(B) Verify the professional credentials of relevant authorities who provide certifications pursuant to section 2204(b)(2).

"(C) Ensure the accuracy of any wage and self-employment income data used in the administration of this title.

"(D) Ensure that the attestation requirement in section 2204(b)(3) has been satisfied for each applicant and beneficiary.

"(E) Ensure the accuracy of periodic benefit claim reports.

"(F) Provide for post-effectuation quality review of approved claims and quality review of denied claims (which shall not be carried out through the use of grants or contracts).

"(4) Costs related to certification of payment of benefits (which shall not be carried out through the use of grants or contracts).

"(5) Costs related to appeals (which shall not be carried out through the use of grants or contracts).

"(6) Costs related to the administration by the Secretary of the legacy State grant program under section 2209 and the employer-sponsored plan grant program under section 2210.

"(7) Costs related to developing systems of records for purposes of administering the program under this title (which shall not be carried out

through the use of grants or contracts, except that costs related to technology to support such systems of records may be carried out through the use of grants or contracts).

"(8) Costs related to data exchange and sharing, for which the Secretary shall enter into an agreement with relevant data sources including the National Directory of New Hires and shall seek to enter into agreements with States to obtain such information as the Secretary may require to determine eligibility and benefits payable under section 2202, administer the grants in sections 2209 and 2210, and verify such other information as the Secretary determines may be necessary in carrying out the provisions of this title.

"(9) Costs related to the training of employees, grantees, and contractors, including training relating to the prevention of discrimination in the administration of this title on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity, disability, age, national origin, family composition, or living arrangements.

"(10) Costs related to providing technical assistance to legacy States under section 2209 and to employers or third party administrators designated

by an employer of paid leave programs under section 2210.

"(11) Costs related to providing technical assistance to small business employers with respect to the requirements of the small business assistance grants in section 2211 and the process by which their employees may apply for benefits under section 2202; and

"(12) Any other costs necessary for the effective administration of this title.

"SEC. 2208. FUNDING FOR OUTREACH, PUBLIC EDUCATION, AND RESEARCH.

"(a) FUNDING FOR OUTREACH AND PUBLIC EDUCATION.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, $150,000,000 for each of fiscal years 2022 through 2026 for the Secretary to, with respect to benefits provided by the program under this title—

"(1) engage in a robust program of culturally and linguistically competent education and outreach toward ensuring awareness of and access to such benefits;

"(2) provide information to potential beneficiaries regarding eligibility requirements, the claims process, benefit amounts, maximum benefits

payable, notice requirements, the appeals process, and nondiscrimination rights, including specific benefit estimates based on the average weekly earnings of a potential beneficiary; and

"(3) provide employers with a model notice to be used to inform employees of the availability of such benefits.

"(b) FUNDING FOR RESEARCH.—There are appropriated, out of any funds in the Treasury not otherwise appropriated, $150,000,000 for each of fiscal years 2023 through 2027 for the Secretary to—

"(1) develop and carry out grants for research for the purpose of ensuring full access to the benefits provided by the program under this title, including through the detection and prevention of disparities on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity, disability, age, national origin, income, language, job classification, family composition, or living arrangements; and

"(2) annually make available to the public beginning in fiscal year 2024 a report that includes—

"(A) the number of individuals who received such benefits;

"(B) the purposes and durations for which such benefits were received;

"(C) an analysis of benefit use by occupation, industry, wage levels, employer size, and geography;

"(D) an analysis of disparities identified by the grants for research authorized under this subsection on the basis of race, color, ethnicity, religion, sex, sexual orientation, gender identity, disability, age, national origin, family composition, or living arrangements;

"(E) a description of the actions by the Secretary to prevent disparities and ensure full access to the benefits provided by the program under this title;

"(F) a comparative analysis of paid family and medical leave benefits received by individuals through the program under section 2202, through a legacy State paid family and medical leave program described in section 2209, or through an employer-sponsored program described in section 2210 that takes into account the number of individuals receiving benefits, the characteristics of the benefits received, and the patterns of leave-taking under each program;

"(G) the number of employers who received a reimbursement grant under section

2210 and the number of employees of such employers who received paid family and medical leave benefits under an employer-sponsored program described in such section; and

"(H) the number of employers who received one or more small business assistance grants under section 2211 and the total number of such grants provided.

"SEC. 2209. FUNDING FOR STATE ADMINISTRATION OPTION FOR LEGACY STATES.

"(a) IN GENERAL.—In each calendar year beginning with 2024, the Secretary shall make a grant to each State that, for the calendar year preceding such calendar year (or, in the case of a grant under this section in 2024, for the portion of such preceding calendar year occurring after June 30), was a legacy State and that met the data sharing requirements of subsection (c), in an amount equal to the lesser of—

"(1) an amount, as estimated by the Secretary, in consultation with the Secretary of Labor, equal to the total amount of paid family and medical leave benefits that would have been paid under section 2202 (including the full Federal cost of administering such benefits) to individuals who received benefits under a State program described in sub-

section (b) during the calendar year preceding such calendar year (or, in the case of a grant under this section in 2024, for the portion of such preceding calendar year occurring after June 30) if the State had not been a legacy State for such preceding calendar year (or, in the case of a grant under this section in 2024, for the portion of such preceding calendar year occurring after June 30); or

"(2) an amount equal to the total cost of the State paid family and medical leave program described in subsection (b) for the calendar year preceding such calendar year (or, in the case of a grant under this section in 2024, for the portion of such preceding calendar year occurring after June 30), including—

"(A) the total amount of paid family and medical leave benefits that would have been paid to individuals under such program for leave that is exempt under such program on account of being otherwise paid under a program provided by such individual's employer; and

"(B) the full cost to the State of administering such program.

In any case in which, during any calendar year, the Secretary has reason to believe that a State will be a legacy

State and meet the data sharing requirements of subsection (c) for such calendar year, the Secretary may make estimated payments during such calendar year of the grant which would be paid to such State in the succeeding calendar year, to be adjusted as appropriate in the succeeding calendar year.

"(b) LEGACY STATE.—For purposes of this section, the term 'legacy State' for a calendar year means a State that the Secretary, in consultation with the Secretary of Labor, determines—

"(1) has enacted, not later than the date of enactment of this title, a State law that provides paid family and medical leave benefits; and

"(2) for any calendar year that begins on or after the date that is 3 years after the date of enactment of this title, has in effect, throughout such calendar year, a State program enacted into law—

"(A) that provides paid family and medical leave benefits—

"(i) for at least 12 full workweeks of leave during each 12-month period to at least all of those individuals in the State who would be eligible for paid family and medical leave benefits under section 2202 (without regard to section 2202(c)(2)(D))

during any part of such calendar year, provided that such State program—

"(I) shall provide paid family and medical leave benefits for leave from employment by the State or any political subdivision thereof, except that any State or local employees subject to a collective bargaining agreement may be excluded from such coverage with the agreement of 90 percent of the employees covered by the collective bargaining agreement; and

"(II) may provide such benefits for leave from Federal employment; and

"(ii) at a wage replacement rate that is at least equivalent to the wage replacement rate under the program under this title (without regard to section 2202(c)(2)(D)); and

"(B) that provides an annual notice to each individual whose employment would be eligible for such benefits under the State program.

"(c) DATA SHARING.—As a condition of receiving a grant under subsection (a) in a calendar year, a State

shall enter into an agreement with the Secretary under which the State shall provide the Secretary—

"(1) with information, to be provided periodically as determined by the Secretary, concerning individuals who received a paid leave benefit under a State program described in subsection (b), including each individual's name, information to establish the individual's identity, dates for which such paid leave benefits were paid, the amount of such paid leave benefit, and, to the extent available, such other information concerning such individuals as the Secretary may require for the purpose of carrying out this section and section 2202(c)(2)(D);

"(2) not later than July 1 of such calendar year, the amount described in subsection (a)(2) for the calendar year preceding such calendar year; and

"(3) such other information as the Secretary determines may be necessary in carrying out the provisions of this title, including for the purposes of promoting equity as described under section 2206(a) and for research described under section 2208(b).

"(d) FUNDING FOR TRANSITIONAL COSTS FOR LEGACY STATES.—

"(1) IN GENERAL.—There are appropriated to the Secretary, out of any funds in the Treasury not

otherwise appropriated, such sums as necessary for grants in accordance with this subsection.

"(2) TRANSITION GRANTS.—The Secretary shall make a grant under this subsection to each State that—

"(A) is a legacy State for the calendar year in which occurs the date of enactment of this title;

"(B) certifies to the Secretary that the State intends to remain a legacy State and meet the data sharing requirements of subsection (c) at least through the first calendar year that begins on or after the date that is 3 years after the date of enactment of this title; and

"(C) agrees to repay the full amount of such grant if the State fails to remain a legacy State and meet the data sharing requirements of subsection (c) as certified in subparagraph (B).

"(3) AMOUNT OF GRANT.—The amount of a grant provided to a State under this subsection shall be equal to ½ of the sum of the State's expenditures from the date of enactment of this title through the calendar year described in paragraph (2)(B) on—

"(A) the costs of creating new information technology systems as needed to implement the data sharing requirements of subsection (c) (including staffing costs related to such systems); and

"(B) other necessary costs incurred by the State to meet the requirements of subsection (b)(2)(A)(ii).

"(4) ESTIMATED ADVANCE PAYMENTS.—The Secretary may make estimated payments of a grant provided to a State under this subsection for any calendar year, to be adjusted as appropriate in the succeeding calendar year.

"SEC. 2210. REIMBURSEMENT OPTION FOR EMPLOYER-SPONSORED PAID LEAVE BENEFITS.

"(a) IN GENERAL.—For each calendar year beginning with 2023, the Secretary shall make a grant to each employer that is an eligible employer for such calendar year in an amount equal to—

"(1) in the case of an eligible employer sponsoring a paid family and medical leave benefit program with respect to which benefits are awarded and paid under a contract with an insurer, an amount equal to 90 percent of the product of—

"(A) the projected national average cost per employee of providing paid family and medical leave benefits as determined by the Secretary for such calendar year under subsection (c)(3) (or, in the case of calendar year 2023, ½ of such projected national average cost); multiplied by

"(B) the number of employees (pro-rated for part-time employees) covered under the program for such calendar year (or, in the case of calendar year 2023, for the portion of such calendar year occurring after June 30); and

"(2) in the case of an eligible employer sponsoring a self-insured paid family and medical leave benefit program with respect to which benefits are awarded and paid directly by the employer (or by a third party administrator on behalf of the employer), an amount equal to 90 percent of—

"(A) the amount of benefits paid under the program for such calendar year to individuals for up to 12 weeks of leave per individual (or, in the case of calendar year 2023, for the portion of such calendar year occurring after June 30); or

"(B) if lesser, the product of the national average weekly benefit amount paid under section 2203(a) during such calendar year (or, in the case of calendar year 2023, during the portion of such calendar year occurring after June 30) multiplied by the number of weeks of leave (up to 12 per individual) paid by the employer for all individuals under the program for the calendar year (or such portion in the case of calendar year 2023).

"(b) ELIGIBILITY; APPLICATION REQUIREMENTS.—

"(1) IN GENERAL.—For purposes of subsection (a), an eligible employer for a calendar year is an employer (other than the Federal Government or the government of any State (or political subdivision thereof) that is a legacy State for such calendar year under section 2209) that satisfies all of the following requirements:

"(A) NON-LEGACY STATE EMPLOYEES.—The employer has one or more employees during such calendar year whose employment with such employer would not be eligible for paid family or medical leave benefits under the law of any legacy State (as defined in section 2209(b)) for such calendar year.

"(B) APPLICATION; SUBMISSION OF REQUIRED INFORMATION.—Not later than the certification deadline specified in paragraph (2)(A) for such calendar year, the employer—

"(i) notifies the Secretary that the employer intends to seek a grant under this section for such calendar year;

"(ii) certifies to the Secretary that the employer will have in effect during such calendar year a paid family and medical leave benefit program that meets the requirements of subsection (c) and, not later than the submission deadline specified in paragraph (2)(B) for such calendar year, provides all documentation relating to such program as the Secretary may request; and

"(iii) pays an application fee of $1,000 (or $200 in the case of a renewed application).

"(C) APPROVAL BY THE SECRETARY.—The paid family and medical leave benefit program referred to in subparagraph (B) is subsequently approved by the Secretary as meeting all applicable requirements.

"(D) INFORMATION SUBMISSION REQUIREMENT.—At the time of application for such grant for each calendar year, the employer—

"(i) submits to the Secretary—

"(I) an attestation that the paid family and medical leave benefit program referred to in subparagraph (B) will remain in effect during the whole of such calendar year (or, in the case of a program not in effect at the beginning of such calendar year, an attestation that such program will remain in effect until the end of such calendar year); and

"(II) with respect to each employee of the employer covered by the program for such calendar year, the employee's name, information to establish the employee's identity, and in the case of a part-time employee (for purposes of determining the number of employees (pro-rated for part-time employees) covered under the program for such calendar year under subsection (a)(1)(B)), the number of

hours the employee regularly works in a week; and

"(ii) agrees to submit information to the Secretary as described in subsection (e).

"(E) MAINTENANCE OF RECORDS.—The employer agrees to retain all records relating to the employer's paid family and medical leave benefit program for not less than 3 years.

"(F) JOB PROTECTIONS AND OTHER EMPLOYEE RIGHTS.—As a condition of the grant, the employer agrees—

"(i) that, on return from leave under the program described in subparagraph (B), the individual taking such leave will—

"(I) be restored by the employer to the position of employment held by the individual when the leave commenced; or

"(II) be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment;

"(ii) to maintain coverage for the individual under any 'group health plan' (as

defined in section 2212) for the duration of such leave at the level and under the conditions coverage would have been provided if the individual had continued in employment continuously for the duration of such leave;

"(iii) in any case in which an employee receives an adverse determination from the employer (or administering entity) with respect to paid family and medical leave benefits under the program described in subparagraph (B)—

"(I) to provide opportunity for the employee to appeal such adverse determination to the employer (or administering entity); and

"(II) in any case in which the employee elects to appeal the results of such initial appeal to the Secretary pursuant to section 2205(a)(1)(B) and the final decision of the Secretary is in the employee's favor, to provide for the payment of such paid family and medical leave benefits in addition

to the costs to the Secretary of such secondary appeal;

"(iv) to provide annual notice to all employees of the availability of paid family and medical leave benefits under the program described in subparagraph (B) and of the right to appeal any adverse determination with respect to such benefits; and

"(v) not to impose any fee on any employee related to the receipt of paid family and medical leave benefits under the program described in subparagraph (B).

"(G) ADDITIONAL ASSURANCES.—The employer provides assurances that the employer (or administering entity)—

"(i) will not interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under such policy;

"(ii) will notify an employee in any case in which the employee is provided reimbursable benefits; and

"(iii) will not discharge, or in any 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

of an employer that is a State (or political subdivision thereof) with respect to which benefits are awarded and paid directly by the employer (or by a third party administrator on behalf of the employer), such benefits are negotiated pursuant to a collective bargaining agreement.

"(2) TIMING OF APPLICATION.—

"(A) CERTIFICATION.—The certification deadline specified in this subparagraph for a calendar year is—

"(i) for calendar year 2023, March 31, 2023; and

"(ii) for any calendar year after 2023, 90 days before the beginning of such calendar year,

or, if later, the date that is 90 days before a plan described in paragraph (1)(B) first goes into effect.

"(B) SUBMISSION OF DOCUMENTATION.—The submission deadline specified in this subparagraph for a calendar year is—

"(i) for calendar year 2023, May 15, 2023; and

"(ii) for any calendar year after 2023, 45 days before the beginning of such calendar year,

or, if later, the date that is 45 days before a plan described in paragraph (1)(B) first goes into effect.

"(c) EMPLOYER PROGRAM REQUIREMENTS.—

"(1) IN GENERAL.—A paid family and medical leave benefit program shall not be considered to meet the requirements of this subsection unless such program consists of a written employer policy that provides for the payment, through one or more employee benefit plans, of family and medical leave benefits, which may be guaranteed through an insurer and which may be administered by an insurer or by another third-party entity, that includes each element in the model template described in paragraph (2), and that provides for each of the following:

"(A) The provision of such benefits to all employees described in subsection (b)(1)(A), regardless of length of service, job type, membership in a labor organization, seniority status, or any other employee classification.

"(B) Each of the job protections and other employee rights described in subsection (b)(1)(F).

"(C) Each of the assurances described in subsection (b)(1)(G).

"(D) Submission of information to the Secretary as described in subsection (e).

"(2) MODEL TEMPLATE.—Not later than July 1, 2022, the Secretary shall make available to eligible employers a model template of a written policy providing paid family and medical leave benefits—

"(A) at a wage replacement rate that is at least as great as the wage replacement rate that an employee would receive under the program under this title (without regard to section 2202(c)(2)(C));

"(B) for a total number of weeks of paid leave that is at least as great as the total number of weeks of paid leave that an employee would receive under the program under this title (without regard to such section);

"(C) for all of the reasons for which an individual would be considered to be engaged in qualified caregiving under section

2202(c)(2)(A), regardless of any pre-existing medical conditions;

"(D) for leave which may be taken intermittently or on a reduced leave schedule;

"(E) that does not impose any fee on any employee related to the receipt of such benefits.

"(F) which must be paid not less frequently than monthly;

"(G) for which applications must be processed and notifications provided at least as quickly as is provided under section 2204 for benefits provided under section 2202(a); and

"(H) for which any information contained in an application for such benefits shall be presumed to be true and accurate, unless the employer (or administering entity) demonstrates by a preponderance of the evidence that information contained in the application is false;

"(3) NATIONAL AVERAGE COST.—Not later than October 1 of the calendar year before each calendar year beginning with 2023, the Secretary shall determine the projected national average cost per employee for such calendar year of a paid family and medical leave benefit program that meets the requirements of paragraph (2) (assuming administra-

tive costs no greater than the average or projected average administrative costs of providing benefits under section 2202), taking into account projected benefit levels, duration of benefits, and frequency of use of the program in such calendar year.

"(d) TIMING OF PAYMENT; PENALTY FOR LATE FILING.—

"(1) INSURED EMPLOYERS.—A grant paid under this section for a calendar year to an eligible employer described in subsection (a)(1) shall be paid by the Secretary not later than 30 days after the beginning of such calendar year, except that in the case of a grant under this section for calendar year 2023, such grant shall be paid by the Secretary not later than August 1, 2023.

"(2) SELF-INSURED EMPLOYERS.—A grant paid under this section for a calendar year to an eligible employer described in subsection (a)(2) shall be paid by the Secretary not later than March 31 of the calendar year succeeding such calendar year.

"(3) PENALTY FOR LATE FILING.—In any case in which an eligible employer seeking a grant under this subsection for a calendar year fails to submit all required documentation by the submission deadline

for such calendar year as required under subsection (b)(1)(B)(ii)—

"(A) the grant for such calendar year for such employer shall not be paid until 45 days after the date of payment otherwise specified in paragraph (1) or (2), as applicable; and

"(B) the amount of such grant shall be reduced by 2 percent for each 7 days by which such submission deadline is exceeded.

"(e) INFORMATION SUBMISSION.—As a condition of receiving a grant under subsection (a) for a calendar year, an employer shall provide the Secretary with information, at such times and in such manner as determined by the Secretary, concerning individuals who received a paid leave benefit under the paid family and medical leave benefit program of the employer, including each individual's name, information to establish the individual's identity, dates for which such paid leave benefits were paid, the amount of such paid leave benefit, and, to the extent available, such other information concerning such individuals as the Secretary may require for the purpose of carrying out this section and section 2202(c)(2)(C), and for otherwise carrying out the provisions of this title, including for 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,

which may include a reduction in, or disqualification from receiving (or administering), subsequent grants under this section.

"(3) PENALTIES ON ADMINISTERING ENTITIES.—In the case of a third-party entity administering a paid family and medical leave benefit program of an employer, such entity shall notify such employer in any case in which a penalty is imposed under this subsection on the administering entity not later than 30 days after the date on which such penalty has been imposed. In any case in which the Secretary determines that a pattern of misconduct exists with respect to an entity administering benefits under this section for multiple employers, the Secretary may disqualify such entity from administering employer-sponsored programs receiving subsequent grants under this section.

"(4) EMPLOYER AND ADMINISTRATOR APPEALS.—An employer (or administering entity) with respect to which a penalty is imposed under this subsection may appeal such decision to the Secretary only if such appeal is filed with the Secretary not later than 60 days after the date of such decision.

"(g) GREATER BENEFITS PERMITTED.—Nothing in 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

would be paid to the individual during such period if such leave were not taken;

"(3) agree that, on return from such qualified leave, the individual will—

"(A) be restored by the employer to the position of employment held by the individual when the leave commenced; or

"(B) be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment;

"(4) agree to maintain coverage for the individual under any 'group health plan' (as defined in section 2212) for the duration of such qualified leave at the level and under the conditions coverage would have been provided if the individual had continued in employment continuously for the duration of such leave;

"(5) upon the award of such grant, notify the individual of their rights under paragraphs (3) and (4).

"(d) AMOUNT OF GRANT.—The amount of a grant to an eligible employer with respect to a covered individual shall be an amount equal to the product of 2.5 multiplied by the average weekly wage of the State in which the individual's worksite is located for the most recent calendar

year. For purposes of this subsection, the average weekly wage of a State for a calendar year shall be determined and annually published by the Secretary on the basis of data prepared by the Bureau of Labor Statistics that is based on a quarterly census of employers in the State of wages paid for unemployment insurance-covered employment.

"(e) LIMITATIONS.—In no case may an eligible employer—

"(1) receive more than 1 grant under this section with respect to the same covered individual in a single calendar year; or

"(2) receive more than 10 total grants under this section in a single calendar year.

"(f) ENFORCEMENT.—In any case in which—

"(1) an employer's attestation with respect to costs incurred made pursuant to subsection (c)(2) is not made in good faith; or

"(2) an employer who receives a grant under this section with respect to a covered individual fails to satisfy the requirements of paragraph (3) or (4) of subsection (c) with respect to such individual,

the Secretary may require the employer to repay the full 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-

spect to which the individual is eligible for paid family and medical leave benefits under section 2202, under the law of a legacy State (as defined in section 2209(b)), or under an eligible employer-sponsored plan under section 2210.

"SEC. 2212. DEFINITIONS.

''For purposes of this title the following definitions apply:

''(1) GROUP HEALTH PLAN.—The term 'group health plan' has the meaning given such term in section 5000(b)(1) of the Internal Revenue Code of 1986.

''(2) NATIONAL AVERAGE WAGE INDEX.—The term 'national average wage index' has the meaning given such term in section 209(k)(1).

''(3) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(4) SELF-EMPLOYMENT INCOME.—The term 'self-employment income' has the meaning given the term in section 1402(b) of the Internal Revenue Code of 1986 for purposes of the taxes imposed by section 1401(b) of such Code. For purposes of section 2202(a) and 2203(b)(3), the Secretary shall determine rules for the crediting of self-employment income to calendar quarters, under which—

"(A) in the case of a taxable year which is a calendar year, self-employment income shall be credited equally to each quarter of such calendar year; and

"(B) in the case of any other taxable year, such income shall be credited equally to the calendar quarter in which such taxable year ends and to each of the next three or fewer preceding quarters any part of which is in such taxable year.

"(5) STATE.—The term 'State' means any State of the United States or the District of Columbia or any territory or possession of the United States.

"(6) WAGES.—The term 'wages' has the meaning given such term in section 3121(a) of the Internal Revenue Code of 1986 for purposes of the taxes imposed by sections 3101(b) and 3111(b) of such Code, except that such term also includes—

"(A) compensation, as defined in section 3231(e) of such Code for purposes of the Railroad Retirement Tax Act; and

"(B) unemployment compensation, as defined in section 85(b) of such Code.

"(7) WEEK.—The term 'week' means a 7-day period beginning on a Sunday.".

SEC. 130002. ACCESS TO WAGE INFORMATION FROM THE NATIONAL DIRECTORY OF NEW HIRES FOR THE PURPOSE OF ADMINISTERING PAID LEAVE.

(a) IN GENERAL.—Section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended—

(1) by redesignating paragraphs (5) through (11) as paragraphs (6) through (12), respectively; and

(2) by adding after paragraph (4) the following:

"(5) PROVISION OF NEW HIRE INFORMATION FOR PURPOSES OF FAMILY AND MEDICAL LEAVE PROGRAM.—

"(A) IN GENERAL.—The National Directory of New Hires shall provide the Secretary of the Treasury with all information in the National Directory relating to wages paid to individuals.

"(B) USE AND MAINTENANCE OF INFORMATION BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury may use information provided under this paragraph only for purposes of administering the paid family

and medical leave benefit program under title XXII, and shall maintain such information in the records of the Secretary of the Treasury for such time as the Secretary of the Treasury deems necessary for the administration of such program.''.

(b) CONFORMING AMENDMENT.—Section 453(i)(2)(C) of such Act (42 U.S.C. 653(i)(2)(C)) is amended by striking ''(j)(5)'' and inserting ''(j)(6)''.

Subtitle B—Retirement

SEC. 131001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—AUTOMATIC CONTRIBUTION PLANS AND ARRANGEMENTS

SEC. 131101. TAX IMPOSED ON EMPLOYERS FAILING TO MAINTAIN OR FACILITATE AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.

(a) AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.—

(1) IN GENERAL.—Section 414 is amended by adding at the end the following:

"(aa) AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.—For purposes of this title—

"(1) IN GENERAL.—The term 'automatic contribution plan or arrangement' means—

"(A) a defined contribution plan that—

"(i) is described in clause (i), (ii), or (iv) of section 219(g)(5)(A),

"(ii) includes a qualified cash or deferred arrangement or a salary reduction arrangement, and

"(iii) meets the notice, eligibility, contribution, investment, fee, and lifetime income requirements of paragraphs (2), (3), (4), (5), (6), and (7), respectively,

"(B) an automatic IRA arrangement described in paragraph (8),

"(C) an arrangement described in section 408(p) that meets the notice, contribution, investment, and fee requirements described in paragraphs (2), (4), (5), and (6), and

"(D) a plan described in clause (i), (ii), (iv), (v), or (vi) of section 219(g)(5)(A) that is established and maintained by an employer as

of the date of enactment of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14, or a plan described in section 219(g)(5)(A)(iv) that is not subject to title I of the Employee Retirement Income Security Act of 1974 and offers annuity contracts, or makes custodial accounts available to employees, as of such date.

"(2) NOTICE REQUIREMENTS.—A plan or arrangement shall be treated as meeting the notice requirements of this paragraph with respect to an employee if the plan or arrangement meets the notice requirements of, or similar to, the notice requirements of section 401(k)(13)(E), excluding any such notice requirements that are not applicable or relevant to the such plan or arrangement.

"(3) ELIGIBILITY REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph shall be treated as met if all employees of the employer are eligible to participate in an automatic contribution plan or arrangement maintained or facilitated by the employer.

"(B) CERTAIN EXCLUSIONS.—The following 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-

ment. For purposes of this subsection, the term 'employer' shall include all employers treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(D) ENTRY DATES.—Rules similar to the rules of section 410(a)(4) shall apply with respect to employees who have satisfied the age and service requirements referenced in subparagraph (B) and who are otherwise entitled to participate in a plan or arrangement.

"(4) CONTRIBUTION REQUIREMENTS.—

"(A) IN GENERAL.—The requirements of this paragraph shall be treated as met if, under the plan or arrangement, each employee eligible to participate in the plan or arrangement is treated as having elected to have the employer make elective contributions in an amount equal to the qualified percentage of compensation.

"(B) ELECTION OUT.—The election treated as having been made under subparagraph (A) shall cease to apply with respect to any employee if such employee makes an affirmative election—

"(i) not to have such contributions made, or

"(ii) to make elective contributions at a level specified in such affirmative election.

"(C) QUALIFIED PERCENTAGE.—For purposes of this paragraph, and except as provided in subparagraph (D)(i), the term 'qualified percentage' means, with respect to any employee, any percentage determined under the plan or arrangement if such percentage is applied uniformly, does not exceed 15 percent (10 percent during the period described in clause (i)), and is at least—

"(i) 6 percent during the period ending on the last day of the first plan year which begins after the date on which the first elective contribution described in subparagraph (A) is made with respect to such employee,

"(ii) 7 percent during the first plan year following the plan year described in clause (i),

"(iii) 8 percent during the first plan year following the plan year described in clause (ii),

"(iv) 9 percent during the first plan year following the plan year described in clause (iii), and

"(v) 10 percent during any subsequent plan year.

"(D) RULES RELATING TO AUTOMATIC IRA ARRANGEMENTS.—For purposes of this paragraph—

"(i) QUALIFIED PERCENTAGE.—In the case of an automatic IRA arrangement, the term 'qualified percentage' means, with respect to an employee for any plan year, a percentage equal to the minimum percentage described for such plan year under subparagraph (C).

"(ii) PAYROLL DEDUCTION CONTRIBUTIONS.—In the case of an automatic IRA arrangement, any reference in this paragraph to elective contributions shall be treated as including a reference to payroll deduction contributions.

"(5) INVESTMENT REQUIREMENTS.—

"(A) IN GENERAL.—

"(i) DEFAULT INVESTMENTS.—A plan or arrangement shall be treated as meeting

the requirements of this paragraph if in the absence of an investment election by a participant or beneficiary, amounts are invested only in the class of assets or funds described in subparagraph (B).

"(ii) REQUIRED INVESTMENT OPTIONS IN AUTOMATIC IRA ARRANGEMENT.—In addition to the default investment requirement of clause (i), an automatic IRA arrangement shall be treated as meeting the requirements of this paragraph if the arrangement also allows the participant to invest in any of the class of assets or funds described in subparagraph (B), (C), (D), or (E), and provides for no other investment options.

"(B) TARGET DATE/LIFECYCLE OPTION.—The class of assets or funds described in this clause is the class of assets or funds that constitutes a qualified default investment alternative under Department of Labor regulation section 2550.404c–5(e)(4)(i).

"(C) PRINCIPAL PRESERVATION.—The class of assets or funds described in this clause is the class of assets or funds that is designed

to protect the principal of the individual on an ongoing basis.

"(D) BALANCED OPTION.—The class of assets or funds described in this clause is the class of assets or funds that constitutes a qualified default investment alternative under Department of Labor regulation section 2550.404c–5(e)(4)(ii).

"(E) OTHER.—Any other class of assets or funds determined by the Secretary to be a qualified investment for purposes of this section.

"(6) FEE REQUIREMENTS.—In the case of any plan or arrangement not otherwise subject to title I of the Employee Retirement Income Security Act of 1974, under the fee requirements of this paragraph, no participant may be charged unreasonable fees or expenses.

"(7) LIFETIME INCOME REQUIREMENTS.—

"(A) IN GENERAL.—A plan or arrangement shall be treated as meeting the lifetime income requirement described in this paragraph if the plan or arrangement permits participants to elect to receive at least 50 percent of their vest-

ed account balance in a form of distribution described in section 401(a)(38)(B)(iii).

"(B) EXCEPTION.—

"(i) IN GENERAL.—This paragraph shall not apply with respect to any participant whose vested account balance is $200,000 or less at the time of distribution.

"(ii) NOT TREATED AS DISCRIMINATORY IN FAVOR OF HIGHLY COMPENSATED EMPLOYEES.—A plan shall not be treated as failing to meet the requirements of section 401(a)(4) solely by reason of applying the exception of clause (i) to the requirements of subparagraph (A).

"(8) AUTOMATIC IRA ARRANGEMENT.—

"(A) IN GENERAL.—For purposes of this paragraph, the term 'automatic IRA arrangement' means, with respect to an employer (and trustee or issuer designated by the employer), an arrangement facilitated by the employer which meets the requirements of this paragraph and the eligibility, contribution, investment, and fee requirements of paragraphs (3), (4), (5), and (6), and under which an employee—

"(i) may elect—

"(I) to have the employer make payroll deduction deposits on behalf of the individual as payroll deduction contributions to an individual retirement account, or

"(II) to have such payments paid to the employee directly in cash,

"(ii) is treated as having made the election under clause (i)(I) at the level determined under paragraph (4)(D) until the individual makes an affirmative election not to have such contributions made (or to have such contributions made at a level specified in the affirmative election), and

"(iii) may elect to modify the manner in which such amounts are invested for such plan year.

"(B) ADMINISTRATIVE REQUIREMENTS.—

"(i) PAYMENTS.—The requirements of this subparagraph are met with respect to any automatic IRA arrangement if the employer makes the payments elected or treated as elected under subparagraph (A)(i) on or before the last day of the

month following the month in which the compensation otherwise would have been payable to the employee in cash.

"(ii) NOTICE OF ELECTION PERIOD.—The requirements of this paragraph shall be treated as met with respect to any year if the employer notifies each employee eligible to participate, within a reasonable period of time before the beginning of such year (and, for the first year the employee is so eligible, a reasonable period of time before the first day such employee is so eligible), of—

"(I) the opportunity to elect to have contributions made, or to be treated as so electing, under clause (i)(I), or (ii), of subparagraph (A),

"(II) the opportunity to elect not to have payroll deduction contributions made or to have such contributions made at a different percentage or in a different amount, and

"(III) the opportunity under subparagraph (A)(iii) to modify the man-

ner in which such amounts are invested for such year.

The employer shall provide such notice in paper form or, if the employee so elects, in electronic form.

"(C) LIMITS ON CONTRIBUTIONS.—An employer shall not be treated as failing to satisfy the requirements of this section or any other provision of this title merely because—

"(i) aggregate payroll deduction contributions by or on behalf of an individual to individual retirement accounts of the individual exceed the deductible amount in effect under section 219(b)(5) (determined without regard to subparagraph (B) thereof) for any taxable year in which any payroll deduction contributions by the employer under an automatic IRA arrangement are made, or

"(ii) the employer chooses to limit the payroll deduction contributions under this subsection on behalf of an employee for any calendar year in a manner reasonably designed to avoid exceeding such deductible 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

BY EMPLOYEE.—An employer may elect to have payroll deduction contributions for all employees participating in an automatic IRA arrangement made to individual retirement accounts of a trustee or issuer under the arrangement that has been designated by the employer, but only if the provider of such accounts, and the investments therein, are identified on the website established under subparagraph (F)(iii). The preceding sentence shall not apply unless each participant is notified in writing that the participant's balance may be transferred without cost or penalty to another individual retirement account established by or on behalf of the participant. Such notice shall be in paper form or, if the employee so elects, electronic form.

"(iii) EMPLOYERS MAY PERMIT EMPLOYEE TO CHOOSE IRA.—If the employer so elects, the arrangement may provide for an employee election to have payroll deduction contributions made to any individual retirement account specified by the employee.

"(iv) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out the purposes of this subparagraph, including establishment of procedures to assist employers in connecting with certified and available providers of individual retirement accounts and to communicate to individuals the importance of investment diversification.

"(F) MODEL NOTICE, ETC.—The Secretary shall—

"(i) provide a model notice, written in a manner calculated to be understandable to the average worker, that is simple for employers to use—

"(I) to notify employees of the requirement under this section for the employer to provide certain employees with the opportunity to participate in an automatic IRA arrangement, and

"(II) to satisfy the requirements of subparagraph (B)(ii),

"(ii) provide model forms for enrollment, including automatic enrollment, in 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.

The information referred to in clause (iii) shall be provided in a manner designed to assist employers and providers by facilitating the identification by employers of private-sector providers of individual retirement accounts, including the provider's investment options, that are appropriate for use in automatic IRA arrangements.

"(G) SAFE HARBOR FOR CERTAIN STATE-PROVIDED ARRANGEMENTS.—An arrangement facilitated by an employer shall not fail to be treated as an automatic IRA arrangement merely because such arrangement is provided or otherwise offered, in whole or in part, by a State.

"(H) INDIVIDUAL RETIREMENT ACCOUNT.—For purposes of this paragraph, the term 'individual retirement account' shall have the meaning given such term by section 408(a), except that such term shall include individual retirement annuities (as defined in section 408(b)).".

(2) OTHER RULES APPLICABLE TO AUTOMATIC IRA ARRANGEMENTS.—

(A) PENALTY FOR FAILURE TO TIMELY REMIT CONTRIBUTIONS TO AUTOMATIC IRA AR-

RANGEMENTS.—Section 4975(c) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULE FOR AUTOMATIC IRA ARRANGEMENTS.—For purposes of paragraph (1), if an employer is required under an automatic IRA arrangement (as defined in section 414(aa)(1)(B)) to deposit amounts withheld from an employee's compensation into an individual retirement account (within the meaning of section 414(aa)(8)(H)) but fails to do so within the time prescribed under section 414(aa)(8)(B)(i), such amounts shall be treated as assets of the individual retirement account.".

(B) WAIVER OF EARLY WITHDRAWAL PENALTY FOR CERTAIN DISTRIBUTIONS FOLLOWING INITIAL ELECTION TO PARTICIPATE IN AUTOMATIC IRA ARRANGEMENT.—Section 72(t) is amended by adding at the end the following new paragraph:

"(11) DISTRIBUTION FOLLOWING INITIAL ELECTION TO PARTICIPATE IN AUTOMATIC IRA ARRANGEMENT.—Paragraph (1) shall not apply in the case of a distribution—

"(A) to an individual from an individual retirement account (within the meaning of section 414(aa)(8)(H)) that is part of an auto-

matic IRA arrangement (as defined in section 414(aa)(8)(A)), and

"(B) made not later than 90 days after the initial election under section 414(aa)(8)(A)(ii).".

(C) AUTOMATIC IRA ADVISORY GROUP.—

(i) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall establish an Automatic IRA Advisory Group (hereinafter in this subparagraph referred to as the "Advisory Group"). The purpose of the Advisory Group shall be to make recommendations, advise, and assist in the Secretary's implementation and administration of paragraphs (5), (6), and (8) of section 414(aa) of the Internal Revenue Code of 1986 with respect to automatic IRA arrangements in the best financial interest of savers, including—

(I) the procedures and criteria for the periodic certification, website listing, and monitoring of investment options that meet the requirements of those paragraphs,

(II) user-friendly disclosure regarding investment returns, terms, fees, and expenses to facilitate comparison,

(III) the use of low-cost investment options,

(IV) the appropriate use of electronic and paper methods to provide notice and disclosure,

(V) any possible learnings or efficiencies based on the Secretary's procedures and experience in approving nonbank individual retirement account trustees, and

(VI) such other related matters as may be determined by the Secretary.

(ii) MEMBERSHIP.—The Advisory Group shall consist of not more than 15 members and shall be composed of—

(I) such individuals as the Secretary may consider appropriate to provide expertise regarding the financial needs and challenges of lower- and middle-income households,

(II) at least one individual who is an expert in retirement-related consumer protections or who represents the general public, and

(III) at least one representative of the Department of the Treasury.

(iii) COMPENSATION.—The members of the Advisory Group shall serve without compensation.

(iv) ADMINISTRATIVE SUPPORT.—The Department of the Treasury shall provide appropriate administrative support to the Advisory Group, including technical assistance. The Advisory Group may use the services and facilities of such Department, with or without reimbursement, as determined by such Department.

(v) REPORT BY ADVISORY GROUP.—Not later than 1 year after the date of the enactment of this Act, the Advisory Group shall submit to the Secretary of the Treasury a report containing its recommendations. The Secretary may request that the Advisory Group submit subsequent reports.

(b) EXCISE TAX FOR FAILURE TO MAINTAIN OR FACILITATE AUTOMATIC CONTRIBUTION PLANS OR ARRANGEMENTS.—

(1) IN GENERAL.—Chapter 43 is amended by adding at the end the following new section:

"SEC. 4980J. FAILURE TO MAINTAIN OR FACILITATE AUTOMATIC CONTRIBUTION PLANS OR ARRANGEMENTS.

"(a) GENERAL RULE.—

"(1) IN GENERAL.—There is hereby imposed a tax on the failure of an employer to maintain or facilitate an automatic contribution plan or arrangement.

"(2) EXCEPTIONS.—

"(A) Paragraph (1) shall not apply to an employer to the extent such employer participates in an arrangement under a qualified State law.

"(B) Paragraph (1) shall not apply to an employer with respect to any employee who is eligible to participate in a different automatic contribution plan or arrangement than one or more other employees of the employer.

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to an employee shall be $10 for each day in the noncompliance period with respect to such failure.

"(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period—

"(A) beginning on the date such failure first occurs, and

"(B) ending on the earlier of—

"(i) the date such failure is corrected, or

"(ii) with respect to any employer, the date that is 3 months after the last date on which the employee is required to be eligible to participate in an automatic contribution plan or arrangement maintained or facilitated by such employer.

"(3) ADJUSTMENT FOR INFLATION.—

"(A) IN GENERAL.—In the case of any failure relating to maintaining or facilitating a plan or arrangement in a calendar year beginning after 2023, the $10 amount under paragraph (1) shall be increased by an amount equal to such dollar amount multiplied by the

cost-of-living adjustment determined under section 1(f)(3) for the calendar year determined by substituting 'calendar year 2022' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(B) ROUNDING.—If any amount adjusted under subparagraph (A) is not a whole dollar amount, such amount shall be rounded to the nearest whole dollar amount.

"(c) LIMITATIONS ON AMOUNT OF TAX.—

"(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED EXERCISING REASONABLE DILIGENCE.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that none of the persons referred to in subsection (e) knew, nor exercising reasonable diligence would have known, that such failure existed.

"(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 9½ MONTHS.—No tax shall be imposed by subsection (a) on any failure if—

"(A) such failure was due to reasonable cause and not to willful neglect, and

"(B) such failure is corrected during the 9½-month period beginning on the first date any of the persons referred to in subsection (e)

knew that such failure existed, or exercising reasonable diligence would have known.

"(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures which are due to reasonable cause and not to willful neglect—

"(A) GENERAL RULE.—The tax imposed by subsection (a) for failures during the taxable year of the employer shall not exceed $500,000.

"(B) TAXABLE YEARS IN THE CASE OF CERTAIN CONTROLLED GROUPS.—For purposes of this subparagraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

"(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

"(d) TAX NOT TO APPLY IN CERTAIN CASES.—This section shall not apply in the case of—

"(1) any employer with respect to a plan or arrangement that, during the prior calendar year, was maintained or facilitated only by employers each of which had no more than 5 employees receiving at least $5,000 of compensation from the employer for such year,

"(2) any employer with respect to a governmental plan (within the meaning of section 414(d)),

"(3) any employer with respect to a church plan (within the meaning of section 414(e)), or

"(4) any employer that has been in existence for fewer than 2 years, taking into account all predecessor employers.

"(e) LIABILITY FOR TAX.—The employer shall be liable for the tax imposed by subsection (a) on a failure. All employers, determined without regard to subsection (f)(2), shall be jointly and severally liable for the liability of any other employer with which they are aggregated under subsection (f)(2).

"(f) DEFINITIONS.—For purposes of this section—

"(1) AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.—The term 'automatic contribution plan or arrangement' has the meaning given such term under section 414(aa), and

"(2) EMPLOYER.—The term 'employer' includes all employers treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

"(3) QUALIFIED STATE LAW.—The term 'qualified State law' means a State law (as it may be amended from time to time) that—

"(A) was enacted before the date of the enactment of the Act to provide for reconciliation pursuant to title II of S. Con. Res. 14, and

"(B)(i) requires certain employers to facilitate an automatic IRA arrangement pursuant to a payroll deduction savings program of the State, or

"(ii) allows certain employers to contribute to, or participate in, a plan described in section 413(c) of such Code established and maintained by the State.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 43 is amended by adding at the end the following new item:

"Sec. 4980J. Failure to maintain or facilitate automatic contribution plans or arrangements.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2022.

SEC. 131102. DEFERRAL-ONLY ARRANGEMENTS.

(a) IN GENERAL.—Section 401(k) is amended by adding at the end the following new paragraph:

"(16) DEFERRAL-ONLY ARRANGEMENT.—

"(A) IN GENERAL.—A deferral-only arrangement shall be treated as meeting the requirements of paragraph (3)(A)(ii).

"(B) DEFERRAL-ONLY ARRANGEMENT.—For purposes of this paragraph, the term 'deferral-only arrangement' means any cash or deferred arrangement which meets—

"(i) the automatic deferral requirements of subparagraph (C),

"(ii) the elective contribution requirement of subparagraph (D), and

"(iii) the requirements of subparagraph (E) of paragraph (13).

"(C) AUTOMATIC DEFERRAL.—

"(i) IN GENERAL.—The requirements of this subparagraph shall be treated as met if, under the arrangement, each employee eligible to participate in the arrangement is treated as having elected to have the employer make elective contributions in an amount equal to the qualified percentage of compensation.

"(ii) ELECTION OUT.—The election treated as having been made under clause (i) shall cease to apply with respect to any employee if such employee makes an affirmative election—

"(I) to not have such contributions made, or

"(II) to make elective contributions at a level specified in such affirmative election.

"(iii) QUALIFIED PERCENTAGE.—For purposes of this subparagraph, with respect to any employee, the term 'qualified percentage' means, in lieu of the meaning given such term in paragraph (13)(C)(iii), any percentage determined under the arrangement if such percentage is applied uniformly, does not exceed 15 percent (10 percent during the period described in subclause (I)) and is at least—

"(I) 6 percent during the period ending on the last day of the first plan year which begins after the date 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

the amount in effect for the taxable year under section 219(b)(5) (determined without regard to subparagraph (B) thereof).

"(ii) CROSS REFERENCE.—For catch-up contributions for individuals age 50 or over, see section 414(v).".

(b) CATCH-UP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 AND OVER.—

(1) Section 414(v)(2)(B)(i) is amended by inserting ", 401(k)(16)," after "401(k)(11)".

(2) Section 414(v)(2)(B) is amended by adding at the end thereof the following clause:

"(iii) In the case of an applicable employer plan described in section 401(k)(16), the applicable dollar amount is $1,000.".

(3) Section 414(v)(2)(C) is amended—

(A) by striking "(B)(i) and" and inserting "(B)(i)," and by inserting after "subparagraph (B)(ii)" the following: ", and the $1,000 amount described in subparagraph (B)(iii)",

(B) inserting after "2005" the following: "(the calendar quarter beginning July 1, 2020,

in the case of the $1,000 amount described in subparagraph (B)(iii))'', and

(C) by inserting before the period at the end the following ''($100 in the case of an increase in the amount described in subparagraph (B)(iii) which is not a multiple of $100)''.

(c) PLANS NOT TREATED AS TOP-HEAVY PLANS.—Section 416(g)(4)(H)(i) is amended by striking ''or 401(k)(13)'' and inserting ''401(k)(13), or 401(k)(16)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2022.

SEC. 131103. INCREASE IN CREDIT LIMITATION FOR SMALL EMPLOYER PENSION PLAN STARTUP COSTS INCLUDING FOR AUTOMATIC CONTRIBUTION PLAN OR ARRANGEMENT.

(a) YEARS FOR WHICH CREDIT IS ALLOWED.—Section 45E(b)(1) is amended by striking ''2 taxable years'' and inserting ''4 taxable years''.

(b) SPECIAL RULE FOR EMPLOYERS WITH 25 OR FEWER EMPLOYEES.—Section 45E(a) is amended by inserting before the period at the end the following: ''(100 percent of such costs in the case of an eligible employer with 25 or fewer employees, as determined by substituting '25' for '100' in section 408(p)(2)(C)(i))''.

(c) CREDIT NOT TO APPLY TO CERTAIN PLANS OR ARRANGEMENTS.—

(1) NO CREDIT WITH RESPECT TO DEFERRAL-ONLY ARRANGEMENTS.—Section 45E(d)(2) is amended by inserting ''(other than a deferral-only arrangement (as defined in section 401(k)(16)(B))'' before the period at the end.

(2) TERMINATION WITH RESPECT TO PLANS OTHER THAN AUTOMATIC CONTRIBUTION PLANS OR ARRANGEMENTS.—Section 45E is amended by adding at the end the following new subsection:

''(f) CREDIT TERMINATED FOR NON-AUTOMATIC CONTRIBUTION PLANS OR ARRANGEMENTS AFTER 2022.—In the case of taxable years beginning after December 31, 2022, no credit shall be allowed under this section for amounts paid or incurred with respect to an eligible employer plan that is not an automatic contribution plan or arrangement (as defined in section 414(aa)).''.

(d) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 131104. CREDIT FOR CERTAIN SMALL EMPLOYER AUTOMATIC RETIREMENT ARRANGEMENTS.

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

"SEC. 45U. CREDIT FOR CERTAIN SMALL EMPLOYER AUTOMATIC RETIREMENT ARRANGEMENTS.

"(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer automatic retirement arrangement credit determined under this section for any taxable year in the credit period is $500.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ELIGIBLE EMPLOYER.—The term 'eligible employer' means, with respect to the calendar year in which the taxable year begins, an employer which—

"(A)(i) participates in an automatic IRA arrangement (as defined in section 414(aa)(8)), or an arrangement described in 4980J(a)(2)(A), or

"(ii) maintains a deferral-only arrangement (as defined in section 401(k)(16)),

"(B) is described in 408(p)(2)(C)(i), and

"(C) did not maintain an eligible employer plan during the portion of the calendar year

preceding the commencement of such arrangement, or adoption of such deferral-only arrangement, and the 2 preceding calendar years.

"(2) CREDIT PERIOD.—The term 'credit period' means the first 4 calendar years beginning after the date of the enactment of this section in which the eligible employer participates in the arrangement or maintains the deferral-only arrangement.

"(3) ELIGIBLE EMPLOYER PLAN.—The term 'eligible employer plan' means a qualified employer plan within the meaning of section 4972(d).

"(c) OTHER RULES.—For purposes of this section, the rules of section 45E(e) shall apply.".

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of is amended by striking "plus" at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting ", plus", and by adding at the end the following new paragraph:

"(34) the small employer automatic retirement arrangement credit determined under section 45U(a).".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45U. Credit for certain small employer automatic retirement arrangements.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

PART 2—SAVER'S MATCH

SEC. 131201. MATCHING PAYMENTS FOR ELECTIVE DEFERRAL AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new section:

"SEC. 6433. MATCHING PAYMENTS FOR ELECTIVE DEFERRAL AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

"(a) IN GENERAL.—

"(1) ALLOWANCE OF CREDIT.—Any eligible individual who makes qualified retirement savings contributions for the taxable year shall be allowed a credit for such taxable year in an amount equal to the applicable percentage of so much of the qualified retirement savings contributions made by such eligible individual for the taxable year as does not exceed $1,000.

"(2) PAYMENT OF CREDIT.—The credit under this section shall be—

"(A) treated as allowed by subpart C of part IV of subchapter A of chapter 1, and

"(B) paid by the Secretary as a contribution (as soon as practicable after the eligible individual has filed a tax return making a claim for such credit for the taxable year) to the applicable retirement savings vehicle of an eligible individual.

"(b) APPLICABLE PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is 50 percent.

"(2) PHASEOUT.—The percentage under paragraph (1) shall be reduced (but not below zero) by the number of percentage points which bears the same ratio to 50 percentage points as—

"(A) the excess of—

"(i) the taxpayer's modified adjusted gross income for such taxable year, over

"(ii) the applicable dollar amount, bears to

"(B) the phaseout range.

If any reduction determined under this paragraph is not a whole percentage point, such reduction shall be rounded to the next lowest whole percentage point.

"(3) APPLICABLE DOLLAR AMOUNT; PHASEOUT RANGE.—

"(A) JOINT RETURNS.—Except as provided in subparagraph (B)—

"(i) the applicable dollar amount is $50,000, and

"(ii) the phaseout range is $20,000.

"(B) OTHER RETURNS.—In the case of—

"(i) a head of a household (as defined in section 2(b)), the applicable dollar amount and the phaseout range shall be ¾ of the amounts applicable under subparagraph (A) (as adjusted under subsection (h)), and

"(ii) any taxpayer who is not filing a joint return and who is not a head of a household (as so defined), the applicable dollar amount and the phaseout range shall be ½ of the amounts applicable under subparagraph (A) (as so adjusted).

"(4) EXCEPTION; MINIMUM CREDIT.—In the case of an eligible individual with respect to whom (without regard to this paragraph) the credit determined under subsection (a)(1) is greater than zero but less than $100, the credit allowed under this section shall be $100.

"(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible individual' means any individual if such individual has attained the age of 18 as of the close of the taxable year.

"(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term 'eligible individual' shall not include—

"(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

"(B) any individual who is a student (as defined in section 152(f)(2)).

"(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified retirement savings contributions' means, with respect to any taxable year, the sum of—

"(A) the amount of the qualified retirement contributions (as defined in section 219(e)) made by the eligible individual,

"(B) the amount of—

"(i) any elective deferrals (as defined in section 402(g)(3)) of such individual, and

"(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A),

"(C) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)), and

"(D) the amount of contributions made by such individual to the ABLE account (within the meaning of section 529A) of which such individual is the designated beneficiary.

Such term shall not include any amount attributable to a payment under subsection (a)(2).

"(2) REDUCTION FOR CERTAIN DISTRIBUTIONS.—

"(A) IN GENERAL.—The qualified retirement savings contributions determined under paragraph (1) for a taxable year shall be reduced (but not below zero) by the aggregate distributions received by the individual during

the testing period from any entity of a type to which contributions under paragraph (1) may be made.

"(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

"(i) such taxable year,

"(ii) the 2 preceding taxable years, and

"(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

"(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—

"(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4),

"(ii) any distribution to which section 408(d)(3) or 408A(d)(3) applies,

"(iii) any portion of a distribution if such portion is transferred or paid in a rollover contribution (as defined in section

402(c), 403(a)(4), 403(b)(8), 408A(e), or 457(e)(16)) to an account or plan to which qualified retirement contributions can be made, and

"(iv) the amount of distributions under a qualified ABLE program (within the meaning of section 529A) that is equal to amounts not included in gross income with respect to such distributions under section 529A(c)(1)(B) (relating to distributions for qualified disability expenses).

"(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining distributions received by an individual under subparagraph (A) for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

"(e) APPLICABLE RETIREMENT SAVINGS VEHICLE.—

"(1) IN GENERAL.—The term 'applicable retirement savings vehicle' means an account or plan

elected by the eligible individual under paragraph (2).

"(2) ELECTION.—Any such election to have contributed the amount determined under subsection (a) shall be to an account or plan which—

"(A) is a Roth IRA or a designated Roth account (within the meaning of section 402A) of an applicable retirement plan (as defined in section 402A(e)(1)),

"(B) is for the benefit of the eligible individual,

"(C) accepts contributions made under this section, and

"(D) is designated by such individual (in such form and manner as the Secretary may provide).

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section, the term 'modified adjusted gross income' means adjusted gross income—

"(A) determined without regard to sections 911, 931, and 933, and

"(B) determined without regard to any exclusion or deduction allowed for any qualified

retirement savings contribution made during the taxable year.

"(2) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution under subsection (a)(2)—

"(A) except as otherwise provided in this section or by the Secretary under regulations, such contribution shall be treated as—

"(i) an elective deferral made by the individual which is a designated Roth contribution, if contributed to an applicable retirement plan, or

"(ii) as a Roth IRA contribution made by such individual, if contributed to a Roth IRA, and

"(B) such contribution shall not be taken into account with respect to any applicable limitation under sections 402(g)(1), 403(b), 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2), 415(c), or 457(b)(2), and shall be disregarded for purposes of sections 401(a)(4), 401(k)(3), 401(k)(11)(B)(i)(III), and 416.

"(3) TREATMENT OF QUALIFIED PLANS, ETC.—A plan or arrangement to which a contribution is made under this section shall not be treated as violating any requirement under section 401, 403,

408A, or 457 solely by reason of accepting such contribution.

"(4) ERRONEOUS CREDITS.—

"(A) IN GENERAL.—If any contribution is erroneously paid under subsection (a)(2), including a payment that is not made to an applicable retirement savings vehicle, the amount of such erroneous payment shall be treated as an underpayment of tax (other than for purposes of part II of subchapter A of chapter 68) for the taxable year in which the Secretary determines the payment is erroneous.

"(B) DISTRIBUTION OF ERRONEOUS CREDITS.—In the case of a contribution to which subparagraph (A) applies—

"(i) section 72 shall not apply to the distribution of such contribution (and any income attributable thereto) if such distribution is received not later than the day prescribed by law (including extensions of time) for filing the individual's return for such taxable year, and

"(ii) any plan or arrangement from which such a distribution is made under 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

'calendar year 2016' in subparagraph (A)(ii) thereof.

"(2) ROUNDING.—Any increase determined under paragraph (1) shall be rounded to the nearest multiple of—

"(A) $100 in the case of an adjustment of the amount in subsection (a)(1), and

"(B) $1,000 in the case of an adjustment of the amount in subsection (b)(3)(A)(i).".

(b) TREATMENT OF CERTAIN POSSESSIONS.—

(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the amendments made by this section. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided

to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

(3) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 6433 of the Internal Revenue Code of 1986 (as added by this section) to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

(B) who is eligible for a payment under a plan described in paragraph (2).

(4) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term ''mirror code tax system'' means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by

reference to the income tax laws of the United States as if such possession were the United States.

(5) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(c) ADMINISTRATIVE PROVISIONS.—

(1) DEFICIENCIES.—Section 6211(b)(4) is amended by striking ''and 7527A'' and inserting ''7527A, and 6433''.

(2) REPORTING.—The Secretary of the Treasury shall—

(A) amend Form 5500 to require separate reporting of the aggregate amount of contributions received by the plan during the year under section 6433 of the Internal Revenue Code of 1986 (as added by this section), and

(B) amend Form 5498 to require similar reporting with respect to individual retirement accounts (as defined in section 408 of such Code) and individual retirement annuities (as defined in section 408(b) of such Code).

(d) PAYMENT AUTHORITY.—Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or 7527A'' and inserting ''7527A, or 6433''.

(e) CONFORMING AMENDMENTS.—

(1) Section 25B is amended by striking subsections (a) through (f) and inserting the following: ''For payment of credit related to qualified retirement savings contributions, see section 6433.''.

(2) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

''Sec. 6433. Matching payments for elective deferral and IRA contributions by certain individuals.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

SEC. 131202. DEADLINE TO FUND IRA WITH TAX REFUND.

(a) IN GENERAL.—Section 219(f)(3) is amended—

(1) by striking ''is made not later than'' and inserting ''is made—

''(i) not later than'',

(2) by striking the period at the end and inserting '', or'', and

(3) by adding at the end the following new clause:

"(ii) by direct deposit by the Secretary pursuant to an election on the return for such taxable year to contribute all or a portion of any amount owed to the taxpayer to an individual retirement account of the taxpayer, but only if the return is filed not later than the date described in clause (i).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2022.

Subtitle C—Child Care Access and Equity

SEC. 132001. CHILD CARE ACCESS.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is amended by inserting after section 418 the following:

"SEC. 418A. CHILD CARE ACCESS.

"(a) ESTABLISHING STATE CHILD CARE INFORMATION NETWORKS.—

"(1) DEVELOPMENT.—The Secretary shall conduct a stakeholder engagement process to make recommendations about the development and implementation of the State Child Care Information Networks to be operated by the States, Indian tribes, and ter-

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

Information Network is required to electronically exchange with another agency under applicable Federal law.

"(ii) DATA EXCHANGE STANDARDS MUST BE NONPROPRIETARY AND INTEROPERABLE.—The data exchange standards designated under clause (i) shall, to the extent practicable, be nonproprietary and interoperable.

"(iii) OTHER REQUIREMENTS.—In designating data exchange standards under this subparagraph, the Secretary shall, to the extent practicable, incorporate—

"(I) interoperable standards developed and maintained by an international voluntary consensus standards body, as defined by the Office of Management and Budget;

"(II) interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model; and

"(III) interoperable standards 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

"(IV) be capable of being continually upgraded as necessary.

"(iii) INCORPORATION OF NONPROPRIETARY STANDARDS.—In designating data exchange standards under this subparagraph, the Secretary shall, to the extent practicable, incorporate existing nonproprietary standards.

"(iv) RULE OF INTERPRETATION.—Nothing in this subparagraph shall be construed to require a change to existing data exchange standards for Federal reporting under this section if the Secretary finds the standards to be effective and efficient.

"(4) STATE REQUIREMENTS.—A State meets the requirements of this paragraph with respect to a quarter if—

"(A) during the quarter, the State has maintained an up-to-date, publicly available compilation of child care providers who are registered, licensed, or regulated by the State (in this section referred to as the 'State Child Care Information Network'), that includes, with respect to each such provider—

"(i) where the provider is located, and a description of any fees imposed by the provider and the services offered by the provider;

"(ii) whether the provider is providing child care services that may be funded under section 418;

"(iii) the hours of operation of the provider;

"(iv) whether the provider offers child care to the general public, and if so, where an application for child care services from the provider may be obtained, or a direct link to such an application;

"(v) the total number of children, by age group, for whom the provider is providing child care services, and how many openings are available with the provider by age group;

"(vi) whether the provider has a waiting list for child care services, and if so, the average length of time parents are on the waiting list before being offered child 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

State Child Care Information Network indicates when the slot availability information about the provider was most recently updated; and

"(D) the State has submitted to the Secretary a plan that includes an estimate of the total capacity of licensed, regulated, and registered provider slots, and a description of the eligible expenditures the State will make in the quarter, which may be submitted with other plans required by the Secretary.

"(b) FUNDING STATE CHILD CARE INFORMATION NETWORKS.—

"(1) START-UP FUNDS.—

"(A) GRANTS.—For each fiscal year specified in subparagraph (C), the Secretary shall make grants to lead agencies to conduct activities related to the planning and implementation of State Child Care Information Networks, which may include scaling systems such as nonprofit community-based referral registries, staffed Family Child Care Networks, and child care resource and referral systems.

"(B) DISTRIBUTION.—The Secretary shall distribute the grant funds to the States that are not territories in accordance with the formula

referred to in section 418(a)(2)(B), and to the territories according to relative need.

"(C) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $200,000,000 for each of fiscal years 2022 and 2023 for grants under this paragraph.

"(2) MATCHING GRANTS.—

"(A) IN GENERAL.—The Secretary shall pay to each State that meets the requirements of subsection (a)(4) with respect to a calendar quarter in any of fiscal years 2022 through 2026 an amount equal to 75 percent of the eligible expenditures of the State in the quarter, subject to subsection (d)(3).

"(B) ELIGIBLE EXPENDITURES.—In this section, the term 'eligible expenditures' means all of the following, but only to the extent supplementing, and not supplanting, funds made available under other law:

"(i) STATE CHILD CARE INFORMATION NETWORK.—Expenditures to carry out subsection (a)(4).

"(ii) EASE OF APPLICATION FOR SUBSIDIZED 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;

"(cc) is considered an application directly to each such provider involved for purposes of any decision of the provider regarding a wait list or an open slot based on the application date;

"(dd) safeguards confidential information; and

"(ee) allows for such a provider to seek and collect information not on the common application so that the provider may determine the priority to be given to the applicant on any waiting list or for other specialized admission criteria such as disability services; or

"(III) to enable child care providers to respond to families through other application methods.

"(iii) EXPENDITURES FOR TECHNOLOGY NEEDED TO PARTICIPATE IN THE STATE CHILD CARE INFORMATION NETWORK.—Expenditures for child care providers, lead agencies, and contractors to

support system-building and system-implementation activities associated with the State Child Care Information Network, including data interoperability and the installation and maintenance of equipment and software needed to develop, implement, maintain, and provide electronic access to the State Child Care Information Network.

"(iv) PARTICIPATION INCENTIVES.—Expenditures to provide financial incentives and support to child care providers for whom participating in the State Child Care Information Network would be costly or time consuming. In providing the incentives, a lead agency—

"(I) shall take into account the differential burden on varying types of providers to ensure that the incentives are sufficient to encourage all types of providers, including family-based providers, to participate in the State Child Care Information Network;

"(II) may coordinate with staffed Family Child Care Networks, child care resource and referral organiza-

tions, labor unions, labor-management partnerships, or other community-based organizations, to ensure that home-based providers are able to participate in the State Child Care Information Network; and

"(III) may reimburse coordinating partners and other entities for expenses associated with helping providers participate in the Child Care Information Network and provide information required under subsection (a)(4)(A).

"(C) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 2022 through 2026 such sums as are necessary for grants under this paragraph.

"(c) HHS PARTICIPATING CHILD CARE PROVIDER CERTIFICATION.—

"(1) IN GENERAL.—The Secretary shall—

"(A) maintain current information on child care providers who are qualified to receive the HHS Participating Child Care Provider Certification 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—

"(A)(i) is licensed with a State as a provider of child care services, or is in a license-exempt category of providers that meets all health and safety standards and has zero unresolved violations;

"(ii) is providing child care services that may be funded under section 418;

"(iii) has submitted to the State Child Care Information Network, on a weekly basis, the information on all available child care slots with the provider required under subsection (a)(4)(A)(v), and the waiting list information required under subsection (a)(4)(A)(vi);

"(iv) makes child care slots available to the general public, when available, subject to any clearly explained priority system; and

"(v) is in compliance with other requirements set by the State regarding applications for or inquiries about available child care slots; or

"(B) was so qualified for the entire 3-month period preceding the most recent update made under paragraph (1)(B).

"(d) ADMINISTRATIVE PROVISIONS.—

"(1) ACCURACY CHECKS.—The Secretary shall periodically conduct accuracy checks of randomly sampled child care providers participating in any State Child Care Information Network to determine whether the providers are updating their slot availability on a weekly basis, and if not, estimate the statewide rate at which the providers are doing so.

"(2) PRIVACY; SECURITY.—The Secretary shall issue guidance regarding data interoperability (in accordance with the data exchange standards for interoperability) and the privacy and security of personally identifiable information in any State Child Care Information Network.

"(3) PENALTY FOR EXCESSIVE ERRORS IN STATE CHILD CARE INFORMATION NETWORK.—The percentage specified in subsection (b)(2)(A) with respect to a State shall be 70 percent if—

"(A) a check conducted under paragraph (1) of this subsection reveals that the number of child care providers erroneously included or erroneously not included in the State Child Care Information Network is at least 10 percent of the number of providers included in the network; and

"(B) the State has not submitted to the Secretary a report demonstrating that action has been taken to reduce that error rate to less than 10 percent.

"(4) ELIGIBLE EXPENDITURES.—The Secretary shall issue guidance to States which specifies the expenditures that will be considered eligible expenditures for purposes of this section.

"(5) PUBLICATION OF AMOUNT OF ELIGIBLE EXPENDITURES OF EACH STATE.—Before issuing grant awards for fiscal year 2023 or a succeeding fiscal year, the Secretary, in consultation with the States, shall annually publish the amount of eligible expenditures of each State in the preceding fiscal year.

"(e) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated $50,000,000 for each of fiscal years 2022 through 2026 for administrative expenses in carrying out subsections (c) and (d).".

SEC. 132002. INFRASTRUCTURE GRANTS TO IMPROVE CHILD CARE SAFETY.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418A the following:

"SEC. 418B. INFRASTRUCTURE GRANTS TO IMPROVE CHILD CARE SAFETY.

"(a) CHILD CARE FACILITIES GRANTS.—

"(1) GRANTS TO STATES.—

"(A) IN GENERAL.—The Secretary shall award grants to States for the purpose of helping child care providers acquire, construct, renovate, or improve child care facilities, including adapting, reconfiguring, or expanding facilities.

"(B) DURATION OF GRANTS.—The Secretary shall award grants under this paragraph within 12 months after the date of the enactment of this section, for a period of not more than 5 years.

"(C) PLAN APPROVAL REQUIRED BEFORE USING GRANT.—A State to which a grant is made under this paragraph shall not obligate or expend the grant funds unless the State has submitted to the Secretary, and the Secretary has approved, a plan that—

"(i) includes an analysis or assessment, in such form and manner as the Secretary may require, of the need of the State for child care infrastructure;

"(ii) is submitted at such time, in such manner, and containing such other

information as the Secretary may require, which information shall—

"(I) be disaggregated as the Secretary may require; and

"(II) include a plan to use a portion of the grant funds to report to the Secretary on the effects of using the grant funds to improve child care facilities, including center-based and home-based child care facilities; and

"(iii) complies with paragraph (3), if applicable.

"(D) REQUIREMENT.—In allocating grants awards under this paragraph, the Secretary shall require approved plans to include elements that—

"(i) provide for improving center-based and home-based child care programs to meet or surpass State health and safety standards, or include a project designed so that a facility is expected to meet or surpass State health and safety standards on completion of the project;

"(ii) aim to meet specific needs across urban, suburban, or rural areas as determined by the State;

"(iii) show evidence of collaboration with—

"(I) local government officials;

"(II) other State agencies;

"(III) nongovernmental organizations, such as—

"(aa) certified community development financial institutions as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702) that have been certified by the Community Development Financial Institutions Fund (12 U.S.C. 4703); and

"(bb) organizations that have demonstrated experience in—

"(AA) providing technical or financial assistance 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

"(iv) provide for improving the facilities of child care providers who qualify for the HHS Participating Child Care Provider Certification for at least 1 fiscal quarter before the date of application for the grant.

"(E) MATCHING REQUIREMENT.—

"(i) IN GENERAL.—As a condition of the receipt of a grant under this paragraph, a State shall agree to make available, directly or through donations from public or private entities, contributions with respect to the costs to be covered by the grant, which may be provided in cash or in kind, in an amount equal to 10 percent of the funds provided through the grant.

"(ii) DETERMINATION OF AMOUNT CONTRIBUTED.—Such a matching contribution may include philanthropic or private-sector funds.

"(F) AMOUNT LIMIT.—The annual amount of a grant under this paragraph may not exceed $250,000,000.

"(G) PROHIBITION.—The Secretary may not, as a condition of making a grant under this paragraph or section 418D, retain an interest in any property, including any project involving a privately-owned family child care home or tribal land.

"(H) REPORT.—Not later than 6 months after the last day of the grant period, a State to which a grant is made under this paragraph shall submit to the Secretary the report referred to in subparagraph (C)(ii)(II)—

"(i) to determine the effects of the grant in constructing, renovating, or improving child care facilities, including any changes in response to public health guidelines or efforts associated with natural disaster emergency preparedness and response and any effects on access to child care; and

"(ii) to provide such other information as the Secretary may require.

"(I) RETURN OF GRANT IF PLAN NOT APPROVED WITHIN 2 YEARS.—A State to which a grant is made under this paragraph shall remit the grant to the Secretary if the Secretary has

not provided the approval required by subparagraph (C) within 2 years after the date the grant is made.

"(2) GRANTS TO INTERMEDIARY ORGANIZATIONS.—

"(A) IN GENERAL.—The Secretary may award grants to intermediary organizations, such as certified community development financial institutions or other organizations with demonstrated experience in child care facilities financing, for the purpose of providing technical assistance, capacity-building, and financial products to develop or finance child care facilities.

"(B) APPLICATION.—A grant under this paragraph may be made only to an intermediary organization that submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, that complies with paragraph (3) if applicable.

"(C) CONSULTATION.—In selecting intermediary organizations for grants under this paragraph, the Secretary shall conduct consultations with organizations that—

"(i) demonstrate experience in child care facility financing or related community facility financing;

"(ii) demonstrate the capacity to assist States and local governments in developing child care facilities and programs;

"(iii) demonstrate the ability to leverage grant funding to support financing tools to build the capacity of child care providers, such as through credit enhancements;

"(iv) propose to focus on child care facilities that operate under nontraditional hours;

"(v) propose to meet a diversity of needs across urban, suburban, and rural areas at varying types of center-based, home-based, and other child care settings, including early care programs located in buildings in which the care center is the sole occupant or in mixed-use properties; and

"(vi) propose to focus on child care facilities primarily serving low-income pop-

ulations and children who have not attained 13 years of age.

"(D) AMOUNT LIMIT.—The amount of a grant under this paragraph may not exceed $15,000,000.

"(E) ANNUAL REPORT REQUIRED.—As a condition of receiving funds under this paragraph, the recipient shall submit annual reports to the lead agency of the jurisdiction in which the recipient is located documenting how the recipient has expended the funds and updating the planned future expenditures described in the application submitted by the recipient for the funds.

"(3) LABOR STANDARDS.—In the case of an application for a grant under this subsection for a project to construct, renovate, or improve a child care facility, including a project to adapt, reconfigure, or expand such a facility, the application shall include a written assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of construction, alteration, or repair, as part of the project, shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the

Secretary of Labor in accordance with subchapter IV of chapter of part A of subtitle II of title 40, United States Code (commonly referred to as the 'Davis-Bacon Act'), and with respect to the labor standards specified in such subchapter, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176; 5 U.S.C. App.).

"(4) USE OF FUNDS.—

"(A) INFRASTRUCTURE IMPROVEMENT.—

"(i) IN GENERAL.—A recipient of funds under this subsection may use the funds only to acquire, construct, renovate, or otherwise physically improve the infrastructure of a building primarily used for the provision of child care services by a child care provider, subject to clause (ii).

"(ii) PROHIBITION.—A recipient of funds under this subsection may not use the funds for modernization, renovation, or repair of facilities—

"(I) that are primarily used for sectarian instruction or religious worship; or

"(II) in which a substantial portion of the functions of the facilities are subsumed in a religious mission.

"(B) RULES APPLICABLE TO LEAD AGENCIES.—A lead agency that is a recipient of funds under this subsection may use not more than 5 percent of the funds for administrative purposes which may be in addition to evaluation and reporting activities, and shall use the balance of the funds to enter into grants or contracts, on a competitive basis, with entities to carry out projects to acquire, construct, renovate, or complete other physical improvements to buildings in which child care services are provided or will be provided on completion of the project.

"(b) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated $15,000,000,000 for fiscal year 2022 to carry out this section, which shall remain available through fiscal year 2026.

"(c) RESERVATIONS OF FUNDS.—

"(1) TERRITORIES.—The Secretary shall reserve $100,000,000 of the amount made available to carry out this section, for grants to territories.

"(2) ADMINISTRATION.—The Secretary may reserve not more than $200,000,000 of the amount made available to carry out this section, for administrative costs.

"(3) ASSESSMENTS AND DEVELOPMENT PLANS.—The Secretary shall reserve for each lead agency not more than $100,000 to conduct assessments and develop plans for obligating and expending funds provided under this section, which may be expended by a lead agency immediately on receipt.

"(4) DATA EXCHANGE STANDARDS FOR INTEROPERABILITY.—The Secretary may reserve not more than $200,000 of the amount made available to carry out this section to implement data exchange standards for interoperability.

"(d) LIMITATION ON AVAILABILITY OF FUNDS FOR GRANTS FOR INTERMEDIARY ORGANIZATIONS.—Not more than $2,250,000,000 of the total amount made available to carry out this section may be used to carry out subsection (a)(2).".

SEC. 132003. TECHNICAL ASSISTANCE.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418B the following:

"SEC. 418C. TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—

"(1) CHILD CARE INFORMATION NETWORK.—The Secretary shall provide technical assistance to lead agencies to support the development and implementation of, and ongoing full participation in, State Child Care Information Networks provided for in section 418A(a)(4).

"(2) CHILD CARE INFRASTRUCTURE.—The Secretary shall provide technical assistance—

"(A) to child care small business owners, entrepreneurs, nonprofit organizations, and child care infrastructure grant recipients, for the purpose of starting new licensed child care businesses, or re-opening a closed child care facility, in areas in which there is a child care shortage or that are at risk of having such a shortage;

"(B) to State and local governments to incentivize public-private partnerships to identify excess buildings and land and conduct feasibility studies, for new or expanded child care options that could be available to child care entrepreneurs and infrastructure grantees, or used for publicly-run child care facilities; and

"(C) to support child care business technical assistance, which may include strategies to support management training and shared services initiatives including provider networks such as child care center alliances and family child care home provider networks, as well as fundamental business support needs such as budgeting and fiscal management skills, business planning, understanding the cost of quality, and core best business practices such as recordkeeping and payment reconciliation.

"(3) SUPPLEMENTING NATIONAL TECHNICAL ASSISTANCE EFFORTS.—The Secretary may provide technical assistance to States (and submit to the Congress reports on technical assistance activities) to increase child care availability and affordability, including by—

"(A) providing technical assistance on best practices for conducting market rate surveys and establishing State reimbursement rates and price-per-child rates for child care for children who have not attained 13 years of age;

"(B) increasing child care availability in tribal communities for families with children who have not attained 13 years of age;

"(C) improving the effectiveness and affordability of child care assistance programs in meeting the needs of low-income parents; or

"(D) collecting, managing, analyzing, and reporting child care administrative data, and use the data to support documentation of changes in child care availability and affordability.

"(b) ADMINISTRATIVE PROVISION.—The Secretary may carry out this section through means including the use of grants or cooperative agreements.

"(c) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated $17,500,000 for each of fiscal years 2022 through 2026 to carry out this section.".

SEC. 132004. TRIBAL CHILD CARE ACCESS AND GROWTH.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418C the following:

"SEC. 418D. TRIBAL CHILD CARE ACCESS AND GROWTH.

"(a) HHS CONSULTATIONS WITH INDIAN TRIBES.—Of the amount appropriated under subsection (e) for each fiscal year, the Secretary shall use not more than $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.

"(c) GRANTS.—

"(1) IN GENERAL.—Of the amount appropriated under subsection (e) for each fiscal year, the Secretary shall use not less than $199,000,000 to make grants to the lead agencies of Indian tribes and tribal organizations for activities described in subsection (b), which are to be carried out in accordance with such rules as the Secretary may prescribe, taking into account the results of the consultations conducted under subsection (a)(1).

"(2) ALLOCATION.—The Secretary may make grants under this subsection according to relative need.

"(d) NONSUPPLANTATION.—An entity to which an amount is provided under this section shall use the amount to supplement, but not supplant, other funds provided for any purpose or activity for which the amount is used.

"(e) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary $200,000,000 for each of fiscal years 2022 through 2026 to carry out this section.".

SEC. 132005. RAISING THE FLOOR FOR CHILD CARE PROVIDER WAGES.

(a) PLANNING FOR CHILD CARE WAGE GRANTS FOR SMALL BUSINESSES.—

(1) IN GENERAL.—For the purpose of maintaining an effective and diverse child care workforce, effective upon enactment, through the end of fiscal year 2022, the Secretary of Health and Human Services shall, regarding the development and implementation of the Child Care Wage Grant program provided for in section 418E of the Social Security Act (as added by subsection (b) of this section)—

(A) issue guidance or technical assistance to lead agencies (as defined in such section) with respect to—

(i) consultation with field engagement organizations (as defined in such section);

(ii) wage supplement calculations, with the option of providing a bonus that may not be more than the equivalent of an annual wage;

(iii) application requirements;

(iv) reporting requirements;

(v) anti-discrimination protection measures; and

(vi) other related activities;

(B) engage in hiring, training, developing work plans, developing outreach materials, and other administrative overhead activities; and

(C) consult with relevant entities such as tribal leaders, governors, county and local government, and community stakeholders.

(2) FUNDING.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Services $10,000,000, to remain available through September 30, 2022, to carry out this paragraph.

(b) IMPLEMENTATION.—Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418D the following:

"SEC. 418E. CHILD CARE WAGE GRANTS FOR SMALL BUSINESSES.

"(a) GRANTS TO LEAD AGENCIES.—

"(1) GRANTS.—

"(A) IN GENERAL.—The Secretary shall make grants to reimburse State, tribal, and territorial lead agencies for the amount of child care wage grants made to qualifying child care providers under lead agency child care wage grant programs, and for documented costs of administering the programs that are directly re-

lated to determining provider eligibility, making payments, data collection, and verifying provider compliance with program rules.

"(B) LIMITATION ON REIMBURSEMENT FOR DOCUMENTED ADMINISTRATIVE COSTS.—The amount of the reimbursement for the documented administrative costs shall not exceed 5 percent of the total amount of the child care wage grants.

"(2) CONSULTATION REQUIRED AS A CONDITION OF ELIGIBILITY.—A lead agency shall not be eligible for a grant under this section with respect to a child care wage grant program unless the lead agency has consulted with field engagement organizations in developing and implementing the program, including application process, eligibility determinations, community outreach, and such other aspects of the program as the Secretary deems appropriate, and if, after the consultation, the lead agency intends to operate a child care wage grant program for small businesses, the lead agency shall submit to the Secretary a certification that the lead agency has conducted such a consultation and intends to submit a claim for reimbursement with respect to program 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.

"(B) AUTHORITY TO EXTEND DEADLINE.—A lead agency may approve a request from such a recipient to extend the reporting deadline for 90 days, but shall accompany such an approval with a notice that failure to submit all information required in the report will result in future ineligibility for such a grant.

"(c) REIMBURSEMENT; ADVANCE ESTIMATED PAYMENT.—A lead agency may submit to the Secretary a request for reimbursement or estimated advance payment of the costs of operating the lead agency child care wage grant program for the 1-year period covered by the request, which shall include documentation of the grant awards made to qualified child care providers under the program, an assurance that not more than 5 percent of the costs in the reimbursement request are for administrative costs, an assurance that the State will repay any advances based on payments to child care providers that were in excess of costs allowable under this section (including payments for workers who did not work for the full year) or based on State administrative costs in excess of 5 percent, and the following:

"(1) Qualified child care provider application data, including the number of qualified child care providers and the proportion of applications that

were approved under the program, documentation of rejected applications, including the reason for disqualification, and demographic data of applicants.

"(2) Qualified child care provider wage subsidy data, including wage levels, the size and type of the qualified child care provider, the number of children served by the qualified child care provider, verification that the child care wage grant provided to the qualified child care provider was not used to supplant Federal funds, verification that the qualified child care provider performs child care services as the primary function of the qualified child care provider, verification that qualifying child care provider applications are approved for 1 year, and documentation of the number of full-time and part-time child care employees (which may include sole proprietors) including the portion of the year for which each employee was employed with that provider to provide child care.

"(3) Certification that each qualified child care provider is not eligible to receive a child care payroll tax credit under section 3135 of the Internal Revenue Code of 1986 with respect to wages paid to any child care employee of the qualified child care provider.

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

with respect to a year other than to supplement the applicable minimum rate of child care wages for an employee engaged in child care work for the reported period, the qualified child care provider shall—

"(A) repay to the lead agency all funds so provided to the child care provider for the year; and

"(B) be ineligible for the succeeding 2 years to receive funds made available under this section.

"(2) DECREASE IN NUMBER OF CHILD CARE EMPLOYEES.—If a recipient of a child care wage grant for a year reports under subsection (b)(2)(A) that the number of child care employees of the recipient has decreased during the year, then—

"(A) the lead agency shall proportionately decrease the amount of the child care wage grant (if any) payable to the recipient for the next year; or

"(B) if the recipient is not awarded a child care wage grant for the next year, the recipient shall remit to the lead agency a portion of the grant equal to the proportionate decrease in the number of child care employees of the provider.

"(e) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Secretary for each of fiscal years 2023 through 2026 such sums as may be necessary for reimbursements or estimated payments referred to in subsection (a).

"(f) DEFINITIONS.—In this section:

"(1) APPLICABLE MINIMUM RATE.—The term 'applicable minimum rate' means the rate at which basic pay is payable for a position at level 3, step 1, of the General Schedule under subchapter III of chapter 53 of title 5, United States Code, including any applicable locality-based comparability payment under section 5304 of such title or similar authority, at the time such wages are paid and determined with respect to the locality in which services are provided.

"(2) CHILD CARE WAGES.—The term 'child care wages' means—

"(A) wages paid to an employee for services in providing child care; and

"(B) an owner's draw in lieu of wages, in the case of a sole proprietor who provides child care services or an owner who directly provides child care services alongside employees.

"(3) CHILD CARE EMPLOYEE.—The term 'child care employee' means an employee—

"(A) who is employed by a qualified child care provider;

"(B) who provides child care services as a primary function of employment; and

"(C) whose wages do not qualify under section 3135(a) of the Internal Revenue Code of 1986.

"(4) ELIGIBLE CHILD CARE WAGE SUPPLEMENT.—

"(A) IN GENERAL.—The term 'eligible child care wage supplement' means, with respect to a year, a supplement to child care wages of an employee (or owner), but only to the extent that the total amount of the child care wage supplements provided to the employee (or owner) during the year—

"(i) in the case of a full-time employee (or an owner who works on a full-time basis), is not more than $16,000; or

"(ii) in the case of a part-time employee (or an owner who works on a part-time basis), is not more than $10,000.

In the case of any employee who is not employed as a child care employee for the full year, the maximum dollar amounts set forth in the preceding sentence shall be proportionately reduced.

"(B) INFLATION ADJUSTMENT.—Each dollar amount in effect under subparagraph (A) with respect to a year shall be increased by a percentage equal to the percentage (if any) by which the Consumer Price Index for all urban consumers (U.S. city average) increased during the 12-month period ending with the last month for which Consumer Price Index data is available.

"(5) FIELD ENGAGEMENT ORGANIZATION.—The term 'field engagement organization' means any nonprofit, community-based organization, labor union, trade association, staffed family child care network, child care resource and referral organization, or local government entity with experience providing representation, technical assistance, or community supports to child care providers or individuals seeking to enter or re-enter the child care market.

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

"(F) has submitted to the lead agency all data requested by the Secretary under this section;

"(G) has submitted the application to the lead agency, which has approved the application; and

"(H) has not failed to include all information required to be included in any quarterly report required by subsection (b)(2) to be submitted by the entity with respect to the year preceding the year for which the application is submitted.".

SEC. 132006. COMMON PROVISIONS.

(a) DEFINITIONS.—Section 419 of the Social Security Act (42 U.S.C. 619) is amended by adding at the end the following:

"(6) LEAD AGENCY.—The term 'lead agency' means, with respect to a jurisdiction, the lead agency responsible for administering the child care assistance program of the jurisdiction.

"(7) TERRITORY.—The term 'territory' means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.".

(b) REPORTS TO THE CONGRESS.—Section 411 of such Act (42 U.S.C. 611) is amended by adding at the end the following:

"(e) REPORTS ON CERTAIN STATE CHILD CARE EXPENDITURES.—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate biennial reports on—

"(1) eligible expenditures (as defined in section 418A(b)(2)(B)) by the States, and on expenditures by the Secretary under section 418A during the period covered by the report;

"(2) the extent to which payments under section 418A have been made with respect to the expenditures;

"(3) to the extent that any funds made available to carry out such section have not been expended, the reasons therefor; and

"(4) expenditures under section 418C.".

(c) INAPPLICABILITY OF PAYMENT LIMITATION.—Section 1108(a) of such Act (42 U.S.C. 1308(a)) is amended by inserting "418A, 418B, 418C, 418D, 418E," before "or".

Subtitle D—Trade Adjustment Assistance

SEC. 133001. SHORT TITLE.

This subtitle may be cited as the ''Trade Adjustment Assistance Modernization Act of 2021''.

SEC. 133002. APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE.

(a) EFFECTIVE DATE; APPLICABILITY.—Except as otherwise provided in this subtitle, the provisions of chapters 2 through 6 of title II of the Trade Act of 1974, as in effect on June 30, 2021, and as amended by this subtitle, shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply with respect to petitions for certification filed under chapter 2, 3, 4, or 6 of title II of the Trade Act of 1974 on or after such date of enactment.

(b) REFERENCE.—Except as otherwise provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision of chapters 2 through 6 of title II of the Trade Act of 1974, the reference shall be considered to be made to a provision of any such chapter, as in effect on June 30, 2021.

(c) REPEAL OF SNAPBACK.—Section 406 of the Trade Adjustment Assistance Reauthorization Act of 2015 (Public Law 114–27; 129 Stat. 379) is repealed.

PART 1—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 133101. FILING PETITIONS.

Section 221(a)(1) of the Trade Act of 1974 (19 U.S.C. 2271(a)(1)) is amended—

(1) by amending subparagraph (A) to read as follows:

''(A) One or more workers in the group of workers.''; and

(2) in subparagraph (C), by striking ''or a State dislocated worker unit'' and inserting ''a State dislocated worker unit, or workforce intermediaries, including labor-management organizations that carry out re-employment and training services''.

SEC. 133102. GROUP ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—Section 222(a)(2) of the Trade Act of 1974 (19 U.S.C. 2272(a)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by inserting '', failed to increase, or will decrease absolutely due to a scheduled or imminently anticipated, long-term

decrease in or reallocation of the production capacity of the firm'' after ''absolutely''; and

(B) in clause (iii)—

(i) by striking ''to the decline'' and inserting ''to any decline or absence of increase''; and

(ii) by striking ''or'' at the end;

(2) in subparagraph (B)(ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C)(i) the sales or production, or both, of such firm have decreased;

''(ii)(I) exports of articles produced or services supplied by such workers' firm have decreased; or

''(II) imports of articles or services necessary for the production of articles or services supplied by such firm have decreased; and

''(iii) the decrease in exports or imports described in clause (ii) contributed to such workers' separation or threat of separation and to the decline in the sales or production of such firm.''.

(b) REPEAL.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) in subsections (a) and (b), by striking ''importantly'' each place it appears; and

(2) in subsection (c)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (4) as paragraphs (1) through (3), respectively.

(c) ELIGIBILITY OF STAFFED WORKERS AND TELEWORKERS.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272), as amended by subsection (b), is further amended by adding at the end the following:

''(f) TREATMENT OF STAFFED WORKERS AND TELEWORKERS.—

''(1) IN GENERAL.—For purposes of subsection (a), workers in a firm include staffed workers and teleworkers.

''(2) DEFINITIONS.—In this subsection:

''(A) STAFFED WORKER.—The term 'staffed worker' means a worker who performs work under the operational control of a firm that is the subject of a petition filed under section 221, even if the worker is directly employed by another firm.

''(B) TELEWORKER.—The term 'teleworker' means a worker who works remotely but who reports to the location listed for a firm in a petition filed under section 221.''.

SEC. 133103. APPLICATION OF DETERMINATIONS OF ELIGIBILITY TO WORKERS EMPLOYED BY SUCCESSORS-IN-INTEREST.

Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end the following:

''(f) TREATMENT OF WORKERS OF SUCCESSORS-IN-INTEREST.—If the Secretary certifies a group of workers of a firm as eligible to apply for adjustment assistance under this chapter, a worker of a successor-in-interest to that firm shall be covered by the certification to the same extent as a worker of that firm.''.

SEC. 133104. PROVISION OF BENEFIT INFORMATION TO WORKERS.

Section 225 of the Trade Act of 1974 (19 U.S.C. 2275) is amended—

(1) in subsection (a), by inserting after the second sentence the following new sentence: ''The Secretary shall make every effort to provide such information and assistance to workers in their native language.''; and

(2) in subsection (b)—

(A) by redesignating paragraph (2) as paragraph (3);

(B) by inserting after paragraph (1) the following:

"(2) The Secretary shall provide a second notice to a worker described in paragraph (1) before the worker has exhausted all rights to any unemployment insurance to which the worker is entitled (other than additional compensation described in section 231(a)(3)(B) funded by a State and not reimbursed from Federal funds).";

(C) in paragraph (3), as redesignated by paragraph (1), by striking "newspapers of general circulation" and inserting "appropriate print or digital outlets"; and

(D) by adding at the end the following:

"(4) For purposes of providing sustained outreach regarding the benefits available under this chapter to workers covered by a certification made under this subchapter, the Secretary may take any necessary actions, including the following:

"(A) Collecting the email addresses and telephone numbers of such workers from the employers of such workers to provide sustained outreach to such workers.

"(B) Partnering with the certified or recognized union, a community-based worker organization, or other duly authorized representatives of such workers.

"(C) Hiring peer support workers to perform sustained outreach to other workers covered by that certification.

"(D) Using advertising methods and public information campaigns, including social media, in addition to notice published in print or digital outlets under paragraph (3).".

SEC. 133105. QUALIFYING REQUIREMENTS FOR WORKERS.

(a) MODIFICATION OF CONDITIONS.—

(1) IN GENERAL.—Section 231(a) of the Trade Act of 1974 (19 U.S.C. 2291(a)) is amended—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively; and

(C) in paragraph (4) (as redesignated), by striking "paragraphs (1) and (2)" each place it appears and inserting "paragraph (1)".

(2) CONFORMING AMENDMENTS.—(A) Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended by striking "section 231(a)(3)(B)" each place it appears and inserting "section 231(a)(2)(B)".

(B) Section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

(i) in paragraph (1), by striking ''section 231(a)(3)(A)'' and inserting ''section 231(a)(2)(A)''; and

(ii) in paragraph (2)—

(I) by striking ''adversely affected employment'' and all that follows through ''(A) within'' and inserting ''adversely affected employment within'';

(II) by striking '', and'' and inserting a period; and

(III) by striking subparagraph (B).

(b) WAIVERS OF TRAINING REQUIREMENTS.—Section 231(c)(1) of the Trade Act of 1974 (19 U.S.C. 2291(c)(1)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (C), (D), and (E), respectively; and

(2) by inserting before subparagraph (C) (as redesignated) the following:

''(A) RECALL.—The worker has been notified that the worker will be recalled by the firm from which the separation occurred.

''(B) RETIREMENT.—The worker is within 2 years of meeting all requirements for entitlement to either—

"(i) old-age insurance benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) (except for application therefor); or

"(ii) a private pension sponsored by an employer or labor organization.".

SEC. 133106. MODIFICATION TO TRADE READJUSTMENT ALLOWANCES.

Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by inserting after "104-week period" the following: "(or, in the case of an adversely affected worker who requires a program of prerequisite education or remedial education (as described in section 236(a)(5)(D)) in order to complete training approved for the worker under section 236, the 130-week period)";

(B) in paragraph (3), by striking "65 additional weeks in the 78-week period" and inserting "78 additional weeks in the 91-week period"; and

(C) in the flush text, by striking "78-week period" and inserting "91-week period";

(2) by striking subsection (d); and

(3) by amending subsection (f) to read as follows:

"(f) PAYMENT OF TRADE READJUSTMENT ALLOWANCES TO COMPLETE TRAINING.—Notwithstanding any other provision of this section, in order to assist an adversely affected worker to complete training approved for the worker under section 236 that includes a program of prerequisite education or remedial education (as described in section 236(a)(5)(D)), and in accordance with regulations prescribed by the Secretary, payments may be made as trade readjustment allowances for up to 26 additional weeks in the 26-week period that follows the last week of entitlement to trade readjustment allowances otherwise payable under this chapter.".

SEC. 133107. AUTOMATIC EXTENSION OF TRADE READJUSTMENT ALLOWANCES.

(a) IN GENERAL.—Part I of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.) is amended by inserting after section 233 the following new section:

"SEC. 233A. AUTOMATIC EXTENSION OF TRADE READJUSTMENT ALLOWANCES.

"(a) IN GENERAL.—Notwithstanding the limitations under section 233(a), the Secretary shall extend the period

during which trade readjustment allowances are payable to an adversely affected worker who completes training approved under section 236 by the Secretary during a period of heightened unemployment with respect to the State in which such worker seeks benefits, for the shorter of—

"(1) the 26-week period beginning on the date of completion of such training; or

"(2) the period ending on the date on which the adversely affected worker secures employment.

"(b) JOB SEARCH REQUIRED.—A worker shall only be eligible for an extension under subsection (a) if the worker is complying with the job search requirements associated with unemployment insurance in the applicable State.

"(c) PERIOD OF HEIGHTENED UNEMPLOYMENT DEFINED.—In this section, the term 'period of heightened unemployment' with respect to a State means a 90-day period during which, in the determination of the Secretary, either of the following average rates equals or exceeds 5.5 percent:

"(1) The average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3-month period for which data for all States are published before the close of such period.

"(2) The average rate of total unemployment in all States (seasonally adjusted) for the period consisting of the most recent 3-month period for which data for all States are published before the close of such period.".

(b) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 233 the following:

"Sec. 233A. Automatic extension of trade readjustment allowances.".

SEC. 133108. EMPLOYMENT AND CASE MANAGEMENT SERVICES.

Section 235 of the Trade Act of 1974 (19 U.S.C. 2295) is amended—

(1) in paragraph (3)—

(A) by inserting after "regional areas" the following: "(including information about registered apprenticeship programs, on-the-job training opportunities, and other work-based learning opportunities)"; and

(B) by inserting after "suitable training" the following: ", information regarding the track record of a training provider's ability to successfully place participants into suitable employment";

(2) by redesignating paragraph (8) as paragraph (10); and

(3) by inserting after paragraph (7) the following:

''(8) Information related to direct job placement, including facilitating the extent to which employers within the community commit to employing workers who would benefit from the employment and case management services under this section.

''(9) Sustained outreach to groups of workers likely to be certified as eligible for adjustment assistance under this chapter and members of certified worker groups who have not yet applied for or been enrolled in benefits or services under this chapter, especially such groups and members from underserved communities.''.

SEC. 133109. TRAINING.

Section 236 of the Trade Act of 1974 (19 U.S.C. 2296(a)) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(D), by inserting '', with a demonstrated ability to place participants into employment'' before the comma at the end;

(B) in paragraph (3), by adding at the end before the period the following: '', except that every effort shall be made to ensure that em-

ployment opportunities are available upon the completion of training''; and

(C) in paragraph (5)—

(i) in subparagraph (G), by striking '', and'' and inserting a comma;

(ii) in subparagraph (H)(ii), by striking the period at the end and inserting '', and''; and

(iii) by adding at the end before the flush text the following:

''(I) pre-apprenticeship training.''; and

(2) by adding at the end the following:

''(h) REIMBURSEMENT FOR OUT-OF-POCKET TRAINING EXPENSES.—If the Secretary approves training for a worker under paragraph (1) of subsection (a), the Secretary may reimburse the worker for out-of-pocket expenses relating to training program described in paragraph (5) of that subsection that were incurred by the worker on and after the date of the worker's total or partial separation and before the date on which the certification of eligibility under section 222 that covers the worker is issued.''.

SEC. 133110. JOB SEARCH, RELOCATION, AND CHILD CARE ALLOWANCES.

(a) JOB SEARCH ALLOWANCES.—Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is amended—

(1) in subsection (a)(1), by striking ''may use funds made available to the State to carry out sections 235 through 238'' and inserting ''shall use, from funds made available to the State to carry out sections 235 through 238A, such amounts as may be necessary'';

(2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking ''may grant'' and inserting ''shall grant''; and

(3) in subsection (b)—

(A) in paragraph (1), by striking ''not more than 90 percent'' and inserting ''100 percent'';

(B) in paragraph (2), by striking ''$1,250'' and inserting ''$2,000 (subject to adjustment under paragraph (4))''; and

(C) by adding at the end the following;

''(4) ADJUSTMENT OF MAXIMUM ALLOWANCE LIMITATION FOR INFLATION.—

''(A) IN GENERAL.—The Secretary of Labor shall adjust the maximum allowance limitation under paragraph (2) on the date that is

30 days after the date of the enactment of this paragraph, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the preceding 12-month period compared to the Consumer Price Index for fiscal year 2020.

''(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under subparagraph (A), the Secretary—

''(i) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

''(ii) may ignore any such increase of less than 1 percent.

''(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.''.

(b) RELOCATION ALLOWANCES.—Section 238 of the Trade Act of 1974 (19 U.S.C. 2298) is amended—

(1) in subsection (a)(1), by striking ''may use funds made available to the State to carry out sec-

tions 235 through 238'' and inserting ''shall use, from funds made available to the State to carry out sections 235 through 238A, such amounts as may be necessary'';

(2) in subsection (a)(2), in the matter preceding subparagraph (A), by striking ''may be granted'' and inserting ''shall be granted'';

(3) in subsection (b)—

(A) in paragraph (1), by striking ''not more than 90 percent'' and inserting ''100 percent''; and

(B) in paragraph (2), by striking ''$1,250'' and inserting ''$2,000 (subject to adjustment under subsection (d))''; and

(4) by adding at the end the following:

''(d) ADJUSTMENT OF MAXIMUM PAYMENT LIMITATION FOR INFLATION.—

''(1) IN GENERAL.—The Secretary of Labor shall adjust the maximum payment limitation under subsection (b)(2) on the date that is 30 days after the date of the enactment of this subsection, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the pre-

ceding 12-month period compared to the Consumer Price Index for fiscal year 2020.

"(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under paragraph (1), the Secretary—

"(A) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

"(B) may ignore any such increase of less than 1 percent.

"(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

(c) CHILD CARE ALLOWANCES.—

(1) IN GENERAL.—Part II of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2295 et seq.) is amended by adding at the end the following:

"SEC. 238A. CHILD CARE ALLOWANCES.

"(a) CHILD CARE ALLOWANCES AUTHORIZED.—

"(1) IN GENERAL.—Each State shall use, from funds made available to the State to carry out sections 235 through 238A, such amounts as may be

necessary to allow an adversely affected worker covered by a certification issued under subchapter A of this chapter to file an application for a child care allowance with the Secretary, and the Secretary may grant the child care allowance, subject to the terms and conditions of this section.

"(2) CONDITIONS FOR GRANTING ALLOWANCE.—A child care allowance shall be granted if the allowance will assist an adversely affected worker to attend training or seek suitable employment, by providing for the care of one or more of the minor dependents of the worker.

"(b) AMOUNT OF ALLOWANCE.—Any child care allowance granted to a worker under subsection (a) shall not exceed $2,000 per minor dependent per year.

"(c) ADJUSTMENT OF MAXIMUM ALLOWANCE LIMITATION FOR INFLATION.—

"(1) IN GENERAL.—The Secretary of Labor shall adjust the maximum allowance limitation under subsection (b) on the date that is 30 days after the date of the enactment of this subsection, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the preceding 12-

month period compared to the Consumer Price Index for fiscal year 2020.

"(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under paragraph (1), the Secretary—

"(A) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

"(B) may ignore any such increase of less than 1 percent.

"(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

(2) CONFORMING AMENDMENTS.—

(A) LIMITATIONS ON ADMINISTRATIVE EXPENSES AND EMPLOYMENT AND CASE MANAGEMENT SERVICES.—Section 235A of the Trade Act of 1974 (19 U.S.C. 2295a) is amended in the matter preceding paragraph (1) by striking "through 238" and inserting "through 238A".

(B) TRAINING.—Section 236(a)(2) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)) is amended—

(i) in subparagraph (A), by striking "and 238" and inserting "238, and 238A";

(ii) in subparagraph (B), by striking "and 238" each place it appears and inserting "238, and 238A";

(iii) in subparagraph (C)(i), by striking "and 238" and inserting "238, and 238A";

(iv) in subparagraph (C)(v), by striking "and 238" and inserting "238, and 238A"; and

(v) in subparagraph (E), by striking "and 238" each place it appears and inserting "238, and 238A".

(3) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by adding after the item relating to section 238 the following new item:

"Sec. 238A. Child care allowances.".

SEC. 133111. AGREEMENTS WITH STATES.

(a) COORDINATION.—Section 239(f) of the Trade Act of 1974 (19 U.S.C. 2311(f)) is amended—

(1) by striking "(f) Any agreement" and inserting the following:

"(f)(1) Any agreement"; and

(2) by adding at the end the following:

"(2) In arranging for training programs to be carried out under this chapter, each cooperating State agency shall, among other factors, take into account and measure the progress of the extent to which such programs—

"(A) achieve a satisfactory rate of completion and placement in jobs that provide a living wage and that increase economic security;

"(B) assist workers in developing the skills, networks, and experiences necessary to advance along a career path;

"(C) assist workers from underserved communities to establish a work history, demonstrate success in the workplace, and develop the skills that lead to entry into and retention in unsubsidized employment; and

"(D) adequately serve individuals who face the greatest barriers to employment, including people with low incomes, people of color, immigrants, persons with disabilities, and formerly incarcerated individuals.

"(3) Each cooperating State agency shall facilitate joint cooperation between training programs, representatives of workers, employers, and commu-

nities, especially in underserved rural and urban regions, to ensure a fair and engaging workplace that balances the priorities and well-being of workers with the needs of businesses.

''(4) Each cooperating State agency shall seek, including through agreements and training programs described in this subsection, to ensure the reemployment of adversely affected workers upon completion of training as described in section 236.''.

(b) ADMINISTRATION.—Section 239(g) of the Trade Act of 1974 (19 U.S.C. 2311(g)) is amended—

(1) by redesignating—

(A) paragraphs (1) through (4) as paragraphs (3) through (6), respectively; and

(B) paragraph (5) as paragraph (8);

(2) by inserting before paragraph (3) (as redesignated) the following:

''(1) review each layoff of more than 5 workers in a firm to determine whether trade played a role in the layoff and whether workers in such firm are potentially eligible to receive benefits under this chapter,

''(2) perform sustained outreach to firms to facilitate and assist with filing petitions under section

221 and collecting necessary supporting information,'';

(3) in paragraph (3) (as redesignated), by striking ''who applies for unemployment insurance of'' and inserting ''identified under paragraph (1) of unemployment insurance benefits and'';

(4) in paragraph (4) (as redesignated), by inserting ''and assist with'' after ''facilitate'';

(5) in paragraph (6) (as redesignated), by striking ''and'' at the end;

(6) by inserting after paragraph (6) (as redesignated) the following:

''(7) perform sustained outreach to workers from underserved communities and to firms that employ a majority or a substantial percentage of workers from underserved communities and develop a plan, in consultation with the Secretary, for addressing common barriers to receiving services that such workers have faced,'';

(7) in paragraph (8) (as redesignated), by striking ''funds provided to carry out this chapter are insufficient to make such services available, make arrangements to make such services available through other Federal programs'' and inserting ''support services are needed beyond what this chapter can

provide, make arrangements to coordinate such services available through other Federal programs'' ; and

(8) by adding at the end the following:

''(9) develop a strategy to engage with local workforce development institutions, including local community colleges and other educational institutions, and

''(10) develop a comprehensive strategy to provide agency staffing to support the requirements of paragraphs (1) through (9).''.

(c) STAFFING.—Section 239 of the Trade Act of 1974 (19 U.S.C. 2311) is amended by striking subsection (k) and inserting the following:

''(k) STAFFING.—An agreement entered into under this section shall provide that the cooperating State or cooperating State agency shall require that any individual engaged in functions (other than functions that are not inherently governmental) to carry out the trade adjustment assistance program under this chapter shall be a State employee covered by a merit system of personnel administration.''.

SEC. 133112. REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE PROGRAM.

Section 246(a) of the Trade Act of 1974 (19 U.S.C. 2318(a)) is amended—

(1) in paragraph (3)(B)(ii), by striking "$50,000" and inserting "$70,000 (subject to adjustment under paragraph (8))";

(2) in paragraph (5)(B)(i), by striking "$10,000" and inserting "$20,000 (subject to adjustment under paragraph (8))"; and

(3) by adding at the end the following:

"(8) ADJUSTMENT OF SALARY LIMITATION AND TOTAL AMOUNT OF PAYMENTS FOR INFLATION.—

"(A) IN GENERAL.—The Secretary of Labor shall adjust the salary limitation under paragraph (3)(B)(ii) and the amount under paragraph (5)(B)(i) on the date that is 30 days after the date of the enactment of this paragraph, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the preceding 12-month period compared to the Consumer Price Index for fiscal year 2020.

"(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under subparagraph (A), the Secretary—

"(i) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

"(ii) may ignore any such increase of less than 1 percent.

"(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

SEC. 133113. EXTENSION OF TRADE ADJUSTMENT ASSISTANCE TO PUBLIC AGENCY WORKERS.

(a) DEFINITIONS.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

(1) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking "The" and inserting "Subject to section 222(d)(5), the"; and

(B) in subparagraph (A), by striking "or service sector firm" and inserting ", service sector firm, or public agency"; and

(2) by adding at the end the following:

''(20) The term 'public agency' means a department or agency of a State or local government or of the Federal Government.''.

(b) GROUP ELIGIBILITY REQUIREMENTS.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272), as amended by subsections (b) and (c) of section 133102, is further amended—

(1) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively;

(2) by inserting after subsection (b) the following:

''(c) ADVERSELY AFFECTED WORKERS IN PUBLIC AGENCIES.—A group of workers in a public agency shall be certified by the Secretary as eligible to apply for adjustment assistance under this chapter pursuant to a petition filed under section 221 if the Secretary determines that—

''(1) a significant number or proportion of the workers in the public agency have become totally or partially separated, or are threatened to become totally or partially separated;

''(2) the public agency has acquired from a foreign country services like or directly competitive with services which are supplied by such agency; and

"(3) the acquisition of services described in paragraph (2) contributed to such workers' separation or threat of separation.";

(3) in subsection (d) (as redesignated), by adding at the end the following:

"(5) REFERENCE TO FIRM.—For purposes of subsections (a) and (b), the term 'firm' does not include a public agency."; and

(4) in paragraph (2) of subsection (e) (as redesignated), by striking "subsection (a) or (b)" and inserting "subsection (a), (b), or (c)".

SEC. 133114. DEFINITIONS.

(a) EXTENSION OF ADJUSTMENT ASSISTANCE FOR WORKERS TO TERRITORIES.—Section 247(7) of the Trade Act of 1974 (19 U.S.C. 2319(7)) is amended—

(1) by inserting ", Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands," after "District of Columbia"; and

(2) by striking "such Commonwealth." and inserting "such territories.".

(b) UNDERSERVED COMMUNITY.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319), as amended by section 133113(a), is further amended by adding at the end the following:

"(21) The term 'underserved community' means a community with populations sharing a particular characteristic that have been systematically denied a full opportunity to participate in aspects of economic, social, or civic life, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders, other persons of color, members of other minority communities, persons with disabilities, persons who live in rural areas, and other populations otherwise adversely affected by persistent poverty or inequality.".

SEC. 133115. SUBPOENA POWER.

Section 249 of the Trade Act of 1974 (19 U.S.C. 2321) is amended—

(1) in subsection (a), by adding at the end the following: "The authority under the preceding sentence includes the authority of States to require, by subpoena, a firm to provide information on workers employed by, or totally or partially separated from, the firm that is necessary to make a determination under this chapter or to provide outreach to workers, including the names and address of workers."; and

(2) by adding at the end the following:

"(c) ENFORCEMENT OF SUBPOENAS BY STATES.—A State may enforce compliance with a subpoena issued under subsection (a)—

"(1) as provided for under State law; and

"(2) by petitioning an appropriate United States district court for an order requiring compliance with the subpoena.".

PART 2—TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

SEC. 133201. PETITIONS AND DETERMINATIONS.

Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

(1) in the second sentence of subsection (a), by striking "Upon" and inserting "Not later than 15 days after";

(2) by amending subsection (c) to read as follows:

"(c)(1) The Secretary shall certify a firm (including any agricultural firm or service sector firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(A)(i) that a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated, or

"(ii) that—

"(I) sales or production, or both, of the firm have decreased absolutely or failed to increase,

"(II) sales or production, or both, of an article or service that accounted for not less than 25 percent of the total sales or production of the firm during the 12-month period preceding the most recent 12-month period for which data are available have decreased absolutely or failed to increase,

"(III) sales or production, or both, of the firm during the most recent 12-month period for which data are available have decreased or failed to increase compared to—

"(aa) the average annual sales or production for the firm during the 24-month period preceding that 12-month period, or

"(bb) the average annual sales or production for the firm during the 36-month period preceding that 12-month period, and

"(IV) sales or production, or both, of an article or service that accounted for not less than 25 percent of the total sales or production

of the firm during the most recent 12-month period for which data are available have decreased or failed to increase compared to—

"(aa) the average annual sales or production for the article or service during the 24-month period preceding that 12-month period, or

"(bb) the average annual sales or production for the article or service during the 36-month period preceding that 12-month period, and

"(B)(i) increases of imports of articles or services like or directly competitive with articles which are produced or services which are supplied by such firm contributed to such total or partial separation, or threat thereof, or to such decline or failure to increase in sales or production, or

"(ii) decreases in exports of articles produced or services supplied by such firm, or imports of articles or services necessary for the production of articles or services supplied by such firm, contributed to such total or partial separation, or threat thereof, or to such decline in sales or production.

"(2) For purposes of paragraph (1)(B):

"(A) Any firm which engages in exploration or drilling for oil or natural gas shall be considered to be a firm producing oil or natural gas.

"(B) Any firm that engages in exploration or drilling for oil or natural gas, or otherwise produces oil or natural gas, shall be considered to be producing articles directly competitive with imports of oil and with imports of natural gas."; and

(3) in subsection (d)—

(A) by striking "this section," and inserting "this section."; and

(B) by striking "but in any event" and all that follows and inserting the following: "If the Secretary does not make a determination with respect to a petition within 55 days after the date on which an investigation is initiated under subsection (a) with respect to the petition, the Secretary shall be deemed to have certified the firm as eligible to apply for adjustment assistance under this chapter.".

SEC. 133202. APPROVAL OF ADJUSTMENT PROPOSALS.

Section 252 of the Trade Act of 1974 (19 U.S.C. 2342) is amended—

(1) in the second sentence of subsection (a), by adding at the end before the period the following:

"and an assessment of the potential employment outcomes of such proposal";

(2) in subsection (b)(1)(B), by striking "gives adequate consideration to" and inserting "is in";

(3) by redesignating subsection (c) as subsection (d); and

(4) by inserting after subsection (b) the following:

"(c) AMOUNT OF ASSISTANCE.—

"(1) IN GENERAL.—A firm may receive adjustment assistance under this chapter with respect to the firm's economic adjustment proposal in an amount not to exceed $300,000, subject to adjustment under paragraph (2) and the matching requirement under paragraph (3).

"(2) ADJUSTMENT OF ASSISTANCE LIMITATION FOR INFLATION.—

"(A) IN GENERAL.—The Secretary of Commerce shall adjust the technical assistance limitation under paragraph (1) on the date that is 30 days after the date of the enactment of this paragraph, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the preceding 12-

month period compared to the Consumer Price Index for fiscal year 2020.

"(B) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under subparagraph (A), the Secretary—

"(i) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

"(ii) may ignore any such increase of less than 1 percent.

"(C) CONSUMER PRICE INDEX DEFINED.—For purposes of this paragraph, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(3) MATCHING REQUIREMENT.—A firm may receive adjustment assistance under this chapter only if the firm provides matching funds in an amount equal to the amount of adjustment assistance received under paragraph (1).".

SEC. 133203. TECHNICAL ASSISTANCE.

Section 253(a)(3) of the Trade Act of 1974 (19 U.S.C. 2343(a)(3)) is amended by adding at the end be-

fore the period the following: ", including assistance to provide skills training programs to employees of the firm".

SEC. 133204. DEFINITIONS.

Section 259 of the Trade Act of 1974 (19 U.S.C. 2351) is amended by adding at the end the following:

"(3) UNDERSERVED COMMUNITY.—The term 'underserved community' has the meaning given that term in section 247.".

SEC. 133205. PLAN FOR SUSTAINED OUTREACH TO POTENTIALLY-ELIGIBLE FIRMS.

(a) IN GENERAL.—Chapter 3 of title II of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended by adding at the end the following:

"SEC. 263. PLAN FOR SUSTAINED OUTREACH TO POTENTIALLY-ELIGIBLE FIRMS.

"(a) IN GENERAL.—The Secretary shall develop a plan to provide sustained outreach to firms that may be eligible for adjustment assistance under this chapter.

"(b) MATTERS TO BE INCLUDED.—The plan required by paragraph (1) shall include the following:

"(1) Outreach to the United States International Trade Commission and to such firms in industries with increased imports identified in the Commission's annual report regarding the operation

of the trade agreements program under section 163(c).

"(2) Outreach to such firms in the service sector.

"(3) Outreach to such firms that are small businesses.

"(4) Outreach to such firms that are minority- or women-owned firms.

"(5) Outreach to such firms that employ a majority or a substantial percentage of workers from underserved communities.

"(c) UPDATES.—The Secretary shall update the plan required under this section on an annual basis.

"(d) SUBMISSION TO CONGRESS.—The Secretary shall submit the plan and each update to the plan required under this section to Congress.".

(b) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 262 the following new item:

"Sec. 263. Plan for sustained outreach to potentially-eligible firms.".

PART 3—TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES AND COMMUNITY COLLEGES

SEC. 133301. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.

(a) IN GENERAL.—Chapter 4 of title II of the Trade Act of 1974 (19 U.S.C. 2371 et seq.) is amended—

(1) by inserting after the chapter heading the following:

"Subchapter B—Trade Adjustment Assistance for Community Colleges and Career Training"; and

(2) by redesignating sections 271 and 272 as sections 279 and 279A, respectively; and

(3) by inserting before subchapter B (as designated by paragraph (1)) the following:

"Subchapter A—Trade Adjustment Assistance for Communities

"SEC. 271. DEFINITIONS.

''In this subchapter:

''(1) AGRICULTURAL COMMODITY PRODUCER.—The term 'agricultural commodity producer' has the meaning given that term in section 291.

''(2) COMMUNITY.—The term 'community' means—

''(A) a city or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions;

''(B) an Economic Development District designated by the Economic Development Ad-

ministration of the Department of Commerce; or

"(C) an Indian Tribe.

"(3) ELIGIBLE COMMUNITY.—The term 'eligible community' means a community that is impacted by trade under section 273(a)(2) and is determined to be eligible for assistance under this subchapter.

"(4) ELIGIBLE ENTITY.—The term 'eligible entity' means—

"(A) an eligible community;

"(B) an institution of higher education or a consortium of institutions of higher education; or

"(C) a public or private nonprofit organization or association acting in cooperation with officials of a political subdivision of a State.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(5) UNDERSERVED COMMUNITY.—The term 'underserved community' has the meaning given that term in section 247.

"SEC. 272. ESTABLISHMENT OF TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES PROGRAM.

"The Secretary, acting through the Assistant Secretary for Economic Development, shall, not later than

180 days after the date of enactment of this subchapter, establish a program to provide communities impacted by trade with assistance in accordance with the requirements of this subchapter.

"SEC. 273. ELIGIBILITY; NOTIFICATION OF ELIGIBILITY.

"(a) ELIGIBILITY.—

"(1) IN GENERAL.—A community shall be eligible for assistance under this subchapter if the community is a community impacted by trade under paragraph (2).

"(2) COMMUNITY IMPACTED BY TRADE.—A community is impacted by trade if it meets each of the following requirements:

"(A) One or more of the following certifications are made with respect to the community:

"(i) By the Secretary of Labor, that a group of workers located in the community is eligible to apply for assistance under section 223.

"(ii) By the Secretary of Commerce, that a firm located in the community is eligible to apply for adjustment assistance under section 251.

"(iii) By the Secretary of Agriculture, that a group of agricultural commodity producers located in the community is eligible to apply for adjustment assistance under section 293.

"(B) The community—

"(i) applies for assistance not later than 180 days after the date on which the most recent certification described in subparagraph (A) is made; or

"(ii) in the case of a community with respect to which one or more such certifications were made on or after January 1, 1994, and before the date of the enactment of this subchapter, applies for assistance not later than September 30, 2024.

"(C) The community—

"(i) has a per capita income of 80 percent or less of the national average;

"(ii) has an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate; or

"(iii) is significantly affected by a loss of, or threat to, the jobs associated with any certification described in subparagraph (A), or the community is undergoing transition of its economic base as a result of changing trade patterns, as determined by the Secretary.

"(b) NOTIFICATION OF ELIGIBILITY.—If one or more certifications described in subsection (a)(2)(A) are made with respect to a community, the applicable Secretary with respect to such certification shall concurrently, notify the Governor of the State in which the community is located of the ability of the community to apply for assistance under this section.

"SEC. 274. GRANTS TO ELIGIBLE COMMUNITIES.

"(a) IN GENERAL.—The Secretary may—

"(1) upon the application of an eligible community, award a grant under this section to the community to assist in developing or updating a strategic plan that meets the requirements of section 275; or

"(2) upon the application of an eligible entity, award an implementation grant under this section to the entity to assist in implementing projects included

in a strategic plan that meets the requirements of section 275.

"(b) SPECIAL PROVISIONS.—

"(1) REVOLVING LOAN FUND GRANTS.—

"(A) IN GENERAL.—The Secretary shall maintain the proper operation and financial integrity of revolving loan funds established by eligible entities with assistance under this section.

"(B) EFFICIENT ADMINISTRATION.—The Secretary may—

"(i) at the request of an eligible entity, amend and consolidate grant agreements governing revolving loan funds to provide flexibility with respect to lending areas and borrower criteria; and

"(ii) assign or transfer assets of a revolving loan fund to third party for the purpose of liquidation, and the third party may retain assets of the fund to defray costs related to liquidation.

"(C) TREATMENT OF ACTIONS.—An action taken by the Secretary under this subsection with respect to a revolving loan fund shall not constitute a new obligation if all grant funds

associated with the original grant award have been disbursed to the recipient.

"(2) USE OF FUNDS IN PROJECTS CONSTRUCTED UNDER PROJECT COST.—

"(A) IN GENERAL.—In the case of a grant for a construction project under this section, if the Secretary determines, before closeout of the project, that the cost of the project, based on the designs and specifications that were the basis of the grant, has decreased because of decreases in costs, the Secretary may approve the use of the excess funds (or a portion of the excess funds) to improve the project.

"(B) OTHER USES OF EXCESS FUNDS.—Any amount of excess funds remaining after application of subparagraph (A) may be used by the Secretary for providing assistance under this section.

"(c) COORDINATION.—If an eligible institution (as such term is defined in section 279) located in an eligible community is seeking a grant under section 279 at the same time the community is seeking an implementation grant under subsection (a)—

"(1) the Secretary, upon receipt of such information from the Secretary of Labor as required

under section 279(e), shall notify the community that the institution is seeking a grant under section 279; and

"(2) the community shall provide to the Secretary, in coordination with the institution, a description of how the community will integrate projects included in the strategic plan with the specific project for which the institution submits the grant proposal under section 279.

"(d) LIMITATION.—The total amount of grants awarded with respect to an eligible community under this section for fiscal years 2022 through 2026 may not exceed $25,000,000.

"(e) PRIORITY.—The Secretary shall, in awarding grants under this section, provide higher levels of funding with respect to eligible communities that have a history of economic distress and long-term unemployment, as determined by the Secretary.

"(f) GEOGRAPHIC DIVERSITY.—

"(1) IN GENERAL.—The Secretary shall, in awarding grants under this section, ensure that grants are awarded with respect to eligible communities from geographically diverse areas.

"(2) GEOGRAPHIC REGION REQUIREMENT.—The Secretary shall, in meeting the requirement

under paragraph (1), award a grant under this section for each of the fiscal years 2022 through 2026 to at least one eligible community located in each geographic region for which regional offices of the Economic Development Administration of the Department of Commerce are responsible, to the extent that the Secretary receives an application from at least one eligible community in each such geographic region.

"SEC. 275. STRATEGIC PLANS.

"(a) IN GENERAL.—A strategic plan meets the requirements of this section if—

"(1) the consultation requirements of subsection (b) are met with respect to the development of the plan;

"(2) the plan meets the requirements of subsection (c); and

"(3) the plan is approved in accordance with the requirements of subsection (d).

"(b) CONSULTATION.—

"(1) IN GENERAL.—To the extent practicable, an eligible community shall consult with the entities described in paragraph (2) in developing the strategic plan.

"(2) ENTITIES DESCRIBED.—The entities described in this paragraph are public and private entities located in or serving the eligible community, including—

"(A) local, county, or State government agencies;

"(B) firms, including small- and medium-sized firms;

"(C) local workforce investment boards;

"(D) labor organizations, including State labor federations and labor-management initiatives, representing workers in the community;

"(E) educational institutions, local educational agencies, and other training providers; and

"(F) local civil rights organizations and community-based organizations, including organizations representing underserved communities.

"(c) CONTENTS.—The strategic plan may contain, as applicable to the community, the following:

"(1) A description and analysis of the capacity of the eligible community to achieve economic adjustment to the impact of trade.

"(2) An analysis of the economic development challenges and opportunities facing the community, including the strengths and weaknesses of the economy of the community.

"(3) An assessment of—

"(A) the commitment of the community to carry out the strategic plan on a long-term basis;

"(B) the participation and input of members of the community who are dislocated from employment due to the impact of trade; and

"(C) the extent to which underserved communities have been impacted by trade.

"(4) A description of how underserved communities will benefit from the strategic plan.

"(5) A description of the role of the entities described in subsection (b)(2) in developing the strategic plan.

"(6) A description of projects under the strategic plan to facilitate the community's economic adjustment to the impact of trade, including projects to—

"(A) develop public facilities, public services, jobs, and businesses (including establishing a revolving loan fund);

"(B) provide for planning and technical assistance;

"(C) provide for training;

"(D) provide for the demolition of vacant or abandoned commercial, industrial, or residential property;

"(E) redevelop brownfields;

"(F) establish or support land banks;

"(G) support energy conservation; and

"(H) support historic preservation.

"(7) A strategy for continuing the community's economic adjustment to the impact of trade after the completion of such projects.

"(8) A description of the educational and training programs and the potential employment opportunities available to workers in the community, including for workers under the age of 25, and the future employment needs of the community.

"(9) An assessment of—

"(A) the cost of implementing the strategic plan; and

"(B) the timing of funding required by the community to implement the strategic plan.

"(10) A description of the methods of financing to be used to implement the strategic plan, including—

"(A) an implementation grant received under section 274 or under other authorities;

"(B) a loan, including the establishment of a revolving loan fund; or

"(C) other types of financing.

"(11) An assessment of how the community will address unemployment among agricultural commodity producers, if applicable.

"(d) APPROVAL; CEDS EQUIVALENT.—

"(1) APPROVAL.—The Secretary shall approve the strategic plan developed by an eligible community under this section if the Secretary determines that the strategic plan meets the requirements of this section.

"(2) CEDS OR EQUIVALENT.—The Secretary may deem an eligible community's Comprehensive Economic Development Strategy that substantially meets the requirements of this section to be an approved strategic plan for purposes of this subchapter.

"(e) ALLOCATION.—Of the funds appropriated to carry out this chapter for each of the fiscal years 2022

through 2026, the Secretary may make available not more than $50,000,000 to award grants under section 274(a)(1).

"SEC. 276. COORDINATION OF FEDERAL RESPONSE AND OTHER ADDITIONAL TECHNICAL ASSISTANCE.

"(a) IN GENERAL.—The Secretary shall coordinate the Federal response with respect to an eligible community that is awarded an implementation grant under section 274(a)(2) to implement the community's strategic plan that meets the requirements of section 275 by—

"(1) identifying and consulting, as appropriate, with any other Federal, State, regional, or local government agency;

"(2) assisting the community to access assistance from other available Federal sources as necessary to fulfill the community's strategic plan developed under section 275; and

"(3) ensuring that such assistance is provided in a targeted, integrated manner.

"(b) TRANSFER OF FUNDS.—

"(1) TRANSFER OF FUNDS TO OTHER FEDERAL AGENCIES.—Funds appropriated to carry out this chapter may be transferred between Federal agen-

cies, if the funds are used for the purposes for which the funds are specifically appropriated.

"(2) TRANSFER OF FUNDS FROM OTHER FEDERAL AGENCIES.—

"(A) IN GENERAL.—Subject to subparagraph (B), for the purposes of this chapter, the Secretary may accept transfers of funds from other Federal agencies if the funds are used for the purposes for which (and in accordance with the terms under which) the funds are specifically appropriated.

"(B) USE OF FUNDS.—The transferred funds—

"(i) shall remain available until expended; and

"(ii) may, to the extent necessary to carry out this chapter, be transferred to and merged by the Secretary with the appropriations for salaries and expenses.

"(c) ADDITIONAL TECHNICAL ASSISTANCE.—In addition to the coordination and assistance described in subsection (a), the Secretary shall provide technical assistance for communities—

"(1) to identify significant impediments to economic development that result from the impact of

trade on the community, including in the course of developing a strategic plan under section 275; and

"(2) to access assistance under other available sources, including State, local, or private sources, to implement projects that diversify and strengthen the economy in the community.

"SEC. 277. GENERAL PROVISIONS.

"(a) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall, subject to paragraph (3), promulgate such regulations as may be necessary to carry out this subchapter, including with respect to—

"(A) administering the awarding of grants under section 274, including establishing guidelines for the submission and evaluation of grant applications under such section; and

"(B) establishing guidelines for the evaluation of strategic plans developed to meet the requirements of section 275.

"(2) CONSULTATIONS.—The Secretary shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than 90 days prior to promulgating any final rule or regulation under this subsection.

"(3) RELATIONSHIP TO EXISTING REGULATIONS.—The Secretary, to the maximum extent practicable, shall—

"(A) rely on and apply regulations promulgated to carry out other economic development programs of the Department of Commerce in carrying out this subchapter; and

"(B) provide guidance regarding the manner and extent to which such other economic development programs relate to this subchapter.

"(b) RESOURCES.—The Secretary shall allocate such resources as may be necessary to provide sufficiently individualized assistance to each eligible community that receives a grant under section 274(a) or seeks technical assistance under section 276(c) to develop and implement a strategic plan that meets the requirements of section 275.".

(b) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by striking the items relating to chapter 4 of title II and inserting the 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 program.
"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.''.

SEC. 133302. TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER TRAINING.

Section 279 of the Trade Act of 1974, as redesignated by section 133301(a)(2), is amended as follows:

(1) In subsection (a)—

(A) in paragraph (1), by striking ''eligible institutions'' and inserting ''eligible entities''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''eligible institution'' and inserting ''eligible entity''; and

(ii) in subparagraph (B)—

(I) by striking ''$1,000,000'' and inserting ''$2,500,000'';

(II) by striking ''(B)'' and inserting ''(B)(i) in the case of an eligible institution,'';

(III) by striking the period at the end and inserting ''; or''; and

(IV) by adding at the end the following:

"(ii) in the case of a consortium of eligible institutions, a grant under this section in excess of $15,000,000.".

(2) In subsection (b), by adding at the end the following:

"(3) ELIGIBLE ENTITY.—The term 'eligible entity' means an eligible institution or a consortium of eligible institutions.

"(4) UNDERSERVED COMMUNITY.—The term 'underserved community' has the meaning given that term in section 247.".

(3) In subsection (c)—

(A) by striking "eligible institution" each place it appears and inserting "eligible entity"; and

(B) in paragraph (5)(A)(i)—

(i) in subclause (I), by striking "and" at the end; and

(ii) by adding at the end the following:

"(III) any opportunities to support industry or sector partnerships to

develop or expand quality academic programs and curricula; and''.

(4) In subsection (d), by striking ''eligible institution'' each place it appears and inserting ''eligible entity''.

(5) By redesignating subsection (e) as subsection (h) and inserting after subsection (d) the following:

''(e) USE OF FUNDS.—

''(1) IN GENERAL.—An eligible entity shall use a grant awarded under this section to establish and scale career training programs, including career and technical education programs, and career pathways and supports for students participating in such programs.

''(2) STUDENT SUPPORT AND EMERGENCY SERVICES.—Not less than 15 percent of the amount of a grant awarded to an eligible entity under this section shall be used to carry out student support services, which may include the following:

''(A) Supportive services, including childcare, transportation, mental health services, or substance use disorder prevention and treatment, assistance in obtaining health insur-

ance coverage, housing, and other benefits, as appropriate.

"(B) Connecting students to State or Federal means-tested benefits programs.

"(C) The provision of direct financial assistance to help students facing financial hardships that may impact enrollment in or completion of a program supported by such funds.

"(D) Navigation, coaching, mentorship, and case management services, including providing information and outreach to the population described in subparagraph (C) to take part in such a program.

"(E) Providing access to necessary supplies, materials, technological devices, or required equipment, and other supports necessary to participate in such a program.

"(f) PLAN FOR OUTREACH TO UNDERSERVED COMMUNITIES.—

"(1) IN GENERAL.—In awarding grants under this section, the Secretary shall—

"(A) ensure that eligible institutions effectively serve individuals from underserved communities; and

"(B) develop a plan to ensure that grants provided under this subchapter effectively serve individuals from underserved communities.

"(2) UPDATES.—The Secretary shall update the plan required by paragraph (1)(B) on an annual basis.

"(3) SUBMISSION TO CONGRESS.—The Secretary shall submit the plan required by paragraph (1)(B) and each update to the plan required by paragraph (2) to Congress.

"(g) GEOGRAPHIC DIVERSITY.—The Secretary shall, in awarding grants under this section, ensure that grants are awarded with respect to eligible entities from geographically diverse areas.".

PART 4—TRADE ADJUSTMENT ASSISTANCE FOR FARMERS

SEC. 133401. DEFINITIONS.

Section 291 of the Trade Act of 1974 (19 U.S.C. 2401) is amended—

(1) by striking paragraph (3);

(2) by redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively; and

(3) by adding at the end the following:

"(7) UNDERSERVED COMMUNITY.—The term 'underserved community' has the meaning given that term in section 247.".

SEC. 133402. GROUP ELIGIBILITY REQUIREMENTS.

Section 292 of the Trade Act of 1974 (19 U.S.C. 2401a) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) by striking "85 percent of" each place it appears; and

(ii) in subparagraph (D), by adding "and" at the end;

(B) in paragraph (2), by striking "(2)" and inserting "(2)(A)(i)";

(C) by redesignating paragraph (3) as clause (ii) of paragraph (2)(A) (as designated by subparagraph (B));

(D) in clause (ii) of paragraph (2)(A) (as redesignated by subparagraph (C))—

(i) by striking "importantly"; and

(ii) by striking the period at the end and inserting "; or" ; and

(E) in paragraph (2), by adding at the end the following:

"(B)(i) the volume of exports of the agricultural commodity produced by the group in the marketing year with respect to which the group files the petition decreased compared to the average volume of such exports during the 3 marketing years preceding such marketing year; and

"(ii) the decrease in such exports contributed to the decrease in the national average price, quantity of production, or value of production of, or cash receipts for, the agricultural commodity, as described in paragraph (1)."; and

(2) in subsection (e)(3), by adding at the end before the period the following: "or exports".

SEC. 133403. BENEFIT INFORMATION TO AGRICULTURAL COMMODITY PRODUCERS.

Section 295(a) of the Trade Act of 1974 (19 U.S.C. 2401d(a)) is amended by adding at the end the following: "The Secretary shall develop a plan to conduct targeted sustained outreach and offer assistance to agricultural commodity producers from underserved communities".

SEC. 133404. QUALIFYING REQUIREMENTS AND BENEFITS FOR AGRICULTURAL COMMODITY PRODUCERS.

Section 296 of the Trade Act of 1974 (19 U.S.C. 2401e) is amended—

(1) in subsection (a)(1)(A), by striking ''90 days'' and inserting ''120 days'';

(2) in subsection (b)—

(A) in paragraph (3)(B), by striking ''$4,000'' and inserting ''$12,000''; and

(B) in paragraph (4)(C), by striking ''$8,000'' and inserting ''$24,000'';

(3) in subsection (c), by striking ''$12,000'' and inserting ''$36,000''; and

(4) by adding at the end the following new subsection:

''(e) ADJUSTMENTS FOR INFLATION.—

''(1) IN GENERAL.—The Secretary of Agriculture shall adjust each dollar amount limitation described in this section on the date that is 30 days after the date of the enactment of this subsection, and at the beginning of each fiscal year thereafter, to reflect the percentage (if any) of the increase in the average of the Consumer Price Index for the preceding 12-month period compared to the Consumer Price Index for fiscal year 2020.

''(2) SPECIAL RULES FOR CALCULATION OF ADJUSTMENT.—In making an adjustment under paragraph (1), the Secretary—

"(A) shall round the amount of any increase in the Consumer Price Index to the nearest dollar; and

"(B) may ignore any such increase of less than 1 percent.

"(3) CONSUMER PRICE INDEX DEFINED.—For purposes of this subsection, the term 'Consumer Price Index' means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.".

PART 5—APPROPRIATIONS AND OTHER MATTERS

SEC. 133501. EXTENSION OF AND APPROPRIATIONS FOR TRADE ADJUSTMENT ASSISTANCE PROGRAM.

(a) EXTENSION OF TERMINATION PROVISIONS.—Section 285 of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended by striking "2021" each place it appears and inserting "2028".

(b) TRAINING FUNDS.—Section 236(a)(2)(A) of the Trade Act of 1974 (19 U.S.C. 2296(a)(2)(A)) , as amended by section 133110(c)(2)(B), is further amended—

(1) by striking "shall not exceed $450,000,000" and inserting the following: "shall not exceed—

"(i) $450,000,000";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

''(ii) $1,000,000,000 for each of the fiscal years 2022 through 2028.''.

(c) REEMPLOYMENT TRADE ADJUSTMENT ASSISTANCE.—Section 246(b)(1) of the Trade Act of 1974 (19 U.S.C. 2318(b)(1)) is amended by striking ''2021'' and inserting ''2028''.

(d) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(A) in subsection (a), by striking ''2021'' and inserting ''2028''; and

(B) by adding at the end the following:

''(d) RESERVATION BY THE SECRETARY.—Of the funds appropriated to carry out this chapter for any fiscal year, the Secretary of Labor may reserve not more than 0.5 percent for technical assistance, pilots and demonstrations, and the evaluation of activities carried out under this chapter.''.

(2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—Section 255(a) of the Trade Act of 1974 (19 U.S.C. 2345(a)) is amended in the first sentence by adding at the end before the period the following:

"and $50,000,000 for each of the fiscal years 2022 through 2028".

(3) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—Section 298 of the Trade Act of 1974 (19 U.S.C. 2401g(a)) is amended—

(A) in subsection (a)—

(i) by striking "$90,000,000" and inserting "$50,000,000"; and

(ii) by striking "2021" and inserting "2028"; and

(B) by adding at the end the following:

"(c) RESERVATION BY THE SECRETARY.—Of the funds appropriated to carry out this chapter for any fiscal year, the Secretary of Agriculture may not reserve more than 5 percent for technical assistance, pilots and demonstrations, and the evaluation of activities carried out under this chapter.".

(e) APPROPRIATIONS.—

(1) TRADE ADJUSTMENT ASSISTANCE FOR WORKERS.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, to carry out the purposes of chapter 2 of title II of the Trade Act

of 1974, as authorized by section 245 of the Trade Act of 1974 (19 U.S.C. 2317) (as amended by subsection (d)).

(2) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, to carry out the provisions of chapter 3 of title II of the Trade Act of 1974, as authorized by section 255 of the Trade Act of 1974 (19 U.S.C. 2345) (as amended by subsection (d)).

(3) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITIES.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2026, out of any money in the Treasury not otherwise appropriated, $1,000,000,000, to remain available until expended, to carry out subchapter A of chapter 4 of title II of the Trade Act of 1974, as added by section 133301 of this Act, as added by subsection (d).

(B) SALARIES AND EXPENSES.—Of the amounts appropriated pursuant subparagraph (A) for each of fiscal years 2022 through 2026, not more than $40,000,000 shall be made available for the salaries and expenses of personnel administering subchapter A of chapter 4 of title II of the Trade Act of 1974.

(C) SUPPLEMENT AND NOT SUPPLANT.—Amounts appropriated pursuant to subparagraph (A) for each of the fiscal years 2022 through 2026 shall be used to supplement, and not supplant, other Federal, State, regional, and local government funds made available to provide economic development assistance for communities.

(4) TRADE ADJUSTMENT ASSISTANCE FOR COMMUNITY COLLEGES AND CAREER TRAINING.—

(A) IN GENERAL.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, $1,300,000,000, to remain available until expended, to carry out subchapter B of chapter 4 of title II of the Trade Act of 1974, as designated by section 13301 of this Act, as

authorized by section 279A of such subchapter B (as redesignated).

(B) RESERVATION BY THE SECRETARY.—Of the funds appropriated to carry out subchapter B of chapter 4 of title II of the Trade Act of 1974 for each of fiscal years 2002 through 2028, the Secretary of Labor may reserve not more than 5 percent for administration of the program, including providing technical assistance, sustained outreach to eligible institutions effectively serving underserved communities, pilots and demonstrations, and a rigorous third-party evaluation of the program carried out under such subchapter.

(5) TRADE ADJUSTMENT ASSISTANCE FOR FARMERS.—In addition to amounts otherwise available, there is appropriated for each of fiscal years 2022 through 2028, out of any money in the Treasury not otherwise appropriated, $50,000,000, to remain available until expended, to carry out the purposes of chapter 6 of title II of the Trade Act of 1974, as authorized by section 298 of the Trade Act of 1974 (19 U.S.C. 2401) (as amended by subsection (d)).

SEC. 133502. APPLICABILITY OF TRADE ADJUSTMENT ASSISTANCE PROVISIONS.

(a) WORKERS CERTIFIED BEFORE DATE OF ENACTMENT.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), a worker certified as eligible for adjustment assistance under section 222 of the Trade Act of 1974 before the date of the enactment of this Act shall be eligible, on and after such date of enactment, to receive benefits only under the provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on such date of enactment, or as such provisions may be amended after such date of enactment.

(2) COMPUTATION OF MAXIMUM BENEFITS.—Benefits received by a worker described in paragraph (1) under chapter 2 of title II of the Trade Act of 1974 before the date of the enactment of this Act shall be included in any determination of the maximum benefits for which the worker is eligible under the provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on the date of the enactment of this Act, or as such provisions may be amended after such date of enactment.

(3) AUTHORITY TO MAKE ADJUSTMENTS TO BENEFITS.—For the 90-day period beginning on the

date of the enactment of this Act, the Secretary is authorized to make any adjustments to benefits to workers described in paragraph (1) that the Secretary determines to be necessary and appropriate in applying and administering the provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on the date of the enactment of this Act, or as such provisions may be amended after such date of enactment, in a manner that ensures parity of treatment between the benefits of such workers and the benefits of workers certified after such date of enactment.

(b) WORKERS NOT CERTIFIED PURSUANT TO CERTAIN PETITIONS FILED BEFORE DATE OF ENACTMENT.—

(1) CERTIFICATIONS OF WORKERS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—

(A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—If, as of the date of the enactment of this Act, the Secretary of Labor has not made a determination with respect to whether to certify a group of workers as eligible to apply for adjustment assistance under section 222 of the Trade Act of 1974 pursuant to a petition described in subparagraph (C), the

Secretary shall make that determination based on the requirements of section 222 of the Trade Act of 1974, as in effect on such date of enactment.

(B) RECONSIDERATION OF DENIALS OF CERTIFICATIONS.—If, before the date of the enactment of this Act, the Secretary made a determination not to certify a group of workers as eligible to apply for adjustment assistance under section 222 of the Trade Act of 1974 pursuant to a petition described in subparagraph (C), the Secretary shall—

(i) reconsider that determination; and

(ii) if the group of workers meets the requirements of section 222 of the Trade Act of 1974, as in effect on such date of enactment, certify the group of workers as eligible to apply for adjustment assistance.

(C) PETITION DESCRIBED.—A petition described in this subparagraph is a petition for a certification of eligibility for a group of workers filed under section 221 of the Trade Act of 1974 on or after January 1, 2021, and before the date of the enactment of this Act.

(2) ELIGIBILITY FOR BENEFITS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a worker certified as eligible to apply for adjustment assistance under section 222 of the Trade Act of 1974 pursuant to a petition described in paragraph (1)(C) shall be eligible, on and after the date of the enactment of this Act, to receive benefits only under the provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on such date of enactment, or as such provisions may be amended after such date of enactment.

(B) COMPUTATION OF MAXIMUM BENEFITS.—Benefits received by a worker described in paragraph (1) under chapter 2 of title II of the Trade Act of 1974 before the date of the enactment of this Act shall be included in any determination of the maximum benefits for which the worker is eligible under the provisions of chapter 2 of title II of the Trade Act of 1974, as in effect on the date of the enactment of this Act, or as such provisions may be amended after such date of enactment.

(c) CONFORMING AMENDMENTS.—

(1) TRADE ACT OF 2002.—Section 151 of the Trade Act of 2002 (19 U.S.C. note prec. 2271) is amended by striking subsections (a), (b), and (c).

(2) TRADE AND GLOBALIZATION ADJUSTMENT ASSISTANCE ACT OF 2009.—Section 1891 of the Trade and Globalization Adjustment Assistance Act of 2009 (19 U.S.C. 2271 note) is repealed.

(3) TRADE ADJUSTMENT ASSISTANCE EXTENSION ACT OF 2011.—The Trade Adjustment Assistance Extension Act of 2011 is amended—

(A) in section 201 (19 U.S.C. note prec. 2271), by striking subsections (b) and (c); and

(B) in section 231(a) (19 U.S.C. 2271 note), by striking paragraphs (1)(B) and (2).

(4) TRADE ADJUSTMENT ASSISTANCE REAUTHORIZATION ACT OF 2015.—The Trade Adjustment Assistance Reauthorization Act of 2015 is amended—

(A) in section 402 (19 U.S.C. note prec. 2271), by striking subsections (b) and (c); and

(B) in section 405(a)(1) (19 U.S.C. 2319(a)(1)), by striking subparagraph (B).

(d) TRADE ADJUSTMENT ASSISTANCE FOR FIRMS.—

(1) CERTIFICATION OF FIRMS NOT CERTIFIED BEFORE DATE OF ENACTMENT.—

(A) CRITERIA IF A DETERMINATION HAS NOT BEEN MADE.—If, as of the date of the enactment of this Act, the Secretary of Commerce has not made a determination with respect to whether to certify a firm as eligible to apply for adjustment assistance under section 251 of the Trade Act of 1974 pursuant to a petition described in subparagraph (C), the Secretary shall make that determination based on the requirements of section 251 of the Trade Act of 1974, as in effect on such date of enactment.

(B) RECONSIDERATION OF DENIAL OF CERTAIN PETITIONS.—If, before the date of the enactment of this Act, the Secretary made a determination not to certify a firm as eligible to apply for adjustment assistance under section 251 of the Trade Act of 1974 pursuant to a petition described in subparagraph (C), the Secretary shall—

(i) reconsider that determination; and

(ii) if the firm meets the requirements of section 251 of the Trade Act of 1974, as in effect on such date of enactment, certify the firm as eligible to apply for adjustment assistance.

(C) PETITION DESCRIBED.—A petition described in this subparagraph is a petition for a certification of eligibility filed by a firm or its representative under section 251 of the Trade Act of 1974 on or after January 1, 2021, and before the date of the enactment of this Act.

(2) CERTIFICATION OF FIRMS THAT DID NOT SUBMIT PETITIONS BETWEEN JANUARY 1, 2021, AND DATE OF ENACTMENT.—

(A) IN GENERAL.—The Secretary of Commerce shall certify a firm described in subparagraph (B) as eligible to apply for adjustment assistance under section 251 of the Trade Act of 1974, as in effect on the date of the enactment of this Act, if the firm or its representative files a petition for a certification of eligibility under section 251 of the Trade Act of 1974 not later than 90 days after such date of enactment.

(B) FIRM DESCRIBED.—A firm described in this subparagraph is a firm that the Secretary determines would have been certified as eligible to apply for adjustment assistance if—

(i) the firm or its representative had filed a petition for a certification of eligi-

bility under section 251 of the Trade Act of 1974 on a date during the period beginning on January 1, 2021, and ending on the day before the date of the enactment of this Act; and

(ii) the provisions of chapter 3 of title II of the Trade Act of 1974, as in effect on such date of enactment, had been in effect on that date during the period described in clause (i).

Subtitle E

PART 1—PROVISIONS RELATING TO PATHWAYS TO HEALTH CAREERS

SEC. 134101. PATHWAYS TO HEALTH CAREERS ACT.

(a) TRANSITION FUNDING.—There is appropriated, out of any funds in the Treasury not otherwise appropriated, $15,000,000 to the Secretary of Health and Human Services to provide technical assistance and cover administrative costs associated with implementing section 2071 of the Social Security Act (as added by subsection (b)).

(b) CAREER PATHWAYS THROUGH HEALTH PROFESSION OPPORTUNITY GRANTS.—Effective October 1, 2021, title XX of the Social Security Act (42 U.S.C. 1397-1397n–13) is amended by adding at the end the following:

"Subtitle D—Career Pathways Through Health Profession Opportunity Grants

"SEC. 2071. CAREER PATHWAYS THROUGH HEALTH PROFESSION OPPORTUNITY GRANTS.

''(a) APPLICATION REQUIREMENTS.—An eligible entity desiring a grant under this section for a project shall submit to the Secretary an application for the grant, that includes the following:

''(1) A description of how the applicant will use a career pathways approach to train eligible individuals for health professions that pay well or will put eligible individuals on a career path to an occupation that pays well, under the project.

''(2) A description of the adult basic education and literacy activities, work readiness activities, training activities, and case management and career coaching services that the applicant will use to assist eligible individuals to gain work experience, connection to employers, and job placement, and a description of the plan for recruiting, hiring, and training staff to provide the case management, mentoring, and career coaching services, under the project directly or through local governmental, apprenticeship, educational, or charitable institutions.

"(3) In the case of an application for a grant under this section for a demonstration project described in subsection (c)(2)(B)(i)(I)—

"(A) a demonstration that the State in which the demonstration project is to be conducted has in effect policies or laws that permit certain allied health and behavioral health care credentials to be awarded to people with certain arrest or conviction records (which policies or laws shall include appeals processes, waivers, certificates, and other opportunities to demonstrate rehabilitation to obtain credentials, licensure, and approval to work in the proposed health careers), and a plan described in the application that will use a career pathway to assist participants with such a record in acquiring credentials, licensing, and employment in the specified careers;

"(B) a discussion of how the project or future strategic hiring decisions will demonstrate the experience and expertise of the project in working with job seekers who have arrest or conviction records or employers with experience working with people with arrest or conviction records;

"(C) an identification of promising innovations or best practices that can be used to provide the training;

"(D) a proof of concept or demonstration that the applicant has done sufficient research on workforce shortage or in-demand jobs for which people with certain types of arrest or conviction records can be hired;

"(E) a plan for recruiting students who are eligible individuals into the project; and

"(F) a plan for providing post-employment support and ongoing training as part of a career pathway under the project.

"(4) In the case of an application for a grant under this section for a demonstration project described in subsection (c)(2)(B)(i)(II)—

"(A) a description of the partnerships, strategic staff hiring decisions, tailored program activities, or other programmatic elements of the project, such as training plans for doulas and other community health workers and training plans for midwives and other allied health professions, that are designed to support a career pathway in pregnancy, birth, or postpartum services; and

"(B) a demonstration that the State in which the demonstration project is to be conducted recognizes doulas or midwives, as the case may be.

"(5) A demonstration that the applicant has experience working with low-income populations, or a description of the plan of the applicant to work with a partner organization that has the experience.

"(6) A plan for providing post-employment support and ongoing training as part of a career pathway under the project.

"(7) A description of the support services that the applicant will provide under the project, including a plan for how child care and transportation support services will be guaranteed and, if the applicant will provide a cash stipend or wage supplement, how the stipend or supplement would be calculated and distributed.

"(8) A certification by the applicant that the project development included—

"(A) consultation with a local workforce development board established under section 107 of the Workforce Innovation and Opportunity Act;

"(B) consideration of apprenticeship and pre-apprenticeship models registered under the Act of August 16, 1937 (also known as the 'National Apprenticeship Act');

"(C) consideration of career pathway programs in the State in which the project is to be conducted; and

"(D) a review of the State plan under section 102 or 103 of the Workforce Innovation and Opportunity Act.

"(9) A description of the availability and relevance of recent labor market information and other pertinent evidence of in-demand jobs or worker shortages.

"(10) A certification that the applicant will directly provide or contract for the training services described in the application.

"(11) A commitment by the applicant that, if the grant is made to the applicant, the applicant will—

"(A) during the planning period for the project, provide the Secretary with any information needed by the Secretary to establish adequate data reporting and administrative structure for the project;

"(B) hire a person to direct the project not later than the end of the planning period applicable to the project;

"(C) accept all technical assistance offered by the Secretary with respect to the grant;

"(D) participate in peer technical assistance conferences as are regularly scheduled by the Secretary; and

"(E) provide all data required by the Secretary under subsection (g).

"(b) PREFERENCES IN CONSIDERING APPLICATIONS.—In considering applications for a grant under this section, the Secretary shall give preference to—

"(1) applications submitted by applicants to whom a grant was made under this section or any predecessor to this section;

"(2) applications submitted by applicants who have business and community partners in each of the following categories:

"(A) State and local government agencies and social service providers, including a State or local entity that administers a State program funded under part A of this title;

"(B) institutions of higher education, apprenticeship programs, and local workforce de-

velopment boards established under section 107 of the Workforce Innovation and Opportunity Act; and

"(C) health care employers, health care industry or sector partnerships, labor unions, and labor-management partnerships;

"(3) applications that include opportunities for mentoring or peer support, and make career coaching available, as part of the case management plan;

"(4) applications which describe a project that will serve a rural area in which—

"(A) the community in which the individuals to be enrolled in the project reside is located;

"(B) the project will be conducted; or

"(C) an employer partnership that has committed to hiring individuals who successfully complete all activities under the project is located;

"(5) applications that include a commitment to providing project participants with a cash stipend or wage supplement; and

"(6) applications which have an emergency cash fund to assist project participants financially in 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

are fewer than 2 such eligible entities in a State, the Secretary shall include that information in the report required by subsection (g)(2) that covers the fiscal year.

"(B) GUARANTEE OF GRANTS FOR INDIAN POPULATIONS.—From the amount reserved under subsection (i)(2)(B) for each fiscal year, the Secretary shall award a grant under this paragraph to at least 10 eligible entities that are an Indian tribe, a tribal organization, or a tribal college or university, to the extent there are a sufficient number of applications submitted by the entities that meet the requirements applicable with respect to such a grant.

"(C) GUARANTEE OF GRANTEES IN THE TERRITORIES.—From the amount reserved under subsection (i)(2)(C) for each fiscal year, the Secretary shall award a grant under this paragraph to at least 2 eligible entities that are located in a territory, to the extent there are a sufficient number of applications submitted by the entities that meet the requirements applicable with respect to such a grant.

"(2) GRANTS FOR DEMONSTRATION PROJECTS.—

"(A) GRANT AUTHORITY.—The Secretary shall make a grant in accordance with this subsection to an eligible entity whose application for the grant is approved by the Secretary, to conduct a demonstration project that meets the requirements of subparagraph (B).

"(B) REQUIREMENTS.—The requirements of this subparagraph are the following:

"(i) TYPE OF PROJECT.—The demonstration project shall be of 1 of the following types:

"(I) INDIVIDUALS WITH ARREST OR CONVICTION RECORDS DEMONSTRATION.—The demonstration project shall be of a type designed to provide education and training for eligible individuals with arrest or conviction records to enter and follow a career pathway in the health professions through occupations that pay well and are expected to experience a labor shortage or be in high demand.

"(II) PREGNANCY AND CHILDBIRTH CAREER PATHWAY DEMONSTRATION.—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).

"(ii) PREGNANCY AND CHILDBIRTH CAREER PATHWAY DEMONSTRATIONS.—Not less than $6,375,000 of the amounts made available for grants under this paragraph shall be used to make grants for demonstration projects of the type described in subparagraph (B)(i)(II).

"(3) GRANT CYCLE.—The grant cycle under this section shall be not less than 5 years, with a planning period of not more than the first 12 months of the grant cycle. During the planning period, the amount of the grant shall be in such lesser amount as the Secretary determines appropriate.

"(d) USE OF GRANT.—

"(1) IN GENERAL.—An entity to which a grant is made under this section shall use the grant in accordance with the approved application for the grant.

"(2) SUPPORT TO BE PROVIDED.—

"(A) REQUIRED SUPPORT.—A project for which a grant is made under this section shall include the following:

"(i) An assessment for adult basic skill competency, and provision of adult basic skills education if necessary for

lower-skilled eligible individuals to enroll in the project and go on to enter and complete post-secondary training, through means including the following:

"(I) Establishing a network of partners that offer pre-training activities for project participants who need to improve basic academic skills or English language proficiency before entering a health occupational training career pathway program.

"(II) Offering resources to enable project participants to continue advancing adult basic skill proficiency while enrolled in a career pathway program.

"(III) Embedding adult basic skill maintenance as part of ongoing post-graduation career coaching and mentoring.

"(ii) A guarantee that child care is an available and affordable support service for project participants through means such as 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

available, direct payments to subsidize transportation costs.

For purposes of this clause, the term 'transportation' includes public transit, or gasoline for a personal vehicle if public transit is not reasonably accessible or available.

''(v) In the case of a demonstration project of the type described in subsection (c)(2)(B)(i)(I), access to legal assistance for project participants for the purpose of addressing arrest or conviction records and associated workforce barriers.

''(B) ALLOWED SUPPORT.—The goods and services provided under a project for which a grant is made under this section may include the following:

''(i) A cash stipend.

''(ii) A reserve fund for financial assistance to project participants in emergency situations.

''(iii) Tuition, and training materials such as books, software, uniforms, shoes, and hair nets, and personal protective equipment.

"(iv) In-kind resource donations such as interview clothing and conference attendance fees.

"(v) Assistance with accessing and completing high school equivalency or adult basic education courses as necessary to achieve success in the project and make progress toward career goals.

"(vi) Assistance with programs and activities, including legal assistance, deemed necessary to address arrest or conviction records as an employment barrier.

"(vii) Other support services as deemed necessary for family well-being, success in the project, and progress toward career goals.

"(3) TRAINING.—The number of hours of training provided to an eligible individual under a project for which a grant is made under this section, for a recognized postsecondary credential (including an industry-recognized credential, and a certificate awarded by a local workforce development board established under section 107 of the Workforce Innovation and Opportunity Act), which is awarded in recognition of attainment of measurable technical or

occupational skills necessary to gain employment or advance within an occupation, shall be—

"(A) not less than the number of hours of training required for certification in that level of skill by the State in which the project is conducted; or

"(B) if there is no such requirement, such number of hours of training as the Secretary finds is necessary to achieve that skill level.

"(4) INCLUSION OF TANF RECIPIENTS.—In the case of a project for which a grant is made under this section that is conducted in a State that has a program funded under part A of title IV, at least 10 percent of the eligible individuals to whom support is provided under the project shall meet the income eligibility requirements under that State program, without regard to whether the individuals receive benefits or services directly under that State program.

"(5) INCOME LIMITATION.—An entity to which a grant is made under this section shall not use the grant to provide support to a person who is not an eligible individual.

"(6) PROHIBITION.—An entity to which a grant is made under this section shall not use the grant

for purposes of entertainment, except that case management and career coaching services may include celebrations of specific career-based milestones such as completing a semester, graduation, or job placement.

"(e) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall provide technical assistance—

"(A) to assist eligible entities in applying for grants under this section;

"(B) that is tailored to meet the needs of grantees at each stage of the administration of projects for which grants are made under this section;

"(C) that is tailored to meet the specific needs of Indian tribes, tribal organizations, and tribal colleges and universities;

"(D) that is tailored to meet the specific needs of the territories;

"(E) that is tailored to meet the specific needs of eligible entities in carrying out demonstration projects for which a grant is made under this section; and

"(F) to facilitate the exchange of information 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

entry points, that meets high standards for education, training, certification, and professional development, and that provides increased wages and affordable benefits, including health care coverage, that are responsive to the needs of the workforce.

"(3) REQUIREMENT APPLICABLE TO PREGNANCY AND CHILDBIRTH CAREER PATHWAY DEMONSTRATION.—In the case of a project of the type described in subsection (c)(2)(B)(i)(II), the evaluation shall include identification of successful activities for creating opportunities for developing and sustaining, particularly with respect to low-income individuals and other entry-level workers, a career pathway that has accessible entry points, that meets high standards for education, training, certification, and professional development, and that provides increased wages and affordable benefits, including health care coverage, that are responsive to the needs of the birth, pregnancy, and post-partum workforce.

"(4) RULE OF INTERPRETATION.—Evaluations conducted pursuant to this subsection may include a randomized controlled trial, but this subsection shall not be interpreted to require an evaluation to include such a trial.

"(g) REPORTS.—

"(1) TO THE SECRETARY.—An eligible entity awarded a grant to conduct a project under this section shall submit interim reports to the Secretary on the activities carried out under the project, and, on the conclusion of the project, a final report on the activities. Each such report shall include data on participant outcomes related to earnings, employment in health professions, graduation rate, graduation timeliness, credential attainment, participant demographics, and other data specified by the Secretary.

"(2) TO THE CONGRESS.—During each Congress, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report—

"(A) on the demographics of the participants in the projects for which a grant is made under this section;

"(B) on the rate of which project participants completed all activities under the projects;

"(C) on the employment credentials acquired by project participants;

"(D) on the employment of project participants on completion of activities under the projects, and the earnings of project participants at entry into employment;

"(E) on best practices and promising practices used in the projects;

"(F) on the nature of any technical assistance provided to grantees under this section;

"(G) on, with respect to the period since the period covered in the most recent prior report submitted under this paragraph—

"(i) the number of applications submitted under this section, with a separate statement of the number of applications referred to in subsection (b)(5);

"(ii) the number of applications that were approved, with a separate statement of the number of such applications referred to in subsection (b)(5); and

"(iii) a description of how grants were made in any case described in the last sentence of subsection (c)(1)(A)(ii); and

"(H) that includes an assessment of the effectiveness 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

demonstrated history of providing health profession training to eligible individuals.

"(I) In the case of a demonstration project of the type provided for in subsection (c)(2)(B)(i)(II) of this section, an entity recognized by a State, Indian tribe, or tribal organization as qualified to train doulas or midwives, if midwives or doulas, as the case may be, are permitted to practice in the State involved.

"(J) An opioid treatment program (as defined in section 1861(jjj)(2)), and other high quality comprehensive addiction care providers.

"(5) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual whose family income does not exceed 200 percent of the Federal poverty level.

"(6) FEDERAL POVERTY LEVEL.—The term 'Federal poverty level' means the poverty line (as defined in section 673(2) of the Omnibus Budget Reconciliation Act of 1981, including any revision required by such section applicable to a family of the size involved).

"(7) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms 'Indian tribe' and 'tribal organization' have the meaning given the terms in section 4 of the

Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(8) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101 or 102(a)(1)(B) of the Higher Education Act of 1965.

"(9) TERRITORY.—The term 'territory' means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa.

"(10) TRIBAL COLLEGE OR UNIVERSITY.—The term 'tribal college or university' has the meaning given the term in section 316(b) of the Higher Education Act of 1965.

"(i) FUNDING.—

"(1) IN GENERAL.—Out of any funds in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary to carry out this section $425,000,000 for each of fiscal years 2022 through 2026.

"(2) ALLOCATION OF FUNDS.—Of the amount appropriated for a fiscal year under paragraph (1) of this subsection—

"(A) $318,750,000 shall be available for grants under subsection (c)(1)(A);

"(B) $17,000,000 shall be reserved for grants under subsection (c)(1)(B);

"(C) $21,250,000 shall be reserved for grants under subsection (c)(1)(C);

"(D) $25,5000,000 shall be available for demonstration project grants under subsection (c)(2);

"(E) $25,500,000, plus all amounts referred to in subparagraphs (A) through (D) of this paragraph that remain unused after all grant awards are made for the fiscal year, shall be available for the provision of technical assistance and associated staffing; and

"(F) $17,000,000 shall be available for studying the effects of the demonstration and non-demonstration projects for which a grant is made under this section, and for associated staffing, for the purpose of supporting the rigorous evaluation of the demonstration projects, and supporting the continued study of the short-, medium-, and long-term effects of all such projects, including the effectiveness of new or added elements of the non-demonstration projects.".

PART 2—PROVISIONS RELATING TO ELDER JUSTICE

SEC. 134201. REAUTHORIZATION OF FUNDING FOR PROGRAMS TO PREVENT AND INVESTIGATE ELDER ABUSE, NEGLECT, AND EXPLOITATION.

(a) LONG-TERM CARE STAFF TRAINING GRANTS.—Section 2041 of the Social Security Act (42 U.S.C. 1397m) is amended to read as follows:

"SEC. 2041. NURSING HOME WORKER TRAINING GRANTS.

"(a) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary for each of fiscal years 2022 through 2025—

"(1) $392,000,000for grants under subsection (b)(1); and

"(2) $8,000,000 for grants under subsection (b)(2).

"(b) GRANTS.—

"(1) STATE ENTITLEMENT.—

"(A) IN GENERAL.—Each State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (a) a grant in an amount equal to the amount allotted to the State under subparagraph (B) of this paragraph.

"(B) STATE ALLOTMENTS.—The amount allotted to a State under this subparagraph for a fiscal year shall be—

"(i) the amount made available by subsection (a) for the fiscal year that is not required to be reserved by subsection (a); multiplied by

"(ii)(I) the number of State residents who have attained 65 years of age or are individuals with a disability, as determined by the Secretary using the most recent version of the American Community Survey published by the Bureau of the Census or a successor data set; divided by

"(II) the total number of such residents of all States.

"(2) GRANTS TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—

"(A) IN GENERAL.—The Secretary, in consultation with the Indian tribes and tribal organizations, shall make grants in accordance with this section to Indian tribes and tribal organizations who operate at least 1 eligible setting.

"(B) GRANT FORMULA.—The Secretary, in consultation with the Indian tribes and tribal

organizations, shall devise a formula for distributing among Indian tribes and tribal organizations the amount required to be reserved by subsection (a) for each fiscal year.

"(3) SUB-GRANTS.—A State, Indian tribe, or tribal organization to which an amount is paid under this paragraph may use the amount to make subgrants to local organizations, including community organizations, local non-profits, elder rights and justice groups, and workforce development boards for any purpose described in paragraph (1) or (2) of subsection (c).

"(c) USE OF FUNDS.—

"(1) REQUIRED USES.—A State to which an amount is paid under subsection (b) shall use the amount to—

"(A) provide wage subsidies to eligible individuals;

"(B) provide student loan repayment or tuition assistance to eligible individuals for a degree or certification in a field relevant to their position referred to in subsection (f)(1)(A);

"(C) guarantee affordable and accessible child care for eligible individuals, including help

with referrals, co-pays, or other direct assistance; and

"(D) provide assistance where necessary with obtaining appropriate transportation, including public transportation if available, or gas money or transit vouchers for ride share, taxis, and similar types of transportation if public transportation is unavailable or impractical based on work hours or location.

"(2) AUTHORIZED USES.—A State to which an amount is paid under subsection (b) may use the amount to—

"(A) establish a reserve fund for financial assistance to eligible individuals in emergency situations;

"(B) provide in-kind resource donations, such as interview clothing and conference attendance fees;

"(C) provide assistance with programs and activities, including legal assistance, deemed necessary to address arrest or conviction records that are an employment barrier;

"(D) support employers operating an eligible setting in the State in providing employees

with not less than 2 weeks of paid leave per year; or

"(E) provide other support services the Secretary deems necessary to allow for successful recruitment and retention of workers.

"(3) PROVISION OF FUNDS ONLY FOR THE BENEFIT OF ELIGIBLE INDIVIDUALS IN ELIGIBLE SETTINGS.—A State to which an amount is paid under subsection (b) may provide the amount to only an eligible individual or a partner organization serving an eligible individual.

"(4) NONSUPPLANTATION.—A State to which an amount is paid under subsection (b) shall not use the amount to supplant the expenditure of any State funds for recruiting or retaining employees in an eligible setting.

"(d) ADMINISTRATION.—A State to which a grant is made under subsection (b) shall reserve not more than 10 percent of the grant to—

"(1) administer subgrants in accordance with this section;

"(2) provide technical assistance and support for applying for and accessing such a subgrant opportunity;

"(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

"(vi) is receiving training to be certified or licensed as such an aide, nurse, or social worker; and

"(B) provides (or, in the case of a trainee, intends to provide) services as such an aide, nurse, or social worker in an eligible setting.

"(2) ELIGIBLE SETTING.—The term 'eligible setting' means—

"(A) a skilled nursing facility, as defined in section 1819;

"(B) a nursing facility, as defined in section 1919;

"(C) a home health agency, as defined in section 1891;

"(D) a facility provider approved to deliver home or community-based services authorized under State options described in subsection (c) or (i) of section 1915 or, as relevant, demonstration projects authorized under section 1115;

"(E) a hospice, as defined in section 1814; or

"(F) a tribal assisted living facility.

"(3) TRIBAL ORGANIZATION.—The term 'tribal organization' has the meaning given the term in sec-

tion 4 of the Indian Self-Determination and Education Assistance Act.''.

(b) ADULT PROTECTIVE SERVICES FUNCTIONS AND GRANT PROGRAMS.—

(1) DIRECT FUNDING; STATE ENTITLEMENT.—Section 2042 of the Social Security Act (42 U.S.C. 1397m–1) is amended—

(A) in subsection (a)—

(i) in paragraph (1)(A)—

(I) by striking ''offices'' and inserting ''programs''; and

(II) by inserting ''and adults who are under a disability (as defined in section 216(i)(1))'' before the semicolon; and

(ii) by striking paragraph (2) and inserting the following:

''(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $8,000,000 for each of fiscal years 2023 through 2025 to carry out this subsection.'';

(B) in subsection (b)—

(i) in paragraph (2)—

(I) in subparagraph (A), by striking ''the availability of appropriations and''; and

(II) in subparagraph (B)—

(aa) in the heading for clause (i), by inserting ''AND THE DISTRICT OF COLUMBIA'' after ''STATES''; and

(bb) in clause (ii), by inserting ''or the District of Columbia'' after ''States''; and

(ii) by striking paragraph (5) and inserting the following:

''(5) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 2023 through 2025—

''(A) $392,000,000 for grants to States under this subsection; and

''(B) $8,000,000 for grants to Indian tribes and tribal organizations under this subsection.''; and

(C) in subsection (c), by striking paragraph (6) and inserting the following:

"(6) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $75,000,000 for each of fiscal years 2023 through 2025 to carry out this subsection.".

(2) STATE ENTITLEMENT; GRANTS TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 2042 of such Act (42 U.S.C. 1397m–1) is amended—

(A) in subsection (a)(1)(A), by striking "State and local" and inserting "State, local, and tribal";

(B) in subsection (b)(1), by striking "the Secretary shall annually award grants to States in the amounts calculated under paragraph (2)" and inserting "each State shall be entitled to annually receive from the Secretary in the amounts calculated under paragraph (2), and the Secretary may annually award to each Indian tribe and tribal organization in accordance with paragraph (3), grants";

(C) in subsection (b)(2)—

(i) in the paragraph heading, by inserting "FOR A STATE" after "PAYMENT";

(ii) in subparagraph (A), by striking "to carry out" and inserting "for grants to States under"; and

(iii) in subparagraph (B)(i), by striking "such year" and inserting "for grants to States under this subsection for the fiscal year"; and

(D) in subsection (b), by redesignating paragraphs (3) through (5) as paragraphs (4) through (6), respectively, and inserting after paragraph (2) the following:

"(3) AMOUNT OF PAYMENT TO INDIAN TRIBE OR TRIBAL ORGANIZATION.—The Secretary, in consultation with Indian tribes and tribal organizations, shall determine the amount of any grant to be made to each Indian tribe and tribal organization under this subsection. Paragraphs (4) and (5) shall apply to grantees under this paragraph in the same manner in which the paragraphs apply to States.";

(E) in subsection (c)—

(i) in paragraph (1), by striking "to States" and inserting "to States, Indian tribes, and tribal organizations";

(ii) in paragraph (2)—

(I) in the matter preceding subparagraph (A), by inserting ''and Indian tribes and tribal organizations'' after ''government''; and

(II) in subparagraph (D), by inserting ''or Indian tribe or tribal organization, as the case may be'' after ''government'';

(iii) in paragraph (4), by inserting ''or Indian tribe or tribal organization'' after ''a State'' the 1st place it appears; and

(iv) in paragraph (5)—

(I) by inserting ''or Indian tribe or tribal organization'' after ''Each State''; and

(II) by inserting ''or Indian tribe or tribal organization, as the case may be'' after ''the State''; and

(F) by adding at the end the following:

''(d) DEFINITIONS OF INDIAN TRIBE AND TRIBAL ORGANIZATION.—In this section, the terms 'Indian tribe' and 'tribal organization' have the meanings given the terms in section 419.''.

(3) CONFORMING AMENDMENT.—Section 2011(2) of such Act (42 U.S.C. 1397j(2)) is amend-

ed by striking ''such services provided to adults as the Secretary may specify'' and inserting ''services provided by an entity authorized by or under State law address neglect, abuse, and exploitation of older adults and people with disabilities''.

(c) LONG-TERM CARE OMBUDSMAN PROGRAM GRANTS AND TRAINING.—Section 2043 of the Social Security Act (42 U.S.C. 1397m–2) is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following:

''(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out this subsection—

''(A) $22,500,000 for fiscal year 2023; and

''(B) $30,000,000 for each of fiscal years 2024 and 2025.''; and

(2) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $30,000,000 for each of fiscal years 2023 through 2025 to carry out this subsection.''.

(d) INCENTIVES FOR DEVELOPING AND SUSTAINING STRUCTURAL COMPETENCY IN PROVIDING HEALTH AND HUMAN SERVICES.—Part II of subtitle B of title XX of the Social Security Act (42 U.S.C. 1397m-1397m–5) is amended by adding at the end the following:

"SEC. 2047. INCENTIVES FOR DEVELOPING AND SUSTAINING STRUCTURAL COMPETENCY IN PROVIDING HEALTH AND HUMAN SERVICES.

"(a) GRANTS TO STATES TO SUPPORT LINKAGES TO LEGAL SERVICES AND MEDICAL LEGAL PARTNERSHIPS.—

"(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $500,000,000 for fiscal year 2022, to remain available for the purposes of this subsection through fiscal year 2028.

"(2) GRANTS.—Within 2 years after the date of the enactment of this section, the Secretary shall establish and administer a program of grants to States to support the adoption of evidence-based approaches to establishing or improving and maintaining real-time linkages between health and social services and supports for vulnerable elders or in conjunction with authorized representatives of vulnerable 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

"(v) in certain hospitals that are critical access hospitals, Medicare-dependent hospitals, sole community hospitals, rural emergency hospitals, or that serve a high proportion of Medicare or Medicaid patients.

"(B) LEGAL HOTLINES DEVELOPMENT OR EXPANSION.—The provision of incentives to develop, enhance, and integrate platforms, such as legal assistance hotlines, that help to facilitate the identification of older adults who could benefit from linkages to available legal services such as those described in subparagraph (A).

"(3) STATE REPORTS.—Each State to which a grant is made under this subsection shall submit to the Secretary biannual reports on the activities carried out by the State pursuant to this subsection, which shall include assessments of the effectiveness of the activities with respect to—

"(A) the number of unique individuals identified through the mechanism outlined in paragraph (2)(B) who are referred to services described in paragraph (2)(A), and the average time period associated with resolving issues;

"(B) the success rate for referrals to community-based resources; and

"(C) other factors determined relevant by the Secretary.

"(4) EVALUATION.—The Secretary shall, by grant, contract, or interagency agreement, evaluate the activities conducted pursuant to this subsection, which shall include a comparison among the States.

"(5) SUPPLEMENT NOT SUPPLANT.—Support provided to area agencies on aging, State units on aging, eligible entities, or other community-based organizations pursuant to this subsection shall be used to supplement and not supplant any other Federal, State, or local funds expended to provide the same or comparable services described in this subsection.

"(b) GRANTS AND TRAINING TO SUPPORT AREA AGENCIES ON AGING OR OTHER COMMUNITY-BASED ORGANIZATIONS TO ADDRESS SOCIAL ISOLATION AMONG VULNERABLE OLDER ADULTS AND PEOPLE WITH DISABILITIES.—

"(1) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $250,000,000, to remain available for the purposes of this subsection 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-

lation and loneliness among older adults and people with disabilities.

"(4) EVALUATION.—Not later than 3 years after the date of the enactment of this section and at least once after fiscal year 2025, the Secretary shall submit to the Congress a written report which assesses the extent to which the programs established under this subsection address social isolation and loneliness among older adults and people with disabilities.

"(5) COORDINATION.—The Secretary shall coordinate with resource centers, grant programs, or other funding mechanisms established under section 411(a)(18) of the Older Americans Act (42 U.S.C. 3032(a)(18)), section 417(a)(1) of such Act (42 U.S.C. 3032F(a)(1)), or other programs as determined by the Secretary.

"(c) DEFINITIONS.—In this section:

"(1) AREA AGENCY ON AGING.—The term 'area agency on aging' means an area agency on aging designated under section 305 of the Older Americans Act of 1965.

"(2) SOCIAL ISOLATION.—The term 'social isolation' means objectively being alone, or having few relationships or infrequent social contact.

"(3) LONELINESS.—The term 'loneliness' means subjectively feeling alone, or the discrepancy between one's desired level of social connection and one's actual level of social connection.

"(4) SOCIAL CONNECTION.—The term 'social connection' means the variety of ways one can connect to others socially, through physical, behavioral, social–cognitive, and emotional channels.

"(5) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' includes, except as otherwise provided by the Secretary, a nonprofit community-based organization, a consortium of nonprofit community-based organizations, a national nonprofit organization acting as an intermediary for a community-based organization, or a community-based organization that has a fiscal sponsor that allows the organization to function as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.".

(e) TECHNICAL AMENDMENT.—Section 2011(12)(A) of the Social Security Act (42 U.S.C. 1397j(12)(A)) is amended by striking "450b" and inserting "5304".

SEC. 134202. APPROPRIATION FOR ASSESSMENTS.

Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary of Health and Human Services $5,000,000 for each of fiscal years 2022 through 2025 to prepare and submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than 3 years after the date of enactment of this Act, and at least once after fiscal year 2025, reports on the programs, coordinating bodies, registries, and activities established or authorized under subtitle B of title XX of the Social Security Act (42 U.S.C. 1397l et seq.) or section 6703(b) of the Patient Protection and Affordable Care Act (42 U.S.C. 1395i–3a), which shall assess the extent to which such programs, coordinating bodies, registries, and activities have improved access to, and the quality of, resources available to aging Americans and their caregivers to ultimately prevent, detect, and treat abuse, neglect, and exploitation, and shall include, as appropriate, recommendations to Congress on funding levels and policy changes to help these programs, coordinating bodies, registries, and activities better prevent, detect, and treat abuse, neglect, and exploitation of aging Americans.

PART 3—SKILLED NURSING FACILITIES

SEC. 134301. FUNDING TO IMPROVE THE ACCURACY AND RELIABILITY OF CERTAIN SKILLED NURSING FACILITY DATA.

Section 1888 of the Social Security Act (42 U.S.C. 1395yy) is amended—

(1) in subsection (h)(12)—

(A) in subparagraph (A), by striking ''and the data submitted under subsection (e)(6)'' and inserting '', the data submitted under subsection (e)(6), and, during the period beginning with fiscal year 2024 and ending with fiscal year 2031, the resident assessment data described in section 1819(b)(3) and the direct care staffing information described in section 1128I(g)''; and

(B) in subparagraph (B)—

(i) by striking ''FUNDING.—For purposes'' and inserting ''FUNDING.—

''(i) FISCAL YEARS 2023 THROUGH 2025.—For purposes''; and

(ii) by adding at the end the following new clause:

''(ii) FISCAL YEARS 2026 THROUGH 2031.—There is appropriated to the Secretary, out of any monies in the Treasury

not otherwise appropriated, $50,000,000 for the period of fiscal years 2026 through 2031 for purposes of carrying out this paragraph.''; and

(2) in subsection (e)(6)(A)—

(A) in the header, by striking ''FOR FAILURE TO REPORT''; and

(B) in clause (i)—

(i) by striking ''For fiscal years'' and inserting the following:

''(I) FAILURE TO REPORT.—For fiscal years''; and

(ii) by adding at the end the following new subclause:

''(II) REPORTING OF INACCURATE INFORMATION.—For fiscal years during the period beginning with fiscal year 2025 and ending with fiscal year 2031, in the case of a skilled nursing facility that submits data under this paragraph, measures under subsection (h), resident assessment data described in section 1819(b)(3), or direct care staffing information described in section

1128I(g) with respect to such fiscal year that is inaccurate (as determined by the Secretary through the validation process described in section 1888(h)(12) or otherwise), after determining the percentage described in paragraph (5)(B)(i), and after application of clauses (ii) and (iii) of paragraph (5)(B) and of subclause (I) of this clause (if applicable), the Secretary shall reduce such percentage for payment rates during such fiscal year by 2 percentage points.''.

SEC. 134302. ENSURING ACCURATE INFORMATION ON COST REPORTS.

Section 1888(f) of the Social Security Act (42 U.S.C. 1395yy(f)) is amended by adding at the end the following new paragraph:

''(5) AUDIT OF COST REPORTS.—There is appropriated to the Secretary, out of any monies in the Treasury not otherwise appropriated, $250,000,000 for fiscal year 2023 to remain available until expended, for purposes of conducting an annual audit (beginning with 2022 and ending with 2031) of cost

reports submitted under this title for a representative sample of skilled nursing facilities.''.

SEC. 134303. SURVEY IMPROVEMENTS.

Section 1819 of the Social Security Act (42 U.S.C. 1395i–3) is amended by adding at the end the following new subsection:

''(l) SURVEY IMPROVEMENTS.—

''(1) IN GENERAL.—There is appropriated to the Secretary, out of any monies in the Treasury not otherwise appropriated, $325,000,000, for the period of fiscal years 2022 through 2031, for purposes of—

''(A) conducting reviews and identifying plans under paragraph (2); and

''(B) providing training, tools, technical assistance, and financial support in accordance with paragraph (3).

''(2) REVIEW.—The Secretary shall conduct reviews, during the period specified in paragraph (1), of (and, as appropriate, identify plans to improve) the following:

''(A) The extent to which surveys conducted under subsection (g) and the enforcement process under subsection (h) result in increased compliance with requirements under this section and subpart B of part 483 of title

42, Code of Federal Regulations, with respect to skilled nursing facilities (in this subsection referred to as 'facilities').

"(B) The timeliness and thoroughness of State agency verification of deficiency corrections at facilities.

"(C) The appropriateness of the scoping and substantiation of cited deficiencies at facilities.

"(D) The accuracy of the identification and appropriateness of the scoping of life safety, infection control, and emergency preparedness deficiencies at facilities.

"(E) The timeliness of State agency investigations of—

"(i) complaints at facilities; and

"(ii) reported allegations of abuse, neglect, and exploitation at facilities.

"(F) The consistency of facility reporting of substantiated complaints to law enforcement.

"(G) The ability of the State agency to sufficiently hire, train, and retain individuals who conduct surveys.

"(H) Any other area related to surveys of facilities, or the individuals conducting such

surveys, determined appropriate by the Secretary.

"(3) SUPPORT.—Based on the review under paragraph (2), the Secretary shall, during the period specified in paragraph (1), provide training, tools, technical assistance, and financial support to State agencies that perform surveys of facilities for the purpose of improving the surveys conducted under subsection (g) and the enforcement process under subsection (h) with respect to the areas reviewed under paragraph (2).".

SEC. 134304. NURSE STAFFING REQUIREMENTS.

Section 1819(d) of the Social Security Act (42 U.S.C. 1395i–3(d)) is amended—

(1) in paragraph (4)(A), by inserting "and any regulations promulgated under paragraph (5)(C)" after "section 1124"; and

(2) by adding at the end the following new paragraph:

"(5) NURSE STAFFING REQUIREMENTS.—

"(A) FUNDING.—There is appropriated to the Secretary, out of any monies in the Treasury not otherwise appropriated, $50,000,000 for the period of fiscal years 2022 through

2031 for purposes of carrying out this paragraph.

"(B) STUDY.—Not later than 3 years after the date of the enactment of this paragraph, and not less frequently than once every 5 years thereafter, the Secretary shall, out of funds appropriated under subparagraph (A), conduct a study and submit to Congress a report on the appropriateness of establishing minimum staff to resident ratios for nursing staff for skilled nursing facilities. Each such report shall include—

"(i) with respect to the first such report, recommendations regarding appropriate minimum ratios of registered nurses (and, if practicable, licensed practical nurses (or licensed vocational nurses) and certified nursing assistants) to residents at such skilled nursing facilities; and

"(ii) with respect to each subsequent such report, recommendations regarding appropriate minimum ratios of registered nurses, licensed practical nurses (or licensed vocational nurses), and certified

nursing assistants to residents at such skilled nursing facilities.

"(C) PROMULGATION OF REGULATIONS.—

"(i) IN GENERAL.—Not later than 2 years after the Secretary first submits a report under subparagraph (B), the Secretary shall, out of funds appropriated under subparagraph (A)—

"(I) specify through regulations, consistent with such report, appropriate minimum ratios (if any) of registered nurses (and, if practicable, licensed practical nurses (or licensed vocational nurses) and certified nursing assistants) to residents at skilled nursing facilities; and

"(II) except as provided in clause (ii), require such skilled nursing facilities to comply with such ratios.

"(ii) EXCEPTION.—

"(I) IN GENERAL.—In addition to the authority to waive the application of clause (i)(II) under section 1135, the Secretary may waive the application of such clause with respect

to a skilled nursing facility if the Secretary finds that—

"(aa) the facility is located in a rural area and the supply of skilled nursing facility services in such area is not sufficient to meet the needs of individuals residing therein;

"(bb) the Secretary provides notice of the waiver to the State long-term care ombudsman (established under section 307(a)(12) of the Older Americans Act of 1965) and the protection and advocacy system in the State for the mentally ill; and

"(cc) the facility that is granted such a waiver notifies residents of the facility (or, where appropriate, the guardians or legal representatives of such residents) and members of their immediate families of the waiver.

"(II) RENEWAL.—Any waiver in effect under this clause shall be subject to annual renewal.

"(iii) UPDATE.—Not later than 2 years after the submission of each subsequent report under subparagraph (B), the Secretary shall, out of funds appropriated under subparagraph (A) and consistent with such report, update the regulations described in clause (i)(I) to reflect appropriate minimum ratios (if any) of registered nurses, licensed practical nurses (or licensed vocational nurses), and certified nursing assistants to residents at skilled nursing facilities.".

PART 4—MEDICARE DENTAL, HEARING, AND VISION COVERAGE

SEC. 134401. PROVIDING COVERAGE FOR DENTAL AND ORAL HEALTH CARE UNDER THE MEDICARE PROGRAM.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(1) in subparagraph (GG), by striking "and" after the semicolon at the end;

(2) in subparagraph (HH), by striking the period at the end and adding "; and"; and

(3) by adding at the end the following new subparagraph:

"(II) dental and oral health services (as defined in subsection (lll));".

(b) DENTAL AND ORAL HEALTH SERVICES DEFINED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

"(lll) DENTAL AND ORAL HEALTH SERVICES.—

"(1) IN GENERAL.—The term 'dental and oral health services' means items and services (other than such items and services for which payment may be made under part A as inpatient hospital services) that are furnished during 2028 or a subsequent year, for which coverage was not provided under part B as of the date of the enactment of this subsection, and that are—

"(A) the preventive and screening services described in paragraph (2) furnished by a doctor of dental surgery or of dental medicine (as described in subsection (r)(2)) or an oral health professional (as defined in paragraph (4)); or

"(B) the basic treatments specified for such year by the Secretary pursuant to paragraph (3)(A) and the major treatments specified for such year by the Secretary pursuant to paragraph (3)(B) furnished by such a doctor or such a professional.

"(2) PREVENTIVE AND SCREENING SERVICES.—The preventive and screening services described in this paragraph are the following:

"(A) Oral exams.

"(B) Dental cleanings.

"(C) Dental x-rays performed in the office of a doctor or professional described in paragraph (1)(A).

"(D) Fluoride treatments.

"(3) BASIC AND MAJOR TREATMENTS.—For 2028 and each subsequent year, the Secretary shall specify—

"(A) basic treatments (which may include basic tooth restorations, basic periodontal services, tooth extractions, and oral disease management services); and

"(B) major treatments (which may include major tooth restorations, major periodontal services, bridges, crowns, and root canals);

that shall be included as dental and oral health services for such year.

"(4) ORAL HEALTH PROFESSIONAL.—The term 'oral health professional' means, with respect to dental and oral health services, a health professional (other than a doctor of dental surgery or of dental medicine (as described in subsection (r)(2))) who is licensed to furnish such services, acting within the scope of such license, by the State in which such services are furnished.".

(c) PAYMENT; COINSURANCE; AND LIMITATIONS.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) is amended—

(A) in subparagraph (N), by inserting "and dental and oral health services (as defined in section 1861(lll))" after "section 1861(hhh)(1))";

(B) by striking "and" before "(DD)"; and

(C) by inserting before the semicolon at the end the following: "and (EE) with respect to dental and oral health services (as defined in section 1861(lll)), the amount paid shall be the payment amount specified under section 1834(z)".

(2) PAYMENT AND LIMITS SPECIFIED.—Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(z) PAYMENT AND LIMITS FOR DENTAL AND ORAL HEALTH SERVICES.—

"(1) IN GENERAL.—The payment amount under this part for dental and oral health services (as defined in section 1861(lll)) shall be, subject to paragraph (3), the applicable percent (specified in paragraph (2)) of the lesser of—

"(A) the actual charge for the service; or

"(B) the amount determined under the payment basis determined under section 1848 for the service, or, in lieu of such amount, if determined appropriate by the Secretary, an amount specified by the Secretary for such service under a fee schedule determined appropriate by the Secretary, taking into account fee schedules for such services—

"(i) under the TRICARE program under chapter 55 of title 10 of the United States Code;

"(ii) under the health insurance program under chapter 89 of title 5 of such Code;

"(iii) under State plans (or waivers of such plans) under title XIX;

"(iv) under Medicare Advantage plans under part C;

"(v) established by the Secretary of Veterans Affairs; and

"(vi) established by other health care payers.

"(2) APPLICABLE PERCENT.—For purposes of paragraph (1), the applicable percent specified in this paragraph is, with respect to dental and oral health services (as defined in section 1861(lll)) furnished in a year—

"(A) that are preventive and screening services described in paragraph (2) or basic treatments specified for such year pursuant to paragraph (3)(A) of such section, 80 percent; and

"(B) that are major treatments specified for such year pursuant to paragraph (3)(B) of such section—

"(i) in the case such services are furnished during 2028, 10 percent;

"(ii) in the case such services are furnished during 2029 or a subsequent year before 2032, the applicable percent specified under this subparagraph for the previous year, increased by 10 percentage points; and

"(iii) in the case such services are furnished during 2032 or a subsequent year, 50 percent.

"(3) LIMITATIONS.—With respect to dental and oral health services that are—

"(A) preventive and screening oral exams, payment may be made under this part for not more than two such exams during a 12-month period;

"(B) dental cleanings, payment may be made under this part for not more than two such cleanings during a 12-month period; and

"(C) not described in subparagraph (A) or (B), payment may be made under this part only at such frequencies and under such circumstances determined appropriate by the Secretary.

"(4) USE OF BUNDLED PAYMENTS.—The Secretary may make payment for dentures and associated professional services, and for any other dental and oral health services, as bundled payments as the Secretary determines appropriate.

"(5) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(A) the determination of payment amounts under this subsection for dental and oral health services and under subsection (h)(6) or subsection (z)(4) for dentures;

"(B) the determination of what services are basic and major services under subparagraphs (A) and (B) of section 1861(lll)(3); or

"(C) the determination of the frequency and circumstance limitations for dental and oral health services under paragraph (3)(C).".

(d) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—

(1) IN GENERAL.—Section 1848(j)(3) of the Social Security Act (42 U.S.C. 1395w–4(j)(3)) is amended by inserting "(2)(II)," before "(3)".

(2) EXCLUSION FROM MIPS.—Section 1848(q)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1395w–4(q)(1)(C)(ii)) is amended—

(A) in subclause (II), by striking ''or'' at the end;

(B) in subclause (III), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following new subclause:

''(IV) with respect to 2028 and each subsequent year, is a doctor of dental surgery or of dental medicine (as described in section 1861(r)(2)) or is an oral health professional (as defined in section 1861(lll)(4)).''.

(3) INCLUSION OF ORAL HEALTH PROFESSIONALS AS CERTAIN PRACTITIONERS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new clause:

''(vii) With respect to 2028 and each subsequent year, an oral health professional (as defined in section 1861(lll)(4)).''.

(e) DENTURES.—

(1) IN GENERAL.—Section 1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)) is amended—

(A) by striking ''(other than dental)''; and

(B) by inserting "and excluding dental, except for a full or partial set of dentures (as described in section 1834(h)(6)) furnished on or after January 1, 2028" after "colostomy care".

(2) SPECIAL PAYMENT RULES.—

(A) LIMITATIONS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)) is amended by adding at the end the following new paragraph:

"(6) SPECIAL PAYMENT RULE FOR DENTURES.—Payment may be made under this part with respect to an individual for dentures—

"(A) not more than once during any 5-year period (except in the case that a doctor described in section 1861(lll)(1)(A) determines such dentures do not fit the individual); and

"(B) only to the extent that such dentures are furnished pursuant to a written order of such a doctor or professional.".

(B) APPLICATION OF COMPETITIVE ACQUISITION.—

(i) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)) is amended—

(I) in the subparagraph heading, by inserting ", DENTURES" after "ORTHOTICS";

(II) by inserting ", of dentures described in paragraph (2)(D) of such section," after "2011,"; and

(III) in clause (i), by inserting ", such dentures" after "orthotics".

(ii) CONFORMING AMENDMENT.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)) is amended by adding at the end the following new subparagraph:

"(D) DENTURES.—Dentures described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(iii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)) is amended by adding at the end the following new subparagraph:

"(C) CERTAIN DENTURES.—Those items and services described in paragraph (2)(D) if furnished by a physician or other practitioner

(as defined by the Secretary) to the physician's or practitioner's own patients as part of the physician's or practitioner's professional service.''.

(f) EXCLUSION MODIFICATIONS.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (O), by striking ''and'' at the end;

(B) in subparagraph (P), by striking the semicolon at the end and inserting '', and''; and

(C) by adding at the end the following new subparagraph:

''(Q) in the case of dental and oral health services (as defined in section 1861(lll)) that are preventive and screening services described in paragraph (2) of such section, which are furnished more frequently than provided under section 1834(z)(3) or under circumstances other than circumstances determined appropriate under subparagraph (C) of such section;''; and

(2) in paragraph (12), by inserting before the semicolon at the end the following: ''and except that 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

provide for reconciliation pursuant to title II of S. Con. Res. 14.''; and

(C) in the flush matter at the end, by striking ''paragraph (4)'' and inserting ''paragraphs (4) and (5)''.

(h) IMPLEMENTATION.—

(1) FUNDING.—

(A) IN GENERAL.—In addition to amounts otherwise available, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid Services Program Management Account of—

(i) $20,000,000 for each of fiscal years 2022 through 2028 for purposes of implementing the amendments made by this section; and

(ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year for purposes of administering the provisions of such amendments.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 134402 and 134403.

(2) ADMINISTRATION.—Notwithstanding any other provision of law, the Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the provisions of, or the amendments made by, this section.

SEC. 134402. PROVIDING COVERAGE FOR HEARING CARE UNDER THE MEDICARE PROGRAM.

(a) PROVISION OF AURAL REHABILITATION AND TREATMENT SERVICES BY QUALIFIED AUDIOLOGISTS.—Section 1861(ll)(3) of the Social Security Act (42 U.S.C. 1395x(ll)(3)) is amended by inserting ''(and, beginning October 1, 2023, such aural rehabilitation and treatment services)'' after ''assessment services''.

(b) COVERAGE OF HEARING AIDS.—

(1) INCLUSION OF HEARING AIDS AS PROSTHETIC DEVICES.—Section 1861(s)(8) of the Social Security Act (42 U.S.C. 1395x(s)(8)) is amended by inserting ", and including hearing aids (as described in section 1834(h)(7)) furnished on or after October 1, 2023, to individuals diagnosed with profound or severe hearing loss" before the semicolon at the end.

(2) PAYMENT LIMITATIONS FOR HEARING AIDS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)), as amended by section 134401(e)(2)(A), is further amended by adding at the end the following new paragraph:

"(7) LIMITATIONS FOR HEARING AIDS.—

"(A) IN GENERAL.—Payment may be made under this part with respect to an individual, with respect to hearing aids furnished on or after October 1, 2023—

"(i) not more than once during a 5-year period;

"(ii) only for types of such hearing aids that are not over-the-counter hearing aids (as defined in section 520(q)(1) of the Federal Food, Drug, and Cosmetic Act) and that are determined appropriate by the Secretary; and

"(iii) only if furnished pursuant to a written order of a physician or qualified audiologist (as defined in section 1861(ll)(4)(B)).

"(B) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(i) the determination of the types of hearing aids paid for under subparagraph (A)(ii); or

"(ii) the determination of fee schedule rates for hearing aids described in this paragraph.".

(3) APPLICATION OF COMPETITIVE ACQUISITION.—

(A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section 134401(e)(2)(B)(i), is further amended—

(i) in the header, by inserting ", HEARING AIDS" after "DENTURES";

(ii) by inserting ", of hearing aids described in paragraph (2)(E) of such section," after "paragraph (2)(D) of such section"; and

(iii) in clause (i), by inserting ", such hearing aids" after "such dentures".

(B) CONFORMING AMENDMENT.—

(i) IN GENERAL.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)), as amended by section 134401(e)(2)(B)(ii), is further amended by adding at the end the following new subparagraph:

"(E) HEARING AIDS.—Hearing aids described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)), as amended by section 134401(e)(2)(B)(iii), is further amended by adding at the end the following new subparagraph:

"(D) CERTAIN HEARING AIDS.—Those items and services described in paragraph (2)(E) if furnished by a physician or other practitioner (as defined by the Secretary) to the physician's or practitioner's own patients as

part of the physician's or practitioner's professional service.''.

(4) INCLUSION OF AUDIOLOGISTS AS CERTAIN PRACTITIONERS TO RECEIVE PAYMENT ON AN ASSIGNMENT-RELATED BASIS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)), as amended by section 134401(d)(4), is further amended by adding at the end the following new clause:

''(viii) Beginning October 1, 2023, a qualified audiologist (as defined in section 1861(ll)(4)(B)).''.

(c) EXCLUSION MODIFICATION.—Section 1862(a)(7) of the Social Security Act (42 U.S.C. 1395y(a)(7)) is amended by inserting ''(except such hearing aids or examinations therefor as described in and otherwise allowed under section 1861(s)(8))'' after ''hearing aids or examinations therefor''.

(d) CERTAIN NON-APPLICATION.—

(1) IN GENERAL.—The last sentence of section 1839(a)(1) of the Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section 134401(g)(1), is amended by striking ''section 134401 (other than subsection (g))'' and inserting ''sections 134401

(other than subsection (g)), 134402 (other than subsection (d))''.

(2) PAYMENT.—Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as added by section 134401(g)(2), is amended by striking ''section 134401 (other than subsection (g))'' and inserting ''sections 134401 (other than subsection (g)), 134402 (other than subsection (d))''.

(e) IMPLEMENTATION.—

(1) FUNDING.—

(A) IN GENERAL.—In addition to amounts otherwise available, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid Services Program Management Account of—

(i) $20,000,000 for each of fiscal years 2022 through 2023 for purposes of implementing the amendments made by this section; and

(ii) such sums as determined appropriate by the Secretary for each subse-

quent fiscal year for purposes of administering the provisions of such amendments.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 134401 and 134403.

(2) ADMINISTRATION.—Notwithstanding any other provision of law, the Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the provisions of, or the amendments made by, this section.

SEC. 134403. PROVIDING COVERAGE FOR VISION CARE UNDER THE MEDICARE PROGRAM.

(a) COVERAGE.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as amended by section 134401(a), is further amended—

(1) in subparagraph (HH), by striking ''and'' after the semicolon at the end;

(2) in subparagraph (II), by striking the period at the end and adding "; and"; and

(3) by adding at the end the following new subparagraph:

"(JJ) vision services (as defined in subsection (mmm));".

(b) VISION SERVICES DEFINED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by section 134401(b), is further amended by adding at the end the following new subsection:

"(mmm) VISION SERVICES.—The term 'vision services' means—

"(1) routine eye examinations to determine the refractive state of the eyes, including procedures performed during the course of such examination; and

"(2) contact lens fitting services;

furnished on or after October 1, 2022, by or under the direct supervision of an ophthalmologist or optometrist who is legally authorized to furnish such examinations, procedures, or fitting services (as applicable) under State law (or the State regulatory mechanism provided by State law) of the State in which the examinations, procedures, or fitting services are furnished.".

(c) PAYMENT LIMITATIONS.—Section 1834 of the Social Security Act (42 U.S.C. 1395m), as amended by

1 section 134401(c)(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-

tober 1, 2022, and including conventional eyeglasses or contact lenses (as described in section 1834(h)(8)), whether or not furnished subsequent to such a surgery, if furnished on or after October 1, 2022''.

(2) CONFORMING AMENDMENT.—Section 1842(b)(11)(A) of the Social Security Act (42 U.S.C. 1395u(b)(11)(A)) is amended by inserting ''furnished prior to October 1, 2022,'' after ''relating to them,''.

(f) SPECIAL PAYMENT RULES FOR EYEGLASSES AND CONTACT LENSES.—

(1) LIMITATIONS.—Section 1834(h) of the Social Security Act (42 U.S.C. 1395m(h)), as amended by section 134401(e)(2)(A) and section 134402(b)(2), is further amended by adding at the end the following new paragraph:

''(8) PAYMENT LIMITATIONS FOR EYEGLASSES AND CONTACT LENSES.—

''(A) IN GENERAL.—With respect to eyeglasses and contact lenses furnished to an individual on or after October 1, 2022, subject to subparagraph (B), payment may be made under this part only—

"(i) during a 2-year period, for either 1 pair of eyeglasses (including lenses and frames) or not more than a 2-year supply of contact lenses;

"(ii) with respect to amounts attributable to the lenses and frames of such a pair of eyeglasses or amounts attributable to such a 2-year supply of contact lenses, in an amount not greater than—

"(I) for a pair of eyeglasses furnished in, or a 2-year supply of contact lenses beginning in, 2022—

"(aa) $85 for the lenses of such pair of eyeglasses and $85 for the frames of such pair of eyeglasses; or

"(bb) $85 for such 2-year supply of contact lenses; and

"(II) for the lenses and frames of a pair of eyeglasses furnished in, or a 2-year supply of contact lenses beginning in, a subsequent year, the dollar amounts specified under this subparagraph for the previous year, increased by the percentage change in the con-

sumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;

"(iii) if furnished pursuant to a written order of a physician described in section 1861(lll); and

"(iv) if during the 2-year period described in clause (i), the individual did not already receive (as described in subparagraph (B)) one pair of conventional eyeglasses or contact lenses subsequent to a cataract surgery with insertion of an intraocular lens furnished during such period.

"(B) EXCEPTION.—With respect to a 2-year period described in subparagraph (A)(i), in the case of an individual who receives cataract surgery with insertion of an intraocular lens, notwithstanding subparagraph (A), payment may be made under this part for one pair of conventional eyeglasses or contact lenses furnished subsequent to such cataract surgery during such period.

"(C) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review under section 1869 or otherwise of—

"(i) the determination of the types of eyeglasses and contact lenses covered under this paragraph; or

"(ii) the determination of fee schedule rates under this subsection for eyeglasses and contact lenses.".

(2) APPLICATION OF COMPETITIVE ACQUISITION.—

(A) IN GENERAL.—Section 1834(h)(1)(H) of the Social Security Act (42 U.S.C. 1395m(h)(1)(H)), as amended by section 134401(e)(2)(B)(i) and section 134402(b)(3)(A), is further amended—

(i) in the header by inserting ", EYEGLASSES, AND CONTACT LENSES" after "HEARING AIDS";

(ii) by inserting "and of eyeglasses and contact lenses described in paragraph (2)(F) of such section," after "paragraph (2)(E) of such section,"; and

(iii) in clause (i), by inserting ", or such eyeglasses and contact lenses" after "such hearing aids".

(B) CONFORMING AMENDMENT.—

(i) IN GENERAL.—Section 1847(a)(2) of the Social Security Act (42 U.S.C. 1395w–3(a)(2)), as amended by section 134401(e)(2)(B)(ii) and section 134402(b)(3)(B)(i), is further amended by adding at the end the following new subparagraph:

"(F) EYEGLASSES AND CONTACT LENSES.—Eyeglasses and contact lenses described in section 1861(s)(8) for which payment would otherwise be made under section 1834(h).".

(ii) EXEMPTION OF CERTAIN ITEMS FROM COMPETITIVE ACQUISITION.—Section 1847(a)(7) of the Social Security Act (42 U.S.C. 1395w–3(a)(7)), as amended by section 134401(e)(2)(B)(iii) and section 134402(b)(3)(B)(ii), is further amended by adding at the end the following new subparagraph:

"(E) CERTAIN EYEGLASSES AND CONTACT LENSES.—Those items and services described in paragraph (2)(F) if furnished by a physician or other practitioner (as defined by the Secretary) to the physician's or practitioner's own patients as part of the physician's or practitioner's professional service.".

(g) EXCLUSION MODIFICATIONS.—Section 1862(a) of the Social Security Act (42 U.S.C. 1395y(a)), as amended by section 134401(f), is further amended—

(1) in paragraph (1)—

(A) in subparagraph (P), by striking "and" at the end;

(B) in subparagraph (Q), by striking the semicolon at the end and inserting ", and"; and

(C) by adding at the end the following new subparagraph:

"(R) in the case of vision services (as defined in section 1861(mmm)) that are routine eye examinations and contact lens fitting services (as described in paragraph (1) or (2), respectively, of such section), which are furnished more frequently than once during a 2-year period;"; and

(2) in paragraph (7)—

(A) by inserting ''(other than such an examination that is a vision service that is covered under section 1861(s)(2)(JJ))'' after ''eye examinations''; and

(B) by inserting ''(other than such a procedure that is a vision service that is covered under section 1861(s)(2)(JJ))'' after ''refractive state of the eyes''.

(h) CERTAIN NON-APPLICATION.—

(1) IN GENERAL.—The last sentence of section 1839(a)(1) of the Social Security Act (42 U.S.C. 1395r(a)(1)), as added by section 134401(g)(1) and amended by section 134402(d)(1), is further amended by inserting '', and 134403 (other than subsection (h))'' after ''134402 (other than subsection (d))''.

(2) PAYMENT.—Paragraph (4) of section 1844(a) of such Act (42 U.S.C. 1395w(a)), as added by section 134401(g)(2) and amended by section 134402(d)(2), is further amended by inserting '', and 134403 (other than subsection (h))'' after ''134402 (other than subsection (d))''.

(i) IMPLEMENTATION.—

(1) FUNDING.—

(A) IN GENERAL.—In addition to amounts otherwise available, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary'') shall provide for the transfer from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of the Social Security Act (42 U.S.C. 1395t) to the Centers for Medicare & Medicaid Services Program Management Account of—

(i) $20,000,000 for each of fiscal years 2022 and 2023 for purposes of implementing the amendments made by this section; and

(ii) such sums as determined appropriate by the Secretary for each subsequent fiscal year for purposes of administering the provisions of such amendments.

(B) AVAILABILITY AND ADDITIONAL USE OF FUNDS.—Funds transferred pursuant to subparagraph (A) shall remain available until expended and may be used, in addition to the purpose specified in subparagraph (A)(i), to implement the amendments made by sections 134401 and 134402.

(2) ADMINISTRATION.—Notwithstanding any other provision of law, the Secretary may implement, by program instruction or otherwise, any of the provisions of, or amendments made by, this section.

(3) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to the provisions of, or the amendments made by, this section.

Subtitle F—Infrastructure Financing and Community Development

SEC. 135001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—INFRASTRUCTURE FINANCING

Subpart A—Bond Financing

SEC. 135101. CREDIT TO ISSUER FOR CERTAIN INFRASTRUCTURE BONDS.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by inserting before section 6432 the following new section:

"SEC. 6431A. CREDIT ALLOWED TO ISSUER FOR QUALIFIED INFRASTRUCTURE BONDS.

"(a) IN GENERAL.—In the case of a qualified infrastructure bond, the issuer of such bond shall be allowed a credit with respect to each interest payment under such bond which shall be payable by the Secretary as provided in subsection (b).

"(b) PAYMENT OF CREDIT.—

"(1) IN GENERAL.—The Secretary shall pay (contemporaneously with each date on which interest is paid, including any interest paid after the originally scheduled payment date) to the issuer of such bond (or, at the direction of the issuer, to any person who makes such interest payments on behalf of such issuer) an amount equal to the applicable percentage of such interest so paid.

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, except as provided in subsection (d), the applicable percentage with respect to any bond shall be determined under the following table:

"In the case of a bond issued during calendar year:	**The applicable percentage is:**
2022 through 2024	35%
2025	32%
2026	30%
2027 and thereafter	28%

"(3) LIMITATION.—

"(A) IN GENERAL.—The amount of any interest payment taken into account under

paragraph (1) with respect to a bond for any payment date shall not exceed the amount of interest which would have been payable under such bond for such payment date if interest were determined at the applicable credit rate multiplied by the applicable amount for such bond for such payment date.

"(B) APPLICABLE CREDIT RATE.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The applicable credit rate is the rate which the Secretary estimates will permit the issuance of qualified infrastructure bonds with a specified maturity or redemption date without discount and without additional interest cost to the issuer.

"(ii) DATE OF DETERMINATION.—The applicable credit rate with respect to any qualified infrastructure bond shall be determined as of the first day on which there is a binding, written contract for the sale or exchange of the bond.

"(C) APPLICABLE AMOUNT.—

"(i) BONDS WITH MORE THAN DE MINIMIS ORIGINAL ISSUE DISCOUNT.—In

the case of any bond that has more than a de minimis amount of original issue discount (determined under the rules of section 1273(a)(3)), the applicable amount for a payment date is the issue price of such bond (within the meaning of section 148), as adjusted for any principal payments made prior to such date.

"(ii) OTHER BONDS.—In the case of any other bond, the applicable amount for a payment date is the outstanding principal amount of such bond on such payment date (determined without taking into account any principal payment on such bond on such date).

"(c) QUALIFIED INFRASTRUCTURE BOND.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified infrastructure bond' means any bond (other than a private activity bond) issued as part of an issue if—

"(A) 100 percent of the excess of available project proceeds of such issue over 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—

"(i) capital expenditures or operations and maintenance expenditures in connection with property the acquisition, construction, or improvement of which would be a capital expenditure, or

"(ii) payments made by a State or political subdivision of a State to a custodian of a rail corridor for purposes of the transfer, lease, sale, or acquisition of an established railroad right-of-way consistent with section 8(d) of the National Trails Act of 1968, but only if the Surface Transportation Board has issued a certificate of interim trail use or notice of interim trail use for purposes of authorizing such transfer, lease, sale, or acquisition,

"(B) the interest on such bond would (but for this section) be excludable from gross income under section 103,

"(C) the issue price has not more than a de minimis amount (determined under rules similar to the rules of section 1273(a)(3)) of premium over the stated principal amount of the bond, and

"(D) prior to the issuance of such bond, the issuer makes an irrevocable election to have this section apply.

"(2) APPLICABLE RULES.—For purposes of applying paragraph (1)—

"(A) NOT TREATED AS FEDERALLY GUARANTEED.—For purposes of section 149(b), a qualified infrastructure bond shall not be treated as federally guaranteed by reason of the credit allowed under this section.

"(B) APPLICATION OF ARBITRAGE RULES.—For purposes of section 148, the yield on a qualified infrastructure bond shall be reduced by the credit allowed under this section, except that no such reduction shall apply in determining the amount of gross proceeds of an issue that qualifies as a reasonably required reserve or replacement fund.

"(d) DEFINITION AND SPECIAL RULES.—For purposes of this section—

"(1) INTEREST INCLUDIBLE IN GROSS INCOME.—For purposes of this title, interest on any qualified infrastructure bond shall be includible in 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,

"(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond, and

"(iv) the refunded bond was issued more than 30 days after the date of the enactment of this section.

"(B) APPLICABLE PERCENTAGE LIMITATION.—The applicable percentage with respect to any bond to which subparagraph (A) applies shall be 28 percent.

"(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).

"(4) APPLICATION OF DAVIS-BACON ACT REQUIREMENTS WITH RESPECT TO QUALIFIED INFRASTRUCTURE BONDS.—Subchapter IV of chapter 31 of title 40, United States Code, shall apply to projects financed with the proceeds of qualified infrastructure bonds.

"(e) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section.".

(b) GROSS-UP OF PAYMENT TO ISSUERS IN CASE OF SEQUESTRATION.—In the case of any payment under sec-

tion 6431A of the Internal Revenue Code of 1986 made after the date of the enactment of this Act to which sequestration applies, the amount of such payment shall be increased to an amount equal to—

(1) such payment (determined before such sequestration), multiplied by

(2) the quotient obtained by dividing 1 by the amount by which 1 exceeds the percentage reduction in such payment pursuant to such sequestration.

For purposes of this subsection, the term ''sequestration'' means any reduction in direct spending ordered in accordance with a sequestration report prepared by the Director of the Office and Management and Budget pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 or the Statutory Pay-As-You-Go Act of 2010.

(c) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or 6431'' and inserting ''6431, or 6431A''.

(2) The table of sections for subchapter B of chapter 65 is amended by inserting before the item relating to section 6432 the following new item:

''Sec. 6431A. Credit allowed to issuer for qualified infrastructure bonds.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2021.

SEC. 135102. ADVANCE REFUNDING BONDS.

(a) IN GENERAL.—Section 149(d) is amended—

(1) by striking ''to advance refund another bond.'' in paragraph (1) and inserting ''as part of an issue described in paragraph (2), (3), or (4).'',

(2) by redesignating paragraphs (2) and (3) as paragraphs (5) and (7), respectively,

(3) by inserting after paragraph (1) the following new paragraphs:

''(2) CERTAIN PRIVATE ACTIVITY BONDS.—An issue is described in this paragraph if any bond (issued as part of such issue) is issued to advance refund a private activity bond (other than a qualified 501(c)(3) bond).

''(3) OTHER BONDS.—

''(A) IN GENERAL.—An issue is described in this paragraph if any bond (issued as part of such issue), hereinafter in this paragraph referred to as the 'refunding bond', is issued to advance refund a bond unless—

''(i) the refunding bond is only—

''(I) the first advance refunding of the original bond if the original bond is issued after 1985, or

"(II) the first or second advance refunding of the original bond if the original bond was issued before 1986,

"(ii) in the case of refunded bonds issued before 1986, the refunded bond is redeemed not later than the earliest date on which such bond may be redeemed at par or at a premium of 3 percent or less,

"(iii) in the case of refunded bonds issued after 1985, the refunded bond is redeemed not later than the earliest date on which such bond may be redeemed,

"(iv) the initial temporary period under section 148(c) ends—

"(I) with respect to the proceeds of the refunding bond not later than 30 days after the date of issue of such bond, and

"(II) with respect to the proceeds of the refunded bond on the date of issue of the refunding bond, and

"(v) in the case of refunded bonds to which section 148(e) did not apply, on and after the date of issue of the refunding bond, the amount of proceeds of the re-

funded bond invested in higher yielding investments (as defined in section 148(b)) which are nonpurpose investments (as defined in section 148(f)(6)(A)) does not exceed—

"(I) the amount so invested as part of a reasonably required reserve or replacement fund or during an allowable temporary period, and

"(II) the amount which is equal to the lesser of 5 percent of the proceeds of the issue of which the refunded bond is a part or $100,000 (to the extent such amount is allocable to the refunded bond).

"(B) SPECIAL RULES FOR REDEMPTIONS.—

"(i) ISSUER MUST REDEEM ONLY IF DEBT SERVICE SAVINGS.—Clause (ii) and (iii) of subparagraph (A) shall apply only if the issuer may realize present value debt service savings (determined without regard to administrative expenses) in connection with the issue of which the refunding bond is a part.

"(ii) REDEMPTIONS NOT REQUIRED BEFORE 90TH DAY.—For purposes of clauses (ii) and (iii) of subparagraph (A), the earliest date referred to in such clauses shall not be earlier than the 90th day after the date of issuance of the refunding bond.

"(4) ABUSIVE TRANSACTIONS PROHIBITED.—An issue is described in this paragraph if any bond (issued as part of such issue) is issued to advance refund another bond and a device is employed in connection with the issuance of such issue to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.", and

(4) by inserting after paragraph (5) (as so redesignated) the following new paragraph:

"(6) SPECIAL RULES FOR PURPOSES OF PARAGRAPH (3).—For purposes of paragraph (3), bonds issued before October 22, 1986, shall be taken into account under subparagraph (A)(i) thereof except—

"(A) a refunding which occurred before 1986 shall be treated as an advance refunding only if the refunding bond was issued more than 180 days before the redemption of the refunded bond, and

"(B) a bond issued before 1986, shall be treated as advance refunded no more than once before March 15, 1986.".

(b) CONFORMING AMENDMENT.—Section 148(f)(4)(C) is amended by redesignating clauses (xiv) through (xvi) as clauses (xv) to (xvii), respectively, and by inserting after clause (xiii) the following new clause:

"(xiv) DETERMINATION OF INITIAL TEMPORARY PERIOD.—For purposes of this subparagraph, the end of the initial section temporary period shall be determined without regard to section 149(d)(3)(A)(iv).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to advance refunding bonds issued more than 30 days after the date of the enactment of this Act.

SEC. 135103. PERMANENT MODIFICATION OF SMALL ISSUER EXCEPTION TO TAX-EXEMPT INTEREST EXPENSE ALLOCATION RULES FOR FINANCIAL INSTITUTIONS.

(a) PERMANENT INCREASE IN LIMITATION.—Subparagraphs (C)(i), (D)(i), and (D)(iii)(II) of section 265(b)(3) are each amended by striking "$10,000,000" and inserting "$30,000,000".

(b) PERMANENT MODIFICATION OF OTHER SPECIAL RULES.—Section 265(b)(3) is amended—

(1) by redesignating clauses (iv), (v), and (vi) of subparagraph (G) as clauses (ii), (iii), and (iv), respectively, and moving such clauses to the end of subparagraph (H) (as added by paragraph (2)), and

(2) by striking so much of subparagraph (G) as precedes such clauses and inserting the following:

"(G) QUALIFIED 501(c)(3) BONDS TREATED AS ISSUED BY EXEMPT ORGANIZATION.—In the case of a qualified 501(c)(3) bond (as defined in section 145), this paragraph shall be applied by treating the 501(c)(3) organization for whose benefit such bond was issued as the issuer.

"(H) SPECIAL RULE FOR QUALIFIED FINANCINGS.—

"(i) IN GENERAL.—In the case of a qualified financing issue—

"(I) subparagraph (F) shall not apply, and

"(II) any obligation issued as a part of such issue shall be treated as a qualified tax-exempt obligation if the requirements of this paragraph

are met with respect to each qualified portion of the issue (determined by treating each qualified portion as a separate issue which is issued by the qualified borrower with respect to which such portion relates).''.

(c) INFLATION ADJUSTMENT.—Section 265(b)(3), as amended by subsection (b), is amended by adding at the end the following new subparagraph:

''(I) INFLATION ADJUSTMENT.—In the case of any calendar year after 2021, the $30,000,000 amounts contained in subparagraphs (C)(i), (D)(i), and (D)(iii)(II) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2020' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $100,000.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 135104. MODIFICATIONS TO QUALIFIED SMALL ISSUE BONDS.

(a) MANUFACTURING FACILITIES TO INCLUDE PRODUCTION OF INTANGIBLE PROPERTY AND FUNCTIONALLY RELATED FACILITIES.—Subparagraph (C) of section 144(a)(12) is amended to read as follows:

"(C) MANUFACTURING FACILITY.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'manufacturing facility' means any facility which—

"(I) is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property),

"(II) is used in the creation or production of intangible property which is described in section 197(d)(1)(C)(iii), or

"(III) is functionally related and subordinate to a facility described in

subclause (I) or (II) if such facility is located on the same site as the facility described in subclause (I) or (II).

"(ii) CERTAIN FACILITIES INCLUDED.—The term 'manufacturing facility' includes facilities that are directly related and ancillary to a manufacturing facility (determined without regard to this clause) if—

"(I) those facilities are located on the same site as the manufacturing facility, and

"(II) not more than 25 percent of the net proceeds of the issue are used to provide those facilities.

"(iii) LIMITATION ON OFFICE SPACE.—A rule similar to the rule of section 142(b)(2) shall apply for purposes of clause (i).

"(iv) LIMITATION ON REFUNDINGS FOR CERTAIN PROPERTY.—Subclauses (II) and (III) of clause (i) shall not apply to any bond issued on or before the date of the enactment of the Act to provide for reconciliation pursuant to title II of S.

Con. Res. 14, or to any bond issued to refund a bond issued on or before such date (other than a bond to which clause (iii) of this subparagraph (as in effect before the date of the enactment of such Act) applies), either directly or in a series of refundings.''.

(b) INCREASE IN LIMITATIONS.—Section 144(a)(4) is amended—

(1) in subparagraph (A)(i), by striking ''$10,000,000'' and inserting ''$30,000,000'', and

(2) in the heading, by striking ''$10,000,000'' and inserting ''$30,000,000''.

(c) ADJUSTMENT FOR INFLATION.—Section 144(a)(4) is amended by adding at the end the following new subparagraph:

''(H) ADJUSTMENT FOR INFLATION.—In the case of any calendar year after 2021, the $30,000,000 amount in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting

'calendar year 2020' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any amount as increased under the preceding sentence is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 135105. EXPANSION OF CERTAIN EXCEPTIONS TO THE PRIVATE ACTIVITY BOND RULES FOR FIRST-TIME FARMERS.

(a) INCREASE IN DOLLAR LIMITATION.—

(1) IN GENERAL.—Section 147(c)(2)(A) is amended by striking ''$450,000'' and inserting ''$552,500''.

(2) REPEAL OF SEPARATE LOWER DOLLAR LIMITATION ON USED FARM EQUIPMENT.—Section 147(c)(2) is amended by striking subparagraph (F) and by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

(3) QUALIFIED SMALL ISSUE BOND LIMITATION CONFORMED TO INCREASED DOLLAR LIMITATION.—Section 144(a)(11)(A) is amended by striking ''$250,000'' and inserting ''$552,500''.

(4) INFLATION ADJUSTMENT.—

(A) IN GENERAL.—Section 147(c)(2)(G), as redesignated by paragraph (2), is amended—

(i) by striking ''after 2008, the dollar amount in subparagraph (A) shall be increased'' and inserting ''after 2021, the dollar amounts in subparagraph (A) and section 144(a)(11)(A) shall each be increased'', and

(ii) in clause (ii), by striking ''2007'' and inserting ''2020''.

(B) CROSS-REFERENCE.—Section 144(a)(11) is amended by adding at the end the following new subparagraph:

''(D) INFLATION ADJUSTMENT.—For inflation adjustment of dollar amount contained in subparagraph (A), see section 147(c)(2)(G).''.

(b) SUBSTANTIAL FARMLAND DETERMINED ON BASIS OF AVERAGE RATHER THAN MEDIAN FARM SIZE.—Section 147(c)(2)(E) is amended by striking ''median'' and inserting ''average''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 135106. CERTAIN WATER AND SEWAGE FACILITY BONDS EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Section 146(g) is amended by striking ''and'' at the end of paragraph (3), striking the period at the end of paragraph (4) and inserting '', and'', and inserting after paragraph (4) the following new paragraph:

''(5) any exempt facility bond issued as part of an issue described in paragraph (4) or (5) of section 142(a) if 95 percent or more of the net proceeds of such issue are to be used to provide facilities which—

''(A) will be used—

''(i) by a person who was, as of July 1, 2020, engaged in operation of a facility described in such paragraph, and

''(ii) to provide service within the area served by such person on such date (or within a county or city any portion of which is within such area), or

''(B) will be used by a successor in interest to such person for the same use and within the same service area as described in subparagraph (A).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 135107. EXEMPT FACILITY BONDS FOR ZERO-EMISSION VEHICLE INFRASTRUCTURE.

(a) IN GENERAL.—Section 142 is amended—

(1) in subsection (a)—

(A) in paragraph (14), by striking ''or'' at the end,

(B) in paragraph (15), by striking the period at the end and inserting '', or'', and

(C) by adding at the end the following new paragraph:

''(16) zero-emission vehicle infrastructure.'', and

(2) by adding at the end the following new subsection:

''(n) ZERO-EMISSION VEHICLE INFRASTRUCTURE.—

''(1) IN GENERAL.—For purposes of subsection (a)(16), the term 'zero-emission vehicle infrastructure' means any property (not including a building and its structural components) if such property is part of a unit which—

''(A) is used to charge or fuel zero-emissions vehicles,

"(B) is located where the vehicles are charged or fueled,

"(C) is of a character subject to the allowance for depreciation (or amortization in lieu of depreciation),

"(D) is made available for use by members of the general public,

"(E) accepts payment via a credit card reader, including a credit card reader that uses contactless technology, and

"(F) is capable of charging or fueling vehicles produced by more than one manufacturer (within the meaning of section 30D(d)(3)).

"(2) INCLUSION OF UTILITY SERVICE CONNECTIONS, ETC.—The term 'zero-emission vehicle infrastructure' shall include any utility service connections, utility panel upgrades, line extensions and conduit, transformer upgrades, or similar property, in connection with property meeting the requirements of paragraph (1).

"(3) ZERO-EMISSIONS VEHICLE.—The term 'zero-emissions vehicle' means—

"(A) a zero-emission vehicle as defined in section 88.102–94 of title 40, Code of Federal Regulations, or

"(B) a vehicle that produces zero exhaust emissions of any criteria pollutant (or precursor pollutant) or greenhouse gas under any possible operational modes and conditions.

"(4) ZERO-EMISSIONS VEHICLE INFRASTRUCTURE LOCATED WITHIN OTHER FACILITIES OR PROJECTS.—For purposes of subsection (a), any zero-emission vehicle infrastructure located within—

"(A) a facility or project described in subsection (a), or

"(B) an area adjacent to a facility or project described in subsection (a) that primarily serves vehicles traveling to or from such facility or project,

shall be treated as described in the paragraph in which such facility or project is described.

"(5) EXCEPTION FOR REFUELING PROPERTY FOR FLEET VEHICLES.—Subparagraphs (D), (E), and (F) of paragraph (1) shall not apply to property which is part of a unit which is used exclusively by fleets of commercial or governmental vehicles.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2021.

SEC. 135108. APPLICATION OF DAVIS-BACON ACT REQUIREMENTS WITH RESPECT TO CERTAIN EXEMPT FACILITY BONDS.

(a) IN GENERAL.—Section 142(b) is amended by adding at the end the following new paragraph:

"(3) APPLICATION OF DAVIS-BACON ACT REQUIREMENTS WITH RESPECT TO CERTAIN EXEMPT FACILITY BONDS.—If any proceeds of any issue are used for construction, alteration, or repair of any facility otherwise described in paragraph (4), (5), (15), or (16) of subsection (a), such facility shall be treated for purposes of subsection (a) as described in such paragraph only if each entity that receives such proceeds to conduct such construction, alteration, or repair agrees to comply with the provisions of subchapter IV of chapter 31 of title 40, United States Code with respect to such construction, alteration, or repair.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

Subpart B—Other Provisions Related to Infrastructure Financing

SEC. 135111. CREDIT FOR OPERATIONS AND MAINTENANCE COSTS OF GOVERNMENT-OWNED BROADBAND.

(a) IN GENERAL.—Subchapter B of chapter 65, as amended by the preceding provisions of this Act, is amended by inserting before section 6432 the following new section:

"SEC. 6431B. CREDIT FOR OPERATIONS AND MAINTENANCE COSTS OF GOVERNMENT-OWNED BROADBAND.

''(a) IN GENERAL.—In the case of any eligible governmental entity, there shall be allowed a credit equal to the applicable percentage of the qualified broadband expenses paid or incurred by such entity during the taxable year which credit shall be payable by the Secretary as provided in subsection (b).

''(b) PAYMENT OF CREDIT.—Upon receipt from an eligible governmental entity of such information as the Secretary may require for purposes of carrying out this section, the Secretary shall pay to such entity the amount of the credit determined under subsection (a) for the taxable year.

''(c) LIMITATION.—The amount of qualified broadband expenses taken into account under this section

for any taxable year with respect to any qualified broadband network shall not exceed the product of $400 multiplied by the number of qualified households subscribed to the qualified broadband service provided by such network (determined as of any time during such taxable year).

"(d) DEFINITIONS.—For purposes of this section—

"(1) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

"(A) in the case of any taxable year beginning in 2021 through 2026, 30 percent,

"(B) in the case of any taxable year beginning in 2027, 26 percent, and

"(C) in the case of any taxable year beginning in 2028, 24 percent.

"(2) ELIGIBLE GOVERNMENTAL ENTITY.—The term 'eligible governmental entity' means—

"(A) any State, local, or Indian tribal government,

"(B) any political subdivision or instrumentality of any government described in subparagraph (A), and

"(C) any entity wholly owned by one or more entities described in subparagraph (A) or (B).

For purposes of this paragraph, the term 'State' includes any possession of the United States.

"(3) QUALIFIED BROADBAND EXPENSES.—The term 'qualified broadband expenses' means so much of the amounts paid or incurred for the operation and maintenance of a qualified broadband network as are properly allocable to qualified households subscribed to the qualified broadband service provided by such network.

"(4) QUALIFIED HOUSEHOLD.—The term 'qualified household' means a personal residence which—

"(A) is located in a low-income community (as defined in section 45D(e)), and

"(B) did not have access to qualified broadband service from the eligible governmental entity (determined as of the beginning of the taxable year of such entity).

"(5) QUALIFIED BROADBAND NETWORK.—The term 'qualified broadband network' means property owned by an eligible governmental entity and used for the purpose of providing qualified broadband service.

"(6) QUALIFIED BROADBAND SERVICE.—The term 'qualified broadband service' means fixed, ter-

restrial broadband service providing downloads at a speed of at least 25 megabits per second and uploads at a speed of at least 3 megabits per second.

"(7) TAXABLE YEAR.—Except as otherwise provided by the Secretary, the term 'taxable year' means, with respect to any eligible governmental entity, the fiscal year of such entity.

"(e) SPECIAL RULES.—

"(1) ALLOCATIONS.—For purposes of subsection (d)(3), amounts shall be treated as properly allocated if allocated ratably among the subscribers of the qualified broadband service.

"(2) DENIAL OF DOUBLE BENEFIT.—Qualified broadband expenses shall not include any amount which is paid or reimbursed (directly or indirectly) by any grant from the Federal Government.

"(f) REGULATIONS.—The Secretary may prescribe such regulations and other guidance as may be necessary or appropriate to carry out this section.

"(g) TERMINATION.—No credit shall be allowed under this section for any taxable year beginning after December 31, 2028.".

(b) PAYMENTS MADE UNDER SECTION 6431B(b) OF INTERNAL REVENUE CODE OF 1986.—Section 255(h) of the Balanced Budget and Emergency Deficit Control Act

of 1985 (2 U.S.C. 905(h)) is amended by inserting: ''Payments made under section 6431B(b) of the Internal Revenue Code of 1986'' after the item related to Payments for Foster Care and Permanency.

(c) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, as amended by the preceding provisions of this Act, is amended by striking ''or 6431A'' and inserting ''6431A, or 6431B''.

(2) The table of sections for subchapter B of chapter 65, as amended by the preceding provisions of this Act, is amended by inserting before the item relating to section 6432 the following new item:

''Sec. 6431B. Credit for operations and maintenance costs of government-owned broadband.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

PART 2—NEW MARKETS TAX CREDIT

SEC. 135201. PERMANENT EXTENSION OF NEW MARKETS TAX CREDIT.

(a) TEMPORARY LIMIT INCREASE AND PERMANENT EXTENSION.—Section 45D(f)(1) is amended by striking ''and'' at the end of subparagraph (G) and by striking subparagraph (H) and inserting the following new subparagraphs:

"(H) $5,000,000,000 for each of calendar years 2020 and 2021,

"(I) $7,000,000,000 for calendar year 2022,

"(J) $6,000,000,000 for calendar year 2023, and

"(K) $5,000,000,000 for calendar year 2024 and each calendar year thereafter.".

(b) ALTERNATIVE MINIMUM TAX RELIEF.—Section 38(c)(4)(B) is amended—

(1) by redesignating clauses (v) through (xii) as clauses (vi) through (xiii), respectively, and

(2) by inserting after clause (iv) the following new clause:

"(v) the credit determined under section 45D, but only with respect to credits determined with respect to qualified equity investments (as defined in section 45D(b)) initially made after December 31, 2021,".

(c) INFLATION ADJUSTMENT.—Section 45D(f) is amended by adding at the end the following new paragraph:

"(4) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of any calendar year beginning after 2024, the dollar

amount paragraph (1)(H) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2023' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(B) ROUNDING RULE.—Any increase under subparagraph (A) which is not a multiple of $1,000,000 shall be rounded to the nearest multiple of $1,000,000.".

(d) CONFORMING AMENDMENT.—Section 45D(f)(3) is amended by striking the last sentence.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to new markets tax credit limitation determined for calendar years after 2021.

(2) ALTERNATIVE MINIMUM TAX RELIEF.—The amendments made by subsection (b) shall apply to credits determined with respect to qualified equity investments (as defined in section 45D(b) of the Internal Revenue Code of 1986) initially made after December 31, 2021.

PART 3—REHABILITATION TAX CREDIT

SEC. 135301. DETERMINATION OF CREDIT PERCENTAGE.

(a) IN GENERAL.—Section 47(a)(2) is amended by striking ''20 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Section 47(a) is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means the percentage determined in accordance with the following table:

''In the case of taxable years beginning:	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

''(4) APPLICATION OF PERCENTAGES TO YEAR OF EXPENDITURE.—In the case of qualified rehabilitation expenditures with respect to the qualified rehabilitated building that are paid or incurred in 2 or more taxable years for which there is a different applicable percentage under paragraph (3), the ratable share shall be determined by applying to such expenditures the applicable percentage corresponding

to the taxable year in which such expenditures were paid or incurred.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after March 31, 2021.

SEC. 135302. INCREASE IN THE REHABILITATION CREDIT FOR CERTAIN SMALL PROJECTS.

(a) IN GENERAL.—Section 47 is amended by adding at the end the following new subsection:

''(e) SPECIAL RULE REGARDING CERTAIN SMALLER PROJECTS.—

''(1) IN GENERAL.—In the case of any smaller project—

''(A) the applicable percentage determined under subsection (a)(3) shall be 30 percent, and

''(B) the qualified rehabilitation expenditures taken into account under this section with respect to such project shall not exceed $2,500,000.

''(2) SMALLER PROJECT.—For purposes of this subsection, the term 'smaller project' means the rehabilitation of any qualified rehabilitated building if—

''(A) the qualified rehabilitation expenditures taken into account under this section (or

which would be so taken into account but for paragraph (1)(B)) with respect to such rehabilitation do not exceed $3,750,000,

"(B) no credit was allowed under this section with respect to such building to any taxpayer for either of the 2 taxable years immediately preceding the first taxable year in which expenditures described in subparagraph (A) were paid or incurred, and

"(C) the taxpayer elects (at such time and manner as the Secretary may provide) to have this subsection apply with respect to such rehabilitation.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 135303. MODIFICATION OF DEFINITION OF SUBSTANTIALLY REHABILITATED.

(a) IN GENERAL.—Section 47(c)(1)(B)(i)(I) is amended by inserting "50 percent of" before "the adjusted basis".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to determinations with respect to 24-month periods (referred to in clause (i) of section 47(c)(1)(B) of the Internal Revenue Code of 1986) and

60-month periods (referred to in clause (ii) of such section) which end after December 31, 2021.

SEC. 135304. ELIMINATION OF REHABILITATION CREDIT BASIS ADJUSTMENT.

(a) IN GENERAL.—Section 50(c) is amended by adding at the end the following new paragraph:

"(6) EXCEPTION FOR REHABILITATION CREDIT.—In the case of the rehabilitation credit, paragraph (1) shall not apply.".

(b) TREATMENT IN CASE OF CREDIT ALLOWED TO LESSEE.—Section 50(d) is amended by adding at the end the following: "In the case of the rehabilitation credit, paragraph (5)(B) of the section 48(d) referred to in paragraph (5) of this subsection shall not apply.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2022.

SEC. 135305. MODIFICATIONS REGARDING CERTAIN TAX-EXEMPT USE PROPERTY.

(a) IN GENERAL.—Section 47(c)(2)(B)(v) is amended by adding at the end the following new subclause:

"(III) DISQUALIFIED LEASE RULES TO APPLY ONLY IN CASE OF GOVERNMENT ENTITY.—For purposes of subclause (I), except in the case of

a tax-exempt entity described in section 168(h)(2)(A)(i) (determined without regard to the last sentence of section 168(h)(2)(A)), the determination of whether property is tax-exempt use property shall be made under section 168(h) without regard to whether the property is leased in a disqualified lease (as defined in section 168(h)(1)(B)(ii)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to leases entered into after December 31, 2021.

SEC. 135306. QUALIFICATION OF REHABILITATION EXPENDITURES FOR PUBLIC SCHOOL BUILDINGS FOR REHABILITATION CREDIT.

(a) IN GENERAL.—Section 47(c)(2)(B)(v), as amended by the preceding provisions of this Act, is amended by adding at the end the following new subclause:

''(IV) CLAUSE NOT TO APPLY TO PUBLIC SCHOOLS.—This clause shall not apply in the case of the rehabilitation of any building which was used as a qualified public educational facility (as defined in section 142(k)(1),

determined without regard to subparagraph (B) thereof) at any time during the 5-year period ending on the date that such rehabilitation begins and which is used as such a facility immediately after such rehabilitation.''.

(b) REPORT.—Not later than the date which is 5 years after the date of the enactment of this Act, the Secretary of the Treasury, after consultation with the heads of appropriate Federal agencies, shall report to Congress on the effects resulting from the amendment made by subsection (a), including—

(1) the number of qualified public education facilities rehabilitated (stated separately with respect to each State) and the number of students using such facilities (stated separately with respect to each such State),

(2) the number of qualified public education facilities rehabilitated in low income communities (as section 45D(e)(1) of the Internal Revenue Code of 1986) and the number of students using such facilities,

(3) the amount of qualified rehabilitation expenditures for each qualified public education facility rehabilitated, and

(4) and any other data determined by the Secretary to be useful in evaluating the impact of such amendment.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2021.

PART 4—DISASTER AND RESILIENCY

SEC. 135401. EXCLUSION OF AMOUNTS RECEIVED FROM STATE-BASED CATASTROPHE LOSS MITIGATION PROGRAMS.

(a) IN GENERAL.—Section 139 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) STATE-BASED CATASTROPHE LOSS MITIGATION PROGRAMS.—

''(1) IN GENERAL.—Gross income shall not include any amount received by an individual as a qualified catastrophe mitigation payment under a program established by a State, or a political subdivision or instrumentality thereof, for the purpose of making such payments.

"(2) QUALIFIED CATASTROPHE MITIGATION PAYMENT.—For purposes of this section, the term 'qualified catastrophe mitigation payment' means any amount which is received by an individual to make improvements to such individual's residence for the sole purpose of reducing the damage that would be done to such residence by a windstorm, earthquake, or wildfire.

"(3) NO INCREASE IN BASIS.—Rules similar to the rules of subsection (g)(3) shall apply in the case of this subsection.".

(b) CONFORMING AMENDMENTS.—

(1) Section 139(d) is amended by striking "and qualified" and inserting ", qualified catastrophe mitigation payments, and qualified".

(2) Section 139(i) (as redesignated by subsection (a)) is amended by striking "or qualified" and inserting ", qualified catastrophe mitigation payment, or qualified".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 135402. REPEAL OF TEMPORARY LIMITATION ON PERSONAL CASUALTY LOSSES.

(a) IN GENERAL.—Section 165(h) is amended by striking paragraph (5).

(b) EXTENSION OF PERIOD OF LIMITATION ON FILING CLAIM IN CERTAIN CIRCUMSTANCES.—In the case of a claim for credit or refund which is properly allocable to a loss which is—

(1) deductible under section 165(a) of the Internal Revenue Code of 1986,

(2) described in Revenue Procedure 2017-60 (as modified by Revenue Procedure 2018-14), and

(3) claimed for a taxable year beginning after December 31, 2016,

the period of limitation prescribed in section 6511 of the Internal Revenue Code of 1986 for the filing of such claim shall be treated as not expiring earlier than the date that is 1 year after the date of the enactment of this Act.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to losses incurred in taxable years beginning after December 31, 2017.

(d) REGULATIONS.—The Secretary of the Treasury (or the Secretary's delegate) shall issue such regulations or other guidance as are necessary to implement the amendment made by this section, including regulations or

guidance consistent with Revenue Procedure 2017–60 (as so modified).

SEC. 135403. CREDIT FOR QUALIFIED WILDFIRE MITIGATION EXPENDITURES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 is amended by inserting after section 27 the following new section:

"SEC. 28. QUALIFIED WILDFIRE MITIGATION EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the qualified wildfire mitigation expenditures paid or incurred by the taxpayer during such taxable year with respect to real property owned or leased by the taxpayer.

"(b) QUALIFIED WILDFIRE MITIGATION EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified wildfire mitigation expenditures' means any specified wildfire mitigation expenditure made pursuant to a qualified State wildfire mitigation program of a State which requires expenditures for wildfire mitigation to be paid both by the taxpayer and such State. Such term shall not include any item of expenditure unless the ratio of the State's expenditure for such

item to the sum of the State's and taxpayer's expenditures for such item is not less than 25 percent.

''(2) SPECIFIED WILDFIRE MITIGATION EXPENDITURE.—The term 'specified wildfire mitigation expenditure' means, with respect to any real property owned or leased by the taxpayer, any amount paid or incurred to reduce the risk of wildfire by removing accumulations of vegetation (including establishing, expanding, or maintaining fuel breaks to serve as fire breaks) on such real property.

''(3) QUALIFIED STATE WILDFIRE MITIGATION PROGRAM.—The term 'qualified State wildfire mitigation program' means any program of a State the primary purpose of which is to mitigate the risk of wildfires in such State.

''(4) TREATMENT OF REIMBURSEMENTS.—Any amount originally paid or incurred by the taxpayer which is reimbursed by a State under a qualified wildfire mitigation program of such State shall be treated as paid by such State (and not by such taxpayer).

''(c) APPLICATION WITH OTHER CREDITS.—

''(1) BUSINESS CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—So much of the credit which would be allowed under subsection (a) for any

taxable year (determined without regard to this subsection) that is attributable to expenditures made in the ordinary course of the taxpayer's trade or business (or, in the case of expenditures made by a State, would have been expenditures made in the ordinary course of the taxpayer's trade or business if made by the taxpayer) shall be treated as a credit listed in section 38(b) for taxable year (and not allowed under subsection (a)).

"(2) PERSONAL CREDIT.—For purposes of this title, the credit allowed under subsection (a) for any taxable year (determined after application of paragraph (1)) shall be treated as a credit allowable under subpart A for such taxable year.

"(d) REDUCTION OF CREDIT PERCENTAGE WHERE TAXPAYER EXPENDITURES LESS THAN 30 PERCENT.—

"(1) IN GENERAL.—If the expenditure percentage with respect to any item of qualified wildfire mitigation expenditure is less than 30 percent, subsection (a) shall be applied by substituting 'the expenditure percentage' for '30 percent' with respect to such item of expenditure.

"(2) EXPENDITURE PERCENTAGE.—For purposes of this section, the term 'expenditure percentage' means, with respect to any item of qualified

wildfire mitigation expenditure any portion of which is paid or incurred by a State, the ratio (expressed as a percentage) of—

"(A) the taxpayer's expenditure for such item, divided by

"(B) the sum of the taxpayer's and such State's expenditures for such item.

"(e) SPECIAL RULES.—

"(1) TREATMENT OF EXPENDITURES RELATED TO MARKETABLE TIMBER.—An expenditure shall not be taken into account for purposes of this section (whether made by the taxpayer or a State pursuant to a qualified State wildfire mitigation program of such State) if such expenditure is properly allocable to timber which is sold or exchanged by the taxpayer. The preceding sentence shall not apply to the extent that such amount exceeds the gain on such sale or exchange.

"(2) BASIS REDUCTION.—For purposes of this subtitle, if the basis of any property would (but for this paragraph) be determined by taking into account any qualified wildfire mitigation expenditure, the basis of such property shall be reduced by the amount of the credit allowed under subsection (a)

with respect to such expenditure (determined without regard to subsection (c)).

"(3) DENIAL OF DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for any expenditure for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such expenditure (determined without regard to subsection (c)).".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b), as amended by the preceding provisions of this Act, is amended by striking "plus" at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting ", plus", and by adding at the end the following new paragraph:

"(35) the portion of the qualified wildfire mitigation expenditures credit to which section 28(c)(1) applies.".

(2) Section 1016(a) is amended by redesignating paragraphs (35) through (38) as paragraphs (36) through (39), respectively, and by inserting after paragraph (34) the following new paragraph:

"(35) to the extent provided in section 28(e)(2),".

(3) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 27 the following new item:

"Sec. 28. Qualified wildfire mitigation expenditures.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

PART 5—HOUSING

Subpart A—Low Income Housing Tax Credit

SEC. 135501. INCREASES IN STATE ALLOCATIONS.

(a) IN GENERAL.—Section 42(h)(3)(I) is amended to read as follows:

"(I) INCREASE IN STATE HOUSING CREDIT CEILING FOR 2022 THROUGH 2028.—

"(i) IN GENERAL.—In the case of calendar years 2022 through 2028, the dollar amounts under subclauses (I) and (II) of subparagraph (C)(ii) for any such calendar shall be determined under clause (ii) and in accordance with the following table:

"In the case of calendar year:	The subclause (I) amount shall be:	The subclause (II) amount shall be:
2022	$3.22	$3,711,575
2023	$3.70	$4,269,471

"In the case of calendar year:	The subclause (I) amount shall be:	The subclause (II) amount shall be:
2024	$4.25	$4,901,620
2025	$4.88	$5,632,880

"(ii) INFLATION ADJUSTMENT FOR 2026, 2027, AND 2028.—In the case of calendar years 2026, 2027, and 2028, the subclause (I) and (II) dollar amounts shall be the respective dollar amounts corresponding to calendar year 2025 in the table under clause (i) each increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2025' for 'calendar year 2016' in paragraph (A)(ii) thereof.

Any increase under this clause shall be rounded to the nearest cent in the case of the subclause (I) amount and the nearest dollar in the case of the subclause (II) amount.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2021.

SEC. 135502. TAX-EXEMPT BOND FINANCING REQUIREMENT.

(a) IN GENERAL.—Section 42(h)(4)(B) is amended by adding at the end the following: ''The preceding sentence shall be applied by substituting '25 percent' for '50 percent' in the case of any building which is financed by any obligation issued in calendar year 2022, 2023, 2024, 2025, 2026, 2027, or 2028 (and not by any obligation on which the application of this subparagraph is based during any taxable year beginning during calendar year 2019, 2020, or 2021).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to buildings placed in service in taxable years beginning after December 31, 2021.

SEC. 135503. BUILDINGS DESIGNATED TO SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.

(a) RESERVED STATE ALLOCATION.—

(1) IN GENERAL.—Section 42(h) is amended—

(A) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively, and

(B) by inserting after paragraph (5) the following new paragraph:

"(6) PORTION OF STATE CEILING SET-ASIDE FOR PROJECTS DESIGNATED TO SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.—

"(A) IN GENERAL.—Not more than 90 percent of the portion of the State housing credit ceiling amount described in paragraph (3)(C)(ii) for any State for any calendar year shall be allocated to buildings other than buildings described in subparagraph (B).

"(B) BUILDINGS DESCRIBED.—A building is described in this subparagraph if 20 percent or more of the residential units in such building are rent-restricted (determined as if the imputed income limitation applicable to such units were 30 percent of area median gross income) and are designated by the taxpayer for occupancy by households the aggregate household income of which does not exceed the greater of—

"(i) 30 percent of area median gross income, or

"(ii) 100 percent of an amount equal to the Federal poverty line (within the meaning of section 36B(d)(3)).

"(C) STATE MAY NOT OVERRIDE SET-ASIDE.—Nothing in subparagraph (F) of paragraph (3) shall be construed to permit a State not to comply with subparagraph (A) of this paragraph.

"(D) TERMINATION.—This paragraph shall not apply to allocations after December 31, 2031.".

(2) CONFORMING AMENDMENT.—Section 42(b)(4)(C) is amended by striking "(h)(7)" and inserting "(h)(8)".

(b) INCREASE IN CREDIT.—Paragraph (5) of section 42(d) is amended by adding at the end the following new subparagraph:

"(C) INCREASE IN CREDIT FOR PROJECTS DESIGNATED TO SERVE EXTREMELY LOW-INCOME HOUSEHOLDS.—

"(i) IN GENERAL.—In the case of any building—

"(I) which is described in subsection (h)(6)(B), and

"(II) which is designated by the housing credit agency as requiring the increase in credit under this subparagraph in order for such building to be financially feasible as part of a qualified low-income housing project,

subparagraph (B) shall not apply to the portion of such building which is comprised of such units, and the eligible basis of such portion of the building shall be 150 percent of such basis determined without regard to this subparagraph.

"(ii) ALLOCATION RULES APPLICABLE TO PROJECTS TO WHICH CLAUSE (i) APPLIES.—

"(I) STATE HOUSING CREDIT CEILING.—For any calendar year, the housing credit agency shall not allocate more than 15 percent of the portion of the State housing credit ceiling amount described in subsection (h)(3)(C)(ii) to buildings to which clause (i) applies, and

"(II) PRIVATE ACTIVITY BOND 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

area, or any rural area as defined by section 520 of the Housing Act of 1949, which is identified by the qualified allocation plan under subsection (m)(1)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2021.

SEC. 135505. REPEAL OF QUALIFIED CONTRACT OPTION.

(a) TERMINATION OF OPTION FOR CERTAIN BUILDINGS.—

(1) IN GENERAL.—Subclause (II) of section 42(h)(7)(E)(i), as redesignated by section 135503, is amended by inserting ''in the case of a building described in clause (iii),'' before ''on the last day''.

(2) BUILDINGS DESCRIBED.—Subparagraph (E) of section 42(h)(7), as so redesignated, is amended by adding at the end the following new clause:

''(iii) BUILDINGS DESCRIBED.—A building described in this clause is a building—

''(I) which received its allocation of housing credit dollar amount before January 1, 2022, or

"(II) in the case of a building any portion of which is financed as described in paragraph (4), which received before January 1, 2022, a determination from the issuer of the tax-exempt bonds or the housing credit agency that the building is eligible to receive an allocation of housing credit dollar amount under the rules of paragraphs (1) and (2) of subsection (m).".

(b) RULES RELATING TO EXISTING PROJECTS.—Subparagraph (F) of section 42(h)(7), as redesignated by section 135503, is amended by striking "the nonlow-income portion" and all that follows and inserting "the nonlow-income portion and the low-income portion of the building for fair market value (determined by the housing credit agency by taking into account the rent restrictions required for the low-income portion of the building to continue to meet the standards of paragraphs (1) and (2) of subsection (g)). The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this paragraph.".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (7) of section 42(h), as redesignated by section 135503, is amended by striking subparagraph (G) and by redesignating subparagraphs (H), (I), (J), and (K) as subparagraphs (G), (H), (I), and (J), respectively.

(2) Subclause (II) of section 42(h)(7)(E)(i), as so redesignated and as amended by subsection (a), is further amended by striking ''subparagraph (I)'' and inserting ''subparagraph (H)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to buildings with respect to which a written request described in section 42(h)(7)(H) of the Internal Revenue Code of 1986, as redesignated by section 135503 and subsection (c), is submitted after the date of the enactment of this Act.

SEC. 135506. MODIFICATION AND CLARIFICATION OF RIGHTS RELATING TO BUILDING PURCHASE.

(a) MODIFICATION OF RIGHT OF FIRST REFUSAL.—

(1) IN GENERAL.—Subparagraph (A) of section 42(i)(7) is amended by striking ''a right of 1st refusal'' and inserting ''an option''.

(2) CONFORMING AMENDMENT.—The heading of paragraph (7) of section 42(i) is amended by striking ''RIGHT OF 1ST REFUSAL'' and inserting ''OPTION''.

(b) CLARIFICATION WITH RESPECT TO RIGHT OF FIRST REFUSAL AND PURCHASE OPTIONS.—

(1) PURCHASE OF PARTNERSHIP INTEREST.—Subparagraph (A) of section 42(i)(7), as amended by subsection (a), is amended by striking ''the property'' and inserting ''the property or all of the partnership interests (other than interests of the person exercising such option or a related party thereto (within the meaning of section 267(b) or 707(b)(1))) relating to the property''.

(2) PROPERTY INCLUDES ASSETS RELATING TO THE BUILDING.—Paragraph (7) of section 42(i) is amended by adding at the end the following new subparagraph:

''(C) PROPERTY.—For purposes of subparagraph (A), the term 'property' may include all or any of the assets held for the develop-

ment, operation, or maintenance of a building.''.

(3) EXERCISE OF RIGHT OF FIRST REFUSAL AND PURCHASE OPTIONS.—Subparagraph (A) of section 42(i)(7), as amended by subsection (a) and paragraph (1)(A), is amended by adding at the end the following: ''For purposes of determining whether an option, including a right of first refusal, to purchase property or partnership interests holding (directly or indirectly) such property is described in the preceding sentence—

''(i) such option or right of first refusal shall be exercisable with or without the approval of any owner of the project (including any partner, member, or affiliated organization of such an owner), and

''(ii) a right of first refusal shall be exercisable in response to any offer to purchase the property or partnership interests, including an offer by a related party.''.

(c) CONFORMING AMENDMENTS.—Subparagraph (B) of section 42(i)(7) is amended by striking ''the sum of'' and all that follows and inserting ''the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred within the 5-year period end-

ing on the date of the sale to the tenants). In the case of a purchase of a partnership interest, the minimum purchase price is an amount not less than such interest's ratable share of the amount determined under the first sentence of this subparagraph.''.

(d) EFFECTIVE DATES.—

(1) MODIFICATION OF RIGHT OF FIRST REFUSAL.—The amendments made by subsections (a) and (c) shall apply to agreements entered into or amended after the date of the enactment of this Act.

(2) CLARIFICATION.—The amendments made by subsection (b) shall apply to agreements among the owners of the project (including partners, members, and their affiliated organizations) and persons described in section 42(i)(7)(A) of the Internal Revenue Code of 1986 entered into before, on, or after the date of the enactment of this Act.

(3) NO EFFECT ON AGREEMENTS.—None of the amendments made by this section is intended to supersede express language in any agreement with respect to the terms of a right of first refusal or option permitted by section 42(i)(7) of the Internal Revenue Code of 1986 in effect on the date of the enactment of this Act.

SEC. 135507. INCREASE IN CREDIT FOR BOND-FINANCED PROJECTS DESIGNATED BY HOUSING CREDIT AGENCY.

(a) IN GENERAL.—Section 42(d)(5)(B)(v) is amended by striking ''The preceding sentence'' and inserting ''In the case of determinations of housing credit dollar amount after December 31, 2028, the preceding sentence''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings which receive a determination of housing credit dollar amount pursuant to section 42(m)(2)(D) of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

Subpart B—Neighborhood Homes Investment Act

SEC. 135511. NEIGHBORHOOD HOMES CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by inserting after section 42 the following new section:

''SEC. 42A. NEIGHBORHOOD HOMES CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the neighborhood homes credit determined under this section for the taxable year is, with respect to each qualified residence sold by the taxpayer during such taxable year in an affordable sale, the lesser of—

''(1) the excess (if any) of—

"(A) the reasonable development costs paid or incurred by the taxpayer with respect to such qualified residence, over

"(B) the sale price of such qualified residence (reduced by any reasonable expenses paid or incurred by the taxpayer in connection with such sale), or

"(2) 35 percent of the lesser of—

"(A) the eligible development costs paid or incurred by the taxpayer with respect to such qualified residence, or

"(B) 80 percent of the national median sale price for new homes (as determined pursuant to the most recent census data available as of the date on which the neighborhood homes credit agency makes an allocation for the qualified project).

"(b) DEVELOPMENT COSTS.—For purposes of this section—

"(1) REASONABLE DEVELOPMENT COSTS.—

"(A) IN GENERAL.—The term 'reasonable development costs' means amounts paid or incurred for the acquisition of buildings and land, construction, substantial rehabilitation, demolition of structures, or environmental remedi-

ation, to the extent that the neighborhood homes credit agency determines that such amounts meet the standards specified pursuant to subsection (f)(1)(C) (as of the date on which construction or substantial rehabilitation is substantially complete, as determined by such agency) and are necessary to ensure the financial feasibility of such qualified residence.

"(B) CONSIDERATIONS IN MAKING DETERMINATION.—In making the determination under subparagraph (A), the neighborhood homes credit agency shall consider—

"(i) the sources and uses of funds and the total financing,

"(ii) any proceeds or receipts generated or expected to be generated by reason of tax benefits, and

"(iii) the reasonableness of the developmental costs and fees.

"(2) ELIGIBLE DEVELOPMENT COSTS.—The term 'eligible development costs' means the amount which would be reasonable development costs if the amounts taken into account as paid or incurred for the acquisition of buildings and land did not exceed 75 percent of such costs determined without regard

to any amount paid or incurred for the acquisition of buildings and land.

"(3) SUBSTANTIAL REHABILITATION.—The term 'substantial rehabilitation' means amounts paid or incurred for rehabilitation of a qualified residence if such amounts exceed the greater of—

"(A) $20,000, or

"(B) 20 percent of the amounts paid or incurred by the taxpayer for the acquisition of buildings and land with respect to such qualified residence.

"(4) CONSTRUCTION AND REHABILITATION ONLY AFTER ALLOCATION TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—The terms 'reasonable development costs' and 'eligible development costs' shall not include any amount paid or incurred before the date on which an allocation is made to the taxpayer under subsection (e) with respect to the qualified project of which the qualified residence is part unless such amount is paid or incurred for the acquisition of buildings or land.

"(B) LAND AND BUILDING ACQUISITION COSTS.—Amounts paid or incurred for the acquisition of buildings or land shall be included

under paragraph (A) only if paid or incurred not more than 3 years before the date on which the allocation referred to in subparagraph (A) is made. If the taxpayer acquired any building or land from an entity (or any related party to such entity) that holds an ownership interest in the taxpayer, then such entity must also have acquired such property within such 3-year period, and the acquisition cost included under subparagraph (A) with respect to the taxpayer shall not exceed the amount such entity paid or incurred to acquire such property.

''(c) QUALIFIED RESIDENCE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified residence' means a residence that—

''(A) is real property affixed on a permanent foundation,

''(B) is—

''(i) a house which is comprised of 4 or fewer residential units,

''(ii) a condominium unit, or

''(iii) a house or an apartment owned by a cooperative housing corporation (as defined in section 216(b)),

"(C) is part of a qualified project with respect to the neighborhood homes credit agency has made an allocation under subsection (e), and

"(D) is located in a qualified census tract (determined as of the date of such allocation).

"(2) QUALIFIED CENSUS TRACT.—

"(A) IN GENERAL.—The term 'qualified census tract' means a census tract—

"(i) which—

"(I) has a median family income which does not exceed 80 percent of the median family income for the applicable area,

"(II) has a poverty rate that is not less than 130 percent of the poverty rate of the applicable area, and

"(III) has a median value for owner-occupied homes that does not exceed the median value for owner-occupied homes in the applicable area,

"(ii) which—

"(I) is located in a city which has a population of not less than 50,000 and such city has a poverty rate that

is not less than 150 percent of the poverty rate of the applicable area,

"(II) has a median family income which does not exceed the median family income for the applicable area, and

"(III) has a median value for owner-occupied homes that does not exceed 80 percent of the median value for owner-occupied homes in the applicable area,

"(iii) which—

"(I) is located in a nonmetropolitan county,

"(II) has a median family income which does not exceed the median family income for the applicable area, and

"(III) has been designated by a neighborhood homes credit agency under this clause, or

"(iv) which is not otherwise a qualified census tract and is located in a disaster area (as defined in section 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),

the amount equal to the product of 4 multiplied by the median family income for the applicable area (as determined pursuant to the most recent census data available as of the date of the contract for such sale),

"(B) in the case of a house comprised of 2 residential units, 125 percent of the amount described in subparagraph (A),

"(C) in the case of a house comprised of 3 residential units, 150 percent of the amount described in subparagraph (A), or

"(D) in the case of a house comprised of 4 residential units, 175 percent of the amount described in subparagraph (A).

"(2) QUALIFIED HOMEOWNER.—The term 'qualified homeowner' means, with respect to a qualified residence, an individual—

"(A) who owns and uses such qualified residence as the principal residence of such individual, and

"(B) whose family income (determined as of the date that a binding contract for the affordable sale of such residence is entered into) 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

allocation to the qualified project of which such residence is a part (or, in the case of a qualified residence to which subsection (i) applies, the rehabilitation of such residence is completed during such 5-year period).

"(2) LIMITATIONS ON ALLOCATIONS TO QUALIFIED PROJECTS.—

"(A) ALLOCATIONS LIMITED BY STATE NEIGHBORHOOD HOMES CREDIT CEILING.—The aggregate amount allocated to taxpayers with respect to qualified projects by the neighborhood homes credit agency of any State for any calendar year shall not exceed the State neighborhood homes credit amount of such State for such calendar year.

"(B) SET-ASIDE FOR CERTAIN PROJECTS INVOLVING QUALIFIED NONPROFIT ORGANIZATIONS.—Rules similar to the rules of section 42(h)(5) shall apply for purposes of this section.

"(3) DETERMINATION OF STATE NEIGHBORHOOD HOMES CREDIT CEILING.—

"(A) IN GENERAL.—The State neighborhood homes credit amount for a State for a calendar year is an amount equal to the sum of—

"(i) the greater of—

"(I) the product of $6, multiplied by the State population (determined in accordance with section 146(j)), or

"(II) $8,000,000, and

"(ii) any amount previously allocated to any taxpayer with respect to any qualified project by the neighborhood homes credit agency of such State which can no longer be allocated to any qualified residence because the 5-year period described in paragraph (1)(B) expires during calendar year.

"(B) 3-YEAR CARRYFORWARD OF UNUSED LIMITATION.—The State neighborhood homes credit amount for a State for a calendar year shall be increased by the excess (if any) of the State neighborhood homes credit amount for such State for the preceding calendar year over the aggregate amount allocated by the neighborhood homes credit agency of such State during such preceding calendar year. Any amount carried forward under the preceding sentence shall not be carried past the third calendar year after the calendar year in which such credit

amount originally arose, determined on a first-in, first-out basis.

"(f) RESPONSIBILITIES OF NEIGHBORHOOD HOMES CREDIT AGENCIES.—

"(1) IN GENERAL.—Notwithstanding subsection (e), the State neighborhood homes credit dollar amount shall be zero for a calendar year unless the neighborhood homes credit agency of the State—

"(A) allocates such amount pursuant to a qualified allocation plan of the neighborhood homes credit agency,

"(B) allocates not more than 20 percent of amounts allocated in the previous year (or for allocations made in 2022, not more than 20 percent of the neighborhood homes credit ceiling for such year) to projects with respect to qualified residences which—

"(i) are located in census tracts described in subsection (c)(2)(A)(iii), (c)(2)(A)(iv), (i)(5), or

"(ii) are not located in a qualified census tract but meet the requirements of (i)(8),

"(C) promulgates standards with respect to reasonable qualified development costs and fees,

"(D) promulgates standards with respect to construction quality,

"(E) in the case of any neighborhood homes credit agency which makes an allocation to a qualified project which includes any qualified residence to which subsection (i) applies, promulgates standards with respect to protecting the owners of such residences, including the capacity of such owners to pay rehabilitation costs not covered by the credit provided by this section and providing for the disclosure to such owners of their rights and responsibilities with respect to the rehabilitation of such residences, and

"(F) submits to the Secretary (at such time and in such manner as the Secretary may prescribe) an annual report specifying—

"(i) the amount of the neighborhood homes credits allocated to each qualified project for the previous year,

"(ii) with respect to each qualified residence completed in the preceding calendar year—

"(I) the census tract in which such qualified residence is located,

"(II) with respect to the qualified project that includes such qualified residence, the year in which such project received an allocation under this section,

"(III) whether such qualified residence was new, substantially rehabilitated and sold to a qualified homeowner, or substantially rehabilitated pursuant to subsection (i),

"(IV) the eligible development costs of such qualified residence,

"(V) the amount of the neighborhood homes credit with respect to such qualified residence,

"(VI) the sales price of such qualified residence, if applicable, and

"(VII) the family income of the qualified homeowner (expressed as a percentage of the applicable area me-

dian family income for the location of the qualified residence), and

"(iii) such other information as the Secretary may require.

"(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan which—

"(A) sets forth the selection criteria to be used to prioritize qualified projects for allocations of State neighborhood homes credit dollar amounts, including—

"(i) the need for new or substantially rehabilitated owner-occupied homes in the area addressed by the project,

"(ii) the expected contribution of the project to neighborhood stability and revitalization, including the impact on neighborhood residents,

"(iii) the capability and prior performance of the project sponsor, and

"(iv) the likelihood the project will result in long-term homeownership,

"(B) has been made available for public comment, and

"(C) provides a procedure that the neighborhood homes credit agency (or any agent or contractor of such agency) shall follow for purposes of—

"(i) identifying noncompliance with any provisions of this section, and

"(ii) notifying the Internal Revenue Service of any such noncompliance of which the agency becomes aware.

"(g) REPAYMENT.—

"(1) IN GENERAL.—

"(A) SOLD DURING 5-YEAR PERIOD.—If a qualified residence is sold during the 5-year period beginning immediately after the affordable sale of such qualified residence referred to in subsection (a), the seller (with respect to the sale during such 5-year period) shall transfer an amount equal to the repayment amount to the relevant neighborhood homes credit agency.

"(B) USE OF REPAYMENTS.—A neighborhood homes credit agency shall use any amount received pursuant to subparagraph (A) only for purposes of qualified projects.

"(2) REPAYMENT AMOUNT.—For purposes of paragraph (1)(A), the repayment amount is an

amount equal to 50 percent of the gain from the sale to which the repayment relates, reduced by 20 percent for each year of the 5-year period referred to in paragraph (1)(A) which ends before the date of such sale.

"(3) LIEN FOR REPAYMENT AMOUNT.—A neighborhood homes credit agency receiving an allocation under this section shall place a lien on each qualified residence that is built or rehabilitated as part of a qualified project for an amount such agency deems necessary to ensure potential repayment pursuant to paragraph (1)(A).

"(4) DENIAL OF DEDUCTIONS IF CONVERTED TO RENTAL HOUSING.—If, during the 5-year period described in paragraph (1), an individual who owns a qualified residence fails to use such qualified residence as such individual's principal residence for any period of time, no deduction shall be allowed for expenses paid or incurred by such individual with respect to renting, during such period of time, such qualified residence.

"(5) WAIVER.—The neighborhood homes credit agency may waive the repayment required under paragraph (1)(A) in the case of homeowner experiencing a hardship.

"(h) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) NEIGHBORHOOD HOMES CREDIT AGENCY.—The term 'neighborhood homes credit agency' means the agency designated by the governor of a State as the neighborhood homes credit agency of the State.

"(2) QUALIFIED PROJECT.—The term 'qualified project' means a project that a neighborhood homes credit agency certifies will build or substantially rehabilitate one or more qualified residences.

"(3) DETERMINATIONS OF FAMILY INCOME.—Rules similar to the rules of section 143(f)(2) shall apply for purposes of this section.

"(4) POSSESSIONS TREATED AS STATES.—The term 'State' includes the District of Columbia and the possessions of the United States.

"(5) SPECIAL RULES RELATED TO CONDOMINIUMS AND COOPERATIVE HOUSING CORPORATIONS.—

"(A) DETERMINATION OF DEVELOPMENT COSTS.—In the case of a qualified residence described in clause (ii) or (iii) of subsection (c)(1)(A), the reasonable development costs and eligible development costs of such qualified residence shall be an amount equal to such costs,

respectively, of the entire condominium or cooperative housing property in which such qualified residence is located, multiplied by a fraction—

"(i) the numerator of which is the total floor space of such qualified residence, and

"(ii) the denominator of which is the total floor space of all residences within such property.

"(B) TENANT-STOCKHOLDERS OF COOPERATIVE HOUSING CORPORATIONS TREATED AS OWNERS.—In the case of a cooperative housing corporation (as such term is defined in section 216(b)), a tenant-stockholder shall be treated as owning the house or apartment which such person is entitled to occupy.

"(6) RELATED PARTY SALES NOT TREATED AS AFFORDABLE SALES.—

"(A) IN GENERAL.—A sale between related persons shall not be treated as an affordable sale.

"(B) RELATED PERSONS.—For purposes of this paragraph, a person (in this subparagraph referred to as the 'related person') is related to any person if the related person bears

a relationship to such person specified in section 267(b) or 707(b)(1), or the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52). For purposes of the preceding sentence, in applying section 267(b) or 707(b)(1), '10 percent' shall be substituted for '50 percent'.

"(7) INFLATION ADJUSTMENT.—

"(A) IN GENERAL.—In the case of a calendar year after 2022, the dollar amounts in subsections (b)(3)(A), (e)(3)(A)(i)(I), (e)(3)(A)(i)(II), and (i)(2)(C) shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2021' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(B) ROUNDING.—

"(i) In the case of the dollar amounts in subsection (b)(3)(A) and (i)(2)(C), any increase under paragraph (1) which is not

a multiple of $1,000 shall be rounded to the nearest multiple of $1,000.

"(ii) In the case of the dollar amount in subsection (e)(3)(A)(i)(I), any increase under paragraph (1) which is not a multiple of $0.01 shall be rounded to the nearest multiple of $0.01.

"(iii) In the case of the dollar amount in subsection (e)(3)(A)(i)(II), any increase under paragraph (1) which is not a multiple of $100,000 shall be rounded to the nearest multiple of $100,000.

"(8) REPORT.—

"(A) IN GENERAL.—The Secretary shall annually issue a report, to be made available to the public, which contains the information submitted pursuant to subsection (f)(1)(F).

"(B) DE-IDENTIFICATION.—The Secretary shall ensure that any information made public pursuant to paragraph (1) excludes any information that would allow for the identification of qualified homeowners.

"(9) LIST OF QUALIFIED CENSUS TRACTS.—The Secretary of Housing and Urban Development

shall, for each year, make publicly available a list of qualified census tracts under—

"(A) on a combined basis, clauses (i) and (ii) of subsection (c)(2)(A),

"(B) clause (iii) of such subsection, and

"(C) subsection (i)(5)(A).

"(i) APPLICATION OF CREDIT WITH RESPECT TO OWNER-OCCUPIED REHABILITATIONS.—

"(1) IN GENERAL.—In the case of a qualified rehabilitation by the taxpayer of any qualified residence which is owned (as of the date that the written binding contract referred to in paragraph (3) is entered into) by a specified homeowner, the rules of paragraphs (2) through (7) shall apply.

"(2) ALTERNATIVE CREDIT DETERMINATION.—In the case of any qualified residence described in paragraph (1), the neighborhood homes credit determined under subsection (a) with respect to such residence shall (in lieu of any credit otherwise determined under subsection (a) with respect to such residence) be allowed in the taxable year during which the qualified rehabilitation is completed (as determined by the neighborhood homes credit agency) and shall be equal to the least of—

"(A) the excess (if any) of—

"(i) the amounts paid or incurred by the taxpayer for the qualified rehabilitation of the qualified residence to the extent that such amounts are certified by the neighborhood homes credit agency (at the time of the completion of such rehabilitation) as meeting the standards specified pursuant to subsection (f)(1)(C), over

"(ii) any amounts paid to such taxpayer for such rehabilitation,

"(B) 50 percent of the amounts described in subparagraph (A)(i), or

"(C) $50,000.

"(3) QUALIFIED REHABILITATION.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified rehabilitation' means a rehabilitation or reconstruction performed pursuant to a written binding contract between the taxpayer and the qualified homeowner if the amount paid or incurred by the taxpayer in the performance of such rehabilitation or reconstruction exceeds the dollar amount in effect under subsection (b)(3)(A).

"(B) APPLICATION OF LIMITATION TO EXPENSES PAID OR INCURRED AFTER ALLOCA-

TION.—A rule similar to the rule of section (b)(4) shall apply for purposes of this subsection.

"(4) SPECIFIED HOMEOWNER.—For purposes of this subsection, the term 'qualified homeowner' means, with respect to a qualified residence, an individual—

"(A) who owns and uses such qualified residence as the principal residence of such individual as of the date that the written binding contract referred to in paragraph (3) is entered into, and

"(B) whose family income (determined as of such date) does not exceed the median family income for the applicable area (with respect to the census tract in which the qualified residence is located).

"(5) ADDITIONAL CENSUS TRACTS IN WHICH OWNER-OCCUPIED RESIDENCES MAY BE LOCATED.—In the case of any qualified residence described in paragraph (1), the term 'qualified census tract' includes any census tract which—

"(A) meets the requirements of subsection (c)(2)(A)(i) without regard to subclause (III) thereof, and

"(B) is designated by the neighborhood homes credit agency for purposes of this paragraph.

"(6) MODIFICATION OF REPAYMENT REQUIREMENT.—In the case of any qualified residence described in paragraph (1), subsection (g) shall be applied by beginning the 5-year period otherwise described therein on the date on which the qualified owner acquired the residence.

"(7) RELATED PARTIES.—Paragraph (1) shall not apply if the taxpayer is the owner of the qualified residence described in paragraph (1) or is related (within the meaning of subsection (h)(6)(B)) to such owner.

"(8) PYRRHOTITE REMEDIATION.—The requirement of subsection (c)(1)(C) shall not apply to a qualified rehabilitation under this subsection of a qualified residence that is documented by an engineer's report and core testing to have a foundation that is adversely impacted by pyrrhotite or other iron sulfide minerals.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regula-

tions that prevent avoidance of the rules, and abuse of the purposes, of this section.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b), as amended by the preceding provisions of this Act, is amended by striking ''plus'' at the end of paragraph (34), by striking the period at the end of paragraph (35) and inserting '', plus'', and by adding at the end the following new paragraph:

''(36) the neighborhood homes credit determined under section 42A(a),''.

(c) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—Section 38(c)(4)(B), as amended by the preceding provisions of this Act, is amended by redesginating clauses (iv) through (xiii) as clauses (v) through (xiv), respectively, and by inserting after clause (iii) the following new clause:

''(iv) the credit determined under section 42A,''.

(d) CONFORMING AMENDMENTS.—

(1) Subsections (i)(3)(C), (i)(6)(B)(i), and (k)(1) of section 469 are each amended by inserting ''or 42A'' after ''section 42''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by in-

serting after the item relating to section 42 the following new item:

"Sec. 42A. Neighborhood homes credit.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

PART 6—INVESTMENTS IN TRIBAL INFRASTRUCTURE

SEC. 135601. TREATMENT OF INDIAN TRIBES AS STATES WITH RESPECT TO BOND ISSUANCE.

(a) IN GENERAL.—Section 7871(c) is amended to read as follows:

"(c) SPECIAL RULES FOR TAX-EXEMPT BONDS.—

"(1) IN GENERAL.—In applying section 146 to bonds issued by Indian Tribal Governments the Secretary shall annually—

"(A) establish a national bond volume cap based on the greater of—

"(i) the State population formula approach in section 146(d)(1)(A) (using national Tribal population estimates supplied annually by the Department of the Interior in consultation with the Census Bureau), and

"(ii) the minimum State ceiling 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-

tion, or other organized group or community, or of Alaska Natives, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, and also includes any agencies, instrumentalities or political subdivisions thereof.

"(B) INTERTRIBAL CONSORTIUMS, ETC.—In any case in which an Indian Tribal Government has authorized an intertribal consortium, a Tribal organization, or an Alaska Native regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act, to plan for, coordinate or otherwise administer services, finances, functions, or activities on its behalf under this subsection, the authorized entity shall have the rights and responsibilities of the authorizing Indian Tribal Government only to the extent provided in the Authorizing resolution.

"(C) QUALIFIED INDIAN LANDS.—The term 'qualified Indian lands' shall mean an Indian reservation as defined in section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)), including lands which are within the

jurisdictional area of an Oklahoma Indian Tribe (as determined by the Secretary of the Interior) and shall include lands outside a reservation where the facility is to be placed in service in connection with—

"(i) the active conduct of a trade or business by an Indian Tribe on, contiguous to, within reasonable proximity of, or with a substantial connection to, an Indian reservation or Alaska Native village, or

"(ii) infrastructure (including roads, power lines, water systems, railroad spurs, and communication facilities) serving an Indian reservation or Alaska Native village.".

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 45(c)(9) is amended to read as follows:

"(B) INDIAN TRIBE.—For purposes of this paragraph, the term 'Indian tribe' has the meaning given the term 'Indian Tribal Government' by section 7871(c)(3)(A).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued in calendar years beginning after the date of the enactment of this Act.

SEC. 135602. NEW MARKETS TAX CREDIT FOR TRIBAL STATISTICAL AREAS.

(a) ADDITIONAL ALLOCATIONS FOR TRIBAL STATISTICAL AREAS.—Section 45D(f), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(5) ADDITIONAL ALLOCATIONS FOR TRIBAL STATISTICAL AREAS.—

"(A) IN GENERAL.—In the case of each calendar year after 2021, there is (in addition to any limitation under any other paragraph of this subsection) a new markets tax credit limitation of $175,000,000 which shall be allocated by the Secretary as provided in paragraph (2) except that such limitation may only be allocated with respect to Tribal Statistical Areas.

"(B) CARRYOVER OF UNUSED TRIBAL STATISTICAL AREA LIMITATION.—

"(i) IN GENERAL.—If the credit limitation under subparagraph (A) for any calendar year exceeds the amount of such limitation allocated by the Secretary for such calendar year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

"(ii) LIMITATION ON CARRYOVER.—No amount of credit limitation may be carried under clause (i) past the 5th calendar year following the calendar year in which such amount of credit limitation arose.

"(iii) TRANSFER OF EXPIRED TRIBAL STATISTICAL AREA LIMITATION TO GENERAL LIMITATION.—In the case of any amount of credit limitation which would (but for clause (ii)) be carried under clause (i) to the 6th calendar year following the calendar year in which such amount of credit limitation arose, the new market tax credit limitation under paragraph (1) for such 6th calendar year shall be increased by the amount of such credit limitation.

"(C) TRIBAL STATISTICAL AREA.—For purposes of this paragraph, the term 'Tribal Statistical Area' means—

"(i) any low-income community which is located in any Tribal Census Tract, Oklahoma Tribal Statistical Area, Tribal-Designated Statistical Area, Alaska Native Village Statistical Area, or Hawaiian Home Land, and

"(ii) any low-income community described in subsection (e)(1)(B).".

(b) ELIGIBILITY OF CERTAIN PROJECTS SERVING TRIBAL MEMBERS.—Section 45D(e)(1) is amended to read as follows:

"(1) IN GENERAL.—The term 'low-income community' means any area—

"(A) comprising a population census tract if—

"(i) the poverty rate for such tract is at least 20 percent, or

"(ii)(I) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

"(II) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income,

"(B) which is used for a qualified active low-income community business which—

"(i) services a significant population of Tribal or Alaska Native Village members who are residents of a low-income community described in subsection (f)(5)(C)(i), and

"(ii) obtains a written statement from the relevant Indian Tribal Government (within the meaning of section 7871(c)) that documents the eligibility such project with respect to the requirement of clause (i).

Subparagraph (A)(ii) shall be applied using possession wide median family income in the case of census tracts located within a possession of the United States.".

(c) APPLICATION OF INFLATION ADJUSTMENT.—Section 45D(f)(4), as added by the preceding provisions of this Act, is amended by striking "the dollar amount paragraph (1)(H) shall be increased" and inserting "the dollar amounts in paragraphs (1)(H) and (5)(A) shall each be increased".

(d) COORDINATION WITH EXISTING CARRYOVER.—Section 45D(f)(3), as amended by the preceding provisions of this Act, is amended to read as follows:

"(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation under paragraph (1) for any calendar year exceeds the amount of such limitation allocated by the Secretary under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.".

(e) REGULATORY AUTHORITY.—Section 45D(i) is amended by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting ", and", and by adding at the end the following new paragraph:

"(7) which provide documentation requirements for the written statement required under subsection (e)(1)(B)(ii), and

"(8) which provide procedures for determining which projects under subsection (e)(1)(B) are qualified active low-income community businesses with respect to the populations described in such subsection. Such procedures shall take into account the location needs of such projects, especially with respect to projects that serve multiple tribal or Alaska Native Village communities.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to new markets tax credit limita-

tion determined for calendar years after December 31, 2021.

SEC. 135603. INCLUSION OF INDIAN AREAS AS DIFFICULT DEVELOPMENT AREAS FOR PURPOSES OF CERTAIN BUILDINGS.

(a) IN GENERAL.—Subclause (I) of section 42(d)(5)(B)(iii), as amended by the preceding provisions of this Act, is amended by inserting ", any Indian area" after "median gross income".

(b) INDIAN AREA.—Clause (iii) of section 42(d)(5)(B), as amended by the preceding provisions of this Act is amended by redesignating subclause (III) as subclause (V) and by inserting after subclause (II) the following new subclauses:

"(III) INDIAN AREA.—For purposes of subclause (I), the term 'Indian area' means any Indian area (as defined in section 4(11) of the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4103(11))).

"(IV) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.—In the case of an area which is a difficult development area solely because it is an In-

dian area, a building shall not be treated as located in such area unless such building is assisted or financed under the Native American Housing Assistance and Self Determination Act of 1996 (25 U.S.C. 4101 et seq.) or the project sponsor is an Indian tribe (as defined in section 45A(c)(6)), a tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), or wholly owned or controlled by such an Indian tribe or tribally designated housing entity.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to buildings placed in service after December 31, 2021.

PART 7—INVESTMENTS IN THE TERRITORIES

SEC. 135701. POSSESSIONS ECONOMIC ACTIVITY CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is amended by adding at the end the following new section:

"SEC. 45V. POSSESSIONS ECONOMIC ACTIVITY CREDIT.

"(a) ALLOWANCE OF CREDIT.—For purposes of section 38, in the case of a qualified domestic corporation the possessions economic activity credit determined under this section for a taxable year is an amount equal to 20 percent of the sum of the qualified possession wages and allocable employee fringe benefit expenses paid or incurred by the taxpayer for the taxable year.

"(b) QUALIFIED DOMESTIC CORPORATION; QUALIFIED CORPORATION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified domestic corporation' means any domestic corporation which is—

"(A) a qualified corporation, or

"(B) a United States shareholder of a foreign corporation which—

"(i) is a qualified corporation, and

"(ii) is wholly owned by the United States shareholder together with any corporations which are members of the same affiliated group (within the meaning of section 1504(a)) as such United States shareholder.

"(2) QUALIFIED CORPORATION.—The term 'qualified corporation' means any corporation if such corporation meets the following requirements:

"(A) SOURCE QUALIFICATION.—80 percent or more of the gross income of the corporation for the 3-year period immediately preceding the close of the taxable year (or for such part of such period immediately preceding the close of such taxable year as may be applicable) was derived from sources within a possession of the United States (determined without regard to section 904(f)).

"(B) TRADE OR BUSINESS QUALIFICATION.—75 percent or more of the gross income of the corporation for such period or such part thereof was derived from the active conduct of a trade or business within a possession of the United States.

"(3) SPECIAL RULE FOR SEPARATE AND CLEARLY IDENTIFIED UNITS OF FOREIGN CORPORATIONS.—

"(A) IN GENERAL.—In the case of a United States shareholder of a foreign corporation which—

"(i) is not a qualified corporation but with respect to which the ownership requirements of paragraph (1)(B)(ii) are met, and

"(ii) has an eligible foreign business unit which, if such unit were a corporation, would be a qualified corporation with respect to which such ownership requirements would be met,

then, for purposes of this section, the United States shareholder may elect to treat such unit as a separate foreign corporation which meets the requirements of paragraph (1)(B) and with respect to which such shareholder is a United States shareholder.

"(B) ELIGIBLE FOREIGN BUSINESS UNIT.—For purposes of this paragraph, the term 'eligible foreign business unit' means a separate and clearly identified foreign unit of a trade or business, including a partnership or an entity treated as disregarded as a separate entity from its owner (under section 7701 or other provision under this title), which maintains separate books and records.

"(C) SPECIAL ELECTION FOR AFFILIATED GROUPS.—In the case of an affiliated group described in paragraph (1)(B)(ii), the election under subparagraph (A) with respect to any eligible foreign business unit shall be made by the

common parent of such group and shall apply uniformly to all members of such group which are United States shareholders with respect to the foreign corporation which has such unit.

"(c) QUALIFIED POSSESSION WAGES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified possession wages' means wages paid or incurred by the qualified corporation during the taxable year in connection with the active conduct of a trade or business within a possession of the United States to any employee for services performed in such possession, but only if such services are performed while the principal place of employment of such employee is within such possession.

"(2) LIMITATION ON AMOUNT OF WAGES TAKEN INTO ACCOUNT.—

"(A) IN GENERAL.—The amount of wages which may be taken into account under paragraph (1) with respect to any employee for any taxable year shall not exceed $50,000.

"(B) TREATMENT OF PART-TIME EMPLOYEES, ETC.—If—

"(i) any employee is not employed by the qualified corporation on a substantially

full-time basis at all times during the taxable year, or

"(ii) the principal place of employment of any employee with the qualified corporation is not within a possession at all times during the taxable year,

the limitation applicable under paragraph (1) with respect to such employee shall be the appropriate portion (as determined by the Secretary) of the limitation which would otherwise be in effect under paragraph (1).

"(C) WAGES.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). For purposes of the preceding sentence, such subsection (b) shall be applied as if the term 'United States' included all possessions of the United States.

"(ii) SPECIAL RULE FOR AGRICULTURAL LABOR AND RAILWAY LABOR.—In any case to which subparagraph (A) or (B)

of paragraph (1) of section 51(h) applies, the term 'wages' has the meaning given to such term by section 51(h)(2).

"(3) ALLOCABLE EMPLOYEE FRINGE BENEFIT EXPENSES.—

"(A) IN GENERAL.—The allocable employee fringe benefit expenses of any qualified corporation for any taxable year is an amount which bears the same ratio to the amount determined under subparagraph (B) for such taxable year as—

"(i) the aggregate amount of the qualified corporation's qualified possession wages for such taxable year, bears to

"(ii) the aggregate amount of the wages paid or incurred by such qualified corporation during such taxable year.

In no event shall the amount determined under the preceding sentence exceed 15 percent of the amount referred to in clause (i).

"(B) EXPENSES TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), the amount determined under this subparagraph for any taxable year is the aggregate amount allowable (or, in the case of a foreign corporation, which

would be allowable if such foreign corporation were a domestic corporation) as a deduction under this chapter to the qualified corporation for such taxable year with respect to—

"(i) employer contributions under a stock bonus, pension, profit-sharing, or annuity plan,

"(ii) employer-provided coverage under any accident or health plan for employees, and

"(iii) the cost of life or disability insurance provided to employees.

Any amount treated as wages under paragraph (2)(C) shall not be taken into account under this subparagraph.

"(d) SPECIAL RULE FOR QUALIFIED SMALL DOMESTIC CORPORATION.—For purposes of this section—

"(1) INCREASED CREDIT PERCENTAGE.—In the case of a qualified small domestic corporation, subsection (a) shall be applied by substituting '50 percent' for '20 percent'.

"(2) QUALIFIED SMALL DOMESTIC CORPORATION.—

"(A) IN GENERAL.—The term 'qualified small domestic corporation' means a qualified

domestic corporation that meets the requirements of subparagraphs (B) and (C).

"(B) FULL-TIME EMPLOYMENT.—A qualified domestic corporation meets the requirements of this subparagraph if the qualified corporation which is the qualified domestic corporation under subsection (b)(1)(A) or the foreign corporation under subsection (b)(1)(B)(i)—

"(i) has at least 5 full-time employees in a possession of the United States for each year in the 3-year period immediately preceding the close of the taxable year (or for such part of such period immediately preceding the close of such taxable year as may be applicable), and

"(ii) has not more than a total of 30 full-time employees for each year in such 3-year period.

"(C) GROSS RECEIPTS.—A qualified domestic corporation meets the requirements of this subparagraph if the annual gross receipts of the qualified domestic corporation (and all persons related thereto) for each year in such 3-year period is not more than $50,000,000.

"(3) RELATED PERSONS.—In determining whether the limitations under subparagraphs (B)(ii) and (C) of paragraph (2) are met, all persons who are treated as related to the qualified domestic corporation for purposes of subsection (a) or (b) of section 52 shall be taken into account.

"(4) AMOUNT OF WAGES TAKEN INTO ACCOUNT.—Subsection (c)(2)(A) shall be applied by substituting '$139,500' for '$50,000'.

"(e) POSSESSION OF THE UNITED STATES.—

"(1) IN GENERAL.—The term 'possession of the United States' means American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

"(2) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with a mirror code tax system (as defined in section 24(k)), this section shall not be treated as part of the income tax laws of the United States for purposes of determining the income tax law of such possession unless such possession elects to have this section be so treated.

"(f) SEPARATE APPLICATION TO EACH POSSESSION.—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.

SEC. 135702. ADDITIONAL NEW MARKETS TAX CREDIT ALLOCATIONS FOR THE TERRITORIES.

(a) IN GENERAL.—Section 45D(f), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(6) ADDITIONAL ALLOCATIONS FOR POSSESSIONS OF THE UNITED STATES.—

"(A) IN GENERAL.—In the case of each calendar year after 2021, there is (in addition to the limitation under paragraph (1)—

"(i) a new markets tax credit limitation of $80,000,000 which shall be allocated by the Secretary as provided in paragraph (2) except that such limitation may only be allocated with respect to low-income communities located in Puerto Rico, and

"(ii) a new markets tax credit limitation of $20,000,000 which shall be allocated by the Secretary as provided in paragraph (2) except that such limitation may only be allocated with respect to low-income communities located in possessions of the United States other than Puerto Rico.

"(B) CARRYOVER OF UNUSED LIMITATION.—

"(i) IN GENERAL.—If the credit limitation under clause (i) or clause (ii) of subparagraph (A) for any calendar year exceeds the amount of such limitation allocated by the Secretary for such calendar year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

"(ii) LIMITATION ON CARRYOVER.—No amount of credit limitation may be carried under clause (i) past the 5th calendar year following the calendar year in which such amount of credit limitation arose.

"(iii) TRANSFER OF EXPIRED POSSESSION LIMITATION TO GENERAL LIMITATION.—In the case of any amount of credit limitation which would (but for clause (ii)) be carried under clause (i) to the 6th calendar year following the calendar year in which such amount of credit limitation arose, the new market tax credit limitation under paragraph (1) for such 6th calendar year shall be increased by the amount of such credit limitation.".

(b) APPLICATION OF INFLATION ADJUSTMENT.—Section 45D(f)(4), as added and amended by the preceding provisions of this Act, is amended by striking ''paragraphs (1)(H) and (5)(A)'' and inserting ''paragraphs (1)(H), (5)(A), (6)(A)(i), and (6)(A)(ii)''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to new markets tax credit limitation determined for calendar years after December 31, 2021.

Subtitle G—Green Energy

SEC. 136001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—RENEWABLE ELECTRICITY AND REDUCING CARBON EMISSIONS

SEC. 136101. EXTENSION AND MODIFICATION OF CREDIT FOR ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES.

(a) IN GENERAL.—The following provisions of section 45(d) are each amended by striking ''January 1,

2022'' each place it appears and inserting ''January 1, 2034'':

(1) Paragraph (2)(A).

(2) Paragraph (3)(A).

(3) Paragraph (4)(B).

(4) Paragraph (6).

(5) Paragraph (7).

(6) Paragraph (9).

(7) Paragraph (11)(B).

(b) APPLICATION OF EXTENSION TO SOLAR.—Section 45(d)(4)(A) is amended by striking ''is placed in service before January 1, 2006'' and inserting ''the construction of which begins before January 1, 2034.''.

(c) EXTENSION OF ELECTION TO TREAT QUALIFIED FACILITIES AS ENERGY PROPERTY.—Section 48(a)(5)(C)(ii) is amended by striking ''January 1, 2022'' and inserting ''January 1, 2034''.

(d) APPLICATION OF EXTENSION TO WIND FACILITIES.—

(1) IN GENERAL.—Section 45(d)(1) is amended by striking ''January 1, 2022'' and inserting ''January 1, 2034''.

(2) APPLICATION OF PHASEOUT PERCENTAGE.—

(A) RENEWABLE ELECTRICITY PRODUCTION CREDIT.—Section 45(b)(5)(D) is amended by inserting ''placed in service before January 1, 2022'' after ''In the case of any facility''.

(B) ENERGY CREDIT.—Section 48(a)(5)(E)(iv) is amended by inserting ''placed in service before January 1, 2022'' after ''In the case of any facility''.

(3) QUALIFIED OFFSHORE WIND FACILITIES UNDER ENERGY CREDIT.—Section 48(a)(5)(F)(i) is amended by striking ''offshore wind facility—'' and all that follows and inserting the following: ''offshore wind facility, subparagraph (E) shall not apply.''.

(e) PERCENTAGE PHASEOUT OF CREDIT.—Section 45(b) is amended by adding at the end the following new paragraph:

''(6) PERCENTAGE PHASEOUT OF CREDIT.—In the case of any facility, the amount of the credit determined under subsection (a) shall be reduced by—

''(A) in the case of any facility the construction of which begins after December 31, 2031 and before January 1, 2033, 20 percent,

''(B) in the case of any facility the construction of which begins after December 31,

2032 and before January 1, 2034, 40 percent, and

"(C) in the case of any facility the construction of which begins after December 31, 2033, 100 percent.".

(f) WAGE AND APPRENTICESHIP REQUIREMENTS.—Section 45(b) is amended by adding at the end the following new paragraphs:

"(7) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR QUALIFIED FACILITIES.—

"(A) IN GENERAL.—In the case of any qualified facility which does not satisfy the requirements of subparagraph (B), the amount of the credit determined under subsection (a) (determined after the application of paragraphs (1) through (6)) shall be 20 percent of such amount (determined without regard to this sentence).

"(B) INCREASED CREDIT FOR CERTAIN FACILITIES MEETING PROJECT REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any qualified facility which meets the project requirements of this subparagraph, subparagraph (A) shall not apply.

"(ii) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project with a maximum net output of less than 1 megawatt.

"(II) A project which commences construction prior to the date of the enactment of this paragraph.

"(III) A project which satisfies the requirements of paragraphs (8) and (9).

"(8) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any qualified facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such facility, and

"(ii) for the 10-year period beginning on the date the facility was originally placed in service, the alteration or repair of such facility,

shall be paid wages at rates not less than the 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—

"(aa) an amount equal to the difference between the amount of wages paid to such laborer or mechanic during such period, and—

"(AA) the amount of wages required to be paid to such laborer or mechanic pursuant to such subparagraph during such period, plus

"(BB) interest on the amount determined under item (aa) at the underpayment rate established under section 6621 for the period described in such item, and

"(II) makes payment to the Secretary of a penalty in an amount equal to the product of—

"(aa) $5,000, multiplied by

"(bb) the total number of laborers and mechanics who were paid wages at a rate below the

rate described in subparagraph (A) for any period during such year.

"(ii) PENALTY ASSESSED AS TAX.—The penalty described in clause (i)(II) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68.

"(9) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to the construction of any qualified facility are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any project shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph, or

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to

comply with the established standards and requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours'—

"(I) means the total number of hours devoted to the performance of construction, alteration, or repair work by employees of the contractor or subcontractor, and

"(II) excludes any hours worked by—

"(aa) foremen,

"(bb) superintendents,

"(cc) owners, or

"(dd) persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' means an indi-

vidual who is an employee of the contractor or subcontractor and who is participating in a registered apprenticeship program, as defined in section 3131(e)(3)(B).

"(10) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—

"(A) IN GENERAL.—In the case of any qualified facility which satisfies the requirement under subparagraph (B), the amount of the credit determined under subsection (a) (determined after the application of paragraphs (1) through (9)) shall be increased by an amount equal to 10 percent of the amount otherwise in effect under such subsection.

"(B) REQUIREMENT.—

"(i) IN GENERAL.—Subject to clause (iii), the requirement described in this subclause with respect to any qualified facility is that, prior to the end of the taxable year in which such facility is placed in service, the taxpayer shall certify to the Secretary that, any steel, iron, or manufactured product used in the construction of such facility was produced in the United States.

"(ii) STEEL AND IRON.—In the case of steel or iron, clause (i) shall be applied in a manner consistent with section 661.5(b) of title 49, Code of Federal Regulations.

"(iii) MANUFACTURED PRODUCT.—For purposes of clause (i), a manufactured product shall be deemed to have been manufactured in the United States if not less than 55 percent of the total cost of the components of such product is attributable to components which are mined, produced, or manufactured in the United States.

"(C) INTERNATIONAL AGREEMENTS.—This paragraph shall be applied in a manner which is consistent with the obligations of the United States under international agreements.

"(11) PENALTY FOR DIRECT PAY.—

"(A) IN GENERAL.—In the case of a taxpayer making an election under section 6417 with respect to a credit under this section, the amount of such credit shall be replaced with—

"(i) the value of such credit (determined without regard to this paragraph), multiplied by

"(ii) the applicable percentage.

"(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN QUALIFIED FACILITIES.—In the case of any qualified facility—

"(i) which satisfies the requirements under paragraph (10) with respect to the construction of such facility, or

"(ii) with a maximum net output of less than 1 megawatt,

the applicable percentage shall be 100 percent.

"(C) PHASED DOMESTIC CONTENT REQUIREMENT.—Subject to subparagraph (D), in the case of any qualified facility which is not described in subparagraph (B), the applicable percentage shall be—

"(i) if construction of such facility began before January 1, 2024, 100 percent,

"(ii) if construction of such facility began in calendar year 2024, 90 percent,

"(iii) if construction of such facility began in calendar year 2025, 85 percent, and

"(iv) if construction of such facility began after December 31, 2025, 0 percent.

"(D) EXCEPTIONS.—In order to facilitate the use of amounts made available in this section, increase the tax incentives for investment in clean energy, and grow the domestic supply chains, the Secretary shall provide appropriate exceptions to the domestic content requirements for products under subparagraph (C) for the construction of qualified facilities if either the inclusion of domestic products increases the overall costs of projects by more than 25 percent or relevant manufactured products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality.

"(12) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to facilities placed in service after December 31, 2021.

SEC. 136102. EXTENSION AND MODIFICATION OF ENERGY CREDIT.

(a) EXTENSION OF CREDIT.—The following provisions of section 48 are each amended by striking ''January 1, 2024'' each place it appears and inserting ''January 1, 2034'':

(1) Subsection (a)(3)(A)(ii).

(2) Subsection (a)(3)(A)(vii).

(3) Subsection (c)(1)(D).

(4) Subsection (c)(2)(D).

(5) Subsection (c)(3)(A)(iv).

(6) Subsection (c)(4)(C).

(b) PHASEOUT OF CREDIT.—Section 48(a) is amended by striking paragraphs (6) and (7) and inserting the following new paragraphs:

''(6) PHASEOUT FOR SOLAR ENERGY PROPERTY.—

''(A) IN GENERAL.—Subject to subparagraph (B), in the case of any energy property described in paragraph (3)(A)(i) the construction of which begins before January 1, 2034, the energy percentage determined under paragraph (2) shall be equal to—

''(i) in the case of any property the construction of which begins after Decem-

ber 31, 2019, and which is placed in service before January 1, 2022, 26 percent,

"(ii) in the case of any property the construction of which begins before January 1, 2032, and which is placed in service after December 31, 2021, 30 percent,

"(iii) in the case of any property the construction of which begins after December 31, 2031 and before January 1, 2033, 26 percent, and

"(iv) in the case of any property the construction of which begins after December 31, 2032 and before January 1, 2034, 22 percent.

"(B) PLACED IN SERVICE DEADLINE.—In the case of any energy property described in paragraph (3)(A)(i) the construction of which begins before January 1, 2034, and which is not placed in service before January 1, 2036, the energy percentage determined under paragraph (2) shall be equal to 10 percent.

"(7) PHASEOUT FOR CERTAIN OTHER ENERGY PROPERTY.—

"(A) IN GENERAL.—Subject to subparagraph (B), in the case of any qualified fuel cell

property, qualified small wind property, waste energy recovery property, or energy property described in paragraph (3)(A)(ii), the energy percentage determined under paragraph (2) shall be equal to—

"(i) in the case of any property the construction of which begins after December 31, 2019, and which is placed in service before January 1, 2022, 26 percent,

"(ii) in the case of any property the construction of which begins before January 1, 2032, and which is placed in service after December 31, 2021, 30 percent,

"(iii) in the case of any property the construction of which begins after December 31, 2031 and before January 1, 2033, 26 percent, and

"(iv) in the case of any property the construction of which begins after December 31, 2032 and before January 1, 2034, 22 percent.

"(B) PLACED IN SERVICE DEADLINE.—In the case of any energy property described in subparagraph (A) which is not placed in service before January 1, 2036, the energy percentage

determined under paragraph (2) shall be equal to 0 percent.''.

(c) 30 PERCENT CREDIT FOR SOLAR AND GEOTHERMAL.—

(1) EXTENSION FOR SOLAR.—Section 48(a)(2)(A)(i)(II) is amended by striking ''January 1, 2024'' and inserting ''January 1, 2034''.

(2) APPLICATION TO GEOTHERMAL.—

(A) IN GENERAL.—Paragraphs (2)(A)(i)(II), (6)(A), and (6)(B) of section 48(a) are each amended by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i), (iii), or (vii) of paragraph (3)(A)''.

(B) CONFORMING AMENDMENT.—The heading of section 48(a)(6) is amended by inserting ''AND GEOTHERMAL'' after ''SOLAR ENERGY''.

(d) ENERGY STORAGE TECHNOLOGIES; QUALIFIED BIOGAS PROPERTY; MICROGRID CONTROLLERS; EXTENSION OF WASTE ENERGY RECOVERY PROPERTY.—

(1) IN GENERAL.—Section 48(a)(3)(A) is amended by striking ''or'' at the end of clause (vii), and by adding at the end the following new clauses:

''(viii) energy storage technology,

''(ix) qualified biogas property, or

"(x) microgrid controllers,".

(2) APPLICATION OF 30 PERCENT CREDIT.—Section 48(a)(2)(A)(i) is amended by striking "and" at the end of subclauses (IV) and (V) and adding at the end the following new subclauses:

"(VI) energy storage technology,

"(VII) qualified biogas property, and

"(VIII) microgrid controllers, and".

(3) APPLICATION OF PHASEOUT.—Section 48(a)(7) is amended by inserting "energy storage technology, qualified biogas property, microgrid contollers," after "waste energy recovery property,".

(4) DEFINITIONS.—Section 48(c) is amended by adding at the end the following new paragraphs:

"(6) ENERGY STORAGE TECHNOLOGY.—

"(A) IN GENERAL.—The term 'energy storage technology' means equipment (other than equipment primarily used in the transportation of goods or individuals and not for the production of electricity) which uses batteries, compressed air, pumped hydropower, hydrogen storage, thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting

magnets, or other technologies identified by the Secretary, after consultation with the Secretary of Energy, to store energy for conversion to electricity (or, in the case of hydrogen storage, to store energy), and has a capacity of not less than 5 kilowatt hours.

"(B) MODIFICATIONS OF CERTAIN PROPERTY.—In the case of any equipment which either—

"(i) would be described in subparagraph (A) except that such equipment has a capacity of less than 5 kilowatt hours is modified such that such equipment (after such modification) has a capacity of not less than 5 kilowatt hours, or

"(ii) is described in subparagraph (A) and which has a capacity of not less than 5 kilowatt hours and is modified such that such equipment (after such modification) has an increased capacity,

such equipment shall be treated as described in subparagraph (A) except that the basis of any property which was part of such equipment before such modification shall not be taken into account for purposes of this section. In the case

of any property to which this subparagraph applies, subparagraph (C) shall be applied by substituting 'modification' for 'construction'.

"(C) TERMINATION.—The term 'energy storage technology' shall not include any property the construction of which does not begin before January 1, 2034.

"(7) QUALIFIED BIOGAS PROPERTY.—

"(A) IN GENERAL.—The term 'qualified biogas property' means property comprising a system which—

"(i) converts biomass (as defined in section 45K(c)(3), as in effect on the date of enactment of this paragraph) into a gas which—

"(I) consists of not less than 52 percent methane, or

"(II) is concentrated by such system into a gas which consists of not less than 52 percent methane, and

"(ii) captures such gas for productive use.

"(B) INCLUSION OF CLEANING AND CONDITIONING PROPERTY.—The term 'qualified 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

"(II) independently (and disconnected) from such grid, and

"(iii) is not part of a bulk-power system (as defined in section 215 of the Federal Power Act (16 U.S.C. 24o)).

"(C) TERMINATION.—The term 'microgrid controller' shall not include any property the construction of which does not begin before January 1, 2034.".

(5) DENIAL OF DOUBLE BENEFIT FOR QUALIFIED BIOGAS PROPERTY.—Section 45(e) is amended by adding at the end the following new paragraph:

"(12) COORDINATION WITH ENERGY CREDIT FOR QUALIFIED BIOGAS PROPERTY.—The term 'qualified facility' shall not include any facility which produces electricity from gas produced by qualified biogas property (as defined in section 48(c)(7)) if a credit is determined under section 48 with respect to such property for the taxable year or any prior taxable year.".

(6) EXTENSION OF WASTE ENERGY RECOVERY PROPERTY.—Section 48(c)(5)(D) is amended by striking "January 1, 2024" and inserting "January 1, 2034".

(e) FUEL CELLS USING ELECTROMECHANICAL PROCESSES.—

(1) IN GENERAL.—Section 48(c)(1) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting ''or electromechanical'' after ''electrochemical'', and

(ii) by inserting ''(1 kilowatts in the case of a fuel cell power plant with a linear generator assembly)'' after ''0.5 kilowatt'', and

(B) in subparagraph (C)—

(i) by inserting '', or linear generator assembly,'' after ''a fuel cell stack assembly'', and

(ii) by inserting ''or electromechanical'' after ''electrochemical''.

(2) LINEAR GENERATOR ASSEMBLY LIMITATION.—Section 48(c)(1) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

''(D) LINEAR GENERATOR ASSEMBLY.—The term 'linear generator assembly' does not

include any assembly which contains rotating parts.''.

(f) DYNAMIC GLASS.—Section 48(a)(3)(A)(ii) is amended by inserting '', or electrochromic glass which uses electricity to change its light transmittance properties in order to heat or cool a structure,'' after ''sunlight''.

(g) COORDINATION WITH LOW INCOME HOUSING TAX CREDIT.—Paragraph (3) of section 50(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''and'' at the end of subparagraph (A),

(2) by striking the period at the end of subparagraph (B) and inserting '', and'', and

(3) by adding at the end the following new subparagraph:

''(C) paragraph (1) shall not apply for purposes of determining eligible basis under section 42.''.

(h) WAGE AND APPRENTICESHIP REQUIREMENTS.—Section 48(a) is amended by adding at the end the following new paragraphs:

''(8) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR ENERGY PROJECTS.—

''(A) IN GENERAL.—

"(i) RULE.—In the case of any energy project which does not satisfy the requirements of subparagraph (B), the amount of the credit determined under this subsection (determined after the application of paragraphs (1) through (7)) shall be 20 percent of such amount (determined without regard to this sentence).

"(ii) ENERGY PROJECT DEFINED.—For purposes of this subsection the term 'energy project' means a project consisting of multiple energy properties that are part of a single project. The requirements of this paragraph shall be applied to such project.

"(B) INCREASED CREDIT FOR ENERGY PROJECTS MEETING PROJECT REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any energy project which meets the project requirements of this subparagraph, subparagraph (A) shall not apply.

"(ii) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project with a maximum net output of less than 1 megawatt.

"(II) A project which commences construction prior to the date of the enactment of this paragraph.

"(III) A project which satisfies the requirements of paragraphs (9) and (10).

"(9) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any energy project are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such energy project , and

"(ii) for any year during the period beginning on the date any energy property of such project is originally placed in service, the alteration or repair of such property,

shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of

Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—A taxpayer shall not be treated as failing to satisfy the requirements of this paragraph if such taxpayer meets requirements similar to the requirements of section 45(b)(8)(B).

"(10) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to the construction of any applicable facility are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any applicable facility prior to such facility being placed into service shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or

repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the con-

tractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

"(11) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—

"(A) IN GENERAL.—In the case of any energy project which satisfies the requirements under subparagraph (B), the energy percentage in subsection (a)(2) shall be increased by the applicable rate in subparagraph (C).

"(B) REQUIREMENTS.—

"(i) IN GENERAL.—The requirement described in this subclause with respect to

any energy project is satisfied if the taxpayer certifies to the Secretary (at such time, and in such form and manner, as the Secretary may prescribe) that the facility is composed of steel, iron, or manufactured products which were produced in the United States.

"(ii) STEEL AND IRON.—In the case of steel or iron, clause (i) shall be applied in a manner consistent with section 661.5(b) of title 49, Code of Federal Regulations.

"(iii) MANUFACTURED PRODUCT.—For purposes of clause (i), a manufactured product shall be deemed to have been manufactured in the United States if not less than 55 percent of the total cost of the components of such product is attributable to components which are mined, produced, or manufactured in the United States.

"(C) APPLICABLE RATE INCREASE.—For purposes of subparagraph (A), the applicable credit rate increase shall be an amount equal to—

"(i) in the case of energy project that does not meet the requirements of subclause (I) or (III) of paragraph (8)(B)(ii), 2 percentage points, and

"(ii) in the case of energy property that meets the requirements of subclause (I) or (III) of paragraph (8)(B)(ii), 10 percentage points.

"(D) INTERNATIONAL AGREEMENTS.—This paragraph shall be applied in a manner which is consistent with the obligations of the United States under international agreements.

"(12) PENALTY FOR DIRECT PAY.—

"(A) IN GENERAL.—In the case of a taxpayer making an election under section 6417 with respect to a credit under this section, the amount of such credit shall be replaced with—

"(i) the value of such credit (determined without regard to this paragraph), multiplied by

"(ii) the applicable percentage.

"(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN ENERGY PROJECTS.—In the case of any energy project—

"(i) which satisfies the requirements under paragraph (11) with respect to the construction of such project, or

"(ii) with a maximum net output of less than 1 megawatt

the applicable percentage shall be 100 percent.

"(C) PHASED DOMESTIC CONTENT REQUIREMENT.—Subject to subparagraph (D), in the case of any energy project which is not described in subparagraph (B), the applicable percentage shall be—

"(i) if construction of such project began before January 1, 2024, 100 percent,

"(ii) if construction of such project began in calendar year 2024, 90 percent,

"(iii) if construction of such project began in calendar year 2025, 85 percent, and

"(iv) if construction of such project began after December 31, 2025, 0 percent.

"(D) EXCEPTIONS.—In order to facilitate the use of amounts made available in this section, increase the tax incentives for investment in clean energy, and grow the domestic supply

chains, the Secretary shall provide appropriate exceptions to the domestic content requirements for products under subparagraph (C) for the construction of qualified facilities if either the inclusion of domestic products increases the overall costs of projects by more than 25 percent or relevant manufactured products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality.

''(13) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.''.

(i) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b), (c), (e), (f), (g), and (h) of this section shall apply to property placed in service after December 31, 2021.

(2) The amendment made by subsection (d) shall apply to periods after December 31, 2021, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on

the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 136103. INCREASE IN ENERGY CREDIT FOR SOLAR FACILITIES PLACED IN SERVICE IN CONNECTION WITH LOW-INCOME COMMUNITIES.

(a) IN GENERAL.—Section 48 is amended by adding at the end the following new subsection:

"(e) SPECIAL RULES FOR CERTAIN SOLAR FACILITIES PLACED IN SERVICE IN CONNECTION WITH LOW-INCOME COMMUNITIES.—

"(1) IN GENERAL.—In the case of any qualified solar facility with respect to which the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, makes an allocation of environmental justice solar capacity limitation under paragraph (4)—

"(A) equipment described in paragraph (3)(B) shall be treated for purposes of this section as energy property described in subsection (a)(2)(A)(i),

"(B) the energy percentage otherwise determined under subsection (a)(2) with respect to any eligible property which is part of such facility shall be increased by—

"(i) in the case of a facility described in subclause (I) of paragraph (2)(A)(iii) and not described in subclause (II) of such paragraph, 10 percentage points, and

"(ii) in the case of a facility described in subclause (II) of paragraph (2)(A)(iii), 20 percentage points, and

"(C) the increase in the credit determined under subsection (a) by reason of this subsection for any taxable year with respect to all property which is part of such facility shall not exceed the amount which bears the same ratio to the amount of such increase (determined without regard to this subparagraph) as—

"(i) the environmental justice solar capacity limitation allocated to such facility, bears to

"(ii) the total megawatt nameplate capacity of such facility, as measured in direct current.

"(2) QUALIFIED SOLAR FACILITY.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified solar facility' means any facility—

"(i) which generates electricity solely from property described in subsection (a)(3)(A)(i),

"(ii) which has a nameplate capacity of 5 megawatts or less, and

"(iii) which—

"(I) is located in a low-income community (as defined in section 45D(e)), or

"(II) is part of a qualified low-income residential building project or a qualified low-income economic benefit project.

"(B) QUALIFIED LOW-INCOME RESIDENTIAL BUILDING PROJECT.—A facility shall be treated as part of a qualified low-income residential building project if—

"(i) such facility is installed on a residential rental building which participates in a covered housing program (as defined in section 41411(a) of the Violence Against Women Act of 1994 (34 U.S.C. 12491(a)(3)), a Housing Development Fund Corporation cooperative under Article XI of the New York State Private

Housing Finance Law, a housing assistance program administered by the Department of Agriculture under title V of the Housing Act of 1949, or such other affordable housing programs as the Secretary may provide, and

"(ii) the financial benefits of the electricity produced by such facility are allocated equitably among the occupants of the dwelling units of such building.

"(C) QUALIFIED LOW-INCOME ECONOMIC BENEFIT PROJECT.—A facility shall be treated as part of a qualified low-income economic benefit project if at least 50 percent of the financial benefits of the electricity produced by such facility are provided to households with income of—

"(i) less than 200 percent of the poverty line applicable to a family of the size involved, or

"(ii) less than 80 percent of area median gross income (as determined under section 142(d)(2)(B)).

"(D) FINANCIAL BENEFIT.—For purposes of subparagraphs (B) and (C), electricity ac-

quired at a below-market rate shall not fail to be taken into account as a financial benefit.

"(3) ELIGIBLE PROPERTY.—

"(A) IN GENERAL.—For purposes of this section, the term 'eligible property' means—

"(i) energy property which is described in subsection (a)(3)(A)(i), including energy storage property (described in subsection (a)(3)(A)(viii)) installed in connection with such energy property, and

"(ii) the amount of any expenditures which are paid or incurred by the taxpayer for qualified interconnection property installed in connection with the installation of property described in subparagraph (A) to provide for the transmission or distribution of the electricity produced or stored by such property, and which are properly chargeable to the capital account of the taxpayer.

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) QUALIFIED INTERCONNECTION PROPERTY.—The term 'qualified interconnection property' means, with respect

to a qualified facility which is not a microgrid, any tangible property—

"(I) which is part of an addition, modification, or upgrade to a transmission or distribution system which is required at or beyond the point at which the qualified facility interconnects to such transmission or distribution system in order to accommodate such interconnection,

"(II) either—

"(aa) which is constructed, reconstructed, or erected by the taxpayer, or

"(bb) for which the cost with respect to the construction, reconstruction, or erection of such property is paid or incurred by such taxpayer, and

"(III) the original use of which, pursuant to an interconnection agreement, commences with the utility.

"(ii) INTERCONNECTION AGREEMENT.—The term 'interconnection agreement' means an agreement with a utility

for the purposes of interconnecting the qualified facility owned by such taxpayer to the transmission or distribution system of such utility.

"(iii) UTILITY.—The term 'utility' means the owner or operator of an electrical transmission or distribution system which is subject to the regulatory authority of—

"(I) the Federal Energy Regulatory Commission, or

"(II) a State or political subdivision thereof, any agency or instrumentality of the United States, a public service or public utility commission or other similar body of any State or political subdivision thereof, or the governing or ratemaking body of an electric cooperative.

"(C) SPECIAL RULE FOR INTERCONNECTION PROPERTY.—In the case of expenses paid or incurred for interconnection property, amounts otherwise chargeable to capital account with respect to such expenses shall be re-

duced under rules similar to the rules of section 50(c).

"(4) ALLOCATIONS.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall establish a program to allocate amounts of environmental justice solar capacity limitation to qualified solar facilities.

"(B) LIMITATION.—The amount of environmental justice solar capacity limitation allocated by the Secretary under subparagraph (A) during any calendar year shall not exceed the annual capacity limitation with respect to such year.

"(C) ANNUAL CAPACITY LIMITATION.—For purposes of this paragraph, the term 'annual capacity limitation' means 1.8 gigawatts of direct current capacity for each of calendar years 2022 through 2031, and zero thereafter.

"(D) CARRYOVER OF UNUSED LIMITATION.—If the annual capacity limitation for any calendar year exceeds the aggregate amount allocated for such year under this paragraph, such limitation for the succeeding calendar year

shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2033.

"(E) PLACED IN SERVICE DEADLINE.—

"(i) IN GENERAL.—Paragraph (1) shall not apply with respect to any property which is placed in service after the date that is 4 years after the date of the allocation with respect to the facility of which such property is a part.

"(ii) APPLICATION OF CARRYOVER.—Any amount of environmental justice solar capacity limitation which expires under clause (i) during any calendar year shall be taken into account as an excess described in subparagraph (D) (or as an increase in such excess) for such calendar year, subject to the limitation imposed by the last sentence of such subparagraph.

"(F) SELECTION CRITERIA.—In determining to which qualified solar facilities to allocate environmental justice solar capacity limitation under this paragraph, the Secretary shall take into consideration which facilities will result in—

"(i) the greatest health and economic benefits, including the ability to withstand extreme weather events, for individuals described in section 45D(e)(2),

"(ii) the greatest employment and wages for such individuals, and

"(iii) the greatest engagement with, outreach to, or ownership by, such individuals, including through partnerships with local governments and community-based organizations.

"(G) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon making an allocation of environmental justice solar capacity limitation under this paragraph, publicly disclose the identity of the applicant, the amount of the environmental justice solar capacity limitation allocated to such applicant, and the location of the facility for which such allocation is made.

"(5) RECAPTURE.—The Secretary shall, by regulations or other guidance, provide for recapturing the benefit of any increase in the credit allowed under subsection (a) by reason of this subsection with respect to any property which ceases to be property eligible for such increase (but which does

not cease to be investment credit property within the meaning of section 50(a)). The period and percentage of such recapture shall be determined under rules similar to the rules of section 50(a). To the extent provided by the Secretary, such recapture may not apply with respect to any property if, within 12 months after the date the taxpayer becomes aware (or reasonably should have become aware) of such property ceasing to be property eligible for such increase, the eligibility of such property for such increase is restored. The preceding sentence shall not apply more than once with respect to any facility.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2021, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 136104. ELECTIVE PAYMENT FOR ENERGY PROPERTY AND ELECTRICITY PRODUCED FROM CERTAIN RENEWABLE RESOURCES, ETC.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by inserting after section 6416 the following new section:

"SEC. 6417. ELECTIVE PAYMENT OF APPLICABLE CREDITS.

"(a) IN GENERAL.—In the case of a taxpayer making an election (at such time and in such manner as the Secretary may provide) under this section with respect to any applicable credit determined with respect to such taxpayer, such taxpayer shall be treated as making a payment against the tax imposed by subtitle A (for the taxable year with respect to which such credit was determined) equal to the amount of such credit.

"(b) APPLICABLE CREDIT.—The term 'applicable credit' means each of the following:

"(1) The renewable electricity production credit determined under section 45.

"(2) The energy credit determined under section 48.

"(3) The credit for carbon oxide sequestration determined under section 45Q.

"(4) The credit for alternative fuel vehicle refueling property allowed under section 30C.

"(5) The qualifying advanced energy project credit determined under section 48C.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) APPLICATION TO TAX-EXEMPT AND GOVERNMENTAL ENTITIES.—In the case of any organization exempt from the tax imposed by subtitle A,

any State or local government (or political subdivision thereof), or any Indian tribal government (within the meaning of section 139E), which makes the election described in subsection (a), any applicable credit shall be determined—

"(A) without regard to paragraphs (3) and (4)(A)(i) of section 50(b), and

"(B) by treating any property with respect to which such credit is determined as used in a trade or business of the taxpayer.

"(2) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—

"(A) IN GENERAL.—In the case of any applicable credit determined with respect to any qualified resources, qualified facility, or energy property held directly by a partnership or S corporation, if such partnership or S corporation makes an election under this subsection (in such manner as the Secretary may provide) with respect to such credit—

"(i) the Secretary shall make a payment to such partnership or S corporation equal to the amount of such credit,

"(ii) subsection (d) shall be applied with respect to such credit before deter-

mining any partner's distributive share, or shareholder's pro rata share, of such credit,

"(iii) any amount with respect to which the election in subsection (a) is made shall be treated as tax exempt income for purposes of sections 705 and 1366, and

"(iv) a partner's distributive share of such tax exempt income shall be based on such partner's distributive share of the otherwise applicable credit for each taxable year.

"(B) COORDINATION WITH APPLICATION AT PARTNER OR SHAREHOLDER LEVEL.—In the case of any partnership or S corporation, subsection (a) shall be applied at the partner or shareholder level after application of paragraph (2)(A)(ii).

"(3) IRREVOCABLE ELECTION.—Any election under this subsection shall be made not later than the due date (including extensions of time) for the return of tax for the taxable year for which the applicable credit is determined, but in no event earlier than 180 days after the date of the enactment of

this section. Any such election, once made, shall be irrevocable.

"(4) TIMING.—The payment described in subsection (a) shall be treated as made on—

"(A) in the case of any government, or political subdivision, described in paragraph (1) and for which no return is required under section 6011 or 6033(a), the later of the date that a return would be due under section 6033(a) if such government or subdivision were described in that section or the date on which such government or subdivision submits a claim for credit or refund (at such time and in such manner as the Secretary shall provide), and

"(B) in any other case, the later of the due date of the return of tax for the taxable year or the date on which such return is filed.

"(5) TREATMENT OF PAYMENTS TO PARTNERSHIPS AND S CORPORATIONS.—For purposes of section 1324 of title 31, United States Code, the payments under subparagraph (A)(ii) of paragraph (2) shall be treated in the same manner as a refund due from a credit provision referred to in subparagraph (B) of such paragraph.

"(6) ADDITIONAL INFORMATION.—As a condition of, and prior to, a payment under this section, the Secretary may require such information or registration as the Secretary deems necessary or appropriate for purposes of preventing duplication, fraud, improper payments, or excessive payments under this section.

"(7) EXCESSIVE PAYMENT.—

"(A) IN GENERAL.—In the case of a payment made to a taxpayer under this subsection or any amount treated as a payment which is made by the taxpayer under subsection (a) which the Secretary determines constitutes an excessive payment, the tax imposed on such taxpayer by chapter 1 for the taxable year in which such determination is made shall be increased by an amount equal to the sum of—

"(i) the amount of such excessive payment, plus

"(ii) an amount equal to 20 percent of such excessive payment.

"(B) REASONABLE CAUSE.—Subparagraph (A)(ii) shall not apply if the taxpayer demonstrates to the satisfaction of the Secretary

that the excessive payment resulted from reasonable cause.

"(C) EXCESSIVE PAYMENT DEFINED.—For purposes of this paragraph, the term 'excessive payment' means, with respect to a facility for which an election is made under this section for any taxable year, an amount equal to the excess of—

"(i) the amount of the payment made to the taxpayer under this subsection with respect to such facility for such taxable year, over

"(ii) the amount of the credit which, without application of this subsection, would be otherwise allowable under this section with respect to such facility for such taxable year.

"(d) DENIAL OF DOUBLE BENEFIT.—In the case of a taxpayer making an election under this section with respect to an applicable credit, such credit shall be reduced to zero and such taxpayer shall be deemed to have taken such credit.

"(e) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with a mirror code tax system (as defined in section 24(k)), this section shall

not be treated as part of the income tax laws of the United States for purposes of determining the income tax law of such possession unless such possession elects to have this section be so treated.

"(f) BASIS REDUCTION AND RECAPTURE.—Rules similar to the rules of subsections (a) and (c) of section 50 shall apply for purposes of this section.

"(g) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including—

"(1) regulations or other guidance providing rules for determining a partner's distributive share of the tax exempt income described in subsection (c)(2)(A)(iii), and

"(2) guidance to ensure that the amount of the payment or deemed payment made under this section is commensurate with the amount of the credit that would be otherwise allowable.".

(b) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 65 is amended by inserting after the item relating to section 6416 the following new item:

"Sec. 6417. Elective payment of applicable credits.".

(c) IN GENERAL.—The amendments made by this section shall apply to property placed in service after the December 31, 2021.

SEC. 136105. INVESTMENT CREDIT FOR ELECTRIC TRANSMISSION PROPERTY.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting after section 48C the following new section:

"SEC. 48D. QUALIFYING ELECTRIC TRANSMISSION PROPERTY.

"(a) ALLOWANCE OF CREDIT.—For purposes of section 46, the qualifying electric transmission property credit for any taxable year is an amount equal to 30 percent of the basis of qualifying electric transmission property placed in service by the taxpayer during such taxable year.

"(b) QUALIFYING ELECTRIC TRANSMISSION PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualifying electric transmission property' means tangible property—

"(A) which is a qualifying electric transmission line or related transmission property,

"(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

"(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer, and

"(C) with respect to which depreciation (or amortization in lieu of depreciation) is allowable.

"(2) QUALIFYING ELECTRIC TRANSMISSION LINE.—The term 'qualifying electric transmission line' means an electric transmission line which—

"(A) is capable of transmitting electricity at a voltage of not less than 275 kilovolts, and

"(B) has a transmission capacity of not less than 500 megawatts.

"(3) RELATED TRANSMISSION PROPERTY.—

"(A) IN GENERAL.—The term 'related transmission property' means, with respect to any electric transmission line, any property which—

"(i) is listed as 'transmission plant' in the Uniform System of Accounts for the Federal Energy Regulatory Commission under part 101 of subchapter C of chapter I of title 18, Code of Federal Regulations, and

"(ii) is necessary for the operation of such electric transmission line.

"(B) CREDIT NOT ALLOWED SEPARATELY WITH RESPECT TO RELATED PROPERTY.—No credit shall be allowed to any taxpayer under this section with respect to any related transmission property unless such taxpayer is allowed a credit under this section with respect to the qualifying electric transmission line to which such related transmission property relates.

"(c) APPLICATION TO REPLACEMENT AND UPGRADED SYSTEMS.—

"(1) IN GENERAL.—In the case of any qualifying electric transmission line (determined without regard to this subsection) which replaces any existing electric transmission line—

"(A) the 500 megawatts referred to in subsection (b)(2)(B) shall be increased by the transmission capacity of such existing electric transmission line, and

"(B) in no event shall the basis of such existing electric transmission line (or related transmission property with respect to such existing electric transmission line) be taken into

account in determining the credit allowed under this section.

"(2) UPGRADES TREATED AS REPLACEMENTS.—For purposes of this subsection, any upgrade of an existing electric transmission line shall be treated as a replacement of such line.

"(d) EXCEPTION FOR CERTAIN PROPERTY AND PROJECTS ALREADY IN PROCESS.—No credit shall be allowed under this section with respect to—

"(1) any property if a State or political subdivision thereof, any agency or instrumentality of the United States, a public service or public utility commission or other similar body of any State or political subdivision thereof, or the governing or rate-making body of an electric cooperative has, before the date of the enactment of this section, selected for cost allocation such property for cost recovery, or

"(2) any property if—

"(A) construction of such property begins before January 1, 2022, or

"(B) construction of any portion of the qualifying electric transmission line to which such property relates begins before such date.

"(e) CERTAIN QUALIFIED PROGRESS EXPENDITURES RULES MADE APPLICABLE.—Rules similar to the rules of

subsections (c)(4) and (d) of section 46 (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

"(f) CREDIT ADJUSTMENTS; WAGE AND APPRENTICESHIP REQUIREMENTS.—

"(1) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR APPLICABLE FACILITIES.—

"(A) IN GENERAL.—

"(i) RULE.—In the case of any applicable facility which does not satisfy the requirements of subparagraph (B), the amount of the credit determined under this subsection shall be 20 percent of such amount (determined without regard to this sentence).

"(ii) APPLICABLE FACILITY DEFINED.—For purposes of this subsection, the term 'applicable facility' means a qualifying electric transmission line and related transmission property to which such qualifying electric transmission line relates.

"(B) INCREASED CREDIT FOR APPLICABLE FACILITY MEETING PROJECT REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any applicable facility which meets the project

requirements of this subparagraph, subparagraph (A) shall not apply.

"(ii) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project with a maximum net output of less than 1 megawatt.

"(II) A project which commences construction prior to the date of the enactment of this paragraph.

"(III) A project which satisfies the requirements of paragraphs (2) and (3).

"(2) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any applicable facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such facility, and

"(ii) for any year during the 5-year period beginning on the date the facility or property is originally placed in service, the

alteration or repair of such facility or property,

shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—A taxpayer shall not be treated as failing to satisfy the requirements of this paragraph if such taxpayer meets requirements similar to the requirements of section 45(b)(8)(B).

"(3) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to the construction of any applicable facility are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any applicable facility prior to such facility

being placed into service shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of

the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has re-

quested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

''(E) DEFINITIONS.—For purposes of this paragraph—

''(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

''(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

''(4) DOMESTIC CONTENT BONUS CREDIT AMOUNT.—

''(A) IN GENERAL.—In the case of any applicable facility which satisfies the requirements under subparagraph (B), the credit determined

under subsection (a) shall be increased by the applicable rate in subparagraph (C).

"(B) REQUIREMENTS.—

"(i) IN GENERAL.—The requirement described in this subclause with respect to any applicable facility is satisfied if the taxpayer certifies to the Secretary (at such time, and in such form and manner, as the Secretary may prescribe) that the facility is composed of steel, iron, or manufactured products which were produced in the United States.

"(ii) STEEL AND IRON.—In the case of steel or iron, clause (i) shall be applied in a manner consistent with section 661.5(b) of title 49, Code of Federal Regulations.

"(iii) MANUFACTURED PRODUCT.—For purposes of clause (i), a manufactured product shall be deemed to have been manufactured in the United States if not less than 55 percent of the total cost of the components of such product is attributable to components which are mined, produced, or manufactured in the United States.

"(C) APPLICABLE RATE INCREASE.—For purposes of subparagraph (A), the applicable credit rate increase shall be an amount equal to—

"(i) in the case of applicable facility that does not meet the requirements of subclause (I) or (III) of paragraph (1)(B)(ii), 2 percentage points, and

"(ii) in the case of applicable facility that meets the requirements of subclause (I) or (III) of paragraph (1)(B)(ii), 10 percentage points.

"(D) INTERNATIONAL AGREEMENTS.—This paragraph shall be applied in a manner which is consistent with the obligations of the United States under international agreements.

"(5) PENALTY FOR DIRECT PAY.—

"(A) IN GENERAL.—In the case of a taxpayer making an election under section 6417 with respect to a credit under this section, the amount of such credit shall be replaced with—

"(i) the value of such credit (determined without regard to this paragraph), multiplied by

"(ii) the applicable percentage.

"(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN APPLICABLE FACILITY.—In the case of any applicable facility—

"(i) which satisfies the requirements under paragraph (11) with respect to the construction of such property, or

"(ii) with a maximum net output of less than 1 megawatt,

the applicable percentage shall be 100 percent.

"(C) PHASED DOMESTIC CONTENT REQUIREMENT.—Subject to subparagraph (D), in the case of any qualified facility which is not described in subparagraph (B), the applicable percentage shall be—

"(i) if construction of such facility began before January 1, 2024, 100 percent,

"(ii) if construction of such facility began in calendar year 2024, 90 percent,

"(iii) if construction of such facility began in calendar year 2025, 85 percent, and

"(iv) if construction of such facility began after December 31, 2025, 0 percent.

"(D) EXCEPTIONS.—In order to facilitate the use of amounts made available in this section, increase the tax incentives for investment in clean energy, and grow the domestic supply chains, the Secretary shall provide appropriate exceptions to the domestic content requirements for products under subparagraph (C) for the construction of qualified facilities if either the inclusion of domestic products increases the overall costs of projects by more than 25 percent or relevant manufactured products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality.

"(g) TERMINATION.—This section shall not apply to any property unless—

"(1) such property is placed in service before January 1, 2032, and

"(2) the qualifying electric transmission line with respect to which such property relates is placed in service before such date.

"(h) REGULATIONS AND GUIDANCE.—The Secretary, after consultation with the Chairman of the Federal Energy Regulatory Commission, shall issue such regulations

or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section.''.

(b) ELECTIVE PAYMENT OF CREDIT.—Section 6417(b), as added by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

''(6) The qualifying electric transmission property credit determined under section 48D.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 46 is amended—

(A) by striking ''and'' at the end of paragraph (5),

(B) by striking the period at the end of paragraph (6) and inserting '', and'', and

(C) by adding at the end the following new paragraph:

''(7) the qualifying electric transmission property credit.''.

(2) Section 49(a)(1)(C) is amended—

(A) by striking ''and'' at the end of clause (iv),

(B) by striking the period at the end of clause (v) and inserting '', and'', and

(C) by adding at the end the following new clause:

"(vi) the basis of any qualifying electric transmission property under section 48D.".

(3) Section 50(a)(2)(E) is amended by striking "or 48C(b)(2)" and inserting "48C(b)(2), or 48D".

(4) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48C the following new item:

"Sec. 48D. Qualifying electric transmission property.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to property placed in service after December 31, 2021.

(2) EXCEPTION FOR CERTAIN PROPERTY AND PROJECTS ALREADY IN PROCESS.—For exclusion of certain property and projects already in process, see section 48D(d) of the Internal Revenue Code of 1986 (as added by this section).

SEC. 136106. ZERO EMISSIONS FACILITY CREDIT.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter 1 is amended by inserting after section 48C the following new section:

"SEC. 48E. ZERO EMISSIONS FACILITY CREDIT.

"(a) IN GENERAL.—For purposes of section 46, the zero emissions facility credit for any taxable year is an

amount equal to 30 percent of the qualified investment for such taxable year with respect to any zero emissions facility of the taxpayer.

"(b) QUALIFIED INVESTMENT.—

"(1) IN GENERAL.—For purposes of subsection (a), the qualified investment for any taxable year is the basis of eligible property placed in service by the taxpayer during such taxable year which is part of a zero emissions facility.

"(2) CERTAIN QUALIFIED PROGRESS EXPENDITURES RULES MADE APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

"(3) LIMITATION.—The amount which is treated as the qualified investment for all taxable years with respect to any zero emissions facility shall not exceed the amount designated by the Secretary as eligible for the credit under this section.

"(c) ZERO EMISSIONS FACILITY.—

"(1) IN GENERAL.—For purposes of this section, the term 'zero emissions facility' means any facility—

"(A) which generates electricity,

"(B) which does not generate any greenhouse gases (within the meaning of section 211(o)(1)(G) of the Clean Air Act (42 U.S.C. 7545(o)(1)(G)), as in effect on the date of the enactment of this section),

"(C) which uses a technology or process which, in the calendar year in which an amount of credit is designated with respect to such facility, achieved a market penetration level of less than 3 percent,

"(D) no portion of which is—

"(i) a qualified facility (as defined in section 45(d)),

"(ii) an advanced nuclear power facility (as defined in section 45J(d)),

"(iii) a qualified facility (as defined in section 45Q), or

"(iv) energy property (as defined in section 48(a)(3)).

"(2) MARKET PENETRATION LEVEL.—For purposes of this subsection, the term 'market penetration level' means, with respect to any calendar year, the amount equal to the greater of—

"(A) the amount (expressed as a percentage) equal to the quotient of—

"(i) the sum of all electricity produced (expressed in terawatt hours) from the technology or method used for the production of electricity by all electricity generating facilities in the United States during such calendar year (as determined by the Secretary on the basis of data reported by the Energy Information Administration), divided by the total domestic power sector electricity production (expressed in terawatt hours) for such calendar year, or

"(ii) the amount determined under this subparagraph for the preceding calendar year with respect to such technology or method.

"(d) ELIGIBLE PROPERTY.—For purposes of this section, the term 'eligible property' means any property—

"(1) which is necessary for the generation of electricity,

"(2) which is—

"(A) tangible personal property, or

"(B) other tangible property (not including a building or its structural components), but only if such property is used as an integral part of the zero emissions facility, and

"(3) with respect to which depreciation (or amortization in lieu of depreciation) is allowable.

"(e) ALLOCATIONS.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall establish a program to consider and award certification amounts of zero emissions facility credit limitation to zero emissions facilities.

"(2) ANNUAL LIMITATION.—

"(A) IN GENERAL.—The amount of zero emissions facility credit limitation that may be designated under this subsection during any calendar year shall not exceed the annual credit limitation with respect to such year.

"(B) ANNUAL CREDIT LIMITATION.—For purposes of this subsection, the term 'annual credit limitation' means $250,000,000 for each of calendar years 2022 through 2031, and zero thereafter.

"(C) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any calendar year exceeds the aggregate amount

designated for such year under this subsection, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2031.

"(3) PLACED IN SERVICE DEADLINE.—

"(A) IN GENERAL.—No credit shall be determined under subsection (a) with respect to any zero emissions facility which is placed in service after the date that is 4 years after the date of the designation under this subsection relating to such zero emissions facility.

"(B) APPLICATION OF CARRYOVER.—Any amount of credit which expires under subparagraph (A) during any calendar year shall be taken into account as an excess described in paragraph (2)(C) (or as an increase in such excess) for such calendar, subject to the limitation imposed by the last sentence of such paragraph.

"(4) SELECTION CRITERIA.—In determining which zero emissions facilities to certify under this section, the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall—

"(A) take into consideration which facilities—

"(i) will result in the greatest reduction of greenhouse gas emissions,

"(ii) have the greatest potential for technological innovation and commercial deployment, and

"(iii) will result in the greatest reduction of local environmental effects that are harmful to human health, and

"(B) require that applicants provide written assurances to the Secretary that all laborers and mechanics employed by contractors and subcontractors in the performance of construction, alteration or repair work on a zero emissions facility shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(5) DISCLOSURE OF CERTIFICATIONS.—The Secretary shall, upon making a certification under this subsection, publicly disclose the identity of the applicant, the amount of the credit awarded with re-

spect to such applicant, and the location of the zero-emissions facility for which such credit is awarded.

"(f) CREDIT CONDITIONED UPON WAGE AND APPRENTICESHIP REQUIREMENTS.—

"(1) IN GENERAL.—No credit shall be allocated for a zero emissions facility under this section unless the zero emissions facility meets the prevailing wage requirements of paragraph (2) and the apprenticeship requirements of paragraph (3).

"(2) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this paragraph with respect to a zero emissions facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such zero emissions facility, and

"(ii) for any year during the 5-year period beginning on the date the facility is originally placed in service, the alteration or repair of such zero emissions facility,

shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of

Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to the construction of any qualified facility or with respect to the alteration or repair of a facility in any year during the period described in subparagraph (A)(ii), such taxpayer shall be deemed to have satisfied such requirement under such subparagraph with respect to such zero emissions facility for any year if, with respect to any laborer or mechanic who was paid wages at a rate below the rate described in such subparagraph for any period during such year, such taxpayer—

"(I) makes payment to such laborer or mechanic in an amount equal to the sum of—

"(aa) an amount equal to the difference between the

amount of wages paid to such laborer or mechanic during such period, and—

"(bb) the amount of wages required to be paid to such laborer or mechanic pursuant to such subparagraph during such period, plus

"(AA) interest on the amount determined under item (aa) at the underpayment rate established under section 6621 for the period described in such item, and

"(II) makes payment to the Secretary of a penalty in an amount equal to the product of—

"(aa) $5,000, multiplied by

"(bb) the total number of laborers and mechanics who were paid wages at a rate below the rate described in subparagraph (A) for any period during such year.

"(ii) PENALTY ASSESSED AS TAX.—The penalty described in clause (i)(II) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68.

"(3) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to a zero emissions facility are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any facility prior to such facility being placed into service shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable zero emissions facility the construc-

tion of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable zero emissions facility the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable zero emissions facility the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable zero emissions facility shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and

requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours'—

"(I) means the total number of hours devoted to the performance of construction, alteration, or repair work by employees of the contractor or subcontractor prior to a facility being placed into service, and

"(II) excludes any hours worked by—

"(aa) foremen,

"(bb) superintendents,

"(cc) owners, or

"(dd) persons employed in a bona fide executive, administrative, or professional capacity (within the meaning of those terms in part 541 of title 29, Code of Federal Regulations).

"(ii QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the mean-

ing given such term in section 45(b)(9)(E)(ii).

"(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.

"(5) PENALTY FOR DIRECT PAY.—

"(A) IN GENERAL.—In the case of a taxpayer making an election under section 6417 with respect to a credit under this section, the amount of such credit shall be replaced with—

"(i) the value of such credit (determined without regard to this paragraph), multiplied by

"(ii) the applicable percentage.

"(B) 100 PERCENT APPLICABLE PERCENTAGE FOR CERTAIN QUALIFIED FACILITIES.—In the case of any qualified facility—

"(i) which satisfies the requirements under paragraph (5) with respect to the construction of such facility, or

"(ii) with a maximum net output of less than 1 megawatt,

the applicable percentage shall be 100 percent.

"(C) PHASED DOMESTIC CONTENT REQUIREMENT.—Subject to subparagraph (D), in the case of any qualified facility which is not described in subparagraph (B), the applicable percentage shall be—

"(i) if construction of such facility began before January 1, 2024, 100 percent,

"(ii) if construction of such facility began in calendar year 2024, 90 percent,

"(iii) if construction of such facility began in calendar year 2025, 85 percent, and

"(iv) if construction of such facility began after December 31, 2025, 0 percent.

"(D) EXCEPTION.—If the Secretary, after consultation with the Secretary of Commerce and the United States Trade Representative, determines that, for purposes of application of the requirements under paragraph (5) with respect to the construction of the qualified facility—

"(i) their application would be inconsistent with the public interest,

"(ii) such materials and products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality, or

"(iii) inclusion of domestic material will increase the cost of the construction of the qualified facility by more than 25 percent,

the applicable percentage shall be 100 percent.".

(b) ELECTIVE PAYMENT OF CREDIT.—Section 6417(b), as added and amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(7) The zero emissions facility credit determined under section 48E.".

(c) CONFORMING AMENDMENTS.—

(1) Section 46 is amended by striking "and" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting ", and", and by adding at the end the following new paragraph:

"(8) the zero emissions facility credit.".

(2) Section 49(a)(1)(C) is amended by striking "and" at the end of clause (v), by striking the pe-

riod at the end of clause (vi) and inserting a comma, and by adding at the end the following new clause:

"(vii) the basis of any eligible property which is part of a zero emissions facility under section 48D.".

(3) Section 50(a)(2)(E) is amended by striking " or 48D" and inserting "48D, or 48E(b)(2)".

(4) The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 48D the following new item:

Sec. 48E. Zero emissions facility credit.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2021, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)

SEC. 136107. EXTENSION AND MODIFICATION OF CREDIT FOR CARBON OXIDE SEQUESTRATION.

(a) EXTENSION.—Section 45Q(d)(1) is amended by striking "January 1, 2026" and inserting "January 1, 2032".

(b) MODIFICATION OF CARBON OXIDE CAPTURE REQUIREMENTS.—Section 45Q(d)(2) is amended to read as follows:

"(2) which captures—

"(A) in the case of a direct air capture facility, not less than 1,000 metric tons of qualified carbon oxide during the taxable year,

"(B) in the case of an electricity generating facility, not less than 18,750 metric tons of qualified carbon oxide during the taxable year and not less than 75 percent of the carbon oxide that would otherwise be released into the atmosphere by such facility during such taxable year, and

"(C) in the case of any other facility, not less than 12,500 metric tons of qualified carbon oxide during the taxable year and not less than 50 percent of the carbon oxide that would otherwise be released into the atmosphere by such facility during such taxable year.".

(c) DETERMINATION OF APPLICABLE DOLLAR AMOUNT.—

(1) IN GENERAL.—Section 45Q(b)(1) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) SPECIAL RULE FOR DIRECT AIR CAPTURE FACILITIES.—For any taxable year begin-

ning after December 31, 2021, in the case of any qualified facility described in subsection (d)(2)(C), the applicable dollar amount shall be an amount equal to—

"(i) for purposes of paragraph (3) of subsection (a), an amount equal to the product of $180 and the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting '2020' for '1990', and

"(ii) for purposes of paragraph (4) of such subsection, an amount equal to the product of $130 and the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting '2020' for '1990'.".

(2) CONFORMING AMENDMENTS.—

(A) Section 45Q(b)(1)(A) is amended by striking "The applicable dollar amount" and inserting "Except as provided in subparagraph (B), the applicable dollar amount".

(B) Section 45Q(b)(1)(C), as redesignated by subparagraph (A), is amended by striking

"subparagraph (A)" and inserting "subparagraph (A) or (B)".

(d) WAGE AND APPRENTICESHIP REQUIREMENTS.—Section 45Q is amended by redesignating subsection (h) as subsection (i) and inserting after subsection (g) following new subsection:

"(h) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR QUALIFIED FACILITIES AND CARBON CAPTURE EQUIPMENT.—

"(1) IN GENERAL.—In the case of any qualified facility and any carbon capture equipment which does not satisfy the requirements of paragraph (2), the amount of the credit determined under subsection (a) shall be 20 percent of such amount (determined without regard to this sentence).

"(2) INCREASED CREDIT FOR CERTAIN FACILITIES AND CARBON CAPTURE EQUIPMENT MEETING PROJECT REQUIREMENTS.—

"(A) IN GENERAL.—In the case of any qualified facility and any carbon capture equipment placed in service at such facility which meets the project requirements of this subparagraph, subparagraph (A) shall not apply.

"(B) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(i) A qualified facility with a maximum net output of less than 1 megawatt.

"(ii) A qualified facility or any carbon capture equipment placed in service at such facility which commences construction prior to the date of the enactment of this paragraph.

"(iii) A project which satisfies the requirements of paragraphs (3) and (4).

"(3) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any qualified facility and any carbon capture equipment placed in service at such facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such facility and carbon capture equipment,

"(ii) the alteration or repair of such facility and carbon capture equipment during the 12 year-period after being placed

into service, or for carbon capture equipment placed in service prior to 2018, until the date determined by the Secretary under subsection (g),

shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

''(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—

''(i) IN GENERAL.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to the construction of any qualified facility or with respect to the alteration or repair of a facility in any year during the period described in subparagraph (A)(ii), such taxpayer shall be deemed to have satisfied such requirement under such subparagraph with respect to such facility and carbon capture equipment for any year if, with respect to any laborer or mechanic who was

paid wages at a rate below the rate described in such subparagraph for any period during such year, such taxpayer—

"(I) makes payment to such laborer or mechanic in an amount equal to the sum of an amount equal to the difference between the amount of wages paid to such laborer or mechanic during such period, and—

"(aa) the amount of wages required to be paid to such laborer or mechanic pursuant to such subparagraph during such period, plus

"(bb) interest on the amount determined under item (aa) at the underpayment rate established under section 6621 for the period described in such item, and

"(II) makes payment to the Secretary of a penalty in an amount equal to the product of—

"(aa) $5,000, multiplied by

"(bb) the total number of laborers and mechanics who were paid wages at a rate below the rate described in subparagraph (A) for any period during such year.

"(ii) PENALTY ASSESSED AS TAX.—The penalty described in clause (i)(II) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68.

"(4) APPRENTICESHIP REQUIREMENTS.—The requirements described in this paragraph with respect to any qualified facility and carbon capture equipment are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any facility and carbon capture equipment prior to such facility being placed into service shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such

work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined

in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

''(E) DEFINITIONS.—For purposes of this paragraph—

''(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

''(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

''(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.''.

(e) INCREASED APPLICABLE DOLLAR AMOUNT.—

(1) IN GENERAL.—Section 45Q(b)(1) is amended—

(A) by amending clause (i) of subparagraph (A) to read as follows:

"(i) for any taxable year beginning in a calendar year after 2016 and before 2027—

"(I) for purposes of paragraph (3) of subsection (a), $50 for each calendar year during such period, and

"(II) for purposes of paragraph (4) of such subsection, $35 for each calendar year during such period, and",

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2025, each of the dollar amounts in subparagraph (A)(i) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year be-

gins, determined by substituting 'calendar year 2024' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest cent.''.

(f) EFFECTIVE DATES.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to facilities the construction of which begins after December 31, 2025.

(2) OTHER AMENDMENTS.—The amendments made by subsections (b), (c), (d), and (e) shall apply to taxable years beginning after December 31, 2021.

SEC. 136108. GREEN ENERGY PUBLICLY TRADED PARTNERSHIPS.

(a) IN GENERAL.—Section 7704(d)(1)(E) is amended—

(1) by striking ''income and gains derived from the exploration'' and inserting ''income and gains derived from—

''(i) the exploration'',

(2) by inserting ''or'' before ''industrial source'', and

(3) by striking '', or the transportation or storage'' and all that follows and inserting the following:

"(ii) the generation of electric power or thermal energy exclusively using any qualified energy resource (as defined in section 45(c)(1)),

"(iii) the operation of energy property (as defined in section 48(a)(3), determined without regard to any date by which the construction of the facility is required to begin),

"(iv) in the case of a facility described in paragraph (3) or (7) of section 45(d) (determined without regard to any placed in service date or date by which construction of the facility is required to begin), the accepting or processing of open-loop biomass or municipal solid waste,

"(v) the transportation or storage of any fuel described in subsection (b), (c), (d), or (e) of section 6426,

"(vi) the conversion of renewable biomass (as defined in subparagraph (I) of section 211(o)(1) of the Clean Air Act (as in effect on the date of the enactment of this clause)) into renewable fuel (as defined in subparagraph (J) of such section

as so in effect), or the storage or transportation of such fuel,

"(vii) the production, storage, or transportation of any fuel which—

"(I) uses as its primary feedstock carbon oxides captured from an anthropogenic source or the atmosphere,

"(II) does not use as its primary feedstock carbon oxide which is deliberately released from naturally occurring subsurface springs, and

"(III) is determined by the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, to achieve a reduction of not less than a 60 percent in lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(H) of the Clean Air Act, as in effect on the date of the enactment of this clause) compared to baseline lifecycle greenhouse gas emissions (as defined in section 211(o)(1)(C) of such Act, as so in effect), or

"(viii) a qualified facility (as defined in section 45Q(d), without regard to any date by which construction of the facility is required to begin).".

(b) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2021.

SEC. 136109. ZERO-EMISSION NUCLEAR POWER PRODUCTION CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 45W. ZERO-EMISSION NUCLEAR POWER PRODUCTION CREDIT.

"(a) AMOUNT OF CREDIT.—For purposes of section 38, the zero-emission nuclear power production credit for any taxable year is an amount equal to the amount by which—

"(1) the product of—

"(A) 1.5 cents, multiplied by

"(B) the kilowatt hours of electricity—

"(i) produced by the taxpayer at a qualified nuclear power facility, and

"(ii) sold by the taxpayer to an unrelated person during the taxable year, exceeds

"(2) the reduction amount for such taxable year.

"(b) DEFINITIONS.—

"(1) QUALIFIED NUCLEAR POWER FACILITY.—For purposes of this section, the term 'qualified nuclear power facility' means any nuclear facility—

"(A) which is owned by the taxpayer and which uses nuclear energy to produce electricity,

"(B) which has not received an allocation under section 45J(b), and

"(C) which is placed in service before the date of the enactment of this section.

"(2) REDUCTION AMOUNT.—

"(A) IN GENERAL.—For purposes of this section, the term 'reduction amount' means, with respect to any qualified nuclear power facility for any taxable year, the amount equal to the lesser of—

"(i) the amount determined under subsection (a)(1), or

"(ii) the amount equal to 80 percent of the excess of—

"(I) subject to subparagraph (B), the gross receipts from any electricity produced by such facility (including any electricity services or products provided in conjunction with the electricity produced by such facility) and sold to an unrelated person during such taxable year, over

"(II) the amount equal to the product of—

"(aa) 2.5 cents, multiplied by

"(bb) the amount determined under subsection (a)(1)(B).

"(B) TREATMENT OF CERTAIN RECEIPTS.—

"(i) IN GENERAL.—The amount determined under subparagraph (A)(ii)(I) shall include any amount received by the taxpayer during the taxable year with respect to the qualified nuclear power facility from a zero-emission credit program unless

the amount received by the taxpayer is subject to reduction—

"(I) by the full amount of the credit determined under this section, or

"(II) by any lesser amount if such amount entirely offsets the amount received from a zero-emission credit program.

"(ii) ZERO-EMISSION CREDIT PROGRAM.—For purposes of this subparagraph, the term 'zero-emission credit program' means any payments to a qualified nuclear power facility as a result of any Federal, State or local government program for, in whole or in part, the zero-emission, zero-carbon, or air quality attributes of any portion of the electricity produced by such facility.

"(3) ELECTRICITY.—For purposes of this section, the term 'electricity' means the energy produced by a qualified nuclear power facility from the conversion of nuclear fuel into electric power.

"(c) OTHER RULES.—

"(1) INFLATION ADJUSTMENT.—The 1.5 cent amount in subsection (a)(1)(A) and the 2.5 cent amount in subsection (b)(2)(A)(ii)(II)(aa) shall each be adjusted by multiplying such amount by the inflation adjustment factor (as determined under section 45(e)(2), as applied by substituting 'calendar year 2022' for 'calendar year 1992' in subparagraph (B) thereof) for the calendar year in which the sale occurs. If any amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

"(2) SPECIAL RULES.—Rules similar to the rules of paragraphs (1), (3), (4), and (5) of section 45(e) shall apply for purposes of this section.

"(3) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under section 48E for any power production for which a credit is taken under this section.

"(d) WAGE AND APPRENTICESHIP REQUIREMENTS.—

"(1) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR QUALIFIED NUCLEAR POWER FACILITIES.—

"(A) IN GENERAL.—In the case of any qualified nuclear power facility which does not satisfy the requirements of subparagraph (B), the amount of the credit determined under subsection (a) and the 2.5 cent amount in subsection (b)(2)(A)(ii)(II)(aa) shall be 20 percent of such amount (determined without regard to this sentence).

"(B) INCREASED CREDIT FOR CERTAIN FACILITIES MEETING PROJECT REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any qualified nuclear power facility which meets the project requirements of this subparagraph, subparagraph (A) shall not apply.

"(ii) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project with a maximum net output of less than 1 megawatt.

"(II) A project which satisfies the requirements of paragraphs (2) and (3).

"(2) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in the alteration or repair of a facility shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A), such taxpayer shall be deemed to have satisfied such requirement under such subparagraph with respect to such facility for any year if, with respect to any laborer or mechanic who was paid wages at a rate below the rate described in such subparagraph for any period during such year, such taxpayer—

"(I) makes payment to such laborer or mechanic in an amount equal to the sum of—

"(aa) an amount equal to the difference between the amount of wages paid to such laborer or mechanic during such period, and—

"(AA) the amount of wages required to be paid to such laborer or mechanic pursuant to such subparagraph during such period, plus

"(BB) interest on the amount determined under item (aa) at the underpayment rate established under section 6621 for the period described in such item, and

"(II) makes payment to the Secretary of a penalty in an amount equal to the product of—

"(aa) $5,000, multiplied by

"(bb) the total number of laborers and mechanics who were paid wages at a rate below the rate described in subparagraph (A) for any period during such year.

"(ii) PENALTY ASSESSED AS TAX.—The penalty described in clause (i)(II) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68.

"(3) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to any qualified nuclear power facility are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of alteration or repair work on any qualified nuclear power facility shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or

repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the con-

tractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

"(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.

"(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2026.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (36), by striking ''plus'' at the end,

(B) in paragraph (37), by striking the period at the end and inserting '', plus'', and

(C) by adding at the end the following new paragraph:

''(38) the zero-emission nuclear power production credit determined under section 45W(a).''.

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

''Sec. 45W. Zero-emission nuclear power production credit.''.

(c) ELECTIVE PAYMENT OF CREDIT.—Section 6417(b), as added by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

''(8) The zero-emission nuclear power production credit determined under section 45W.''.

(d) EFFECTIVE DATE.—This section shall apply to electricity produced and sold after December 31, 2021, in taxable years beginning after such date.

PART 2—RENEWABLE FUELS

SEC. 136201. EXTENSION OF INCENTIVES FOR BIODIESEL, RENEWABLE DIESEL AND ALTERNATIVE FUELS.

(a) BIODIESEL AND RENEWABLE DIESEL CREDIT.—Section 40A(g) is amended by striking ''December 31, 2022'' and inserting ''December 31, 2031''.

(b) BIODIESEL MIXTURE CREDIT.—

(1) IN GENERAL.—Section 6426(c)(6) is amended by striking ''December 31, 2022'' and inserting ''December 31, 2031''.

(2) FUELS NOT USED FOR TAXABLE PURPOSES.—Section 6427(e)(6)(B) is amended by striking ''December 31, 2022'' and inserting ''December 31, 2031''.

(c) ALTERNATIVE FUEL CREDIT.—Section 6426(d)(5) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2031''.

(d) ALTERNATIVE FUEL MIXTURE CREDIT.—Section 6426(e)(3) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2031''.

(e) PAYMENTS FOR ALTERNATIVE FUELS.—Section 6427(e)(6)(C) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2031''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2021.

SEC. 136202. EXTENSION OF SECOND GENERATION BIOFUEL INCENTIVES.

(a) IN GENERAL.—Section 40(b)(6)(J)(i) is amended by striking ''2022'' and inserting ''2032''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to qualified second generation biofuel production after December 31, 2021.

SEC. 136203. SUSTAINABLE AVIATION FUEL CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by inserting after section 40A the following new section:

''SEC. 40B. SUSTAINABLE AVIATION FUEL CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the sustainable aviation fuel credit for the taxable year is, with respect to any sale or use of a qualified mixture which occurs during such taxable year, an amount equal to the product of—

''(1) the number of gallons of sustainable aviation fuel in such mixture, multiplied by

''(2) the sum of—

''(A) $1.25, plus

"(B) the applicable supplementary amount with respect to such sustainable aviation fuel.

"(b) APPLICABLE SUPPLEMENTARY AMOUNT.—For purposes of this section, the term 'applicable supplementary amount' means, with respect to any sustainable aviation fuel, an amount equal to $0.01 for each percentage point by which the lifecycle greehouse gas emissions reduction percentage with respect to such fuel exceeds 50 percent. In no event shall the applicable supplementary amount determined under this subsection exceed $0.50.

"(c) QUALIFIED MIXTURE.—For purposes of this section, the term 'qualified mixture' means a mixture of sustainable aviation fuel and kerosene if—

"(1) such mixture is produced by the taxpayer in the United States,

"(2) such mixture is used by the taxpayer (or sold by the taxpayer for use) in an aircraft,

"(3) such sale or use is in the ordinary course of a trade or business of the taxpayer, and

"(4) the transfer of such mixture to the fuel tank of such aircraft occurs in the United States.

"(d) SUSTAINABLE AVIATION FUEL.—For purposes of this section, the term 'sustainable aviation fuel' means liquid fuel which—

"(1) meets the requirements of—

"(A) ASTM International Standard D7566, or

"(B) the Fischer Tropsch provisions of ASTM International Standard D1655, Annex A1,

"(2) is not derived from palm fatty distillates or petroleum, and

"(3) has been certified in accordance with subsection (e) as having a lifecycle greenhouse gas emissions reduction percentage of at least 50 percent.

"(e) LIFECYCLE GREENHOUSE GAS EMISSIONS REDUCTION PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—The term 'lifecycle greenhouse gas emissions reduction percentage' means, with respect to any sustainable aviation fuel, the percentage reduction in lifecycle greenhouse gas emissions achieved by such fuel in comparison with petroleum-based jet fuel as stated in a certification which meets the requirements of paragraphs (2).

"(2) CERTIFICATION METHODOLOGY.—A certification meets the requirements of this paragraph if such certification (including the methodology and process of such certification) conforms with all requirements (including requirements related to traceability and information transmission) of the

most recent Carbon Offsetting and Reduction Scheme for International Aviation which has been adopted by the International Civil Aviation Organization with the agreement of the United States.

"(3) OPTION TO OBTAIN CERTIFICATION FROM SECRETARY.—Not later than 24 months after the date of the enactment of this section, the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall establish procedures pursuant to which taxpayers may obtain a certification which meets the requirements of paragraph (2) from the Secretary.

"(f) REGISTRATION OF SUSTAINABLE AVIATION FUEL PRODUCERS.—No credit shall be allowed under this section with respect to any sustainable aviation fuel unless the producer of such fuel has entered into an agreement with the Secretary to provide the Secretary such information with respect to such fuel as the Secretary may require for purposes of carrying out this section.

"(g) COORDINATION WITH CREDIT AGAINST EXCISE TAX.—The amount of the credit determined under this section with respect to any sustainable aviation fuel shall, under rules prescribed by the Secretary, be properly reduced to take into account any benefit provided with re-

spect to such sustainable aviation fuel solely by reason of the application of section 6426 or 6427(e).

"(h) TERMINATION.—This section shall not apply to any sale or use after December 31, 2031.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.— Section 38(b) is amended by striking "plus" at the end of paragraph (37), by striking the period at the end of paragraph (38) and inserting ", plus", and by inserting after paragraph (38) the following new paragraph:

"(39) the sustainable aviation fuel credit determined under section 40B.".

(c) COORDINATION WITH BIODIESEL INCENTIVES.—

(1) IN GENERAL.—Section 40A(d)(1) is amended by inserting "or 40B" after "determined under section 40".

(2) CONFORMING AMENDMENT.—Section 40A(f) is amended by striking paragraph (4).

(d) SUSTAINABLE AVIATION FUEL ADDED TO CREDIT FOR ALCOHOL FUEL, BIODIESEL, AND ALTERNATIVE FUEL MIXTURES.—

(1) IN GENERAL.—Section 6426 is amended by adding at the end the following new subsection:

"(k) SUSTAINABLE AVIATION FUEL CREDIT.—

"(1) IN GENERAL.—For purposes of this section, the sustainable aviation fuel credit for the taxable year is, with respect to any sale or use of a qualified mixture, an amount equal to the product of—

"(A) the number of gallons of sustainable aviation fuel in such mixture, multiplied by

"(B) the sum of—

"(i) $1.25, plus

"(ii) the applicable supplementary amount with respect to such sustainable aviation fuel.

"(2) APPLICABLE SUPPLEMENTARY AMOUNT.—For purposes of this subsection, the term 'applicable supplementary amount' has the meaning given such term in section 40B(b).

"(3) OTHER DEFINITIONS.—Any term used in this subsection which is also used in section 40B shall have the meaning given such term by section 40B.

"(4) REGISTRATION REQUIREMENT.—For purposes of this subsection, rules similar to the rules of section 40B(f) shall apply.".

(2) CONFORMING AMENDMENTS.—

(A) Section 6426 is amended—

(i) in subsection (a)(1), by striking ''and (e)'' and inserting ''(e), and (k)'', and

(ii) in subsection (h), by striking ''under section 40 or 40A'' and inserting ''under section 40, 40A, or 40B''.

(B) Section 6427(e)(6) is amended by striking the ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) any qualified mixture of sustainable aviation fuel (as defined in section 6426(k)(3)) sold or used after December 31, 2031.''.

(e) GUIDANCE.—Under rules prescribed by the Secretary of the Treasury (or the Secretary's delegate), the amount of the credit allowed under section 40B of the Internal Revenue Code of 1986 (as added by this subsection) shall be properly reduced to take into account any benefit provided with respect to sustainable aviation fuel (as defined in such section 40B) by reason of the application of section 6426 or section 6427(e).

(f) AMOUNT OF CREDIT INCLUDED IN GROSS INCOME.—Section 87 is amended by striking ''and'' in para-

graph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) the sustainable aviation fuel credit determined with respect to the taxpayer for the taxable year under section 40B(a).".

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2022.

SEC. 136204. CLEAN HYDROGEN.

(a) CREDIT FOR PRODUCTION OF CLEAN HYDROGEN.—

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

"SEC. 45X. CREDIT FOR PRODUCTION OF CLEAN HYDROGEN.

"(a) AMOUNT OF CREDIT.—For purposes of section 38, the clean hydrogen production credit for any taxable year is an amount equal to the product of—

"(1) the applicable amount, multiplied by

"(2) the kilograms of qualified clean hydrogen produced by the taxpayer during such taxable year at a qualified clean hydrogen production facility dur-

ing the 10-year period beginning on the date such facility was originally placed in service.

"(b) APPLICABLE AMOUNT.—

"(1) IN GENERAL.—For purposes of subsection (a)(1), the applicable amount shall be an amount equal to the applicable percentage of $3.00. If any amount as determined under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

"(A) in the case of any qualified clean hydrogen which is produced through a process that, as compared to hydrogen produced by steam-methane reforming, achieves a percentage reduction in lifecycle greenhouse gas emissions which is less than 75 percent, 20 percent,

"(B) in the case of any qualified clean hydrogen which is produced through a process that, as compared to hydrogen produced by steam-methane reforming, achieves a percentage reduction in lifecycle greenhouse gas emissions which is not less than 75 percent and less than 85 percent, 25 percent,

"(C) in the case of any qualified clean hydrogen which is produced through a process that, as compared to hydrogen produced by steam-methane reforming, achieves a percentage reduction in lifecycle greenhouse gas emissions which is not less than 85 percent and less than 95 percent, 34 percent, and

"(D) in the case of any qualified clean hydrogen which is produced through a process that, as compared to hydrogen produced by steam-methane reforming, achieves a percentage reduction in lifecycle greenhouse gas emissions which is not less than 95 percent, 100 percent.

"(3) INFLATION ADJUSTMENT.—The $3.00 amount in paragraph (1) shall be adjusted by multiplying such amount by the inflation adjustment factor (as determined under section 45(e)(2), determined by substituting '2020' for '1992' in subparagraph (B) thereof) for the calendar year in which the qualified clean hydrogen is produced. If any amount as increased under the preceding sentence is not a multiple of 0.1 cent, such amount shall be rounded to the nearest multiple of 0.1 cent.

"(c) DEFINITIONS.—For purposes of this section—

"(1) LIFECYCLE GREENHOUSE GAS EMISSIONS.—For purposes of this section, the term 'lifecycle greenhouse gas emissions' has the same meaning given such term under subparagraph (H) of section 211(o)(1) of the Clean Air Act (42 U.S.C. 7545(o)(1)), as in effect on the date of enactment of this section, as related to the full fuel lifecycle through the point of hydrogen production.

"(2) QUALIFIED CLEAN HYDROGEN.—

"(A) IN GENERAL.—The term 'qualified clean hydrogen' means hydrogen which is produced through a process that, as compared to hydrogen produced by steam-methane reforming, achieves a percentage reduction in lifecycle greenhouse gas emissions which is not less than 40 percent.

"(B) ADDITIONAL REQUIREMENTS.—Such term shall not include any hydrogen unless such hydrogen is produced—

"(i) in the United States (as defined in section 638(1) or a possession of the United States (as defined in section 638(2)),

"(ii) in the ordinary course of a trade or business of the taxpayer, and

"(iii) for sale or use.

"(3) QUALIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—

"(A) IN GENERAL.—The term 'qualified clean hydrogen production facility' means a facility owned by the taxpayer which produces qualified clean hydrogen and which meets the requirements of subparagraph (B).

"(B) TERMINATION.—The term 'qualified clean hydrogen production facility' shall not include any facility the construction of which begins after December 31, 2028.

"(4) STEAM-METHANE REFORMING.—The term 'steam-methane reforming' means a hydrogen production process in which high-temperature steam is used to produce hydrogen from natural gas (other than natural gas derived from biomass (as defined in section 45K(c)(3) as in effect on the date of the enactment of this section), without carbon capture and sequestration.

"(d) SPECIAL RULES.—

"(1) TREATMENT OF FACILITIES OWNED BY MORE THAN 1 TAXPAYER.—Rules similar to the rules section 45(e)(3) shall apply for purposes of this section.

"(2) COORDINATION WITH CREDIT FOR CARBON OXIDE SEQUESTRATION.—No credit shall be allowed under this section with respect to any qualified clean hydrogen produced at a facility which includes property for which a credit is allowed under section 45Q.

"(e) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR QUALIFIED CLEAN HYDROGEN PRODUCTION FACILITIES.—

"(1) IN GENERAL.—In the case of any qualified clean hydrogen production facility which does not satisfy the requirements of paragraph (2)(B), the amount of the credit determined under subsection (a) shall be 20 percent of such amount (determined without regard to this sentence).

"(2) INCREASED CREDIT FOR CERTAIN FACILITIES MEETING PROJECT REQUIREMENTS.—

"(A) IN GENERAL.—In the case of any qualified facility which meets the project requirements of this paragraph, paragraph (1) shall not apply.

"(B) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(i) A project with a maximum net output of less than 1 megawatt.

"(ii) A project which commences construction prior to the date of the enactment of this paragraph.

"(iii) A project which satisfies the requirements of paragraphs (3) and (4).

"(3) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any qualified clean hydrogen production facility are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in—

"(i) the construction of such facility, and

"(ii) for the 10-year period beginning on the date the facility was originally placed in service, the alteration or repair of such facility,

shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—Rules similar to the rules of section 45(b)(8)(B) shall apply for purposes of this subparagraph.

"(4) APPRENTICESHIP REQUIREMENTS.—Rules similar to the rules of section 45(b)(9) shall apply for purposes of this paragraph.

"(5) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.

"(f) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall issue regulations or other guidance to carry out the purposes of this section, including regulations or other guidance—

"(1) for determining lifecycle greenhouse gas emissions, and

"(2) which require verification by unrelated third parties of the production and sale or use of qualified clean hydrogen with respect to which credit is otherwise allowed under this section.".

(2) ELECTIVE PAYMENT OF CREDIT.—Section 6417(b), as added by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

''(9) The credit for production of clean hydrogen determined under section 45X.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 38(b) is amended—

(i) in paragraph (38), by striking ''plus'' at the end,

(ii) in paragraph (39), by striking the period at the end and inserting '', plus'', and

(iii) by adding at the end the following new paragraph:

''(40) the clean hydrogen production credit determined under section 45X(a).''.

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

''Sec. 45X. Credit for production of clean hydrogen.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to hydrogen placed in service after December 31, 2021.

(b) CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES ALLOWED IF ELECTRICITY IS USED TO PRODUCE CLEAN HYDROGEN.—

(1) IN GENERAL.—Section 45(e) is amended by adding at the end the following new paragraph:

"(13) SPECIAL RULE FOR ELECTRICITY USED AT A QUALIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—Electricity produced by the taxpayer shall be treated as sold by such taxpayer to an unrelated person during the taxable year if such electricity is used during such taxable year by the taxpayer or a person related to the taxpayer at a qualified clean hydrogen production facility (as defined in section 45X(d)(3)) to produce qualified clean hydrogen (as defined in section 45X(d)(2)) during the 10 year period after such facility is placed in service. The Secretary shall issue such regulations or other guidance as the Secretary determines appropriate to carry out the purposes of this paragraph, including regulations or other guidance to require verification by unrelated third parties of the production and use of electricity to which this paragraph applies.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to electricity produced after December 31, 2021.

(c) ELECTION TO TREAT CLEAN HYDROGEN PRODUCTION FACILITIES AS ENERGY PROPERTY.—

(1) IN GENERAL.—Section 48(a) is amended by adding at the end the following new paragraph:

"(8) ELECTION TO TREAT CLEAN HYDROGEN PRODUCTION FACILITIES AS ENERGY PROPERTY.—

"(A) IN GENERAL.—In the case of any qualified property (as defined in paragraph (5)(D)) which is part of a specified clean hydrogen production facility—

"(i) such property shall be treated as energy property for purposes of this section, and

"(ii) the energy percentage with respect to such property is—

"(I) in the case of a facility which is designed and reasonably expected to produce qualified clean hydrogen which is described in a subparagraph (A) of section 45X(b)(2), 6 percent,

"(II) in the case of a facility which is designed and reasonably expected to produce qualified clean hydrogen which is described in a sub-

paragraph (B) of such section, 7.5 percent,

"(III) in the case of a facility which is designed and reasonably expected to produce qualified clean hydrogen which is described in a subparagraph (C) of such section, 10.2 percent, and

"(IV) in the case of a facility which is designed and reasonably expected to produce qualified clean hydrogen which is described in a subparagraph (D) of such section, 30 percent.

"(B) DENIAL OF PRODUCTION CREDIT.—No credit shall be allowed under section 45X for any taxable year with respect to any specified clean hydrogen production facility.

"(C) SPECIFIED CLEAN HYDROGEN PRODUCTION FACILITY.—For purposes of this paragraph, the term 'specified clean hydrogen production facility' means any qualified clean hydrogen production facility (as defined in section 45X(d)(3)) or any portion of such facility—

"(i) which is placed in service after December 31, 2021, and

"(ii) with respect to which—

"(I) no credit has been allowed under section 45X or 45Q, and

"(II) the taxpayer makes an irrevocable election to have this paragraph apply.

"(D) QUALIFIED CLEAN HYDROGEN.—For purposes of this paragraph, the term 'qualified clean hydrogen' has the meaning given such term by section 45X(d)(2).

"(E) REGULATIONS.—The Secretary, after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency, shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section, including regulations or other guidance which—

"(i) requires verification by one or more unrelated third parties that the facility produces hydrogen which is consistent with the hydrogen that such facility was

designed and expected to produce under subparagraph (A)(ii), and

"(ii) recaptures so much of any credit allowed under this section as exceeds the amount of the credit which would have been allowed if the expected production were consistent with the actual verified production (or all of the credit so allowed in the absence of such verification).".

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 2021, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

(d) TERMINATION OF EXCISE TAX CREDIT FOR HYDROGEN.—

(1) IN GENERAL.—Section 6426(d)(2) is amended by striking subparagraph (D) and by redesignating subparagraphs (E), (F), and (G) as subparagraphs (D), (E), and (F), respectively.

(2) CONFORMING AMENDMENT.—Section 6426(e)(2) is amended by striking "(F)" and inserting "(E)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuel sold or used after December 31, 2021.

PART 3—GREEN ENERGY AND EFFICIENCY INCENTIVES FOR INDIVIDUALS

SEC. 136301. EXTENSION, INCREASE, AND MODIFICATIONS OF NONBUSINESS ENERGY PROPERTY CREDIT.

(a) EXTENSION OF CREDIT.—Section 25C(g)(2) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2031''.

(b) INCREASE IN CREDIT PERCENTAGE FOR QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—Section 25C(a)(1) is amended by striking ''10 percent'' and inserting ''30 percent''.

(c) APPLICATION OF ANNUAL LIMITATION IN LIEU OF LIFETIME LIMITATION.—Section 25C(b) is amended to read as follows:

''(b) LIMITATIONS.—

''(1) IN GENERAL.—The credit allowed under this section with respect to any taxpayer for any taxable year shall not exceed $1,200.

''(2) WINDOWS.—The credit allowed under this section by reason of subsection (a)(1) with respect to any taxpayer for any taxable year shall not exceed—

"(A) in the aggregate with respect to all exterior windows and skylights which are not described in subparagraph (B), $200,

"(B) in the aggregate with respect to all exterior windows and skylights which meet the standard for the most efficient certification under applicable Energy Star program requirements, the excess (if any) of $600 over the credit so allowed with respect to all windows and skylights taken into account under subparagraph (A).

"(3) DOORS.—The credit allowed under this section by reason of subsection (a)(1) with respect to any taxpayer for any taxable year shall not exceed—

"(A) $250 in the case of any exterior door, and

"(B) $500 in the aggregate with respect to all exterior doors.".

(d) MODIFICATIONS RELATED TO QUALIFIED ENERGY EFFICIENCY IMPROVEMENTS.—

(1) STANDARDS FOR ENERGY EFFICIENT BUILDING ENVELOPE COMPONENTS.—Section 25C(c)(2) is amended by striking "meets—" and all that follows through the period at the end and inserting the following: "meets—

"(A) in the case of an exterior window, a skylight, or an exterior door, applicable Energy Star program requirements, and

"(B) in the case of any other component, the prescriptive criteria for such component established by the most recent International Energy Conservation Code standard in effect as of the beginning of the calendar year which is 2 years prior to the calendar year in which such component is placed in service.".

(2) ROOFS NOT TREATED AS BUILDING ENVELOPE COMPONENTS.—Section 25C(c)(3) is amended by adding "and" at the end of subparagraph (B), by striking ", and" at the end of subparagraph (C) and inserting a period, and by striking subparagraph (D).

(3) AIR BARRIER INSULATION ADDED TO DEFINITION OF BUILDING ENVELOPE COMPONENT.—Section 25C(c)(3)(A) is amended by striking "material or system" and inserting "material or system, including air sealing material or system,".

(e) MODIFICATION OF RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—Section 25C(d) is amended to 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.

"(D) A natural gas, propane, or oil water heater.

"(E) A natural gas, propane, or oil furnace or hot water boiler.".

(f) HOME ENERGY AUDITS.—

(1) IN GENERAL.—Section 25C(a) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) 30 percent of the amount paid or incurred by the taxpayer during the taxable year for home energy audits.".

(2) LIMITATION.—Section 25C(b), as amended by subsection (c), is amended adding at the end the following new paragraph:

"(5) HOME ENERGY AUDITS.—

"(A) DOLLAR LIMITATION.—The amount of the credit allowed under this section by reason of subsection (a)(3) shall not exceed $150.

"(B) SUBSTANTIATION REQUIREMENT.—No credit shall be allowed under this section by reason of subsection (a)(3) unless the taxpayer includes with the taxpayer's return of tax such

information or documentation as the Secretary may require.''.

(3) HOME ENERGY AUDITS.—

(A) IN GENERAL.—Section 25C, as amended by subsections (a), is amended by redesignating subsections (e), (f), and (g), as subsections (f), (g), and (h), respectively, and by inserting after subsection (d) the following new subsection:

''(e) HOME ENERGY AUDITS.—For purposes of this section, the term 'home energy audit' means an inspection and written report with respect to a dwelling unit located in the United States and owned or used by the taxpayer as the taxpayer's principal residence (within the meaning of section 121) which—

''(1) identifies the most significant and cost-effective energy efficiency improvements with respect to such dwelling unit, including an estimate of the energy and cost savings with respect to each such improvement, and

''(2) is conducted and prepared by a home energy auditor that meets the certification or other requirements specified by the Secretary (after consultation with the Secretary of Energy and the Administrator of the Environmental Protection Agency

and not later than 180 days after the date of the enactment of this subsection) in regulations or other guidance.''.

(B) CONFORMING AMENDMENT.—Section 1016(a)(33) is amended by striking ''section 25C(f)'' and inserting ''section 25C(g)''.

(4) LACK OF SUBSTANTIATION TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2) is amended—

(A) in subparagraph (P), by striking ''and'' at the end,

(B) in subparagraph (Q), by striking the period at the end and inserting '', and'', and

(C) by adding at the end the following:

''(R) an omission of correct information or documentation required under section 25C(b)(5)(B) (relating to home energy audits) to be included on a return.''.

(g) IDENTIFICATION NUMBER REQUIREMENT.—

(1) IN GENERAL.—Section 25C, as amended by subsections (a) and (f), is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) PRODUCT IDENTIFICATION NUMBER REQUIREMENT.—

"(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any item of specified property placed in service after December 31, 2023, unless—

"(A) such item is produced by a qualified manufacturer, and

"(B) the taxpayer includes the qualified product identification number of such item on the return of tax for the taxable year.

"(2) QUALIFIED PRODUCT IDENTIFICATION NUMBER.—For purposes of this section, the term 'qualified product identification number' means, with respect to any item of specified property, the product identification number assigned to such item by the qualified manufacturer pursuant to the methodology referred to in paragraph (3).

"(3) QUALIFIED MANUFACTURER.—

"(A) IN GENERAL.—For purposes of this section, the term 'qualified manufacturer' means any manufacturer of specified property which enters into an agreement with the Secretary which provides that such manufacturer will—

"(i) assign a product identification 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).

"(4) SPECIFIED PROPERTY.—For purposes of this subsection, the term 'specified property' means any qualified energy property and any property described in subparagraph (B) or (C) of subsection (c)(3).".

(2) OMISSION OF CORRECT PRODUCT IDENTIFICATION NUMBER TREATED AS MATHEMATICAL OR CLERICAL ERROR.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (Q), by striking "and" at the end,

(B) in subparagraph (R), by striking the period at the end and inserting ", and", and

(C) by adding at the end the following:

"(S) an omission of a correct product identification number required under section 25C(h) (relating to credit for nonbusiness energy property) to be included on a return.".

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided by this subsection, the amendments made by this section shall apply to property placed in service after December 31, 2021.

(2) HOME ENERGY AUDITS.—The amendments made by subsection (f) shall apply to amounts paid or incurred after December 31, 2021.

(3) IDENTIFICATION NUMBER REQUIREMENT.—The amendments made subsection (g) shall apply to property placed in service after December 31, 2023.

SEC. 136302. RESIDENTIAL ENERGY EFFICIENT PROPERTY.

(a) EXTENSION OF CREDIT.—

(1) IN GENERAL.—Section 25D(h) is amended by striking ''December 31, 2023'' and inserting ''December 31, 2033''.

(2) APPLICATION OF PHASEOUT.—Section 25D(g) is amended—

(A) by striking ''before January 1, 2023'' in paragraph (2) and inserting ''before January 1, 2022'',

(B) by striking ''and'' at the end of paragraph (2),

(C) by redesignating paragraph (3) as paragraph (5) and by inserting after paragraph (2) the following new paragraphs:

''(3) in the case of property placed in service after December 31, 2021, and before January 1, 2032, 30 percent,

"(4) in the case of property placed in service after December 31, 2031, and before January 1, 2033, 26 percent, and", and

(D) by striking "December 31, 2022, and before January 1, 2024" in paragraph (5) (as so redesignated) and inserting "December 31, 2032, and before January 1, 2034".

(b) RESIDENTIAL ENERGY EFFICIENT PROPERTY CREDIT FOR BATTERY STORAGE TECHNOLOGY.—

(1) IN GENERAL.—Section 25D(a) is amended by striking "and" at the end of paragraph (5) and by inserting after paragraph (6) the following new paragraph:

"(7) the qualified battery storage technology expenditures,".

(2) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—Section 25D(d) is amended by adding at the end the following new paragraph:

"(7) QUALIFIED BATTERY STORAGE TECHNOLOGY EXPENDITURE.—The term 'qualified battery storage technology expenditure' means an expenditure for battery storage technology which—

"(A) is installed in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and

"(B) has a capacity of not less than 3 kilowatt hours.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after December 31, 2021.

SEC. 136303. ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION.

(a) PLACED IN SERVICE REQUIREMENT.—Section 179D(c)(2) is amended by striking "the date that is 2 years before the date that construction of such property begins" and inserting "the date that is 2 years before the date such property is placed into service".

(b) TEMPORARY INCREASE IN DEDUCTION, ETC..—Section 179D is amended by adding at the end the following:

"(i) TEMPORARY RULES.—

"(1) PERIOD OF APPLICATION.—The provisions of this subsection shall apply only to taxable years beginning after December 31, 2021, and before January 1, 2032.

"(2) MODIFICATION OF EFFICIENCY STANDARD.—Subsection (c)(1)(D) shall be applied by substituting '25' for '50'.

"(3) MAXIMUM AMOUNT OF DEDUCTION.—

"(A) IN GENERAL.—The deduction under subsection (a) with respect to any building for any taxable year shall not exceed the excess (if any) of—

"(i) the product of—

"(I) the applicable dollar value, and

"(II) the square footage of the building, over

"(ii) the aggregate amount of the deductions under subsection (a) and paragraph (6) with respect to the building for the 3 taxable years immediately preceding such taxable year (or, in the case of any such deduction allowable to a person other than the taxpayer, for any taxable year ending during the 4-taxable-year period ending with such taxable year).

"(B) APPLICABLE DOLLAR VALUE.—For purposes of paragraph (3)(A)(i), the applicable dollar value shall be an amount equal to $2.50

increased (but not above $5.00) by $0.10 for each percentage point by which the total annual energy and power costs for the building are certified to be reduced by a percentage greater than 25 percent.

"(C) APPLICATION OF INFLATION ADJUSTMENT.—Subsection (g) shall be applied—

"(i) by substituting '2022' for '2020',

"(ii) by substituting 'subsection (i)(3)(B)' for 'subsection (b) or subsection (d)(1)(A)', and

"(iii) by substituting '2021' for '2019'.

"(D) LIMITATION TO APPLY IN LIEU OF CURRENT LIMITATION AND PARTIAL ALLOWANCE.—Subsections (b) and (d)(1) shall not apply.

"(4) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT FOR CERTAIN PROPERTY.—

"(A) IN GENERAL.—In the case of any property which does not satisfy the requirements of subparagraph (B), paragraph (3)(B) shall be applied by substituting '$0.50' for '$2.50', '$.02' for '$.10', and '$1.00' for '$5.00'.

"(B) INCREASED CREDIT FOR CERTAIN PROPERTY MEETING PROJECT REQUIREMENTS.—

"(i) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project which commences construction prior to the date of the enactment of this paragraph.

"(II) A project which commences construction after the date of enactment of this paragraph and satisfies the requirements of paragraphs (5) and (6).

"(III) A project with respect to which initial construction is completed and building modifications are made as part of a qualified retrofit plan, and which satisfies paragraphs (5) and (6).

"(5) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any project are that the taxpayer shall ensure that any laborers and mechanics employed by

contractors and subcontractors in the construction of any property or with respect to building modifications made as part of a qualified retrofit plan shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to any project or any building modifications made as part of a qualified retrofit plan, rules similar to the rules of section 45(b)(8)(B) shall apply for purposes of this paragraph.

"(6) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to any property are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontrac-

tors engaged in the performance of construction of a project or building modifications made as part of a qualified retrofit plan shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

"(7) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT ENTITIES.—

"(A) IN GENERAL.—A specified tax-exempt entity shall be treated in the same manner as a Federal, State, or local government for purposes of applying subsection (d)(4).

"(B) SPECIFIED TAX-EXEMPT ENTITY.—For purposes of this paragraph, the term 'specified tax-exempt entity' means—

"(i) the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing,

"(ii) any Indian tribal government (within the meaning of section 139E), and

"(iii) any organization exempt from tax imposed by this chapter.

"(8) ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—

"(A) IN GENERAL.—In the case of a taxpayer which elects (at such time and in such manner as the Secretary, after consultation with the administrator of the Environmental Protection Agency, may provide) the application of this paragraph with respect to any qualified

building, there shall be allowed as a deduction for the taxable year which includes the date of the qualifying final certification with respect to the qualified retrofit plan of such building, an amount equal to the lesser of—

"(i) the excess described in paragraph (3) (determined by substituting 'energy usage intensity' for 'total annual energy and power costs' in subparagraph (B) thereof), or

"(ii) the aggregate adjusted basis (determined after taking into account all adjustments with respect to such taxable year other than the reduction under subsection (e)) of energy efficient retrofit building property placed in service by the taxpayer pursuant to such qualified retrofit plan.

"(B) QUALIFIED RETROFIT PLAN.—For purposes of this paragraph, the term 'qualified retrofit plan' means a written plan prepared by a qualified professional which specifies modifications to a building which, in the aggregate, are expected to reduce such building's energy usage intensity by 25 percent or more in comparison to the baseline energy usage intensity of

such building. Such plan shall provide for a qualified professional to—

"(i) as of any date during the 1-year period ending on the date of the first certification described in clause (ii), certify the energy usage intensity of such building as of such date,

"(ii) certify the status of property installed pursuant to such plan as meeting the requirements of clauses (ii) and (iii) subparagraph (C), and

"(iii) as of any date that is more than 1 year after completion of the plan, certify the energy usage intensity of such building as of such date.

"(C) ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—For purposes of this paragraph, the term 'energy efficient retrofit building property' means property—

"(i) with respect to which depreciation (or amortization in lieu of depreciation) is allowable,

"(ii) which is installed on or in any qualified building,

"(iii) which is installed as part of—

"(I) the interior lighting systems,

"(II) the heating, cooling, ventilation, and hot water systems, or

"(III) the building envelope, and

"(iv) which is certified in accordance with subparagraph (B)(ii) as meeting the requirements of clauses (ii) and (iii).

"(D) QUALIFIED BUILDING.—For purposes of this paragraph, the term 'qualified building' means any building which—

"(i) is located in the United States, and

"(ii) was originally placed in service not less than 5 years before the establishment of the qualified retrofit plan with respect to such building.

"(E) QUALIFYING FINAL CERTIFICATION.—For purposes of this paragraph, the term 'qualifying final certification' means, with respect to any qualified retrofit plan, the certification described in subparagraph (B)(iii) if the energy usage intensity certified in such certification is not more than 75 percent of the baseline energy usage intensity of the building.

"(F) BASELINE ENERGY USAGE INTENSITY.—

"(i) IN GENERAL.—The term 'baseline energy usage intensity' means the energy usage intensity certified under subparagraph (B)(i), as adjusted to take into account weather as compared to the energy usage intensity determined under subparagraph (B)(iii)(I).

"(ii) DETERMINATION OF ADJUSTMENT.—For purposes of clause (i), the adjustments described in such clause shall be determined in such manner as the Secretary, after consultation with the Administrator of the Environmental Protection Agency, may provide.

"(G) OTHER DEFINITIONS.—For purposes of this paragraph—

"(i) ENERGY USAGE INTENSITY.—The term 'energy usage intensity' means the site energy usage intensity determined in accordance with such regulations or other guidance as the Secretary, after consultation with the Administrator of the Envi-

ronmental Protection Agency, may provide and measured in British thermal units.

"(ii) QUALIFIED PROFESSIONAL.—The term 'qualified professional' means an individual who is a licensed architect or a licenced engineer and meets such other requirements as the Secretary may provide.

"(H) COORDINATION WITH DEDUCTION OTHERWISE ALLOWED UNDER SUBSECTION (a).—

"(i) IN GENERAL.—In the case of any building with respect to which an election is made under subparagraph (A), the term 'energy efficient commercial building property' shall not include any energy efficient retrofit building property with respect to which a deduction is allowable under this paragraph.

"(ii) CERTAIN RULES NOT APPLICABLE.—

"(I) IN GENERAL.—Except as provided in subclause (II), subsection (d) shall not apply for purposes of this paragraph.

"(II) ALLOCATION OF DEDUCTION BY CERTAIN TAX-EXEMPT ENTITIES.—Rules similar to subsection (d)(4) (determined after application of paragraph (5)) shall apply for purposes of this paragraph.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by this section shall apply to taxable years beginning after December 31, 2021.

(2) ALTERNATIVE DEDUCTION FOR ENERGY EFFICIENT RETROFIT BUILDING PROPERTY.—Paragraph (6) of section 179D(i) of the Internal Revenue Code of 1986 (as added by this section), and any other provision of such section solely for purposes of applying such paragraph, shall apply to property placed in service after December 31, 2021 (in taxable years ending after such date) if such property is placed in service pursuant to qualified retrofit plan (within the meaning of such section) established after such date.

SEC. 136304. EXTENSION, INCREASE, AND MODIFICATIONS OF NEW ENERGY EFFICIENT HOME CREDIT.

(a) EXTENSION OF CREDIT.—Section 45L(g) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2031''.

(b) INCREASE IN CREDIT AMOUNTS.—Section 45L(a)(2) is amended to read as follows:

''(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an amount equal to—

''(A) in the case of a dwelling unit which is eligible to participate in the Energy Star Residential New Construction Program or the Energy Star Manufactured New Homes program—

''(i) that is described in subsection (c)(1)(A) (and not described in subsection (c)(1)(B)), $2,500, and

''(ii) that is described in subsection (c)(1)(B), $5000, and

''(B) in the case of a dwelling which are part of a building eligible to participate in the Energy Star Multifamily New Construction Program—

"(i) that is described in subsection (c)(1)(A) (and not described in subsection (c)(1)(B)), $500, and

"(ii) that is described in subsection (c)(1)(B), $1000.".

(c) MODIFICATION OF ENERGY SAVING REQUIREMENTS.—Section 45L(c) is amended to read as follows:

"(c) ENERGY SAVING REQUIREMENTS.—

"(1) IN GENERAL.—A dwelling unit meets the energy saving requirements of this subsection if—

"(A) such dwelling unit meets the requirements of paragraph (2) or (3) (whichever is applicable), or

"(B) such dwelling unit is certified as a zero energy ready home under the zero energy ready home program of the Department of Energy (or any successor program determined by the Secretary, after consultation with the Secretary of Energy) as in effect on January 1, 2022.

"(2) SINGLE-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of this paragraph if—

"(A) such dwelling unit meets—

"(i) in the case of a dwelling unit acquired before January 1, 2025, the Energy Star Single-Family New Homes National Program Requirements 3.1, and

"(ii) in the case of a dwelling unit acquired after December 31, 2024, the Energy Star Single-Family New Homes National Program Requirements 3.2,

"(B) such dwelling unit meets the most recent Energy Star Single-Family New Homes Program Requirements applicable to the location of such dwelling unit (as in effect on the latter of January 1, 2022 or January 1 of two calendar years prior to the date the dwelling was acquired), or

"(C) such dwelling unit meets the most recent Energy Star Manufactured Home National program requirements as in effect on the latter of January 1, 2022 or January 1 of two calendar years prior to the date such dwelling unit is acquired.

"(3) MULTI-FAMILY HOME REQUIREMENTS.—A dwelling unit meets the requirements of this paragraph if—

"(A) such dwelling unit meets the most recent Energy Star Multifamily New Construction National Program Requirements (as in effect on either January 1, 2022 or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later), and

"(B) such dwelling unit meets the most recent Energy Star Multifamily New Construction Regional Program Requirements applicable to the location of such dwelling unit (as in effect on either January 1, 2022 or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later).".

(d) PREVAILING WAGE REQUIREMENT.—Section 45L is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) PREVAILING WAGE REQUIREMENT.—

"(1) IN GENERAL.—In the case of a qualifying residence described in subsection (b)(2)(B) meeting the prevailing wage requirements of paragraph (2), the credit amount allowed with respect to such residence shall be—

"(A) $2,500 in the case of a residence described in subparagraph (A) of subsection

(c)(1) (and not described in subparagraph (B) of such subsection), and

"(B) $5,000 in the case of a residence described in (c)(1)(B).

"(2) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this paragraph with respect to any qualified residence are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in the construction of such residence shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to any qualified residence, rules similar to the rules of section 45(b)(8)(B) shall apply for purposes of this paragraph.

"(3) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.".

(e) EFFECTIVE DATES.—The amendments made by this section shall apply to dwelling units acquired after December 31, 2021.

SEC. 136305. MODIFICATIONS TO INCOME EXCLUSION FOR CONSERVATION SUBSIDIES.

(a) IN GENERAL.—Section 136(a) is amended—

(1) by striking "any subsidy provided" and inserting "any subsidy—

"(1) provided",

(2) by striking the period at the end and inserting a comma, and

(3) by adding at the end the following new paragraphs:

"(2) provided (directly or indirectly) by a public utility to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any water conservation or efficiency measure,

"(3) provided (directly or indirectly) by a storm water management provider to a customer, or by a State or local government to a resident of such State

or locality, for the purchase or installation of any storm water management measure, or

"(4) provided (directly or indirectly) by a State or local government to a resident of such State or locality for the purchase or installation of any wastewater management measure, but only if such measure is with respect to the taxpayer's principal residence.".

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF WATER CONSERVATION OR EFFICIENCY MEASURE AND STORM WATER MANAGEMENT MEASURE.—Section 136(c) is amended—

(A) by striking "ENERGY CONSERVATION MEASURE" in the heading thereof and inserting "DEFINITIONS",

(B) by striking "IN GENERAL" in the heading of paragraph (1) and inserting "ENERGY CONSERVATION MEASURE", and

(C) by redesignating paragraph (2) as paragraph (5) and by inserting after paragraph (1) the following:

"(2) WATER CONSERVATION OR EFFICIENCY MEASURE.—For purposes of this section, the term 'water conservation or efficiency measure' means any evaluation of water use, or any installation or modi-

fication of property, the primary purpose of which is to reduce consumption of water or to improve the management of water demand with respect to one or more dwelling units.

"(3) STORM WATER MANAGEMENT MEASURE.—For purposes of this section, the term 'storm water management measure' means any installation or modification of property primarily designed to reduce or manage amounts of storm water with respect to one or more dwelling units.

"(4) WASTEWATER MANAGEMENT MEASURE.—For purposes of this section, the term 'wastewater management measure' means any installation or modification of property primarily designed to manage wastewater (including septic tanks and cesspools) with respect to one or more dwelling units.".

(2) DEFINITION OF PUBLIC UTILITY.—Section 136(c)(5) (as redesignated by paragraph (1)(C)) is amended by striking subparagraph (B) and inserting the following:

"(B) PUBLIC UTILITY.—The term 'public utility' means a person engaged in the sale of electricity, natural gas, or water to residential, commercial, or industrial customers for use by such customers.

"(C) STORM WATER MANAGEMENT PROVIDER.—The term 'storm water management provider' means a person engaged in the provision of storm water management measures to the public.

"(D) PERSON.—For purposes of subparagraphs (B) and (C), the term 'person' includes the Federal Government, a State or local government or any political subdivision thereof, or any instrumentality of any of the foregoing.".

(3) CLERICAL AMENDMENTS.—

(A) The heading for section 136 is amended—

(i) by inserting "**AND WATER**" after "**ENERGY**", and

(ii) by striking "**PROVIDED BY PUBLIC UTILITIES**".

(B) The item relating to section 136 in the table of sections of part III of subchapter B of chapter 1 is amended—

(i) by inserting "and water" after "energy", and

(ii) by striking "provided by public utilities".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 2018.

(d) NO INFERENCE.—Nothing in this Act or the amendments made by this Act shall be construed to create any inference with respect to the proper tax treatment of any subsidy received directly or indirectly from a public utility, a storm water management provider, or a State or local government for any water conservation measure or storm water management measure before January 1, 2019.

PART 4—GREENING THE FLEET AND ALTERNATIVE VEHICLES

SEC. 136401. REFUNDABLE NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT FOR INDIVIDUALS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting after section 36B the following new section:

"SEC. 36C. NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the credit amounts determined under

subsection (b) with respect to each new qualified plug-in electric drive motor vehicle placed in service by the taxpayer during the taxable year.

"(b) PER VEHICLE DOLLAR LIMITATION.—

"(1) IN GENERAL.—The amount determined under this subsection with respect to any new qualified plug-in electric drive motor vehicle is the sum of the amounts determined under paragraphs (2) through (5) with respect to such vehicle (not to exceed 50 percent of the purchase price of such vehicle).

"(2) BASE AMOUNT.—The amount determined under this paragraph is $4,000.

"(3) BATTERY CAPACITY.—In the case of a new qualified plug-in electric drive motor vehicle, the amount determined under this paragraph is $3,500 if—

"(A) in the case of a vehicle placed in service before January 1, 2027, such vehicle draws propulsion energy from a battery with not less than 40 kilowatt hours of capacity, and

"(B) in the case of a vehicle placed in service after December 31, 2026, such vehicle draws propulsion energy from a battery with not less than 50 kilowatt hours of capacity.

"(4) DOMESTIC ASSEMBLY.—In the case of a new qualified plug-in vehicle which satisfies the domestic assembly qualifications, the amount determined under this paragraph is $4,500.

"(5) DOMESTIC CONTENT.—In the case of a new qualified plug-in vehicle which satisfies domestic content qualifications, the amount determined under this paragraph is $500.

"(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $200 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount. For purposes of the preceding sentence, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

"(2) SPECIAL RULE FOR DETERMINATION OF MODIFIED ADJUSTED GROSS INCOME.—The modified adjusted gross income of the taxpayer that is taken into account for purposes of paragraph (1) shall be the lesser of—

"(A) the modified adjusted gross income for the taxable year in which the credit is claimed, or

"(B) the modified adjusted gross income for the immediately preceding taxable year.

"(3) THRESHOLD AMOUNT.—For purposes of paragraph (1), the term 'threshold amount' means—

"(A) $800,000 in the case of a joint return or surviving spouse (half such amount for married filing separately),

"(B) $600,000 in the case of a head of household, and

"(C) $400,000 in any other case.

"(d) MANUFACTURER'S SUGGESTED RETAIL PRICE LIMITATION.—

"(1) IN GENERAL.—No credit shall be allowed under subsection (a) for a vehicle with a manufacturer's suggested retail price in excess of the applicable limitation.

"(2) APPLICABLE LIMITATION.—For purposes of paragraph (1), the applicable limitation for each vehicle classification is as follows:

"(A) SEDANS.—In the case of a sedan, $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,

"(E) which has a gross vehicle weight rating of less than 14,000 pounds,

"(F) which is propelled to a significant extent by an electric motor which draws electricity from a battery which—

"(i) has a capacity of—

"(I) in the case of a vehicle placed in service in 2022 or 2023, not less than 7 kilowatt hours, and

"(II) in the case of a vehicle placed in service after 2023, not less than 10 kilowatt hours, and

"(ii) is capable of being recharged from an external source of electricity,

"(G) for which, in the case of a vehicle placed into service after December 31, 2026, final assembly is within the United States, and

"(H) is not of a character subject to an allowance for depreciation.

"(2) MOTOR VEHICLE.—The term 'motor vehicle' means any vehicle which is manufactured primarily for use on public streets, roads, and highways (not including a vehicle operated exclusively on a rail or rails) and which has at least 4 wheels.

"(3) QUALIFIED MANUFACTURER.—The term 'qualified manufacturer' means any manufacturer (within the meaning of the regulations prescribed by the Administrator of the Environmental Protection Agency for purposes of the administration of title II of the Clean Air Act (42 U.S.C. 7521 et seq.) which enters into a written agreement with the Secretary under which such manufacturer agrees—

"(A) to ensure that each vehicle manufactured by such manufacturer after the later of the date on which such agreement takes effect or December 31, 2021, and that meets the requirements of subparagraphs (D), (E), and (F) of paragraph (1) and paragraph (6) of subsection (e) is labeled with a unique vehicle identification number, and

"(B) to make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) providing such vehicle identification numbers and such other information related to such vehicle as the Secretary may require.

"(4) BATTERY CAPACITY.—The term 'capacity' means, with respect to any battery, the quantity of electricity which the battery is capable of storing, ex-

pressed in kilowatt hours, as measured from a 100 percent state of charge to a 0 percent state of charge.

"(f) SPECIAL RULES.—

"(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

"(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for a vehicle for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such vehicle.

"(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

"(4) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

"(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any

vehicle if the taxpayer elects to not have this section apply to such vehicle.

"(6) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—A vehicle shall not be considered eligible for a credit under this section unless such vehicle is in compliance with—

"(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act), and

"(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

"(g) CREDIT ALLOWED FOR 2 AND 3-WHEELED PLUG-IN ELECTRIC VEHICLES.—

"(1) IN GENERAL.—In the case of a qualified 2- or 3-wheeled plug-in electric vehicle—

"(A) there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the sum of the applicable amount with respect to each such qualified 2- or 3-wheeled plug-in electric vehicle

placed in service by the taxpayer during the taxable year, and

"(B) the amount of the credit allowed under subparagraph (A) shall be treated as a credit allowed under subsection (a).

"(2) APPLICABLE AMOUNT.—For purposes of paragraph (1), the applicable amount is an amount equal to the lesser of—

"(A) 10 percent of the cost of the qualified 2- or 3-wheeled plug-in electric vehicle, or

"(B) $2,500.

"(3) QUALIFIED 2- OR 3-WHEELED PLUG-IN ELECTRIC VEHICLE.—The term 'qualified 2- or 3-wheeled plug-in electric vehicle' means any vehicle which—

"(A) has 2 or 3 wheels,

"(B) meets the requirements of subparagraphs (A), (B), (C), (E), (F), and (G) of subsection (e)(1) (determined by substituting '2.5 kilowatt hours' for '7 kilowatt hours' in subparagraph (F)(i)(I) and by substituting '2.5 kilowatt hours' for '10 kilowatt hours' in subparagraph (F)(i)(II)),

"(C) is manufactured primarily for use on public streets, roads, and highways, and

"(D) is capable of achieving a speed of 45 miles per hour or greater.

"(h) VIN NUMBER REQUIREMENT.—No credit shall be allowed under this section with respect to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on the return of tax for the taxable year.

"(i) TREATMENT OF CERTAIN POSSESSIONS.—

"(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section (determined without regard to this subsection). Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

"(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section if a mirror code

tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan which has been approved by the Secretary under which such possession will promptly distribute such payments to its residents.

"(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of paragraphs (4) and (5) of section 21(h) shall apply for purposes of this section.

"(j) ASSEMBLY AND CONTENT QUALIFICATIONS.—For purposes of this section—

"(1) DOMESTIC ASSEMBLY QUALIFICATIONS.—The term 'domestic assembly qualifications' means, with respect to any new qualified plug-in electric vehicle, that the final assembly of such vehicle occurs at a plant, factory, or other place which is operating under a collective bargaining agreement negotiated by an employee organization (as defined in section 412(c)(4)), determined in a manner consistent with section 7701(a)(46).

"(2) DOMESTIC CONTENT QUALIFICATIONS.—The term 'domestic content qualifications' means, with respect to any model of a new qualified plug-in electric vehicle, that vehicles of that model—

"(A) are assembled by a manufacturer which utilizes not less than 50 percent domestic content in the component parts for final assembly of such vehicles, and

"(B) are powered by battery cells which are manufactured in the United States (with suchbattery cells to be included for purposes of the requirement described in subparagraph (A)), as certified by the manufacturer, at such time, and in such form and manner, as the Secretary may prescribe.

"(3) FINAL ASSEMBLY.—The term 'final assembly' means the process by which a manufacturer produces a new qualified plug-in electric vehicle at, or through the use of, a plant, factory, or other place from which the vehicle is delivered to a dealer or importer with all component parts necessary for the mechanical operation of the vehicle included with the vehicle, whether or not the component parts are permanently installed in or on the vehicle.

"(k) TERMINATION.—No credit shall be allowed under this section with respect to any vehicle acquired after December 31, 2031.".

(b) TRANSFER OF CREDIT.—Subsection (f) of section 36C is amended by adding at the end the following new paragraphs:

"(7) IN GENERAL.—Subject to such regulations or other guidance as the Secretary determines necessary or appropriate, if, with respect to the credit allowed under subsection (a) for any taxable year, the taxpayer elects the application of this subparagraph for such taxable year with respect to such credit, the eligible entity specified in such election, and not the taxpayer who has purchased or leased the vehicle, shall be treated as the taxpayer for purposes of this title with respect to such credit.

"(8) ELIGIBLE ENTITY.—For purposes of this paragraph, the term 'eligible entity' means, with respect to the vehicle for which the credit is allowed under subsection (a), the dealer which sold such vehicle to the taxpayer and has—

"(A) subject to paragraph (10), registered with the Secretary for purposes of this paragraph, at such time, and in such form and manner, as the Secretary may prescribe,

"(B) prior to the election described in paragraph (7), disclosed to the taxpayer purchasing such vehicle—

"(i) the manufacturer's suggested retail price,

"(ii) the value of the credit allowed or other incentive available for the purchase or lease of such vehicle,

"(iii) all fees associated with the purchase or lease of such vehicle, and

"(iv) the amount provided by the dealer to such taxpayer as a condition of the election described in paragraph (7),

"(C) made payment to such taxpayer (whether in cash or in the form of a partial payment or down payment for the purchase of such vehicle) in an amount equal to the credit otherwise allowable to such taxpayer, and

"(D) with respect to any incentive otherwise available for the purchase of a vehicle for which a credit is allowed under this section, including any incentive in the form of a rebate or discount provided by the dealer or manufacturer, ensured that—

"(i) the availability or use of such incentive shall not limit the ability of a taxpayer to make an election described in paragraph (7), and

"(ii) such election shall not limit the value or use of such incentive.

"(9) TIMING.—An election described in paragraph (7) shall be made by the taxpayer not later than the date on which the vehicle for which the credit is allowed under subsection (a) is purchased.

"(10) REVOCATION OF REGISTRATION.—Upon determination by the Secretary that a dealer has failed to comply with the requirements described in paragraph (8), the Secretary may revoke the registration (as described in subparagraph (A) of such subparagraph) of such dealer.

"(11) TAX TREATMENT OF PAYMENTS.—With respect to any payment described in paragraph (8)(C), such payment—

"(A) shall not be includible in the gross income of the taxpayer, and

"(B) with respect to the dealer, shall not be deductible under this title.

"(12) ADVANCE PAYMENT TO REGISTERED DEALERS.—

"(A) IN GENERAL.—The Secretary shall establish a program to make advance payments to any eligible entity in an amount equal to the cumulative amount of the credits allowed under

subsection (a) with respect to any vehicles sold by such entity for which an election described in paragraph (1) has been made.

"(B) EXCESSIVE PAYMENTS.—Rules similar to the rules of section 6417(c)(8) shall apply for purposes of this subparagraph.

"(13) DEALER.—For purposes of this paragraph, the term 'dealer' means a person licensed by a State, the District of Columbia, the Commonwealth of Puerto Rico, any other territory or possession of the United States, or an Indian Tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)) to engage in the sale of vehicles.".

(c) REPEAL OF NONREFUNDABLE NEW QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE CREDIT.—Subpart B of part IV of subchapter A of chapter 1 is amended by striking section 30D (and by striking the item relating to such section in the table of sections of such subpart).

(d) CONFORMING AMENDMENTS.—

(1) Section 1016(a)(37) is amended by striking "section 30D(f)(1)" and inserting "section 36C(f)(1)".

(2) Section 6211(b)(4)(A) is amended by inserting "36C," after "36B,".

(3) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (R), by striking "and" at the end,

(B) in subparagraph (S), by striking the period at the end and inserting ", and", and

(C) by adding at the end the following:

"(T) an omission of a correct vehicle identification number required under section 36C(f) (relating to credit for new qualified plug-in electric drive motor vehicles) to be included on a return.".

(4) Section 6501(m) is amended by striking "30D(e)(4)" and inserting "36C(f)(5)".

(5) Section 166(b)(5)(A)(ii) of title 23, United States Code, is amended by striking "section 30D(d)(1)" and inserting "section 36C(e)(1)".

(6) Section 1324(b)(2) of title 31, United States Code, is amended by inserting "36C," after "36B,".

(7) The table of sections for subpart C of part 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

"(2) in the case of a vehicle which draws propulsion energy from a battery which exceeds 4 kilowatt hours of capacity (determined at the time of sale), the lesser of—

"(A) $1,250, and

"(B) the product of $208.50 and such excess kilowatt hours.

"(b) LIMITATIONS.—

"(1) SALE PRICE.—The credit allowed under subsection (a) with respect to sale of a vehicle shall not exceed 30 percent of the sale price.

"(2) ADJUSTED GROSS INCOME.—The amount which would (but for this paragraph) be allowed as a credit under subsection (a) shall be reduced (but not below zero) by $200 for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income exceeds—

"(A) $150,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),

"(B) $112,500 in the case of a head of household (as defined in section 2(b)), and

"(C) $75,000 in the case of a taxpayer not described in paragraph (1) or (2).

"(c) DEFINITIONS.—For purposes of this section—

"(1) PREVIOUSLY-OWNED QUALIFIED PLUG-IN ELECTRIC DRIVE MOTOR VEHICLE.—The term 'previously-owned qualified plug-in electric drive motor vehicle' means, with respect to a taxpayer, a motor vehicle—

"(A) the model year of which is at least 2 earlier than the calendar year in which the taxpayer acquires such vehicle,

"(B) the original use of which commences with a person other than the taxpayer,

"(C) which is acquired by the taxpayer in a qualified sale,

"(D) registered by the taxpayer for operation in a State or possession of the United States, and

"(E) which meets the requirements of subparagraphs (C), (D), (E), (F), and (G) of section 36C(e)(1).

"(2) QUALIFIED SALE.—The term 'qualified sale' means a sale of a motor vehicle—

"(A) by a seller who holds such vehicle in inventory (within the meaning of section 471) for sale or lease,

"(B) for a sale price not to exceed $25,000, and

"(C) which is the first transfer since the date of the enactment of this section to a person other than the person with whom the original use of such vehicle commenced.

"(3) QUALIFIED BUYER.—The term 'qualified buyer' means, with respect to a sale of a motor vehicle, a taxpayer—

"(A) who is an individual,

"(B) who purchases such vehicle for use and not for resale,

"(C) with respect to whom no deduction is allowable with respect to another taxpayer under section 151,

"(D) who has not been allowed a credit under this section for any sale during the 3-year period ending on the date of the sale of such vehicle, and

"(E) who possesses a certificate issued by the seller that certifies—

"(i) that the vehicle is a previously-owned qualified plug-in electric drive motor vehicle,

"(ii) the vehicle identification number of such vehicle,

"(iii) the capacity of the battery at time of sale, and

"(iv) such other information as the Secretary may require.

"(4) MOTOR VEHICLE; CAPACITY.—The terms 'motor vehicle' and 'capacity' have the meaning given such terms in paragraphs (2) and (4) of section 36C(e), respectively.

"(d) VIN NUMBER REQUIREMENT.—No credit shall be allowed under subsection (a) with respect to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on the return of tax for the taxable year.

"(e) APPLICATION OF CERTAIN RULES.—For purposes of this section, rules similar to the rules of paragraphs (1), (2), (4), (5), (6) and (7) of section 36C(f) shall apply for purposes of this section.

"(f) CERTIFICATE SUBMISSION REQUIREMENT.—The Secretary may require that the issuer of the certificate described in subsection (c)(3)(E) submit such certificate to the Secretary at the time and in the manner required by the Secretary.

"(g) TREATMENT OF CERTAIN POSSESSIONS.—

"(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall pay to

each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

"(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the provisions of this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan which has been approved by the Secretary under which such possession will promptly distribute such payments to its residents.

"(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of paragraphs (4) and (5) of section 21(h) shall apply for purposes of this section.

"(h) TERMINATION.—No credit shall be allowed under this section with respect to any vehicle acquired after December 31, 2031.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is amended by inserting "36D," after "36C,".

(2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (S), by striking "and" at the end,

(B) in subparagraph (T), by striking the period at the end and inserting ", and", and

(C) by adding at the end the following:

"(U) an omission of a correct vehicle identification number required under section 36D(d) (relating to credit for previously-owned qualified plug-in electric drive motor vehicles) to be included on a return.".

(3) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the preceding provisions of this Act, is amended by inserting "36D," after "36C,".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1,

as amended by the preceding provisions of this Act, is amended by inserting after the item relating to section 36C the following new item:

"Sec. 36D. Previously-owned qualified plug-in electric drive motor vehicles.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after December 31, 2021.

SEC. 136403. QUALIFIED COMMERCIAL ELECTRIC VEHICLES.

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

"SEC. 45Y. CREDIT FOR QUALIFIED COMMERCIAL ELECTRIC VEHICLES.

"(a) IN GENERAL.—For purposes of section 38, the qualified commercial electric vehicle credit for any taxable year is an amount equal to the sum of the credit amounts determined under subsection (b) with respect to each qualified commercial electric vehicle placed in service by the taxpayer during the taxable year.

"(b) PER VEHICLE AMOUNT.—The amount determined under this subsection with respect to any qualified commercial electric vehicle shall be equal to 30 percent of the basis of such vehicle.

"(c) QUALIFIED COMMERCIAL ELECTRIC VEHICLE.—For purposes of this section, the term 'qualified commercial electric vehicle' means any vehicle which—

"(1) meets the requirements of subparagraphs (A) and (C) of section 36C(e)(1) without regard to any gross vehicle weight rating, and is acquired for use or lease by the taxpayer and not for resale,

"(2) either—

"(A) meets the requirements of subparagraph (D) of section 36C(e)(1), or

"(B) is mobile machinery, as defined in section 4053(8),

"(3) is primarily propelled by an electric motor which draws electricity from a battery which—

"(A) has a capacity of not less than 30 kilowatt hours,

"(B) is capable of being recharged from an external source of electricity,

"(C) is not powered or charged by an internal combustion engine, or

"(D) is a new qualified fuel cell motor vehicle described in subparagraphs (A) and (B) of section 30B(b)(3), and

"(4) is of a character subject to the allowance for depreciation.

"(d) SPECIAL RULES.—

"(1) IN GENERAL.—Rules similar to the rules under subsection (f) of section 36C shall apply for purposes of this section.

"(2) PROPERTY USED BY TAX-EXEMPT ENTITY.—In the case of a vehicle the use of which is described in paragraph (3) or (4) of section 50(b) and which is not subject to a lease, the person who sold such vehicle to the person or entity using such vehicle shall be treated as the taxpayer that placed such vehicle in service, but only if such person clearly discloses to such person or entity in a document the amount of any credit allowable under subsection (a) with respect to such vehicle.

"(e) VIN NUMBER REQUIREMENT.—No credit shall be determined under subsection (a) with respect to any vehicle unless the taxpayer includes the vehicle identification number of such vehicle on the return of tax for the taxable year.

"(f) TERMINATION.—No credit shall be determined under this section with respect to any vehicle acquired after December 31, 2031.".

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking paragraph (30) and inserting the following:

"(30) the qualified commercial electric vehicle credit determined under section 45Y,".

(2) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (T), by striking "and" at the end,

(B) in subparagraph (U), by striking the period at the end and inserting ", and", and

(C) by adding at the end the following:

"(V) an omission of a correct vehicle identification number required under section 45Y(e) (relating to commercial electric vehicle credit) to be included on a return.".

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

"Sec. 45Y. Qualified commercial electric vehicle credit.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles acquired after December 31, 2021.

SEC. 136404. QUALIFIED FUEL CELL MOTOR VEHICLES.

(a) IN GENERAL.—Section 30B(k)(1) is amended by striking "December 31, 2021" and inserting "December 31, 2031".

(b) NEW QUALIFIED FUEL CELL MOTOR VEHICLE.—Section 30B(b) is amended by striking "and" at

the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) which is not property of a character subject to an allowance for depreciation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2021.

SEC. 136405. ALTERNATIVE FUEL REFUELING PROPERTY CREDIT.

(a) IN GENERAL.—Section 30C(g) is amended by striking "December 31, 2021" and inserting "December 31, 2031".

(b) ADDITIONAL CREDIT FOR CERTAIN ELECTRIC CHARGING PROPERTY.—

(1) IN GENERAL.—Section 30C(a) is amended—

(A) by striking "equal to 30 percent" and inserting the following: "equal to the sum of—

"(1) 30 percent",

(B) by striking the period at the end and inserting ", plus", and

(C) by adding at the end the following new paragraph:

"(2) 20 percent of so much of such cost as exceeds the limitation under subsection (b)(1) that does not exceed the amount of cost attributable to qualified alternative vehicle refueling property (determined without regard to subsection (c)(1) and as if only electricity, and fuel at least 85 percent of the volume of which consists of hydrogen, were treated as clean-burning fuels for purposes of section 179A(d)) which—

"(A) is intended for general public use with no associated fee or payment arrangement,

"(B) is intended for general public use and accepts payment via a credit card reader, including a credit card reader that uses contactless technology, or

"(C) is intended for use exclusively by fleets of commercial or governmental vehicles.".

(2) CONFORMING AMENDMENT.—Section 30C(b) is amended—

(A) by striking "The credit allowed under subsection (a)" and inserting "The amount of cost taken into account under subsection (a)(1)",

(B) by striking "$30,000" and inserting "$100,000", and

(C) by striking "$1,000" and inserting "$3,333.33".

(3) BIDIRECTIONAL CHARGING EQUIPMENT INCLUDED AS QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—Section 30C(c) is amended—

(A) by striking "For purposes of this section, the term" and inserting "For purposes of this section—

"(1) IN GENERAL.—The term", and

(B) by adding at the end the following new paragraph:

"(2) BIDIRECTIONAL CHARGING EQUIPMENT.—Property shall not fail to be treated as qualified alternative vehicle refueling property solely because such property—

"(A) is capable of charging the battery of a motor vehicle propelled by electricity, and

"(B) allows discharging electricity from such battery to an electric load external to such motor vehicle.".

(c) CERTAIN ELECTRIC CHARGING STATIONS INCLUDED AS QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.—Section 30C is amended by redesignating subsections (f) and (g) as subsections (g) and

(h), respectively, and by inserting after subsection (e) the following:

"(f) SPECIAL RULE FOR ELECTRIC CHARGING STATIONS FOR CERTAIN VEHICLES WITH 2 OR 3 WHEELS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified alternative fuel vehicle refueling property' includes any property described in subsection (c) for the recharging of a motor vehicle described in paragraph (2) that is propelled by electricity, but only if the property—

"(A) meets the requirements of subsection (a)(2), and

"(B) is of a character subject to depreciation.

"(2) MOTOR VEHICLE.—A motor vehicle is described in this paragraph if the motor vehicle—

"(A) is manufactured primarily for use on public streets, roads, or highways (not including a vehicle operated exclusively on a rail or rails), and

"(B) has at least 2, but not more than 3, wheels.".

(d) WAGE AND APPRENTICESHIP REQUIREMENTS.—Section 30C, as amended by this section, is further

amended by redesignating subsections (g) and (h) as subsections (h) and (i) and by inserting after subsection (f) the following new subsection:

"(g) WAGE AND APPRENTICESHIP REQUIREMENTS.—

"(1) BASE CREDIT AMOUNT AND INCREASED CREDIT AMOUNT.—

"(A) IN GENERAL.—In the case of any qualified alternative fuel vehicle refueling property which does not satisfy the requirements of subparagraph (B), the amount of the credit determined under subsection (a) shall be 20 percent of such amount (determined without regard to this sentence).

"(B) INCREASED CREDIT FOR CERTAIN QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY MEETING PROJECT REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any qualified alternative fuel vehicle refueling property which meets the project requirements of this subparagraph, subparagraph (A) shall not apply.

"(ii) PROJECT REQUIREMENTS.—A project meets the requirements of this subparagraph if it is one of the following:

"(I) A project which commences construction prior to the date of the enactment of this paragraph.

"(II) A project which satisfies the requirements of paragraphs (2) and (3).

"(2) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this subparagraph with respect to any qualified alternative fuel vehicle refueling property are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in the construction of such property shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIRE-

MENTS.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to such qualified alternative fuel vehicle refueling property, rules similar to the rules of section 45(b)(8)(B) shall apply for purposes of this paragraph.

"(3) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to the construction of any qualified alternative fuel vehicle refueling property are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction on any project shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which be-

gins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals to perform construction, alteration, or repair work on an applicable project shall employ 1 or more qualified apprentices to perform such work.

"(D) EXCEPTION.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, this paragraph shall not apply in the case of a taxpayer who—

"(I) demonstrates a lack of availability of qualified apprentices in the geographic area of the construction, alteration, or repair work, and

"(II) makes a good faith effort to comply with the requirements of this paragraph.

"(ii) GOOD FAITH EFFORT.—For purposes of clause (i), a taxpayer shall be deemed to have satisfied the requirements under such paragraph with respect to an applicable project if such taxpayer has requested qualified apprentices from a registered apprenticeship program, as defined in section 3131(e)(3)(B), and such request has been denied, provided that such denial is not the result of a refusal by the contractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and

requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).

"(4) REGULATIONS AND GUIDANCE.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this subsection.".

(e) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2021.

SEC. 136406. REINSTATEMENT AND EXPANSION OF EMPLOYER-PROVIDED FRINGE BENEFITS FOR BICYCLE COMMUTING.

(a) REPEAL OF SUSPENSION OF EXCLUSION FOR QUALIFIED BICYCLE COMMUTING BENEFITS.—Section 132(f) is amended by striking paragraph (8).

(b) EXPANSION OF BICYCLE COMMUTING BENEFITS.—Section 132(f)(5)(F) is amended to read as follows:

"(F) DEFINITIONS RELATED TO BICYCLE COMMUTING BENEFITS.—

"(i) QUALIFIED BICYCLE COMMUTING BENEFIT.—The term 'qualified bicycle commuting benefit' means, with respect to any calendar year—

"(I) any employer reimbursement during the 15-month period beginning with the first day of such calendar year for reasonable expenses incurred by the employee during such calendar year for the purchase (including associated finance charges), lease, rental (including a bikeshare), improvement, repair, or storage of qualified commuting property, or

"(II) the provision by the employer to the employee during such calendar year of the use (including a bikeshare), improvement, repair, or storage of qualified commuting property,

if the employee regularly uses such qualified commuting property for travel between the employee's residence, place of employment, or a mass transit facility that connects the employee to their residence or place of employment.

"(ii) QUALIFIED COMMUTING PROPERTY.—The term 'qualified commuting property' means—

"(I) any bicycle (other than a bicycle equipped with any motor),

"(II) any electric bicycle which meets the requirements of section 36E(c)(5),

"(III) any 2- or 3-wheel scooter (other than a scooter equipped with any motor), and

"(IV) any 2- or 3-wheel scooter propelled by an electric motor if such motor does not provide assistance if the speed of such scooter exceeds 20 miler per hour (or if the speed of such scooter is not capable of exceeding 20 miles per hour) and the weight of

such scooter does not exceed 100 pounds.

"(iii) BIKESHARE.—The term 'bikeshare' means a rental operation at which qualified commuting property is made available to customers to pick up and drop off for point-to-point use within a defined geographic area.".

(c) LIMITATION ON EXCLUSION.—Section 132(f)(2)(C) is amended to read as follows:

"(C) 30 percent of the dollar amount in effect under subparagraph (B) per month in the case of any qualified bicycle commuting benefit.".

(d) NO CONSTRUCTIVE RECEIPT.—Section 132(f)(4) is amended by striking "(other than a qualified bicycle commuting reimbursement)".

(e) CONFORMING AMENDMENT.—Section 132(f)(1)(D) is amended by striking "reimbursement" and inserting "benefit".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 136407. CREDIT FOR CERTAIN NEW ELECTRIC BICYCLES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after section 36D the following new section:

"SEC. 36E. ELECTRIC BICYCLES.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the cost of each qualified electric bicycle placed in service by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) LIMITATION ON COST PER ELECTRIC BICYCLE TAKEN INTO ACCOUNT.—The amount taken into account under subsection (a) as the cost of any qualified electric bicycle shall not exceed $5,000.

"(2) BICYCLE LIMITATION WITH RESPECT TO CREDIT.—

"(A) LIMITATION ON NUMBER OF PERSONAL-USE BICYCLES.—In the case of any taxpayer for any taxable year, the number of personal-use bicycles taken into account under subsection (a) shall not exceed the excess (if any) of—

"(i) 1 (2 in the case of a joint return), reduced by

"(ii) the aggregate number of bicycles taken into account by the taxpayer under subsection (a) for the 2 preceding taxable years.

"(B) PHASEOUT BASED ON MODIFIED ADJUSTED GROSS INCOME.—So much of the credit allowed under subsection (a) to any taxpayer for any taxable year as would (but for this subparagraph) be treated under subsection (c)(2) as a credit allowable under subpart C shall be reduced by $200 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds—

"(i) $150,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),

"(ii) $112,500 in the case of a head of household (as defined in section 2(b)), and

"(iii) $75,000 in the case of a taxpayer not described in clause (i) or (ii).

"(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (B), the

term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

"(D) SPECIAL RULE FOR DETERMINATION OF MODIFIED ADJUSTED GROSS INCOME.—The modified adjusted gross income of the taxpayer that is taken into account for purposes of this paragraph shall be the lesser of—

"(i) the modified adjusted gross income for the taxable year in which the credit is claimed, or

"(ii) the modified adjusted gross income for the immediately preceding taxable year.

"(c) QUALIFIED ELECTRIC BICYCLE.—For purposes of this section, the term 'qualified electric bicycle' means a bicycle—

"(1) the original use of which commences with the taxpayer,

"(2) which is acquired for use by the taxpayer and not for resale,

"(3) which is made by a qualified manufacturer and is labeled with the qualified vehicle identification

number assigned to such bicycle by such manufacturer,

"(4) with respect to which the aggregate amount paid for such acquisition does not exceed $8,000, and

"(5) which is equipped with—

"(A) fully operable pedals,

"(B) a saddle or seat for the rider, and

"(C) an electric motor of less than 750 watts which is designed to provided assistance in propelling the bicycle and—

"(i) does not provide such assistance if the bicycle is moving in excess of 20 miler per hour, or

"(ii) if such motor only provides such assistance when the rider is pedaling, does not provide such assistance if the bicycle is moving in excess of 28 miles per hour.

"(d) VIN NUMBER REQUIREMENT.—

"(1) IN GENERAL.—No credit shall be allowed under subsection (a) with respect to any qualified electric bicycle unless the taxpayer includes the qualified vehicle identification number of such bicycle on the return of tax for the taxable year.

"(2) QUALIFIED VEHICLE IDENTIFICATION NUMBER.—For purposes of this section, the term 'qualified vehicle identification number' means, with respect to any bicycle, the vehicle identification number assigned to such bicycle by a qualified manufacturer pursuant to the methodology referred to in paragraph (3).

"(3) QUALIFIED MANUFACTURER.—For purposes of this section, the term 'qualified manufacturer' means any manufacturer of qualified electric bicycles which enters into an agreement with the Secretary which provides that such manufacturer will—

"(A) assign a vehicle identification number to each qualified electric bicycle produced by such manufacturer utilizing a methodology that will ensure that such number (including any alphanumeric) is unique to such bicycle (by utilizing numbers or letters which are unique to such manufacturer or by such other method as the Secretary may provide),

"(B) label such bicycle with such number in such manner as the Secretary may provide, and

"(C) make periodic written reports to the Secretary (at such times and in such manner as the Secretary may provide) of the vehicle identification numbers so assigned and including such information as the Secretary may require with respect to the qualified electric bicycle to which such number was so assigned.

"(e) SPECIAL RULES.—

"(1) BASIS REDUCTION.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed (determined without regard to subsection (c)).

"(2) NO DOUBLE BENEFIT.—The amount of any deduction or other credit allowable under this chapter for a qualified electric bicycle for which a credit is allowable under subsection (a) shall be reduced by the amount of credit allowed under such subsection for such vehicle (determined without regard to subsection (c)).

"(3) PROPERTY USED OUTSIDE UNITED STATES NOT QUALIFIED.—No credit shall be allowable under subsection (a) with respect to any property referred to in section 50(b)(1).

"(4) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

"(5) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any bicycle if the taxpayer elects to not have this section apply to such bicycle.

"(f) TREATMENT OF CERTAIN POSSESSIONS.—

"(1) PAYMENTS TO POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—The Secretary shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of the provisions of this section (determined without regard to this subsection). Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

"(2) PAYMENTS TO OTHER POSSESSIONS.—The Secretary shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary as being equal to the aggregate benefits (if any) that would have

been provided to residents of such possession by reason of the provisions of this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan which has been approved by the Secretary under which such possession will promptly distribute such payments to its residents.

''(3) MIRROR CODE TAX SYSTEM; TREATMENT OF PAYMENTS.—Rules similar to the rules of paragraphs (4) and (5) of section 21(h) shall apply for purposes of this section.

''(g) TERMINATION.—This section shall not apply to bicycles placed in service after December 31, 2031.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended by striking ''plus'' at the end of paragraph (39), by striking the period at the end of paragraph (40) and inserting '', plus'', and by adding at the end the following new paragraph:

''(41) the portion of the electric bicycles credit to which section 36E(c)(1) applies.''.

(2) Section 1016(a) is amended by striking ''and'' at the end of paragraph (37), by striking the period at the end of paragraph (38) and inserting '',

and'', and by adding at the end the following new paragraph:

''(39) to the extent provided in section 36E(f)(1).''.

(3) Section 6211(b)(4)(A) of such Code is amended by inserting ''36E by reason of subsection (c)(2) thereof,'' before ''32,''.

(4) Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended—

(A) in subparagraph (U), by striking ''and'' at the end,

(B) in subparagraph (V), by striking the period at the end and inserting '', and'', and

(C) by adding at the end the following:

''(W) an omission of a correct vehicle identification number required under section 36E(e) (relating to electric bicycles credit) to be included on a return.''.

(5) Section 6501(m) is amended by inserting ''36E(f)(4),'' after ''35(g)(11),''.

(6) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ''36E,'' after ''36B,''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 36E. Electric bicycles.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

PART 5—INVESTMENT IN THE GREEN WORKFORCE

SEC. 136501. EXTENSION OF THE ADVANCED ENERGY PROJECT CREDIT.

(a) EXTENSION OF CREDIT.—Section 48C is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) ADDITIONAL ALLOCATIONS.—

"(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, the Secretary, after consultation with the Secretary of Energy, shall establish a program to consider and award certifications for qualified investments eligible for credits under this section to qualifying advanced energy project sponsors.

"(2) ANNUAL LIMITATION.—

"(A) IN GENERAL.—The amount of credits that may be allocated under this subsection during any calendar year shall not exceed the annual credit limitation with respect to such year.

"(B) ANNUAL CREDIT LIMITATION.—

"(i) IN GENERAL.—For purposes of this subsection, the term 'annual credit limitation' means $2,500,000,000 for each of calendar years 2022 through 2031, and zero thereafter.

"(ii) AMOUNT SET ASIDE FOR AUTOMOTIVE COMMUNITIES.—

"(I) IN GENERAL.—For purposes of clause (i), $400,000,000 of the annual credit limitation for each of calendar years 2022 through 2031 shall be allocated to qualified investments located within automotive communities.

"(II) AUTOMOTIVE COMMUNITIES.—For purposes of this clause, the term 'automotive communities' means a census tract and any directly adjoining census tract, including a no-

population census tract, that has experienced major job losses in the automotive manufacturing sector since January 1, 1994, as determined by the Secretary after consultation with the Secretary of Energy and Secretary of Labor.

"(C) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any calendar year exceeds the aggregate amount designated for such year under this subsection, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2036.

"(3) CERTIFICATIONS.—

"(A) APPLICATION REQUIREMENT.—Each applicant for certification under this subsection shall submit an application at such time and containing such information as the Secretary may require.

"(B) TIME TO MEET CRITERIA FOR CERTIFICATION.—Each applicant for certification shall have 2 years from the date of acceptance by the Secretary of the application during

which to provide to the Secretary evidence that the requirements of the certification have been met.

"(C) PERIOD OF ISSUANCE.—An applicant which receives a certification shall have 2 years from the date of issuance of the certification in order to place the project in service and to notify the Secretary that such project has been so placed in service, and if such project is not placed in service (and the Secretary so notified) by that time period, then the certification shall no longer be valid. If any certification is revoked under this subparagraph, the amount of the annual credit limitation under paragraph (2) for the calendar year in which such certification is revoked shall be increased by the amount of the credit with respect to such revoked certification.

"(4) SELECTION CRITERIA.—Selection criteria similar to those in subsection (d)(3) shall apply, except that in determining designations under this subsection, the Secretary, after consultation with the Secretary of Energy, shall—

"(A) in addition to the factors described in subsection (d)(3)(B), take into consideration which projects—

"(i) will provide the greatest net impact in avoiding or reducing anthropogenic emissions of greenhouse gases, as determined by the Secretary after consultation with the Administrator of the Environmental Protection Agency,

"(ii) will provide the greatest domestic job creation (both direct and indirect) during the credit period,

"(iii) will provide the greatest job creation within the vicinity of the project, particularly with respect to—

"(I) low-income communities (as described in section 45D(e)), and

"(II) dislocated workers who were previously employed in manufacturing, coal power plants, or coal mining, and

"(iv) will provide the greatest job creation in areas with a population that is at risk of experiencing higher or more adverse human health or environmental effects and

a significant portion of such population is comprised of communities of color, low-income communities, Tribal and Indigenous communities, or individuals formerly employed in the fossil fuel industry, and

"(B) give the highest priority to projects which—

"(i) manufacture (other than primarily assembly of components) property described in a subclause of subsection (c)(1)(A)(i) (or components thereof), and

"(ii) have the greatest potential for commercial deployment of new applications.

"(5) DISCLOSURE OF ALLOCATIONS.—The Secretary shall, upon allocating a credit under this subsection, publicly disclose the identity of the applicant, the amount of the credit with respect to such applicant, and the project location for which such credit was allocated.

"(6) CREDIT CONDITIONED UPON WAGE AND APPRENTICESHIP REQUIREMENTS.—No credit shall be allocated for a project under this subsection unless the project meets the prevailing wage require-

ments of paragraph (7) and the apprenticeship requirements of paragraph (8).

"(7) PREVAILING WAGE REQUIREMENTS.—

"(A) IN GENERAL.—The requirements described in this paragraph with respect to a project are that the taxpayer shall ensure that any laborers and mechanics employed by contractors and subcontractors in the re-equipping, expansion, or establishment of an industrial or manufacturing facility shall be paid wages at rates not less than the prevailing rates for construction, alteration, or repair of a similar character in the locality as most recently determined by the Secretary of Labor, in accordance with subchapter IV of chapter 31 of title 40, United States Code.

"(B) CORRECTION AND PENALTY RELATED TO FAILURE TO SATISFY WAGE REQUIREMENTS.—

"(i) IN GENERAL.—In the case of any taxpayer which fails to satisfy the requirement under subparagraph (A) with respect to any project—

"(I) rules similar to the rules of section 45(b)(8)(B) shall apply for purposes of this paragraph, and

"(II) if the failure to satisfy the requirement under subparagraph (A) is not corrected pursuant to the rules described in subclause (I), the certification with respect to the re-equipping, expansion, or establishment of an industrial or manufacturing facility shall no longer be valid.

"(8) APPRENTICESHIP REQUIREMENTS.—The requirements described in this subparagraph with respect to a project are as follows:

"(A) LABOR HOURS.—

"(i) PERCENTAGE OF TOTAL LABOR HOURS.—All contractors and subcontractors engaged in the performance of construction, alteration, or repair work on any project shall, subject to subparagraph (B), ensure that not less than the applicable percentage of the total labor hours of such work be performed by qualified apprentices.

"(ii) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be—

"(I) in the case of any applicable project the construction of which begins before January 1, 2023, 5 percent,

"(II) in the case of any applicable project the construction of which begins after December 31, 2022, and before January 1, 2024, 10 percent, and

"(III) in the case of any applicable project the construction of which begins after December 31, 2023, 15 percent.

"(B) APPRENTICE TO JOURNEYWORKER RATIO.—The requirement under subparagraph (A)(i) shall be subject to any applicable requirements for apprentice-to-journeyworker ratios of the Department of Labor or the applicable State apprenticeship agency.

"(C) PARTICIPATION.—Each contractor and subcontractor who employs 4 or more individuals 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-

tractors or subcontractors engaged in the performance of construction, alteration, or repair work on such applicable project to comply with the established standards and requirements of such apprenticeship program.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) LABOR HOURS.—The term 'labor hours' has the meaning given such term in section 45(b)(9)(E)(i).

"(ii) QUALIFIED APPRENTICE.—The term 'qualified apprentice' has the meaning given such term in section 45(b)(9)(E)(ii).".

(b) MODIFICATION OF QUALIFYING ADVANCED ENERGY PROJECTS.—

(1) INCLUSION OF WATER AS A RENEWABLE RESOURCE.—Section 48C(c)(1)(A)(i)(I) is amended by inserting "water," after "sun,".

(2) ENERGY STORAGE SYSTEMS.—Section 48C(c)(1)(A)(i)(II) is amended by striking "an energy storage system for use with electric or hybrid-electric motor vehicles" and inserting "energy storage systems and components".

(3) MODIFICATION OF QUALIFYING ELECTRIC GRID PROPERTY.—Section 48C(c)(1)(A)(i)(III) is amended to read as follows:

"(III) electric grid modernization equipment or components,".

(4) USE OF CAPTURED CARBON.—Section 48C(c)(1)(A)(i)(IV) is amended by striking "sequester" and insert "use or sequester".

(5) ELECTRIC AND FUEL CELL VEHICLES.—Section 48C(c)(1)(A)(i)(VI) is amended—

(A) by striking "new qualified plug-in electric drive motor vehicles (as defined by section 30D)" and inserting "vehicles described in section 36C, 45Y, and 36E", and

(B) and striking "and power control units" and inserting "power control units, and equipment used for charging or refueling".

(6) PROPERTY FOR PRODUCTION OF HYDROGEN.—Section 48C(c)(1)(A)(i) is amended by striking "or" at the end of subclause (VI), by redesignating subclause (VII) as subclause (VIII), an by inserting after subclause (VI) the following new subclause:

"(VII) property designed to be used to produce qualified clean hydrogen (as defined in section 45X), or".

(7) RECYCLING OF ADVANCED ENERGY PROPERTY.—Section 48C(c)(1) is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULE FOR CERTAIN RECYCLING FACILITIES.—A facility which recycles batteries or similar energy storage property described in subparagraph (A)(i) shall be treated as part of a manufacturing facility described in such subparagraph.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 136502. LABOR COSTS OF INSTALLING MECHANICAL INSULATION PROPERTY.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 45Z. LABOR COSTS OF INSTALLING MECHANICAL INSULATION PROPERTY.

"(a) IN GENERAL.—For purposes of section 38, the mechanical insulation labor costs credit determined under

this section for any taxable year is an amount equal to 10 percent of the mechanical insulation labor costs paid or incurred by the taxpayer during such taxable year.

"(b) MECHANICAL INSULATION LABOR COSTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'mechanical insulation labor costs' means the labor cost of installing mechanical insulation property with respect to a mechanical system referred to in paragraph (2)(A) which was originally placed in service not less than 1 year before the date on which such mechanical insulation property is installed.

"(2) MECHANICAL INSULATION PROPERTY.—The term 'mechanical insulation property' means insulation materials, and facings and accessory products installed in connection to such insulation materials—

"(A) placed in service in connection with a mechanical system which—

"(i) is located in the United States,

"(ii) is of a character subject to an allowance for depreciation, and

"(iii) meets the requirements of section 434.403 of title 10, Code of Federal

Regulations (as in effect on the date of enactment of this section), and

"(B) which result in a reduction in energy loss from the mechanical system which is greater than the expected reduction from the installation of insulation materials which meet the minimum requirements of Reference Standard 90.1 (as defined in section 179D(c)(2)).

"(c) TERMINATION.—This section shall not apply to mechanical insulation labor costs paid or incurred after December 31, 2031.".

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b), as amended by the preceding provisions of this Act, is further amended by striking "plus" at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting ", plus", and by adding at the end the following new paragraph:

"(42) the mechanical insulation labor costs credit determined under section 45Z(a).".

(c) CONFORMING AMENDMENTS.—

(1) Section 280C is amended by adding at the end the following new subsection:

"(i) MECHANICAL INSULATION LABOR COSTS CREDIT.—

"(1) IN GENERAL.—No deduction shall be allowed for that portion of the mechanical insulation labor costs (as defined in section 45Z(b)) otherwise allowable as deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45Z(a).

"(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

"(A) the amount of the credit determined for the taxable year under section 45Z(a), exceeds

"(B) the amount of allowable as a deduction for such taxable year for mechanical insulation labor costs (determined without regard to paragraph (1)),

the amount chargeable to capital account for the taxable year for such costs shall be reduced by the amount of such excess.".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new item:

"Sec. 45Z. Labor costs of installing mechanical insulation property.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after

December 31, 2021, in taxable years ending after such date.

PART 6—ENVIRONMENTAL JUSTICE

SEC. 136601. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after section 36E the following new section:

"SEC. 36F. QUALIFIED ENVIRONMENTAL JUSTICE PROGRAMS.

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible educational institution, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to the applicable percentage of the amounts paid or incurred by such taxpayer during such taxable year which are necessary for a qualified environmental justice program.

"(b) QUALIFIED ENVIRONMENTAL JUSTICE PROGRAM.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified environmental justice program' means a program conducted by one or more eligible educational institutions that is designed to address, or improve data about, qualified environmental stressors for the pri-

mary purpose of improving, or facilitating the improvement of, health and economic outcomes of individuals residing in low-income areas or areas that experience, or are at risk of experiencing, multiple exposures to qualified environmental stressors.

"(2) QUALIFIED ENVIRONMENTAL STRESSOR.—The term 'qualified environmental stressor' means, with respect to an area, a contamination of the air, water, soil, or food with respect to such area or a change relative to historical norms of the weather conditions of such area, including—

"(A) toxic pollutants (such as lead, pesticides, or fine particulate matter) in air, soil, food, or water,

"(B) high rates of asthma prevalence and incidence, and

"(C) such other adverse human health or environmental effects as are identified by the Secretary.

"(c) ELIGIBLE EDUCATIONAL INSTITUTION.—For purposes of this section, the term 'eligible educational institution' means an institution of higher education (as such term is defined in section 101 or 102(c) of the Higher Education Act of 1965) that is eligible to participate in a program under title IV of such Act.

"(d) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

"(1) in the case of a program involving material participation of faculty and students of an institution described in section 371(a) of the Higher Education Act of 1965, 30 percent, and

"(2) in all other cases, 20 percent.

"(e) CREDIT ALLOCATION.—

"(1) ALLOCATION.—

"(A) IN GENERAL.—The Secretary shall allocate credit dollar amounts under this section to eligible educational institutions, for qualified environmental justice programs, that—

"(i) submit applications at such time and in such manner as the Secretary may provide, and

"(ii) are selected by the Secretary under subparagraph (B).

"(B) SELECTION CRITERIA.—The Secretary, after consultation with the Secretary of Energy, the Secretary of Education, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall select applications on the basis of the following criteria:

"(i) The extent of participation of faculty and students of an institution described in section 371(a) of the Higher Education Act of 1965.

"(ii) The extent of the expected effect on the health or economic outcomes of individuals residing in areas within the United States that are low-income areas or areas that experience, or are at risk of experiencing, multiple exposures to qualified environmental stressors.

"(iii) The creation or significant expansion of qualified environmental justice programs.

"(2) LIMITATIONS.—

"(A) IN GENERAL.—The amount of the credit determined under this section for any taxable year to any eligible educational institution for any qualified environmental justice program shall not exceed the excess of—

"(i) the credit dollar amount allocated to such institution for such program under this subsection, over

"(ii) the credits previously claimed by such institution for such program under this section.

"(B) FIVE-YEAR LIMITATION.—No amounts paid or incurred after the 5-year period beginning on the date a credit dollar amount is allocated to an eligible educational institution for a qualified environmental justice program shall be taken into account under subsection (a) with respect to such institution for such program.

"(C) ALLOCATION LIMITATION.—The total amount of credits that may be allocated under the program shall not exceed—

"(i) $1,000,000,000 for each of taxable years 2022 through 2031, and

"(ii) $0 for each subsequent year.

"(D) CARRYOVER OF UNUSED LIMITATION.—If the annual credit limitation for any calendar year exceeds the aggregate amount designated for such year under this subsection, such limitation for the succeeding calendar year shall be increased by the amount of such excess. No amount may be carried under the preceding sentence to any calendar year after 2036.

"(f) REQUIREMENTS.—

"(1) IN GENERAL.—An eligible educational institution that has been allocated credit dollar amounts under this section for a qualified environmental justice project for a taxable year shall—

"(A) make publicly available the application submitted to the Secretary under subsection (e) with respect to such project, and

"(B) submit an annual report to the Secretary that describes the amounts paid or incurred for, and expected impact of, such project.

"(2) FAILURE TO COMPLY.—In the case of an eligible educations institution that has failed to comply with the requirements of this subsection, the credit dollar amount allocated to such institution under this section is deemed to be $0.

"(g) PUBLIC DISCLOSURE.—The Secretary, upon making an allocation of credit dollar amounts under this section, shall publicly disclose—

"(1) the identity of the eligible educational institution receiving the allocation, and

"(2) the amount of such allocation.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is amended by inserting "36F," after "36D,".

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the preceding provisions of this Act, is amended by inserting "36F," after "36D,".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is amended by inserting after the item relating to section 36E the following new item:

"Sec. 36F. Qualified environmental justice programs.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

PART 7—SUPERFUND

SEC. 136701. REINSTATEMENT OF SUPERFUND.

(a) HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—

(1) EXTENSION.—Section 4611(e) is amended to read as follows:

"(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund financing rate under this section shall apply after December 31, 2021.".

(2) ADJUSTMENT FOR INFLATION.—

(A) Section 4611(c)(2)(A) is amended by striking ''9.7 cents'' and inserting ''16.4 cents''.

(B) Section 4611(c) is amended by adding at the end the following:

''(3) ADJUSTMENT FOR INFLATION.—

''(A) IN GENERAL.—In the case of a year beginning after 2022, the amount in paragraph (2)(A) shall be increased by an amount equal to—

''(i) such amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2021' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $0.01, such amount shall be rounded to the next lowest multiple of $0.01.''.

(b) AUTHORITY FOR ADVANCES.—Section 9507(d)(3)(B) is amended by striking ''December 31, 1995'' and inserting ''December 31, 2031''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2022.

PART 8—APPROPRIATIONS

SEC. 136801. APPROPRIATIONS.

Immediately upon the enactment of this Act, in addition to amounts otherwise available, there are appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated, $3,831,000,000 to remain available until September 30, 2031, for necessary expenses for the Internal Revenue Service to carry out this subtitle (and the amendments made by this subtitle), which shall supplement and not supplant any other appropriations that may be available for this purpose.

Subtitle H—Social Safety Net

SEC. 137001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—CHILD TAX CREDIT

SEC. 137101. MODIFICATIONS APPLICABLE BEGINNING IN 2021.

(a) SAFE HARBOR EXCEPTION FOR FRAUD AND INTENTIONAL DISREGARD OF RULES AND REGULATIONS.—Section 24(j)(2)(B) is amended—

(1) by striking ''qualified'' each place it appears in clause (iv)(II) and inserting ''qualifying'', and

(2) by adding at the end the following new clause:

''(v) EXCEPTION FOR FRAUD AND INTENTIONAL DISREGARD OF RULES AND REGULATIONS.—

''(I) IN GENERAL.—For purposes of determining the safe harbor amount under clause (iv) with respect to any taxpayer, an individual shall not be treated as taken into account in determining the annual advance amount of such taxpayer if the Secretary determines that such individual was so taken into account due to fraud by the taxpayer or intentional disregard of rules and regulations by the taxpayer.

''(II) ARRANGEMENTS TO TAKE INDIVIDUAL INTO ACCOUNT MORE THAN ONCE.—For purposes of subclause (I), a taxpayer shall not fail to be treated as intentionally disregarding rules and regulations with

respect to any individual taken into account in determining the annual advance amount of such taxpayer if such taxpayer entered into a plan or other arrangement with, or expected, another taxpayer to take such individual into account in determining the credit allowed under this section for the taxable year.''.

(b) TREATMENT OF JOINT RETURNS.—Section 24(j) is amended by adding at the end the following new paragraph:

''(3) JOINT RETURNS.—Except as otherwise provided by the Secretary, in the case of an advance payment made under section 7527A with respect to a joint return, half of such payment shall be treated as having been made to each individual filing such return.''.

(c) ANNUAL ADVANCE AMOUNT.—Section 7527A(b) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by inserting ''or based on any other information known to the Secretary'' after ''reference taxable year'',

(B) in subparagraph (C), by inserting ''unless determined by the Secretary based on any information known to the Secretary,'' before ''the only children'', and

(C) in subparagraph (D), by inserting ''unless determined by the Secretary based on any information known to the Secretary,'' before ''the ages of'', and

(2) in paragraph (3)(A)(ii), by striking '' provided by the taxpayer'' and inserting ''provided, or known,''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning, and payments made, after December 31, 2020.

SEC. 137102. EXTENSION AND MODIFICATION OF CHILD TAX CREDIT AND ADVANCE PAYMENT FOR 2022.

(a) EXTENSIONS.—

(1) EXTENSION OF CHILD TAX CREDIT.—Section 24(i) is amended—

(A) by striking ''January 1, 2022'' in the matter preceding paragraph (1) and inserting ''January 1, 2023'', and

(B) by inserting ''AND 2022'' after ''2021'' in the heading thereof.

(2) EXTENSION OF PROVISIONS RELATED TO POSSESSIONS OF THE UNITED STATES.—

(A) Section 24(k)(2)(B) is amended—

(i) by striking ''December 31, 2021'' in the matter preceding clause (i) and inserting ''December 31, 2022'', and

(ii) by striking ''AFTER 2021'' in the heading thereof and inserting ''AFTER 2022''.

(B) Section 24(k)(3)(C)(ii) is amended—

(i) in subclause (I), by inserting ''or 2022'' after ''2021'', and

(ii) in subclause (II), by striking ''December 31, 2021'' and inserting ''December 31, 2022''.

(C) The heading of section 24(k)(2)(A) is amended by inserting ''AND 2022'' after ''2021''.

(3) EXTENSION OF ADVANCE PAYMENT.—Section 7527A is amended—

(A) in subsection (b)(1), by striking ''50 percent of'',

(B) in clauses (i) and (ii) of subsection (e)(4)(C), by inserting ''or 2022'' after ''in 2021'', and

(C) in subsection (f), by striking ''December 31, 2021'' and inserting ''December 31, 2022''.

(b) REPEAL OF SOCIAL SECURITY NUMBER REQUIREMENT.—Section 24(h) is amended by striking paragraph (7).

(c) APPLICATION OF INCOME PHASEOUT ON BASIS OF INCOME FOR PRECEDING TAXABLE YEAR.—Section 24(i) is amended by adding at the end the following new paragraph:

''(5) APPLICATION OF INCOME PHASEOUT ON BASIS OF INCOME FOR PRIOR TAXABLE YEAR.—If the taxpayer's modified adjusted gross income (as defined in subsection (b)) for the taxable year for which the credit allowed under this section is determined is greater than such taxpayer's modified adjusted gross income (as so defined) for the preceding taxable year, paragraph (4) and subsection (b)(1) shall both be applied with respect to such taxpayer's modified adjusted gross income (as so defined) for the preceding taxable year.''.

(d) INFLATION ADJUSTMENT.—Section 24(i), as amended by subsection (c), is amended by adding at the end the following new paragraph:

''(6) INFLATION ADJUSTMENTS.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2021, the $500 amount in subsection (h)(4)(A), the $3,000 and $3,600 amounts in paragraph (3) and subsection (j)(2)(B)(iv), and the dollar amounts in paragraph (4)(B), shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the percentage (if any) by which—

"(I) the CPI (as defined in section 1(f)(4)) for the calendar year preceding the calendar year in which such taxable year begins, exceeds

"(II) the CPI (as so defined) for calendar year 2020.

"(B) ROUNDING.—

"(i) $500 AMOUNT.—In the case of the $500 amount in subsection (h)(4)(A), any increase under subparagraph (A) which is not a multiple of $10 shall be rounded to the nearest multiple of $10.

"(ii) $3,000 AND $3,600 AMOUNTS.—In the case of the $3,000 and $3,600 amounts in paragraph (3) and subsection

(j)(2)(B)(iv), any increase under subparagraph (A) which is not a multiple of $100 shall be rounded to the nearest multiple of $100.

"(iii) APPLICABLE THRESHOLD AMOUNTS.—In the case of the dollar amounts in paragraph (4)(B), any increase under subparagraph (A) which is not a multiple of $5,000 shall be rounded to the nearest multiple of $5,000.".

(e) MODIFICATION OF RECAPTURE SAFE HARBOR FOR 2022.—Section 24(j)(2)(B)(iv), as amended by the preceding provisions of this Act, is amended to read as follows:

"(iv) SAFE HARBOR AMOUNT.—For purposes of this subparagraph, the term 'safe harbor amount' means, with respect to any taxpayer for any taxable year, the aggregate of $3,000 ($3,600 in the case of a qualifying child who has not attained age 6 as of the close of the calendar year in which the taxable year of the taxpayer begins) with respect to each qualifying child who is—

"(I) taken into account in determining the annual advance amount with respect to such taxpayer under section 7527A with respect to months beginning in such taxable year, and

"(II) not taken into account in determining the credit allowed to such taxpayer under this section for such taxable year.".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning, and payments made, after December 31, 2021.

SEC. 137103. ESTABLISHMENT OF MONTHLY CHILD TAX CREDIT WITH ADVANCE PAYMENT THROUGH 2025.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 24 the following new sections:

"SEC. 24A. MONTHLY CHILD TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year the sum of the monthly specified child allowances determined with respect to the taxpayer under subsection (b) for each calendar month during such taxable year.

"(b) MONTHLY SPECIFIED CHILD ALLOWANCE.—

"(1) IN GENERAL.—For purposes of this section, the term 'monthly specified child allowance' means, with respect to any taxpayer for any calendar month, the sum of—

"(A) $300 with respect to each specified child of such taxpayer who will not, as of the close of the taxable year which includes such month, have attained age 6, plus

"(B) $250 with respect to each specified child of such taxpayer who will, as of the close of the taxable year which includes such month, have attained age 6.

"(2) LIMITATIONS BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(A) INITIAL REDUCTION.—The monthly specified child allowance otherwise determined under paragraph (1) with respect to any taxpayer for any calendar month shall be reduced (but not below zero) by 1/12 of 5 percent of the excess (if any) of the taxpayer's modified adjusted gross income for the applicable taxable year over the initial threshold amount in effect for such applicable taxable year.

"(B) LIMITATION ON INITIAL REDUCTION.—The amount of the reduction under subparagraph (A) shall not exceed the lesser of—

"(i) the excess (if any) of—

"(I) the monthly specified child allowance with respect to the taxpayer for the calendar month (determined without regard to this paragraph), over

"(II) the amount which would be determined under subclause (I) if the dollar amounts in effect under subparagraphs (A) and (B) of paragraph (1) were each equal to $166.67, or

"(ii) 1/12 of 5 percent of the excess of the secondary threshold amount over the initial threshold amount.

"(C) SECONDARY REDUCTION.—The monthly specified child allowance otherwise determined under paragraph (1) with respect to any taxpayer for any calendar month (determined after the application of subparagraphs (A) and (B)) shall be reduced (but not below zero) by 1/12 of 5 percent of the excess (if any) 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) ½ 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)),

"(II) $300,000, in the case of a head of household (as defined in section 2(b)), and

"(III) $200,000, in any other case.

"(iv) APPLICABLE TAXABLE YEAR.—The term 'applicable taxable year' means, with respect to any taxpayer, the relevant taxable year with respect to which the taxpayer has the lowest modified adjusted gross income. For purposes of the preceding sentence, the term 'relevant taxable year' means the taxable year for which the credit allowed under this section is determined and each of the 2 immediately preceding taxable years.

"(v) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

"(c) SPECIFIED CHILD.—For purposes of this section—

"(1) IN GENERAL.—The term 'specified child' means, with respect to any taxpayer for any calendar month, an individual—

"(A) who has the same principal place of abode as the taxpayer for more than one-half of such month,

"(B) who is younger than the taxpayer and will not, as of the close of the calendar year which includes such month, have attained age 18,

"(C) who receives care from the taxpayer during such month that is not compensated,

"(D) who is not the spouse of the taxpayer at any time during such month,

"(E) who is not a taxpayer with respect to whom any individual is a specified child for such month, and

"(F) who either—

"(i) is a citizen, national, or resident of the United States, or

"(ii) if the taxpayer is a citizen or national of the United States, such individual is described in section 152(f)(1)(B) with respect to such taxpayer.

"(2) CARE FROM THE TAXPAYER.—

"(A) IN GENERAL.—Except as otherwise provided by the Secretary, whether any individual receives care from the taxpayer (within the meaning of paragraph (1)(C)) shall be determined on the basis of facts and circumstances with respect to the following factors:

"(i) The supervision provided by the taxpayer regarding the daily activities and needs of the individual.

"(ii) The maintenance by the taxpayer of a secure environment at which the individual resides.

"(iii) The provision or arrangement by the taxpayer of, and transportation by the taxpayer to, medical care at regular intervals and as required for the individual.

"(iv) The involvement by the taxpayer in, and financial and other support by the taxpayer for, educational or similar activities of the individual.

"(v) Any other factor that the Secretary determines to be appropriate to determine whether the individual receives care from the taxpayer.

"(B) DETERMINATION OF WHETHER CARE IS COMPENSATED.—For purposes of determining if care is compensated within the meaning of paragraph (1)(C), compensation from the Federal Government, a State or local government, a Tribal government, or any possession of the United States shall not be taken into account.

"(3) APPLICATION OF TIE-BREAKER RULES.—

"(A) IN GENERAL.—Except as provided in subparagraph (D), if any individual would (but for this paragraph) be a specified child of 2 or more taxpayers for any month, such individual shall be treated as the specified child only of the taxpayer who is—

"(i) the parent of the individual (or, if such individual would (but for this paragraph) be a specified child of 2 or more parents of the individual for such month, the parent of the individual determined under subparagraph (B)),

"(ii) if the individual is not a specified child of any parent of the individual (determined without regard to this paragraph), the specified relative of the individual with

the highest adjusted gross income for the taxable year which includes such month, or

"(iii) if the individual is neither a specified child of any parent of the individual nor a specified child of any specified relative of the individual (in both cases determined without regard to this paragraph), the taxpayer with the highest adjusted gross income for the taxable year which includes such month.

"(B) TIE-BREAKER AMONG PARENTS.—If any individual would (but for this paragraph) be the specified child of 2 or more parents of the individual for any month, such child shall be treated only as the specified child of—

"(i) the parent with whom the child resided for the longest period of time during such month, or

"(ii) if the child resides with both parents for the same amount of time during such month, the parent with the highest adjusted gross income for the taxable year which includes such month.

"(C) SPECIFIED RELATIVE.—For purposes of this paragraph, the term 'specified relative' means an individual who is—

"(i) an ancestor of a parent of the specified child,

"(ii) a brother or sister of a parent of the specified child, or

"(iii) a brother, sister, stepbrother, or stepsister of the specified child.

"(D) CERTAIN PARENTS OR SPECIFIED RELATIVES NOT TAKEN INTO ACCOUNT.—This paragraph shall be applied without regard to any parent or specified relative of an individual for any month if—

"(i) such parent or specified relative elects to have such individual not be treated as a specified child of such parent or specified relative for such month,

"(ii) in the case of a parent of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which includes such month is higher than the highest ad-

justed gross income of any parent of the individual for any taxable year which includes such month (determined without regard to any parent with respect to whom such individual is not a specified child, determined without regard to subparagraphs (A) and (B) and after application of this subparagraph), and

''(iii) in the case of a specified relative of such individual, the adjusted gross income of the taxpayer (with respect to whom such individual would be treated as a specified child after application of this subparagraph) for the taxable year which includes such month is higher than the highest adjusted gross income of any parent and any specified relative of the individual for any taxable year which includes such month (determined without regard to any parent and any specified relative with respect to whom such individual is not a specified child, determined without regard to subparagraphs (A) and (B) and after application of this subparagraph).

"(E) TREATMENT OF JOINT RETURNS.—For purposes of this paragraph, with respect to any month, 2 individuals filing a joint return for the taxable year which includes such month shall be treated as 1 individual.

"(F) PARENT.—Except as otherwise provided by the Secretary, the term 'parent' shall have the same meaning as when used in section 152(c)(4).

"(4) SPECIAL RULES WITH RESPECT TO BIRTH AND DEATH.—

"(A) BIRTH.—

"(i) IN GENERAL.—In the case of the birth of an individual during any calendar year, such individual shall be treated as a specified child of the relevant taxpayer for each calendar month in such calendar year which precedes the calendar month referred to in clause (ii).

"(ii) RELEVANT TAXPAYER.—For purposes of clause (i), the term 'relevant taxpayer' means the taxpayer with respect to whom the individual referred to in clause (i) is a specified child for the first month for which such individual is a speci-

fied child with respect to any taxpayer (determined without regard to this subparagraph).

"(B) DEATH.—

"(i) IN GENERAL.—In the case of the death of an individual during any calendar year, such individual shall be treated as a specified child of the relevant taxpayer for each calendar month in such calendar year which follows the calendar month referred to in clause (ii).

"(ii) RELEVANT TAXPAYER.—For purposes of clause (i), the term 'relevant taxpayer' means the taxpayer with respect to whom the individual referred to in clause (i) is a specified child for the last month for which such individual is alive.

"(5) TREATMENT OF TEMPORARY ABSENCES.—For purposes of this subsection—

"(A) IN GENERAL.—In the case of any individual's temporary absence from such individual's principal place of abode, each day composing the temporary absence shall—

"(i) be treated as a day at such individual's principal place of abode, and

"(ii) not be treated as a day at any other location.

"(B) TEMPORARY ABSENCE.—For purposes of subparagraph (A), an absence shall be treated as temporary if—

"(i) the individual would have resided at the place of abode but for the absence, and

"(ii) under the facts and circumstances, it is reasonable to assume that the individual will return to reside at the place of abode.

"(6) SPECIAL RULE FOR DIVORCED PARENTS, ETC.—Rules similar to the rules section 152(e) shall apply for purposes of this subsection.

"(7) ELIGIBILTY DETERMINED ON BASIS OF PRESUMPTIVE ELIGIBILITY.—

"(A) IN GENERAL.—If a period of presumptive eligibility is established under section 7527B(c) for any individual with respect to any taxpayer—

"(i) such individual shall be treated as the specified child of such taxpayer for any month in such period of presumptive eligibility, and

"(ii) such individual shall not be treated as the specified child of any other taxpayer with respect to whom a period of presumptive eligibility has not been established for any such month.

"(B) ABILITY OF CREDIT CLAIMANTS TO ESTABLISH PRESUMPTIVE ELIGIBILITY.—Nothing in section 7527B(c) shall be interpreted to preclude a taxpayer who elects not to receive monthly advance child payments under section 7527B from establishing a period of presumptive eligibility (including any such period described in section 7527B(c)(2)(D)) with respect to any specified child for purposes of this section.

"(d) PORTION OF CREDIT REFUNDABLE.—If the taxpayer (in the case of a joint return, either spouse) has a principal place of abode (determined as provided in section 32) in the United States or Puerto Rico for more than one-half of any calendar month during the taxable year, so much of the credit otherwise allowed under subsection (a) as is attributable to monthly specified child allowances with respect to any such calendar month shall be allowed under subpart C (and not allowed under this subpart).

"(e) IDENTIFICATION REQUIREMENTS.—Rules similar to the rules of section 24(e) shall apply for purposes of this section.

"(f) RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY CLAIMED CREDIT OR IMPROPERLY RECEIVED MONTHLY ADVANCE CHILD PAYMENT.—

"(1) TAXPAYERS MAKING PRIOR FRAUDULENT OR RECKLESS CLAIMS.—

"(A) IN GENERAL.—No credit shall be allowed under this section for any taxable year (and no payment shall be made under section 7527B for any month) in the disallowance period.

"(B) DISALLOWANCE PERIOD.—For purposes of subparagraph (A), the disallowance period is—

"(i) the period of 10 taxable years after the most recent taxable year for which there was a final determination that the taxpayer's claim of credit under this section or section 24 (or payment under section 7527A or 7527B) was due to fraud,

"(ii) the period of 2 taxable years after the most recent taxable year for

which there was a final determination that the taxpayer's claim of credit under this section or section 24 (or payment under section 7527A or 7527B) was due to reckless or intentional disregard of rules and regulations (but not due to fraud), and

"(iii) in addition to any period determined under clause (i) or (ii) (as the case may be), the period beginning on the date of the final determination described in such clause and ending with the beginning of the period described in such clause.

"(2) TAXPAYERS MAKING IMPROPER PRIOR CLAIMS.—In the case of a taxpayer who is denied credit under this section or section 24 for any taxable year as a result of the deficiency procedures under subchapter B of chapter 63, no credit shall be allowed under this section for any subsequent taxable year (and no payment shall be made under section 7527B for any subsequent month) unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.

"(3) COORDINATION WITH POSSESSIONS OF THE UNITED STATES.—In carrying out this section,

the Secretary shall coordinate with each possession of the United States to prevent the avoidance of the application of this subsection.

"(g) RECONCILIATION OF CREDIT AND MONTHLY ADVANCE CHILD PAYMENTS.—

"(1) IN GENERAL.—The amount otherwise determined under subsection (a) with respect to any taxpayer for any taxable year shall be reduced (but not below zero) by the aggregate amount of payments made under section 7527B to such taxpayer for one or more calendar months in such taxable year. Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

"(2) RECAPTURE OF EXCESS ADVANCE PAYMENTS IN CERTAIN CIRCUMSTANCES.—In the case of a taxpayer described in paragraph (3) for any taxable year, the tax imposed by this chapter for such taxable year shall be increased by the excess (if any) of—

"(A) the aggregate amount of payments made to the taxpayer under section 7527B for one or more calendar months in such taxable year, over

"(B) the amount determined under subsection (a) with respect to the taxpayer for such taxable year (without regard to paragraph (1) of this subsection).

"(3) TAXPAYERS SUBJECT TO RECAPTURE.—

"(A) FRAUD OR RECKLESS OR INTENTIONAL DISREGARD OF RULES AND REGULATIONS.—A taxpayer is described in this paragraph with respect to any taxable year if the Secretary determines that the amount described in paragraph (2)(A) with respect to the taxpayer for such taxable year was determined on the basis of fraud or a reckless or intentional disregard of rules and regulations.

"(B) UNDERSTATEMENT OF INCOME; CHANGES IN FILING STATUS.—If the amount described in paragraph (2)(A) with respect to the taxpayer for the taxable year was determined on the basis of an amount of the taxpayer's modified adjusted gross income which was less than the taxpayer's modified adjusted gross income for the applicable taxable year (as defined in subsection (b))—

"(i) such taxpayer shall be treated as described in this paragraph, and

"(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the excess of—

"(I) the amount described in paragraph (2)(A), over

"(II) the amount which would be so described if the payments described therein had been determined on the basis of the taxpayer's modified adjusted gross income for the applicable taxable year (as defined in subsection (b)).

A rule similar to the rule of the preceding sentence shall apply if the amount described in paragraph (2)(A) with respect to the taxpayer for the taxable year was determined on the basis of a filing status of the taxpayer which differs from the taxpayer's filing status for the applicable taxable year (as so defined).

"(C) PAYMENTS MADE OUTSIDE OF PERIOD OF PRESUMPTIVE ELIGIBILITY.—If any payment described in paragraph (2)(A) with respect to the taxpayer for the taxable year was made with respect to a child for a month which

was not part of a period of presumptive eligibility established under section 7527B(c) for such child with respect to such taxpayer—

"(i) such taxpayer shall be treated as described in this paragraph, and

"(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the portion of such payment so made.

"(D) CERTAIN PAYMENTS MADE AFTER NOTICE FROM SECRETARY.—If the Secretary notifies a taxpayer under section 7527B(j)(2) that such taxpayer is subject to recapture with respect to any payments—

"(i) such taxpayer shall be treated as described in this paragraph, and

"(ii) the increase determined under paragraph (2) by reason of this subparagraph shall not exceed the aggregate amount of such payments.

"(E) TAXPAYERS MOVING TO ANOTHER JURISDICTION.—To minimize the amount of advance payments made under section 7527B to ineligible individuals, the Secretary shall issue regulations or other guidance for purposes of

this paragraph which apply with respect to taxpayers who are described in section 7527B(b)(4) with respect to the reference month but are not so described with respect to one or more months during the taxable year for which advance payments under section 7527B are made.

"(F) OTHER CIRCUMSTANCES TO PREVENT ABUSE.—A taxpayer is described in this paragraph with respect to any taxable year pursuant to regulations or other guidance of the Secretary describing other recapture circumstances to facilitate the administration and enforcement by the Secretary of section 7527B to minimize the amount of advance payments made under section 7527B to ineligible individuals and to prevent abuse.

"(4) JOINT RETURNS.—Except as otherwise provided by the Secretary, in the case of an advance payment made under section 7527B with respect to a joint return, half of such payment shall be treated as having been made to each individual filing such return.

"(h) INFLATION ADJUSTMENTS.—

"(1) MONTHLY SPECIFIED CHILD ALLOWANCE.—

"(A) IN GENERAL.—In the case of any month beginning after December 31, 2022, each of the dollar amounts in subsection (b)(1) shall be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the percentage (if any) by which—

"(I) the CPI (as defined in section 1(f)(4)) for the calendar year preceding the calendar year in which such month begins, exceeds

"(II) the CPI (as so defined) for calendar year 2020.

"(B) ROUNDING.—Any increase under subparagraph (A) which is not a multiple of $10 shall be rounded to the nearest multiple of $10.

"(2) INITIAL THRESHOLD AMOUNT.—

"(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2022, the dollar amounts in subclauses (I) and (III) of subsection (b)(2)(D)(i) shall each be increased by an amount equal to—

"(i) such dollar amount, multiplied by

"(ii) the percentage (if any) by which—

"(I) the CPI (as defined in section 1(f)(4)) for the calendar year preceding the calendar year in which such taxable year begins, exceeds

"(II) the CPI (as so defined) for calendar year 2020.

"(B) ROUNDING.—Any increase under subparagraph (A) which is not a multiple of $5,000 shall be rounded to the nearest multiple of $5,000.

"(i) APPLICATION OF CREDIT IN POSSESSIONS.—

"(1) MIRROR CODE POSSESSIONS.—

"(A) IN GENERAL.—The Secretary shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the application of this section (determined without regard to this subsection) with respect to taxable years beginning after 2022 and before 2026. Such amounts shall be determined by the Secretary based on information provided by the government of the respective possession.

"(B) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed under this section for any taxable year to any individual to whom a credit is allowable against taxes imposed by a possession of the United States with a mirror code tax system by reason of the application of this section in such possession for such taxable year.

"(C) MIRROR CODE TAX SYSTEM.—For purposes of this paragraph, the term 'mirror code tax system' means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

"(2) CROSS REFERENCES RELATED TO APPLICATION OF CREDIT TO RESIDENTS OF PUERTO RICO.—

"(A) For application of refundable credit to residents of Puerto Rico, see subsection (d).

"(B) For application of advance payment to residents of Puerto Rico, see section 7527B(b)(4).

"(3) AMERICAN SAMOA.—

"(A) IN GENERAL.—The Secretary shall pay to American Samoa amounts estimated by the Secretary as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the application of this section for taxable years beginning after 2022 and before 2026 if the provisions of this section had been in effect in American Samoa (applied as if American Samoa were the United States and without regard to the application of this section to residents of Puerto Rico under subsection (d)).

"(B) DISTRIBUTION REQUIREMENT.—Subparagraph (A) shall not apply unless American Samoa has a plan, which has been approved by the Secretary, under which American Samoa will promptly distribute such payments to its residents.

"(C) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—

"(i) IN GENERAL.—In the case of a taxable year with respect to which a plan is approved under subparagraph (B), this section (other than this subsection) shall not apply to any individual eligible for a distribution under such plan.

"(ii) APPLICATION OF SECTION IN EVENT OF ABSENCE OF APPROVED PLAN.—In the case of a taxable year with respect to which a plan is not approved under subparagraph (B), subsection (d) shall be applied by substituting ', Puerto Rico, or American Samoa' for 'or Puerto Rico'.

"(4) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

"(j) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

"(1) for determining whether an individual receives care from a taxpayer for purposes of subsection (c)(1), and

"(2) to coordinate or modify the application of this section and section 24, 7527A, and 7527B in the case of any taxpayer—

"(A) whose taxable year is other than a calendar year,

"(B) whose filing status for a taxable year is different from the status used for determining one or more monthly payments under section 7527B during such taxable year, or

"(C) whose principal place of abode for any month is different from the principal place of abode used for determining the monthly payment under section 7527B for such month.

"(k) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2025.

"SEC. 24B. CREDIT FOR CERTAIN OTHER DEPENDENTS.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 with respect to each specified dependent of such taxpayer for such taxable year.

"(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(1) IN GENERAL.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $50 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds the threshold amount.

"(2) THRESHOLD AMOUNT.—For purposes of this subsection, the term 'threshold amount' means—

"(A) $400,000, in the case of a joint return or surviving spouse (as defined in section 2(a)),

"(B) $300,000, in the case of a head of household (as defined in section 2(b)), and

"(C) $200,000, in any other case.

"(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

"(c) SPECIFIED DEPENDENT.—For purposes of this section, the term 'specified dependent' means, with respect to any taxpayer for any taxable year, any dependent of such taxpayer for such taxable year unless such dependent—

"(1) is a specified child of the taxpayer, or any other taxpayer, for any month during such taxable year, or

"(2) would not be a dependent if subparagraph (A) of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

"(d) IDENTIFICATION REQUIREMENTS.—Rules similar to the rules of section 24(e) shall apply for purposes of this section.

"(e) TAXABLE YEAR MUST BE FULL TAXABLE YEAR.—Except in the case of a taxable year closed by reason of the death of the taxpayer, no credit shall be allowable under this section in the case of a taxable year covering a period of less than 12 months.

"(f) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of any taxable year beginning after December 31, 2022, the $500 amount in subsection (a) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the percentage (if any) by which—

"(i) the CPI (as defined in section 1(f)(4)) for the calendar year preceding the calendar year in which such taxable year begins, exceeds

"(ii) the CPI (as so defined) for calendar year 2020.

"(2) ROUNDING.—If the increase determined under paragraph (1) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10.

"(g) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section.

"(h) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2025.".

(b) MONTHLY PAYMENT OF CHILD TAX CREDIT.—Chapter 77 is amended by inserting after section 7527A the following new section:

"SEC. 7527B. MONTHLY PAYMENTS OF CHILD TAX CREDIT.

"(a) IN GENERAL.—The Secretary shall establish a program for making payments to taxpayers with respect to each calendar month equal to the monthly advance child payment determined with respect to such taxpayer for such month.

"(b) MONTHLY ADVANCE CHILD PAYMENT.—For purposes of this section and except as otherwise provided in this section, the term 'monthly advance child payment' means, with respect to any taxpayer for any calendar

month, the amount (if any) which is estimated by the Secretary as being equal to the monthly specified child allowance which would be determined under section 24A(b) with respect to such taxpayer for such calendar month if—

"(1) unless determined by the Secretary based on any information known to the Secretary, the only specified children of such taxpayer for such calendar month are the specified children of such taxpayer for the reference month,

"(2) unless determined by the Secretary based on any information known to the Secretary, the ages of such children (and the status of such children as specified children) are determined for such calendar month by taking into account the passage of time since such reference month,

"(3) the limitations of section 24A(b)(2) were applied with respect to the reference taxable year rather than with respect to the applicable taxable year, and

"(4) unless determined by the Secretary based on any information known to the Secretary, no monthly specified child allowance were determined with respect to such taxpayer for such calendar month unless the taxpayer (in the case of a joint return, either spouse) has a principal place of abode

(determined as provided in section 32) in the United States or Puerto Rico for more than one-half of the reference month.

"(c) PRESUMPTIVE ELIGIBILITY.—

"(1) IN GENERAL.—An individual shall be treated as a specified child of a taxpayer for purposes of determining any monthly advance child payment under this section only if such month is part of the period of presumptive eligibility determined by the Secretary under this subsection with respect to such specified child and such taxpayer (determined by treating the month described in subclause (I) of paragraph (2)(A)(ii) as being the first month beginning after the determination described in such subclause).

"(2) PERIOD OF PRESUMPTIVE ELIGIBILITY.—For purposes of this section—

"(A) IN GENERAL.—Except as otherwise provided by the Secretary, the term 'period of presumptive eligibility' means the period—

"(i) beginning with the month for which presumptive eligibility is established, and

"(ii) ending with the earliest of—

"(I) the beginning of the month described in clause (i) if the Secretary determines that the taxpayer committed fraud or intentionally disregarded rules or regulations in establishing or maintaining presumptive eligibility,

"(II) in the case of any notification from the Secretary that the period of presumptive eligibility has been terminated or suspended by reason of any question regarding eligibility of the taxpayer for monthly advance child payments with respect to such child, the month specified in such notice as the month on which such termination or suspension begins, and

"(III) the month following any failure of the taxpayer to make the required annual renewal of presumptive eligibility by such date as the Secretary may provide.

"(B) ESTABLISHING PRESUMPTIVE ELIGIBILITY.—A taxpayer shall establish presumptive

eligibility with respect to any specified child for any month at such time and in such manner as the Secretary may provide. Except as otherwise provided by the Secretary, in order to establish a period of presumptive eligibility the taxpayer must express a reasonable expectation and intent that the taxpayer will continue to be eligible with respect to such specified child for at least the two months following the month for which presumptive eligibility is to be established.

"(C) METHOD OF ESTABLISHING PRESUMPTIVE ELIGIBILITY.—The Secretary shall ensure information to establish presumptive eligibility under this paragraph may be provided on the return of tax for the taxable year ending before the calendar year which includes the month for which such eligibility is to be established, through the on-line portal described in subsection (c), or in such other manner as the Secretary may provide.

"(D) INCLUSION OF AUTOMATIC GRACE PERIODS AND PERIODS OF HARDSHIP.—The period of presumptive eligibility shall include any

period to which paragraph (1) or (2) of subsection (g) applies.

"(E) AUTOMATIC ELIGIBILITY FOR BIRTH OF CHILD.—The Secretary shall issue regulations or other guidance to establish procedures pursuant to which, to the maximum extent administratively practicable—

"(i) a parent of a child born during a calendar month shall be treated as automatically establishing presumptive eligibility with respect to such child,

"(ii) the period of such automatic presumptive eligibility is determined, and

"(iii) the first monthly advance child payment with respect to such child is adjusted to properly take into account each month in the taxable year preceding such birth.

"(F) PRESUMPTIVE ELIGIBILITY BASED ON CERTAIN GOVERNMENT PROGRAMS.—The Secretary shall issue regulations or other guidance to establish procedures under which—

"(i) based on information provided to the Secretary by one or more government 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) REFERENCE MONTH.—The term 'reference month' means, with respect to any taxpayer for any calendar month, the most recent of—

"(A) in the case of a taxpayer who filed a return of tax for the last taxable year ending before such calendar month, the last month of such taxable year,

"(B) in the case of a taxpayer who filed a return of tax for the taxable year preceding the taxable year described in subparagraph (A), the last month of such preceding taxable year, and

"(C) in the case of a taxpayer who provides, through a specified alternative mechanism, information which is sufficient to estimate the taxpayer's monthly advance child payment for such month, such month.

"(2) REFERENCE TAXABLE YEAR.—The term 'reference taxable year' means, with respect to any taxpayer for any calendar month, the most recent of—

"(A) the taxable year described in subparagraph (A) or (B) of paragraph (1), or

"(B) in the case of a taxpayer who provides, through a specified alternative mechanism, information which is sufficient to esti-

mate the taxpayer's modified adjusted gross income for the taxable year which includes such month, such taxable year.

"(3) AVAILABILITY OF INFORMATION.—Any month or year referred to in subparagraphs (A), (B), or (C) of paragraph (1) or subparagraph (A) or (B) of paragraph (2) shall not be taken into account in determining the reference month or reference taxable year with respect to any calendar month unless all relevant information with respect to such month or year is available to the Secretary and the Secretary has adequate time to make estimates under this section on the basis of such information before the beginning of such calendar month.

"(4) TREATMENT OF INSUFFICIENT INFORMATION.—Except as otherwise provided by the Secretary—

"(A) if a taxpayer is not described in subparagraph (A), (B), or (C) of paragraph (1) with respect to any calendar month, the monthly advance child payment with respect to such taxpayer for such calendar month shall be treated as zero unless the Secretary determines that the Secretary can make the estimate described in subsection (b) on the basis of infor-

mation known to the Secretary which the Secretary determines is reasonably reliable, and

"(B) if the taxpayer is not described in paragraph (1)(C) and the information on the return of tax referred to in subparagraph (A) or (B) of paragraph (1) does not establish the status of the taxpayer (in the case of a joint return, either spouse) as having a principal place of abode (determined as provided in section 32) in the United States or Puerto Rico for more than one-half of the reference month, the Secretary shall determine such status based on information known to the Secretary.

"(5) TRANSITION RULE.—In any case with respect to which section 24A was not in effect for the taxable year described in subparagraph (A), (B), or (C) of paragraph (1) (whichever is applicable), subsection (b)(1) shall be applied by substituting 'the qualifying children of such taxpayer for the taxable year which includes the reference month' for 'the specified children of such taxpayer for the reference month'.

"(e) ON-LINE INFORMATION PORTAL; SPECIFIED ALTERNATIVE MECHANISMS.—

"(1) ON-LINE INFORMATION PORTAL.—The Secretary shall establish an on-line portal which allows taxpayers to—

"(A) subject to such restrictions as the Secretary may provide, elect to begin or cease receiving payments under this section, and

"(B) provide information to the Secretary which is relevant in determining the monthly advance child payment and the taxpayer's eligibility for such payment, including information regarding—

"(i) the number of the taxpayer's specified children, including by reason of the birth of a child,

"(ii) the taxpayer's marital status,

"(iii) the taxpayer's modified adjusted gross income,

"(iv) the taxpayer's principal place of abode, and

"(v) any other factor which the Secretary may provide.

"(2) SPECIFIED ALTERNATIVE MECHANISM.—For purposes of this section, the term 'specified alternative mechanism' means the on-line portal established under paragraph (1), the on-line portal estab-

lished under section 7527A, and any other mechanism or method established by the Secretary to allow taxpayer's to provide the information described in paragraph (1) (including in connection with the filing of any return of tax).

"(f) SPECIFIED CHILD OF MORE THAN 1 TAXPAYER.—

"(1) IN GENERAL.—In the event that (without regard to this paragraph and determined without regard to any election under subsection (e)(1)) any specified child would be taken into account in determining the monthly advance child payment of more than one taxpayer for the same calendar month—

"(A) except as provided in subparagraph (B), such child shall be so taken into account only with respect to the taxpayer with the most recent reference month, and

"(B) if any such taxpayer is described in subsection (d)(1)(C) (or more than 1 taxpayer is described in subparagraph (A) of this paragraph), the Secretary shall establish procedures under which the Secretary expeditiously adjudicates the taxpayer's competing claims of presumptive eligibility with respect to the same child.

"(2) PROVISIONS RELATED TO ADJUDICATION.—

"(A) EXPEDITED PROCESS; APPEALS.—The procedures established under paragraph (1)(B) shall include—

"(i) an expedited process for taxpayers who meet such requirements as the Secretary may establish for such expedited process, and

"(ii) procedures for adjudicating an appeal of an adverse decision.

"(B) INFORMATION RECEIPT AND COORDINATION.—The Secretary may enter into agreements to receive information from, and otherwise coordinate with—

"(i) Federal agencies (including the Social Security Administration and the Department of Agriculture),

"(ii) any State, local government, Tribal government, or possession of the United States, and

"(iii) any other individual or entity that the Secretary determines to be appropriate for purposes of adjudicating a competing claim described in paragraph (1).

"(C) ADJUDICATION NOT TREATED AS ASSESSMENT.—An adjudication under the procedures established under paragraph (1)(B) (including the adjudication of any appeal) shall not be treated as an assessment described in section 6201.

"(D) ADJUDICATION NOT TREATED AS INSPECTION OF TAXPAYER'S BOOKS OF ACCOUNT.—The inspection of a taxpayer's books of account in connection with any adjudication under the procedures established under paragraph (1)(B) (including the adjudication of any appeal) shall not be treated as an examination or inspection of a taxpayer's books of account for purposes of section 7605(b).

"(3) RETROACTIVE PAYMENTS.—If, pursuant to the procedures established under paragraph (1)(B), the Secretary determines that a child is a specified child of a taxpayer and the Secretary did not make payments to such taxpayer with respect to such child for any portion of the period during which the determination was made, the Secretary may make a one-time payment to the taxpayer with respect to which such child is the specified child in an amount equal to the aggregate amount by which the monthly ad-

vance child payments to such taxpayer would have increased during such period if such determination had been made immediately.

"(4) RECAPTURE OF PAYMENTS.—If, pursuant to the procedures established under paragraph (1)(B), the Secretary makes payments with respect to the child during the period during which the determination is made—

"(A) the Secretary shall provide each taxpayer which receives such payments notice that such payments may be subject to recapture, and

"(B) upon making such determination, the Secretary shall determine on the basis of the facts and circumstances of each such taxpayer whether any such payments should be subject to recapture and shall so notify each such taxpayer.

"(g) RULES RELATED TO GRACE PERIODS AND HARDSHIPS.—

"(1) AUTOMATIC GRACE PERIOD.—

"(A) IN GENERAL.—Notwithstanding subsection (f), in the case of any failure or delay in establishing a period of presumptive eligibility with respect to which the taxpayer elects

the application of this subparagraph, credit under section 24A or retroactive payment under this section (similar to the payment described in subsection (f)(3)) shall be allowed or made with respect to so much of the period of such failure or delay as does not exceed 3 months. The preceding sentence shall not apply if the Secretary determines that such failure or delay was due to fraud or reckless or intentional disregard of rules and regulations.

"(B) LIMITATION.—Subparagraph (A) shall not apply with respect to any taxpayer more than once during any 36-month period.

"(2) HARDSHIP.—Notwithstanding subsection (f), if the Secretary determines that a failure or delay in establishing a period of presumptive eligibility with respect to any specified child was due to domestic violence, serious illness, natural disaster, or any other hardship, credit under section 24A or retroactive payment under this section (similar to the payment described in subsection (f)(3)) shall be allowed or made with respect to so much of the period of such failure or delay as does not exceed 6 months.

"(h) PROVISIONS RELATED TO FORM, MANNER, AND TREATMENT OF PAYMENTS.—

"(1) APPLICATION OF ELECTRONIC FUNDS PAYMENT REQUIREMENT.—The payments made by the Secretary under subsection (a) shall be made by electronic funds transfer to the same extent and in the same manner as if such payments were Federal payments not made under this title.

"(2) APPLICATION OF CERTAIN RULES.—Rules similar to the rules of subparagraphs (B) and (C) of section 6428A(f)(3) shall apply for purposes of this section, applied by substituting 'January 1, 2022' for 'January 1, 2019' in clauses (i) and (ii) of such subparagraph (B).

"(3) EXCEPTION FROM REDUCTION OR OFFSET.—Any payment made to any individual under this section shall not be—

"(A) subject to reduction or offset pursuant to subsection (c), (d), (e), or (f) of section 6402 or any similar authority permitting offset, or

"(B) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.

"(4) APPLICATION OF ADVANCE PAYMENTS IN THE POSSESSIONS OF THE UNITED STATES.—

"(A) PUERTO RICO.—

"(i) For application of child tax credit to residents of Puerto Rico, see section 24A(d).

"(ii) For application of monthly advance child payments to residents of Puerto Rico, see subsection (b)(4).

"(B) MIRROR CODE POSSESSIONS.—In the case of any possession of the United States with a mirror code tax system (as defined in section 24A(i)(1)(C)), this section shall not be treated as part of the income tax laws of the United States for purposes of determining the income tax law of such possession unless such possession elects to have this section be so treated.

"(C) ADMINISTRATIVE EXPENSES OF ADVANCE PAYMENTS.—

"(i) MIRROR CODE POSSESSIONS.—In the case of any possession described in subparagraph (B) which makes the election described in such subparagraph, the amount otherwise paid by the Secretary to such possession under section 24A(i)(1)(A) with respect to taxable years beginning in 2023, 2024, and 2025 shall each be increased by $300,000 if such possession has

a plan, which has been approved by the Secretary, for making monthly advance child payments consistent with such election.

"(ii) AMERICAN SAMOA.— The amount otherwise paid by the Secretary to American Samoa under subparagraph (A) of section 24A(i)(3) with respect to taxable years beginning in 2023, 2024, and 2025 shall each be increased by $300,000 if the plan described in subparagraph (B) of such section includes a program, which has been approved by the Secretary, for making monthly advance child payments under rules similar to the rules of this section.

"(iii) TIMING OF PAYMENT.—The Secretary may pay, upon the request of the possession of the United States to which the payment is to be made, the amount of the increase determined under clause (i) or (ii), respectively, immediately upon approval of the plan with respect to which such payment relates.

"(i) APPLICATION OF CERTAIN DEFINITIONS AND 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).

"(j) NOTICE OF PAYMENTS.—

"(1) IN GENERAL.—Not later than January 31 of the calendar year following any calendar year during which the Secretary makes one or more payments to any taxpayer under this section, the Secretary shall provide such taxpayer with a written notice which includes—

"(A) the taxpayer's taxpayer identity (as defined in section 6103(b)(6)),

"(B) the aggregate amount of such payments made to such taxpayer during such calendar year, and

"(C) such other information as the Secretary determines appropriate.

"(2) CERTAIN PAYMENTS SUBJECT TO RECAPTURE.—In the case of any payments made to a taxpayer which the Secretary has determined are subject to recapture, the notice provided under paragraph (1) to such taxpayer shall include the amount of such payments.

"(k) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines necessary or appropriate to carry out the purposes of this section.

"(l) TERMINATION.—No payments shall be made under the program established under subsection (a) with respect to any month beginning after December 31, 2025.".

(c) SUSPENSION OF CHILD TAX CREDIT DURING PERIOD THAT MONTHLY CHILD TAX CREDIT IS IN EFFECT.—Section 24 is amended by adding at the end the following new subsection:

"(l) COORDINATION WITH MONTHLY CHILD TAX CREDIT.—This section shall not apply to (and no payment shall be made under subsection (k) with respect to) any taxable year beginning after December 31, 2022, and before January 1, 2026.".

(d) CONFORMING AMENDMENTS.—

(1) Section 26(b)(2) is amended by striking "and" at the end of subparagraph (Y), by striking the period at the end of subparagraph (Z) and inserting ", and", and by adding at the end the following new subparagraph:

"(AA) section 24A(g)(2) (relating to recapture of certain monthly advance child payments).".

(2) Section 152(f)(6)(B)(ii) is amended to read as follows:

"(ii) the credits under sections 24, 24A, and 24B and the payments under sections 7527A and 7527B,".

(3) Section 3402(f)(1)(C) is amended by inserting "or section 24A (determined after application of subsection (g) thereof)" after "section 24 (determined after application of subsection (j) thereof)".

(4) Section 6103(l)(13)(A)(v) is amended by insert "or section 24A, as the case may be" after "section 24".

(5) Section 6211(b)(4)(A) is amended by inserting "24A by reason of subsection (d) thereof," after "24 by reason of subsections (d) and (i)(1) thereof,".

(6) Section 6213(g)(2)(I) is amended by inserting "or section 24A(e) (relating to monthly child tax credit)" after "section 24(e) (relating to child tax credit)".

(7) Section 6213(g)(2)(L) is amended by inserting "24A," after "24,".

(8) Section 6213(g)(2)(P) is amended—

(A) by inserting "or 24A(f)(2)" after "section 24(g)(2)",

(B) by inserting "or 24A" after "under section 24", and

(C) by striking ''subsection (g)(1) thereof'' and inserting ''section 24(g)(1) or section 24A(f)(1), respectively''.

(9) Section 6695(g)(2) is amended by inserting ''24A,'' after ''24,''.

(10) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the preceding provisions of this Act, is amended—

(A) by inserting ''24A,'' after ''24,'', and

(B) by inserting ''7527B,'' after ''7527A,''.

(11) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 24 the following new items:

''Sec. 24A. Monthly child tax credit.
''Sec. 24B. Credit for certain other dependents.''.

(12) The table of sections for chapter 77 is amended by inserting after the item relating to section 7527A the following new item:

''Sec. 7527B. Monthly payments of child tax credit.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2022.

(2) MONTHLY ADVANCE CHILD PAYMENTS.—The amendments made by subsection (b) shall apply to payments made for calendar months beginning after December 31, 2022.

SEC. 137104. REFUNDABLE CHILD TAX CREDIT AFTER 2025.

(a) IN GENERAL.—Section 24, as amended by the preceding provisions of this Act, is amended by adding at the end the following new subsection:

''(m) REFUNDABLE CREDIT AFTER 2025.—In the case of any taxable year beginning after December 31, 2025, if the taxpayer (in the case of a joint return, either spouse) has a principal place of abode in the United States (determined as provided in section 32) for more than one-half of the taxable year or is a bona fide resident of Puerto Rico (within the meaning of section 937(a)) for such taxable year—

''(1) subsection (d) shall not apply, and

''(2) the credit determined under subsection (a) (after application of paragraph (1)) shall be allowed under subpart C (and not allowed under this subpart).''.

(b) CONFORMING AMENDMENTS RELATED TO POSSESSIONS OF THE UNITED STATES.—

(1) PUERTO RICO.—Section 24(k)(2) is amended—

(A) in subparagraph (B) (as amended by the preceding provisions of this Act)—

(i) by inserting ''and before January 1, 2026,'' after ''December 31, 2022,'', and

(ii) by inserting ''AND BEFORE 2026'' after ''AFTER 2022'', and

(B) by adding at the end the following new subparagraph:

''(C) APPLICATION TO TAXABLE YEARS AFTER 2025.—For application of refundable credit to residents of Puerto Rico for taxable years after 2025, see subsection (m).''.

(2) AMERICAN SAMOA.—Section 24(k)(3)(C)(ii), as amended by the preceding provisions of this Act, is amended—

(A) in subclause (I), by striking ''and'' at the end,

(B) in subclause (II)—

(i) by inserting ''and before January 1, 2026,'' after ''after December 31, 2022,'', and

(ii) by striking the period at the end and inserting '', and'', and

(C) by adding at the end the following new subclause:

"(III) if such taxable year begins after December 31, 2025, subsection (m) shall be applied by substituting 'Puerto Rico or American Samoa' for 'Puerto Rico'.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.

SEC. 137105. APPROPRIATIONS.

Immediately upon the enactment of this Act, in addition to amounts otherwise available, there are appropriated out of any money in the Treasury not otherwise appropriated:

(1) $9,000,000,000 to remain available until September 30, 2026, for necessary expenses for the Internal Revenue Service to administer the Child Tax Credit, and advance payments of the Child Tax Credit, including the costs of disbursing such payments, which shall supplement and not supplant any other appropriations that may be available for this purpose, and

(2) $1,000,000,000 is appropriated to the Department of the Treasury, to remain available until

September 30, 2026, to support efforts to increase enrollment of eligible families in the Child Tax Credit, for advance payments of the Child Tax Credit, and for other tax benefits, including but not limited to program outreach, costs of data sharing arrangements, systems changes, forms changes, and related efforts, and efforts by federal agencies to facilitate the cross-enrollment of beneficiaries of other programs in the Child Tax Credit, and for advance payments of the Child Tax Credit, including by establishing intergovernmental cooperative agreements with states and local governments, tribal governments, and possessions of the United States: Provided, that such amount shall be available in addition to any amounts otherwise available: Provided further, that these funds may be awarded by federal agencies to state and local governments, tribal governments, and possessions of the United States, and private entities, including organizations dedicated to free tax return preparation.

PART 2—CHILD AND DEPENDENT CARE TAX CREDIT

SEC. 137201. CERTAIN IMPROVEMENTS TO THE CHILD AND DEPENDENT CARE CREDIT MADE PERMANENT.

(a) CREDIT REFUNDABLE FOR TAXPAYERS WITH PRINCIPAL PLACE OF ABODE IN THE UNITED STATES.—Section 21(g) is amended to read as follows;

''(g) CREDIT REFUNDABLE FOR TAXPAYERS WITH PRINCIPAL PLACE OF ABODE IN THE UNITED STATES.—If the taxpayer (in the case of a joint return, either spouse) has a principal place of abode in the United States (determined as provided in section 32) for more than one-half of the taxable year, the credit allowed under subsection (a) shall be treated as a credit allowed under subpart C (and not allowed under this subpart).''.

(b) INCREASE IN DOLLAR LIMIT ON AMOUNT CREDITABLE.—Section 21(c) is amended—

(1) by striking ''$3,000'' in paragraph (1) and inserting ''$8,000'', and

(2) by striking ''$6,000'' in paragraph (2) and inserting ''$16,000''.

(c) INCREASE IN APPLICABLE PERCENTAGE.—Section 21(a)(2) is amended—

(1) by striking ''35 percent'' and inserting ''50 percent'', and

(2) by striking ''$15,000'' and inserting ''$125,000''.

(d) APPLICATION OF INCREASED DOLLAR LIMITATION TO SPOUSES WHO ARE STUDENTS OR INCAPABLE OF CARING FOR THEMSELVES.—Section 21(d)(2) is amended by striking ''of not less than—'' and all that follows through ''In the case of'' and inserting ''of not less than 1/12 of the dollar amount in effect under paragraph (1) or (2) of subsection (c) (whichever is applicable to the taxpayer for the taxable year). In the case of''.

(e) INFLATION ADJUSTMENT.—Section 21(e) is amended by adding at the end the following new paragraph:

''(11) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2021, the $125,000 amount in subsection (a)(2), the $8,000 amount in subsection (c)(1), and the $16,000 amount in subsection (c)(2) shall each be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year be-

gins, determined by substituting 'calendar year 2020' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(B) ROUNDING.—

"(i) LIMITATION BASED ON ADJUSTED GROSS INCOME.—If any increase determined under subparagraph (A) of the $125,000 dollar amount in subsection (a)(2) is not a multiple of $5,000, such amount shall be rounded to the nearest multiple of $5,000.

"(i) DOLLAR LIMITATIONS.—If any increase determined under subparagraph (A) of any dollar amount in subsection (c) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.".

(f) APPLICATION OF PHASEOUT TO HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Section 21(a)(2) is amended by striking "20 percent" and inserting "the phaseout percentage".

(2) PHASEOUT PERCENTAGE.—Section 21(a) is amended by adding at the end the following new paragraph:

"(3) PHASEOUT PERCENTAGE.—For purposes of paragraph (2), the term 'phaseout percentage' means 20 percent reduced (but not below zero) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $400,000.".

(g) APPLICATION OF CREDIT IN POSSESSIONS.—Section 21(h) is amended—

(1) in paragraph (1)—

(A) by striking "The Secretary" and inserting "With respect to taxable years beginning in or with calendar years after 2020, the Secretary", and

(B) by striking "with respect to taxable years beginning in or with 2021",

(2) in paragraph (2)—

(A) by striking "The Secretary" and inserting "With respect to taxable years beginning in or with calendar years after 2020, the Secretary", and

(B) by striking "with respect to taxable years beginning in or with 2021", and

(3) in paragraph (3), by striking "in or with 2021" and inserting "after December 31, 2020".

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137202. INCREASE IN EXCLUSION FOR EMPLOYER-PROVIDED DEPENDENT CARE ASSISTANCE MADE PERMANENT.

(a) IN GENERAL.—Section 129(a)(2)(A) is amended by striking ''$5,000 ($2,500'' and inserting ''$10,500 (half such dollar amount''.

(b) INFLATION ADJUSTMENT.—Section 129(e) is amended by adding at the end the following new paragraph:

''(10) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after December 31, 2021, the $10,500 amount in subsection (a)(2)(A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2020' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.".

(c) CONFORMING AMENDMENT.—Section 129(a)(2) is amended by striking subparagraph (D).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(e) RETROACTIVE PLAN AMENDMENTS.—A plan that otherwise satisfies all applicable requirements of sections 125 and 129 of the Internal Revenue Code of 1986 (including any rules or regulations thereunder) shall not fail to be treated as a cafeteria plan or dependent care assistance program merely because such plan is amended pursuant to a provision under this subsection and such amendment is retroactive, if—

(1) such amendment is adopted no later than the last day of the plan year in which the amendment is effective, and

(2) the plan is operated consistent with the terms of such amendment during the period beginning on the effective date of the amendment and ending on the date the amendment is adopted.

PART 3—SUPPORTING CAREGIVERS

SEC. 137301. PAYROLL TAX CREDIT FOR CHILD CARE WORKERS.

(a) IN GENERAL.—Subchapter D of chapter 21 is amended by adding at the end the following:

"SEC. 3135. PAYROLL CREDIT FOR CERTAIN WAGES PAID TO CHILD CARE WORKERS.

''(a) IN GENERAL.—In the case of an eligible child care employer, there shall be allowed as a credit against applicable employment taxes for each calendar quarter an amount equal to 50 percent of the qualified child care wages paid with respect to each eligible employee of such employer for such calendar quarter.

''(b) LIMITATIONS AND REFUNDABILITY.—

''(1) LIMITATION ON WAGES TAKEN INTO ACCOUNT.—The amount of qualified child care wages with respect to any eligible employee which may be taken into account under subsection (a) by the eligible child care employer for any calendar quarter shall not exceed $2,500.

''(2) CREDIT LIMITED TO CERTAIN EMPLOYMENT TAXES.—The credit allowed by subsection (a) with respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by any credits allowed under sections 3131, 3132, 3134, and 6432) on the wages paid with respect to the em-

ployment of all the employees of the eligible child care employer for such calendar quarter.

"(3) REFUNDABILITY OF EXCESS CREDIT.—

"(A) CREDIT IS REFUNDABLE.—If the amount of the credit under subsection (a) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b).

"(B) ADVANCING CREDIT.—In anticipation of the credit, including the refundable portion under subparagraph (A), the credit shall be advanced, according to forms and instructions provided by the Secretary, up to an amount calculated under subsection (a), subject to the limits under paragraph (1), all calculated through the end of the most recent payroll period in the quarter.

"(c) ELIGIBLE CHILD CARE EMPLOYER.—For purposes of this section, the term 'eligible child care employer' means any employer which operates one or more qualified child care facilities.

"(d) QUALIFIED CHILD CARE FACILITY.—For purposes of this section, the term 'qualified child care facility' means any facility which is certified as an HHS Partici-

pating Child Care Provider by the Secretary of Health and Human Services under section 418A(c) of the Social Security Act.

"(e) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' means, with respect to any eligible child care employer for any calendar quarter, any employee of such employer if—

"(1) the aggregate wages paid to such employee for such quarter do not exceed 25 percent of the dollar amount in effect for such quarter under section 414(q)(1)(B)(i) (relating to highly compensated employees), and

"(2) the aggregate wages paid to such employee for the 1-year period ending with the close of such quarter do not exceed 100 percent of such dollar amount.

"(f) QUALIFIED CHILD CARE WAGES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified child care wages' means, with respect to any eligible employee for any calendar quarter, so much of the child care wages paid by the eligible child care employer to such employee during such quarter as are paid at a rate in excess of the applicable minimum rate. Such term shall not include any wages paid by an

eligible child care employer during any period during which the certification described in subsection (d) is not in effect.

"(2) APPLICABLE MINIMUM RATE.—The term 'applicable minimum rate' means, with respect to wages paid to any eligible employee, the rate of basic pay which is payable for GS-3, step 1 of the General Schedule under subchapter III of chapter 53 of title 5, United States Code (including any applicable locality-based comparability payment under section 5304 of such title, or similar authority) at the time such wages are paid and determined with respect to the locality in which the services are provided.

"(3) CHILD CARE WAGES.—The term 'child care wages' means wages paid for the services of the employee to provide child care at a qualified child care facility or to provide support services for such a facility.

"(4) EXCEPTION.—The term 'child care wages' shall not include any wages taken into account under section 41, 45A, 45P, 45R, 51, 1396, 3131, 3132, 3134, or 6432.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) APPLICABLE EMPLOYMENT TAXES.—The term 'applicable employment taxes' means the following:

"(A) The taxes imposed under section 3111(b).

"(B) So much of the taxes imposed under section 3221(a) as are attributable to the rate in effect under section 3111(b).

"(2) WAGES.—

"(A) IN GENERAL.—The term 'wages' means wages (as defined in section 3121(a)), determined without regard to paragraphs (1) through (22) of section 3121(b)) and compensation (as defined in section 3231(e), determined without regard to the sentence in paragraph (1) thereof which begins 'Such term does not include remuneration').

"(B) ALLOWANCE FOR CERTAIN HEALTH PLAN EXPENSES.—

"(i) IN GENERAL.—Such term shall include amounts paid by the eligible child care employer to provide and maintain a group health plan (as defined in section 5000(b)(1)), but only to the extent that such amounts are excluded from the gross

income of employees by reason of section 106(a).

"(ii) ALLOCATION RULES.—For purposes of this section, amounts treated as wages under clause (i) shall be treated as paid with respect to any eligible employee (and with respect to any period) to the extent that such amounts are properly allocable to such employee (and to such period) in such manner as the Secretary may prescribe. Except as otherwise provided by the Secretary, such allocation shall be treated as properly made if made on the basis of being pro rata among periods of coverage.

"(3) OTHER TERMS.—Any term used in this section which is also used in this chapter or chapter 22 shall have the same meaning as when used in such chapter.

"(4) DENIAL OF DOUBLE BENEFIT.—For purposes of chapter 1, the gross income of the employer, for the taxable year which includes the last day of any calendar quarter with respect to which a credit is allowed under this section, shall be increased by the amount of such credit.

"(5) ELECTION TO NOT TAKE CERTAIN WAGES INTO ACCOUNT.—This section shall not apply to so much of the qualified child care wages paid by an eligible child care employer as such employer elects (at such time and in such manner as the Secretary may prescribe) to not take into account for purposes of this section.

"(6) CERTAIN GOVERNMENTAL EMPLOYERS.—No credit shall be allowed under this section to the Government of the United States or to any agency or instrumentality thereof. The preceding sentence shall not apply to any organization described in section 501(c)(1) and exempt from tax under section 501(a).

"(7) COORDINATION WITH CERTAIN PROGRAMS.—

"(A) IN GENERAL.—This section shall not apply to so much of the qualified child care wages paid by an eligible child care employer as are taken into account as payroll costs in connection with—

"(i) a covered loan under section 7(a)(37) or 7A of the Small Business Act,

"(ii) a grant under section 324 of the Economic Aid to Hard-Hit Small Businesses, Non-Profits, and Venues Act, or

"(iii) a restaurant revitalization grant under section 5003 of the American Rescue Plan Act of 2021.

"(B) APPLICATION WHERE PPP LOANS NOT FORGIVEN.—The Secretary shall issue guidance providing that payroll costs paid during the covered period shall not fail to be treated as qualified child care wages under this section by reason of subparagraph (A)(i) to the extent that—

"(i) a covered loan of the taxpayer under section 7(a)(37) of the Small Business Act is not forgiven by reason of a decision under section 7(a)(37)(J) of such Act, or

"(ii) a covered loan of the taxpayer under section 7A of the Small Business Act is not forgiven by reason of a decision under section 7A(g) of such Act.

Terms used in the preceding sentence which are also used in section 7A(g) or 7(a)(37)(J) of the Small Business Act shall, when applied in con-

nection with either such section, have the same meaning as when used in such section, respectively.

''(8) AGGREGATION RULE.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one employer for purposes of this section.

''(9) THIRD PARTY PAYORS.—Any credit allowed under this section shall be treated as a credit described in section 3511(d)(2).

''(10) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after December 31, 2022, the $2,500 amount in subsection (b)(1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2021' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

"(h) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including—

"(1) regulations or other guidance to prevent the avoidance of the purposes of the limitations under this section,

"(2) regulations or other guidance to minimize compliance and record-keeping burdens under this section,

"(3) regulations or other guidance providing for waiver of penalties for failure to deposit amounts in anticipation of the allowance of the credit allowed under this section,

"(4) regulations or other guidance for recapturing the benefit of credits determined under this section in cases where there is a subsequent adjustment to the credit determined under subsection (a),

"(5) regulations or other guidance to permit the advancement of the credit determined under subsection (a), and

"(6) regulations or other guidance for applying subsection (f) with respect to eligible employees not paid at a single rate of pay.".

(b) REFUNDS.—Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''3135,'' after ''3134,''.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 21 is amended by adding at the end the following:

''Sec. 3135. Payroll credit for certain wages paid to child care workers.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning after December 31, 2021.

SEC. 137302. CREDIT FOR CAREGIVER EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25D the following new section:

''SEC. 25E. CREDIT FOR CAREGIVER EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual for whom there are 1 or more qualified care recipients, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified expenses paid or incurred by such individual during the taxable year (and not compensated for by insurance or otherwise).

''(b) QUALIFIED CARE RECIPIENT.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified care recipient' means, with respect to any taxable year, any individual who—

"(A) is the spouse of the taxpayer, or any other person who bears a relationship to the taxpayer described in any of subparagraphs (A) through (H) of section 152(d)(2),

"(B) has been certified, before the due date for filing the return of tax for the taxable year, by a licensed health care practitioner (as defined in section 7702B(c)(4)) as being an individual with long-term care needs (as defined in paragraph (3)) for a period—

"(i) which is expected to be at least 180 consecutive days, and

"(ii) a portion of which occurs within the taxable year, and

"(C) resides in a personal residence and not an institutional care facility.

"(2) PERIOD FOR MAKING CERTIFICATION.—Notwithstanding paragraph (1)(B), a certification shall not be treated as valid unless it is made within the 18-month period ending on such due date (or such other period as the Secretary prescribes).

"(3) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—For purposes of this subsection, the term 'individual with long-term care needs' means any individual who meets the requirements of any of the following subparagraphs:

"(A) The individual is at least 6 years of age and—

"(i) is unable to perform (without substantial assistance from another individual) at least 2 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

"(ii) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform, without reminding or cuing assistance, at least 1 activity of daily living (as so defined) or, to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

"(B) The individual is at least 2 but not 6 years of age and is unable, due to a loss of

functional capacity, to perform (without substantial assistance from another individual) at least 2 of the following activities:

"(i) Eating.

"(ii) Transferring.

"(iii) Mobility.

"(C) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

"(4) INSTITUTIONAL CARE FACILITY.—For purposes of paragraph (1)(C), an institutional care facility (including two or more places, establishments, or institutions owned by the same legal entity) includes any congregate, protected living residential arrangement that provides or coordinates personal or health care services, including assistance with the activities of daily living and social care, for two or more adults who are aged, infirm, or disabled

"(c) QUALIFIED EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified expenses' means expenses for goods, services, and supports described in paragraph (2) which—

"(A) assist a qualified care recipient with accomplishing activities of daily living (as defined in section 7702B(c)(2)(B)) and instrumental activities of daily living (as defined in section 1915(k)(6)(F) of the Social Security Act), and

"(B) are provided solely for use by such qualified care recipient.

"(2) ITEMS DESCRIBED.—The goods, services, and supports described in this paragraph are—

"(A) human assistance, supervision, cuing, and standby assistance,

"(B) health maintenance tasks (such as medication management),

"(C) respite care,

"(D) assistive technologies and devices (including remote health monitoring),

"(E) accessibility modifications of the qualified care recipient's residence,

"(F) counseling, support groups, or training relating to caring for a qualified care recipient, and

"(G) any other items which directly relate to the health and safety of a qualified care recipient, as determined by the Secretary after consultation with the Secretary of Health and Human Services.

"(3) DOLLAR LIMITATION.—The amount taken into account as qualified expenses for any taxable year shall not exceed $4,000.

"(4) DENIAL OF DOUBLE BENEFIT.—Amounts taken into account for purposes of section 21, 129, 213, or 223(f), or such other circumstances as may be provided by the Secretary, shall not be taken into account as qualified expenses.

"(5) DOCUMENTATION REQUIREMENT.—An expense shall not be treated as a qualified expense unless the taxpayer substantiates such expense under such regulations or guidance as the Secretary shall provide.

"(d) CREDIT PHASEOUT.—The 50 percent rate under subsection (a) shall be reduced by 1 percentage point for every $2,500 or fraction thereof by which the taxpayer's adjusted gross income exceeds $75,000.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) PAYMENTS TO RELATED INDIVIDUALS.—Rules similar to the rules of section 21(e)(6) shall apply.

"(2) LICENSED HEALTH CARE PRACTITIONER.—

"(A) IN GENERAL.—The licensed health care practitioner making the certification for purposes of subsection (b)(1)(B)—

"(i) shall not be related (within the meaning of section 51(i)(1)) to the taxpayer or the qualified care recipient, or have a conflict of interest (as determined under regulations provided by the Secretary) with respect to the taxpayer or the qualified care recipient,

"(ii) shall be licensed and eligible under applicable State law to certify limitations in performing activities of daily living, and

"(iii) shall be a participant in the Medicaid program, pursuant to sections 1902(a)(77) and 1932(d)(6) of the Social Security Act, or the State Children's Health Insurance Program under section 2107(e)(1)(G) of such Act.

"(B) IDENTIFICATION REQUIREMENT.—

"(i) IN GENERAL.—No credit shall be allowed with respect to any qualified care recipient unless the taxpayer includes the name and specified provider identification number of such licensed health care practitioner on the return of tax for the taxable year.

"(ii) SPECIFIED PROVIDER IDENTIFICATION NUMBER.—The term 'specified provider identification number' means a valid National Provider Identifier as authorized in section 1173 of the Social Security Act.

"(3) INDIVIDUAL MAY NOT BE CLAIMED BY MORE THAN 1 TAXPAYER.—An individual shall be treated as a qualified care recipient with respect to only 1 taxpayer, as determined by the Secretary, for any taxable year.

"(4) IDENTIFICATION REQUIREMENT.—No credit shall be allowed with respect to any qualified care recipient unless the taxpayer includes the name and taxpayer identification number of the qualified care recipient on the return of tax for the taxable year.

"(f) TERMINATION.—No credit shall be allowed under this section for any taxable year beginning after December 31, 2025.".

(b) MATH ERROR AUTHORITY.—Section 6213(g)(2), as amended by the preceding provisions of this Act, is amended by striking "and" at the end of subparagraph (T), by striking the period at the end of subparagraph (U) and inserting ", and", and by inserting after subparagraph (U) the following new subparagraph:

"(V) an omission of a correct TIN required under section 25E(e)(4) or a correct specified provider identification number required under section 25E(e)(2)(B).".

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25D the following new item:

"Sec. 25E. Credit for caregiver expenses.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

PART 4—EARNED INCOME TAX CREDIT

SEC. 137401. CERTAIN IMPROVEMENTS TO THE EARNED INCOME TAX CREDIT MADE PERMANENT.

(a) DECREASE IN MINIMUM AGE REQUIREMENT.—

(1) IN GENERAL.—Section 32(c)(1)(A)(ii)(II) is amended by striking ''age 25'' and inserting ''the applicable minimum age''.

(2) APPLICABLE MINIMUM AGE.—Section 32(c) is amended by adding at the end the following new paragraph:

''(5) APPLICABLE MINIMUM AGE.—

''(A) IN GENERAL.—The term 'applicable minimum age' means—

''(i) except as otherwise provided in this subparagraph, age 19,

''(ii) in the case of a specified student (other than a qualified former foster youth or a qualified homeless youth), age 24, and

''(iii) in the case of a qualified former foster youth or a qualified homeless youth, age 18.

''(B) SPECIFIED STUDENT.—For purposes of this paragraph, the term 'specified student' means, with respect to any taxable year, an individual who is an eligible student (as defined in section 25A(b)(3)) during at least 5 calendar months during the taxable year.

''(C) QUALIFIED FORMER FOSTER YOUTH.—For purposes of this paragraph, the

term 'qualified former foster youth' means an individual who—

"(i) on or after the date that such individual attained age 14, was in foster care provided under the supervision or administration of an entity administering (or eligible to administer) a plan under part B or part E of title IV of the Social Security Act (without regard to whether Federal assistance was provided with respect to such child under such part E), and

"(ii) provides (in such manner as the Secretary may provide) consent for entities which administer a plan under part B or part E of title IV of the Social Security Act to disclose to the Secretary information related to the status of such individual as a qualified former foster youth.

"(D) QUALIFIED HOMELESS YOUTH.—For purposes of this paragraph, the term 'qualified homeless youth' means, with respect to any taxable year, an individual who certifies, in a manner as provided by the Secretary, that such individual is either an unaccompanied youth who is a homeless child or youth, or is unaccom-

panied, at risk of homelessness, and self-supporting.''.

(b) ELIMINATION OF MAXIMUM AGE FOR CREDIT.—Section 32(c)(1)(A)(ii)(II) is amended by striking ''but not attained age 65''.

(c) INCREASE IN CREDIT AND PHASEOUT PERCENTAGES.—The table contained in section 32(b)(1) is amended by striking ''7.65'' each place it appears therein and inserting ''15.3''.

(d) INCREASE IN EARNED INCOME AND PHASEOUT AMOUNTS.—

(1) IN GENERAL.—The table contained in section 32(b)(2)(A) is amended—

(A) by striking ''$4,220'' and inserting ''$9,820'', and

(B) by striking ''$5,280'' and inserting ''$11,610''.

(2) APPLICATION OF INFLATION ADJUSTMENT.—Section 32(j)(1) is amended—

(A) by striking ''(2021 in the case of the dollar amount in subsection (i)(1))'' and inserting ''(2021 in the case of the $9,820 and $11,610 amounts in subsection (b)(2)(A) and the $10,000 amount in subsection (i)(1))'',

(B) in subparagraph (B)(i), by inserting "(other than the $9,820 and $11,610 amounts)" after "subsection (b)(2)(A)", and

(C) in subparagraph (B)(iii), by inserting "the $9,820 and $11,610 amounts in subsection (b)(2)(A) and" before "the $10,000 amount in subsection (i)(1)".

(e) Section 32, as amended by subsection (f), is amended by adding at the end the following new subsection:

"(n) ELECTION TO DETERMINE EARNED INCOME BASED ON PRIOR TAXABLE YEAR.—

"(1) IN GENERAL.—In the case of a taxpayer whose earned income for any taxable year is less than the earned income of such taxpayer for the preceding taxable year, if such taxpayer elects (at such time and in such manner as the Secretary may provide) the application of this subsection for such taxable year, the earned income of such taxpayer for such taxable year shall be treated for purposes of this section as being equal to the earned income of such taxpayer for such preceding taxable year.

"(2) JOINT RETURNS.—For purposes of this subsection, in the case of a joint return, the earned income of the taxpayer for the preceding taxable

year shall be the sum of the earned income of each spouse for the preceding taxable year.

"(3) TREATMENT AS MATHEMATICAL OR CLERICAL ERROR.—In the case of a taxpayer described in paragraph (1) who makes the election described in such paragraph, the use on the return for purposes of this section of an amount of earned income for the preceding taxable year which differs from the amount of such earned income as shown in the electronic files of the Internal Revenue Service shall be treated as a mathematical or clerical error for purposes of section 6213.

"(4) TREATMENT OF REFERENCES.—Any provision of this title which defines or determines earned income by reference to this section shall be applied without regard to this subsection unless such provision specifically provides otherwise.".

(f) REPEAL OF TEMPORARY PROVISIONS.—Section 32 is amended by striking subsection (n).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137402. FUNDS FOR ADMINISTRATION OF EARNED INCOME TAX CREDITS IN THE TERRITORIES.

(a) PUERTO RICO.—Section 7530(a)(1) is amended by striking ''plus'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', plus'', and by adding at the end the following new subparagraph:

''(C) reasonable administrative costs associated with the provision of the earned income tax credit not in excess of $4,000,000.''.

(b) POSSESSIONS WITH MIRROR CODE TAX SYSTEMS.—Section 7530(b)(1) is amended by striking ''plus'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', plus'', and by adding at the end the following new subparagraph:

''(C) reasonable administrative costs associated with the provision of the earned income tax credit not in excess of $200,000.''.

(c) AMERICAN SAMOA.—Section 7530(c)(1) is amended by striking ''plus'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', plus'', and by adding at the end the following new subparagraph:

''(C) reasonable administrative costs associated with the provision of the earned income tax credit not in excess of $200,000.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made for calendar years beginning after December 31, 2021.

PART 5—EXPANDING ACCESS TO HEALTH COVERAGE AND LOWERING COSTS

SEC. 137501. IMPROVE AFFORDABILITY AND REDUCE PREMIUM COSTS OF HEALTH INSURANCE FOR CONSUMERS.

(a) INCREASE IN APPLICABLE PERCENTAGE MADE PERMANENT.—Section 36B(b)(3)(A) is amended to read as follows:

"(A) APPLICABLE PERCENTAGE.—The applicable percentage for any taxable year shall be the percentage such that the applicable percentage for any taxpayer whose household income is within an income tier specified in the following table shall increase, on a sliding scale in a linear manner, from the initial premium percentage to the final premium percentage specified in 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".

(b) CREDIT ALLOWED TO TAXPAYERS WHOSE HOUSEHOLD INCOME EXCEEDS 400 PERCENT OF THE POVERTY LINE.—

(1) IN GENERAL.—Section 36B(c)(1)(A) is amended by striking ''but does not exceed 400 percent''.

(2) CONFORMING AMENDMENT.—Section 36B(c)(1) is amended by striking subparagraph (E).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137502. MODIFICATION OF EMPLOYER-SPONSORED COVERAGE AFFORDABILITY TEST IN HEALTH INSURANCE PREMIUM TAX CREDIT.

(a) IN GENERAL.—Section 36B(c)(2)(C) is amended—

(1) in clause (i)(II), by striking ''9.5 percent'' and inserting ''8.5 percent'', and

(2) by striking clause (iv).

(b) QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—Section 36B(c)(4) is amended—

(1) in subparagraph (C)(ii), by striking ''9.5 percent'' and inserting ''8.5 percent'', and

(2) by striking subparagraph (F).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137503. TREATMENT OF LUMP-SUM SOCIAL SECURITY BENEFITS IN DETERMINING HOUSEHOLD INCOME.

(a) IN GENERAL.—Section 36B(d)(2) is amended by adding at the end the following new subparagraph:

"(C) EXCLUSION OF PORTION OF LUMP-SUM SOCIAL SECURITY BENEFITS.—

"(i) IN GENERAL.—The term 'modified adjusted gross income' shall not include so much of any lump-sum social security benefit payment as is attributable to months ending before the beginning of the taxable year.

"(ii) LUMP-SUM SOCIAL SECURITY BENEFIT PAYMENT.—For purposes of this subparagraph, the term 'lump-sum social security benefit payment' means any payment of social security benefits (as defined in section 86(d)(1)) which constitutes more than 1 month of such benefits.

"(iii) ELECTION TO INCLUDE EXCLUDABLE AMOUNT.—With respect to any

taxable year beginning on or after the termination date (as defined in subsection (h)(2)), a taxpayer may elect (at such time and in such manner as the Secretary may provide) to have this subparagraph not apply for such taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137504. TEMPORARY EXPANSION OF HEALTH INSURANCE PREMIUM TAX CREDITS FOR CERTAIN LOW-INCOME POPULATIONS.

(a) IN GENERAL.—Section 36B is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) CERTAIN TEMPORARY RULES BEGINNING IN 2022.—

''(1) IN GENERAL.—With respect to any taxable year beginning after December 31, 2021, and before the termination date—

''(A) ELIGIBILITY FOR CREDIT NOT LIMITED BASED ON INCOME.—Section 36B(c)(1)(A) shall be disregarded in determining whether a taxpayer is an applicable taxpayer.

"(B) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED EMPLOYER-PROVIDED COVERAGE.—Subclause (II) of subsection (c)(2)(C)(i) shall not apply if the taxpayer's household income does not exceed 138 percent of the poverty line for a family of the size involved. Subclause (II) of subsection (c)(2)(C)(i) shall also not apply to an individual described in the last sentence of such subsection if the taxpayer's household income does not exceed 138 percent of the poverty line for a family of the size involved.

"(C) CREDIT ALLOWED TO CERTAIN LOW-INCOME EMPLOYEES OFFERED QUALIFIED SMALL EMPLOYER HEALTH REIMBURSEMENT ARRANGEMENTS.—A qualified small employer health reimbursement arrangement shall not be treated as constituting affordable coverage for an employee (or any spouse or dependent of such employee) for any months of a taxable year if the employee's household income for such taxable year does not exceed 138 percent of the poverty line for a family of the size involved.

"(D) LIMITATIONS ON RECAPTURE.—

"(i) IN GENERAL.—In the case of a taxpayer whose household income is less than 200 percent of the poverty line for the size of the family involved for the taxable year, the amount of the increase under subsection (f)(2)(A) shall in no event exceed $300 (one-half of such amount in the case of a taxpayer whose tax is determined under section 1(c) for the taxable year).

"(ii) LIMITATION ON INCREASE FOR CERTAIN NON-FILERS.—In the case of any taxpayer who would not be required to file a return of tax for the taxable year but for any requirement to reconcile advance credit payments under subsection (f), if an Exchange established under title I of the Patient Protection and Affordable Care Act has determined that—

"(I) such taxpayer is eligible for advance payments under section 1412 of such Act for any portion of such taxable year, and

"(II) such taxpayer's household income for such taxable year is pro-

jected to not exceed 138 percent of the poverty line for a family of the size involved,

subsection (f)(2)(A) shall not apply to such taxpayer for such taxable year and such taxpayer shall not be required to file such return of tax.

"(iii) INFORMATION PROVIDED BY EXCHANGE.—The information required to be provided by an Exchange to the Secretary and to the taxpayer under subsection (f)(3) shall include such information as is necessary to determine whether such Exchange has made the determinations described in subclauses (I) and (II) of clause (ii) with respect to such taxpayer.

"(2) TERMINATION DATE.—For purposes of this subsection, the term 'termination date' means the later of—

"(A) January 1, 2025, or

"(B) the date on which the Secretary of Health and Human Services makes a written certification to the Secretary that the Secretary of Health and Human Services has fully implemented the program described in section 1948

of the Social Security Act (relating to Federal Medicaid program to close coverage gap in non-expansion States).''.

(b) EMPLOYER SHARED RESPONSIBILITY PROVISION NOT APPLICABLE WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS RECEIVING PREMIUM ASSISTANCE.—Section 4980H(c)(3) is amended to read as follows:

''(3) APPLICABLE PREMIUM TAX CREDIT AND COST-SHARING REDUCTION.—

''(A) IN GENERAL.—The term 'applicable premium tax credit and cost-sharing reduction' means—

''(i) any premium tax credit allowed under section 36B,

''(ii) any cost-sharing reduction under section 1402 of the Patient Protection and Affordable Care Act, and

''(iii) any advance payment of such credit or reduction under section 1412 of such Act.

''(B) EXCEPTION WITH RESPECT TO CERTAIN LOW-INCOME TAXPAYERS.—Such term shall not include any premium tax credit, cost-sharing reduction, or advance payment otherwise described in subparagraph (A) if such

credit, reduction, or payment is allowed or paid for a taxable year of an employee (beginning after December 31, 2021, and before the termination date, as defined in section 36B(h)(2)) with respect to which—

"(i) an Exchange established under title I of the Patient Protection and Affordable Care Act has determined that such employee's household income for such taxable year is projected to not exceed 138 percent of the poverty line for a family of the size involved, or

"(ii) such employee's household income for such taxable year does not exceed 138 percent of the poverty line for a family of the size involved.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137505. ENSURING AFFORDABILITY OF COVERAGE FOR CERTAIN LOW-INCOME POPULATIONS.

(a) REDUCING COST SHARING UNDER QUALIFIED HEALTH PLANS.—Section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C. 18071) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by inserting ''(or, with respect to plan years 2023 and 2024, whose household income does not exceed 400 percent of the poverty line for a family of the size involved)'' before the period; and

(B) in the matter following paragraph (2), by adding at the end the following new sentence: ''In the case of an individual with a household income of less than 138 percent of the poverty line for a family of the size involved for any month occurring during the period beginning on January 1, 2022, and ending on December 31, 2022, such individual shall, for such month and for each succeeding month during such period, be treated as having household income equal to 100 percent for purposes of applying this section.''; and

(2) in subsection (c)—

(A) in paragraph (1)(A), in the matter preceding clause (i), by inserting '', with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees (as defined in paragraph (6)(C))),'' after ''first be achieved'';

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting ''with respect to eligible insureds (other than, with respect to plan years 2023 and 2024, specified enrollees)'' after ''under the plan'';

(C) in paragraph (3)—

(i) in subparagraph (A), by striking ''this subsection'' and inserting ''paragraph (1) or (2)''; and

(ii) in subparagraph (B), by striking ''this section'' and inserting ''paragraphs (1) and (2)''; and

(D) by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR SPECIFIED ENROLLEES.—

''(A) IN GENERAL.—The Secretary shall establish procedures under which the issuer of a qualified health plan to which this section applies shall reduce cost-sharing under the plan with respect to months occurring during plan years 2023 and 2024 for enrollees who are specified enrollees (as defined in subparagraph (C)) in a manner sufficient to increase the plan's share of the total allowed costs of bene-

fits provided under the plan to 99 percent of such costs.

"(B) METHODS FOR REDUCING COST SHARING.—

"(i) IN GENERAL.—An issuer of a qualified health plan making reductions under this paragraph shall notify the Secretary of such reductions and the Secretary shall, out of funds made available under clause (ii), make periodic and timely payments to the issuer equal to 12 percent of the total allowed costs of benefits provided under each such plan to specified enrollees during plan years 2023 and 2024.

"(ii) APPROPRIATION.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, such sums as may be necessary to the Secretary for purposes of making payments under clause (i).

"(C) SPECIFIED ENROLLEE DEFINED.—For purposes of this section, the term 'specified enrollee' means, with respect to a month occurring during a plan year, an eligible insured with a household income of less than 138 percent of

the poverty line for a family of the size involved during such month. Such insured shall be deemed to be a specified enrollee for each succeeding month in such plan year.''.

(b) OPEN ENROLLMENTS APPLICABLE TO CERTAIN LOWER-INCOME POPULATIONS.—Section 1311(c) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(c)) is amended—

(1) in paragraph (6)—

(A) in subparagraph (C), by striking at the end ''and'';

(B) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new subparagraph:

''(E) with respect to a qualified health plan with respect to which section 1402 applies, for months occurring during the period beginning on January 1, 2022, and ending on December 31, 2024, enrollment periods described in subparagraph (A) of paragraph (8) for individuals described in subparagraph (B) of such paragraph.''; and

(2) by adding at the end the following new paragraph:

"(8) SPECIAL ENROLLMENT PERIOD FOR CERTAIN LOW-INCOME POPULATIONS.—

"(A) IN GENERAL.—The enrollment period described in this paragraph is, in the case of an individual described in subparagraph (B), the continuous period beginning on the first day that such individual is so described.

"(B) INDIVIDUAL DESCRIBED.—For purposes of subparagraph (A), an individual described in this subparagraph is an individual—

"(i) with a household income of less than 138 percent of the poverty line for a family of the size involved; and

"(ii) who is not eligible for minimum essential coverage (as defined in section 5000A(f) of the Internal Revenue Code of 1986), other than for coverage described in any of subparagraphs (B) through (E) of paragraph (1) of such section.".

(c) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—Section 1301(a) of the Patient Protection and Affordable Care Act (42 U.S.C. 18021(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)(iv), by striking the period and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(D) provides, with respect to a plan offered in the silver level of coverage to which section 1402 applies during plan year 2024, for benefits described in paragraph (5) in the case of an individual who, for a month during such plan year, has a household income of less than 138 percent of the poverty line for a family of the size involved, and who is eligible to receive cost-sharing reductions under section 1402."; and

(2) by adding at the end the following new paragraph:

"(5) ADDITIONAL BENEFITS FOR CERTAIN LOW-INCOME INDIVIDUALS FOR PLAN YEAR 2024.—

"(A) IN GENERAL.—For purposes of paragraph (1)(D), the benefits described in this paragraph to be provided by a qualified health plan are benefits consisting of non-emergency 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-

vided in a manner that is culturally and linguistically appropriate to the needs of the populations being served by the Exchange (including hard-to-reach populations, such as racial and sexual minorities, limited English proficient populations, individuals residing in areas where the unemployment rates exceeds the national average unemployment rate, individuals in rural areas, veterans, and young adults).

"(B) LIMITATION ON USE OF FUNDS.—No funds appropriated under this paragraph shall be used for expenditures for promoting non-ACA compliant health insurance coverage.

"(C) NON-ACA COMPLIANT HEALTH INSURANCE COVERAGE.—For purposes of subparagraph (B):

"(i) The term 'non-ACA compliant health insurance coverage' means health insurance coverage, or a group health plan, that is not a qualified health plan.

"(ii) Such term includes the following:

"(I) An association health plan.

"(II) Short-term limited duration insurance.

"(D) FUNDING.—There are appropriated, out of any monies in the Treasury not otherwise appropriated, $15,000,000 for fiscal year 2022, and $30,000,000 for each of fiscal years 2023 and 2024, to carry out this paragraph. Funds appropriated under this subparagraph shall remain available until expended.".

(2) NAVIGATOR PROGRAM.—Section 1311(i)(6) of the Patient Protection and Affordable Care Act (42 U.S.C. 18031(i)(6)) is amended—

(A) by striking "FUNDING.—Grants under" and inserting "FUNDING.—

"(A) STATE EXCHANGES.—Grants under"; and

(B) by adding at the end the following new subparagraph:

"(B) FEDERAL EXCHANGES.—For purposes of carrying out this subsection, with respect to an Exchange established and operated by the Secretary within a State pursuant to section 1321(c), the Secretary shall obligate $10,000,000 out of amounts collected through the user fees on participating health insurance issuers pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor

regulations) for fiscal year 2022, and $20,000,000 for each of fiscal years 2023 and 2024. Such amount so obligated for a fiscal year shall remain available until expended.''.

SEC. 137506. ESTABLISHING A HEALTH INSURANCE AFFORDABILITY FUND.

(a) IN GENERAL.—Subtitle D of title I of the Patient Protection and Affordable Care Act is amended by inserting after part 5 (42 U.S.C. 18061 et seq.) the following new part:

"PART 6—IMPROVE HEALTH INSURANCE AFFORDABILITY FUND

"SEC. 1351. ESTABLISHMENT OF PROGRAM.

''There is hereby established the 'Improve Health Insurance Affordability Fund' to be administered by the Secretary of Health and Human Services, acting through the Administrator of the Centers for Medicare & Medicaid Services (in this section referred to as the 'Administrator'), to provide funding, in accordance with this part, to the 50 States and the District of Columbia (each referred to in this section as a 'State') beginning on January 1, 2023, for the purposes described in section 1352.

"SEC. 1352. USE OF FUNDS.

"(a) IN GENERAL.—A State shall use the funds allocated to the State under this part for one of the following purposes:

"(1) To provide reinsurance payments to health insurance issuers with respect to individuals enrolled under individual health insurance coverage (other than through a plan described in subsection (b)) offered by such issuers.

"(2) To provide assistance (other than through payments described in paragraph (1)) to reduce out-of-pocket costs, such as copayments, coinsurance, premiums, and deductibles, of individuals enrolled under qualified health plans offered on the individual market through an Exchange and of individuals enrolled under standard health plans offered through a basic health program established under section 1331.

"(b) EXCLUSION OF CERTAIN GRANDFATHERED PLANS, TRANSITIONAL PLANS, STUDENT HEALTH PLANS, AND EXCEPTED BENEFITS.—For purposes of subsection (a), a plan described in this subsection is the following:

"(1) A grandfathered health plan (as defined in section 1251).

"(2) A plan (commonly referred to as a 'transitional plan') continued under the letter issued by the Centers for Medicare & Medicaid Services on November 14, 2013, to the State Insurance Commissioners outlining a transitional policy for coverage in the individual and small group markets to which section 1251 does not apply, and under the extension of the transitional policy for such coverage set forth in the Insurance Standards Bulletin Series guidance issued by the Centers for Medicare & Medicaid Services on March 5, 2014, February 29, 2016, February 13, 2017, April 9, 2018, March 25, 2019, January 31, 2020, and January 19, 2021, or under any subsequent extensions thereof.

"(3) Student health insurance coverage (as defined in section 147.145 of title 45, Code of Federal Regulations, or any successor regulation).

"(4) Excepted benefits (as defined in section 2791(c) of the Public Health Service Act).

"SEC. 1353. STATE ELIGIBILITY AND APPROVAL; DEFAULT SAFEGUARD.

"(a) ENCOURAGING STATE OPTIONS FOR ALLOCATIONS.—

"(1) IN GENERAL.—Subject to subsection (b), to be eligible for an allocation of funds under this

part for a year (beginning with 2023), a State shall submit to the Administrator an application at such time (but, in the case of allocations for 2023, not later than 120 days after the date of the enactment of this part and, in the case of allocations for a subsequent year, not later than January 1 of the previous year) and in such form and manner as specified by the Administrator containing—

"(A) a description of how the funds will be used; and

"(B) such other information as the Administrator may require.

"(2) AUTOMATIC APPROVAL.—An application so submitted is approved (as outlined in the terms of the plan) unless the Administrator notifies the State submitting the application, not later than 90 days after the date of the submission of such application, that the application has been denied for not being in compliance with any requirement of this part and of the reason for such denial.

"(3) 5-YEAR APPLICATION APPROVAL.—If an application of a State is approved for a purpose described in section 1352 for a year, such application shall be treated as approved for such purpose for each of the subsequent 4 years.

"(4) OVERSIGHT AUTHORITY AND AUTHORITY TO REVOKE APPROVAL.—

"(A) OVERSIGHT.—The Secretary may conduct periodic reviews of the use of funds provided to a State under this section, with respect to a purpose described in section 1352, to ensure the State uses such funds for such purpose and otherwise complies with the requirements of this section.

"(B) REVOCATION OF APPROVAL.—The approval of an application of a State, with respect to a purpose described in section 1352, may be revoked if the State fails to use funds provided to the State under this section for such purpose or otherwise fails to comply with the requirements of this section.

"(b) DEFAULT FEDERAL SAFEGUARD FOR 2023 AND 2024 FOR CERTAIN STATES.—

"(1) IN GENERAL.—For 2023 and 2024, in the case of a State described in paragraph (5), with respect to such year, the State shall not be eligible to submit an application under subsection (a), and the Administrator, in consultation with the applicable State authority, shall from the amount calculated under paragraph (3) for such year, carry out the

purpose described in paragraph (2) in such State for such year.

"(2) SPECIFIED USE.—The amount described in paragraph (3), with respect to a State described in paragraph (5) for 2023 or 2024, shall be used to carry out the purpose described in section 1352(a)(1) in such State for such year, as applicable, by providing reinsurance payments to health insurance issuers with respect to attachment range claims (as defined in section 1354(b)(2), using the dollar amounts specified in subparagraph (B) of such section for such year) in an amount equal to, subject to paragraph (4), the percentage (specified for such year by the Secretary under such subparagraph) of the amount of such claims.

"(3) AMOUNT DESCRIBED.—The amount described in this paragraph, with respect to 2023 or 2024, is the amount equal to the total sum of amounts that the Secretary would otherwise estimate under section 1354(b)(2)(A)(i) for such year for each State described in paragraph (5) for such year, as applicable, if each such State were not so described for such year.

"(4) ADJUSTMENT.—For purposes of this subsection, the Secretary may apply a percentage under

paragraph (3) with respect to a year that is less than the percentage otherwise specified in section 1354(b)(2)(B) for such year, if the cost of paying the total eligible attachment range claims for States described in paragraph (5) for such year at such percentage otherwise specified would exceed the amount calculated under paragraph (3) for such year.

"(5) STATE DESCRIBED.—A State described in this paragraph, with respect to years 2023 and 2024, is a State that, as of January 1 of 2022 or 2023, respectively, was not expending amounts under the State plan (or waiver of such plan) for all individuals described in section 1902(a)(10)(A)(i)(VIII) during such year.

"SEC. 1354. ALLOCATIONS.

"(a) APPROPRIATION.—For the purpose of providing allocations for States under subsection (b) and payments under section 1353(b) there is appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000,000 for 2023 and each subsequent year.

"(b) ALLOCATIONS.—

"(1) PAYMENT.—

"(A) IN GENERAL.—From amounts appropriated under subsection (a) for a year, the

Secretary shall, with respect to a State not described in section 1353(b) for such year and not later than the date specified under subparagraph (B) for such year, allocate for such State the amount determined for such State and year under paragraph (2).

"(B) SPECIFIED DATE.—For purposes of subparagraph (A), the date specified in this subparagraph is—

"(i) for 2023, the date that is 90 days after the date of the enactment of this part; and

"(ii) for 2024 or a subsequent year, January 1 of the previous year.

"(C) NOTIFICATIONS OF ALLOCATION AMOUNTS.—For 2024 and each subsequent year, the Secretary shall notify each State of the amount determined for such State under paragraph (2) for such year by not later than January 1 of the previous year.

"(2) ALLOCATION AMOUNT DETERMINATIONS.—

"(A) IN GENERAL.—For purposes of paragraph (1), the amount determined under this paragraph for a year for a State described in

paragraph (1)(A) for such year is the amount equal to—

"(i) the amount that the Secretary estimates would be expended under this part for such year on attachment range claims of individuals residing in such State if such State used such funds only for the purpose described in paragraph (1) of section 1352(a) at the dollar amounts and percentage specified under subparagraph (B) for such year; minus

"(ii) the amount, if any, by which the Secretary determines—

"(I) the estimated amount of premium tax credits under section 36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for such year without application of this part; exceeds

"(II) the estimated amount of premium tax credits under section 36B of the Internal Revenue Code of 1986 that would be attributable to individuals residing in such State for

such year if section 1353(b) applied for such year and applied with respect to such State for such year.

For purposes of the previous sentence and section 1353(b)(3), the term 'attachment range claims' means, with respect to an individual, the claims for such individual that exceed a dollar amount specified by the Secretary for a year, but do not exceed a ceiling dollar amount specified by the Secretary for such year, under subparagraph (B).

"(B) SPECIFICATIONS.—For purposes of subparagraph (A) and section 1353(b)(3), the Secretary shall determine the dollar amounts and the percentage to be specified under this subparagraph for a year in a manner to ensure that the total amount of expenditures under this part for such year is estimated to equal the total amount appropriated for such year under subsection (a) if such expenditures were used solely for the purpose described in paragraph (1) of section 1352(a) for attachment range claims at the dollar amounts and percentage so specified for such year.

"(3) AVAILABILITY.—Funds allocated to a State under this subsection for a year shall remain available through the end of the subsequent year.".

(b) BASIC HEALTH PROGRAM FUNDING ADJUSTMENTS.—Section 1331 of the Patient Protection and Affordable Care Act (42 U.S.C. 18051) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

"(3) PROVISION OF INFORMATION ON QUALIFIED HEALTH PLAN PREMIUMS.—

"(A) IN GENERAL.—For plan years beginning on or after January 1, 2023, the program described in paragraph (1) shall provide that a State may not establish a basic health program unless such State furnishes to the Secretary, with respect to each qualified health plan offered in such State during a year that receives any reinsurance payment from funds made available under part 6 for such year, the adjusted premium amount (as defined in subparagraph (B)) for each such plan and year.

"(B) ADJUSTED PREMIUM AMOUNT DEFINED.—For purposes of subparagraph (A), the term 'adjusted premium amount' means, with respect to a qualified health plan and a year,

the monthly premium for such plan and year that would have applied had such plan not received any payments described in subparagraph (A) for such year.''; and

(2) in subsection (d)(3)(A)(ii), by adding at the end the following new sentence: ''In making such determination, the Secretary shall calculate the value of such premium tax credits that would have been provided to such individuals enrolled through a basic health program established by a State during a year using the adjusted premium amounts (as defined in subsection (a)(3)(B)) for qualified health plans offered in such State during such year.''.

SEC. 137507. SPECIAL RULE FOR INDIVIDUALS RECEIVING UNEMPLOYMENT COMPENSATION.

(a) EXTENSION.—Section 36B(g)(1) is amended by striking ''during 2021,'' and inserting ''after December 31, 2020, and before January 1, 2026,''.

(b) MODIFICATION OF INCOME NOT TAKEN INTO ACCOUNT.—Section 36B(g)(1)(B) is amended by striking ''133 percent'' and inserting ''150 percent''.

(c) CONFORMING AMENDMENT.—Section 36B(g) by inserting ''THROUGH 2025'' after ''2021'' in the heading thereof.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137508. PERMANENT CREDIT FOR HEALTH INSURANCE COSTS.

(a) IN GENERAL.—Subparagraph (B) of section 35(b)(1) of the Internal Revenue Code of 1986 is amended by striking ", and before January 1, 2022" and inserting a period.

(b) INCREASE IN CREDIT PERCENTAGE.—Subsection (a) of section 35 of the Internal Revenue Code of 1986 is amended by striking "72.5 percent" and inserting "80 percent".

(c) CONFORMING AMENDMENTS.—Subsections (b) and (e)(1) of section 7527 of the Internal Revenue Code of 1986 are each amended by striking "72.5 percent" and inserting "80 percent".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to coverage months beginning after December 31, 2021.

PART 6—PATHWAY TO PRACTICE TRAINING PROGRAMS

SEC. 137601. ESTABLISHING RURAL AND UNDERSERVED PATHWAY TO PRACTICE TRAINING PROGRAMS FOR POST-BACCALAUREATE STUDENTS AND MEDICAL STUDENTS.

(a) PROGRAM.—

(1) IN GENERAL.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended by adding at the end the following new section:

"SEC. 1899C. RURAL AND UNDERSERVED PATHWAY TO PRACTICE TRAINING PROGRAM FOR POST-BACCALAUREATE AND MEDICAL STUDENTS.

"(a) IN GENERAL.—Not later than October 1, 2023, the Secretary shall, subject to the succeeding provisions of this section, carry out the 'Rural and Underserved Pathway to Practice Training Program for Post-Baccalaureate and Medical Students' (in this section, referred to as the 'Program') under which the Secretary awards Pathway to Practice medical scholarship vouchers to qualifying students described in subsection (b) for the purpose of increasing the number of physicians practicing in rural and underserved communities.

"(b) QUALIFYING STUDENT DESCRIBED.—For purposes of this section, a qualifying student described in this subsection is an individual who—

"(1) attests he or she—

"(A) is or will be a first-generation student of a 4-year college, graduate school, or professional school;

"(B) was a Pell Grant recipient; or

"(C) lived in a medically underserved area, rural area, or health professional shortage area for a period of 4 or more years prior to attending an undergraduate program;

"(2) has accepted enrollment in—

"(A) a post-baccalaureate program that is not more than 2 years and intends to enroll in a qualifying medical school within 2 years after completion of such program; or

"(B) a qualifying medical school;

"(3) will practice medicine in a health professional shortage area, medically underserved area, public hospital, rural area, or as required under subsection (d)(5); and

"(4) submits an application and a signed copy of the agreement described under subsection (c).

"(c) APPLICATIONS.—

"(1) IN GENERAL.—To be eligible to receive a Pathway to Practice medical scholarship voucher under this section, a qualifying student described in

subsection (b) shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(2) INFORMATION TO BE INCLUDED.—As a part of the application described in paragraph (1), the Secretary shall include a notice of the items which are required to be agreed to under subsection (d)(4) for the purpose of notifying the qualifying student of the terms of the Rural and Underserved Pathway to Practice Training Program.

"(d) PATHWAY TO PRACTICE MEDICAL SCHOLARSHIP VOUCHER DETAILS.—

"(1) NUMBER.—On an annual basis, the Secretary may award a Pathway to Practice medical scholarship voucher under the Program to not more than 1,000 qualifying students described in subsection (b).

"(2) PRIORITIZATION CRITERIA.—In determining whether to award a Pathway to Practice medical scholarship voucher under the Program to qualifying students described in subsection (b), the Secretary shall prioritize applications from any such student who attests that he or she—

"(A) was a participant in the Health Resources and Services Administration Health Careers Opportunity Program or an Area Health Education Center scholar;

"(B) is a disadvantaged student (as defined by the National Health Service Corps of the Health Resources & Services Administration of the Department of Health and Human Services); or

"(C) attended a historically black college or other minority serving institution (as defined in section 1067q of title 20, United States Code).

"(3) DURATION.—Each Pathway to Practice medical scholarship voucher awarded to a qualifying student pursuant to paragraph (1) shall be so awarded to such a student on an annual basis for each year of enrollment in a post-baccalaureate program and a qualifying medical school (as appropriate).

"(4) AMOUNT.—Subject to paragraph (5), each Pathway to Practice medical scholarship voucher awarded under the Program shall include amounts for—

"(A) tuition;

"(B) academic fees (as determined by the qualifying medical school);

"(C) required textbooks and equipment;

"(D) a monthly stipend equal to the amount provided for individuals under the health professions scholarship and financial assistance program described in section 2121(c) of title 10, United States Code; and

"(E) any other educational expenses normally incurred by students at the post-baccalaureate program or qualifying medical school (as appropriate).

"(5) REQUIRED AGREEMENT.—No amounts under paragraph (4) may be provided a qualifying student awarded a Pathway to Practice medical scholarship voucher under the Program, unless the qualifying student submits to the Secretary an agreement to—

"(A) complete a post-baccalaureate program that is not more than 2 years (if applicable pursuant to the option under subsection (b)(2)(A));

"(B) graduate from a qualifying medical school;

"(C) complete a residency program in an approved residency training program (as defined in section 1886(h)(5)(A));

"(D) complete an initial residency period or the period of board eligibility;

"(E) practice medicine for at least the number of years of the Pathway to Practice medical scholarship voucher awarded under paragraph (2) after a residency program in a health professional shortage area, a medically underserved area, a public hospital, or a rural area, and during such period annually submit documentation with respect to whether the qualifying student practices medicine in such an area and where;

"(F) for the purpose of determining compliance with subparagraph (E), not later than 180 days after the date on which qualifying student completes a residency program, provide to the Secretary information with respect to where the qualifying student is practicing medicine following the period described in such subparagraph;

"(G) except in the case of a waiver for hardship pursuant to section 1892(f)(3), be lia-

ble to the United States pursuant to section 1892 for any amounts received under this Program that is determined a past-due obligation under subsection (b)(3) of such section in the case qualifying student fails to complete all of the requirements of this agreement under this subsection; and

"(H) for the purpose of determining the amount of Pathway to Practice medical scholarship vouchers paid or incurred by a qualifying medical school or any provider of a post-baccalaureate program referred to in subsection (b)(2)(A) for the costs of tuition under paragraph (4)(A), consent to any personally identifying information being shared with the Secretary of the Treasury.

"(6) RESPONSIBILITIES OF PARTICIPATING EDUCATIONAL INSTITUTIONS.—Each annual award of an amount of Pathway to Practice medical scholarship voucher under paragraph (2) shall be made with respect to a specific qualifying medical school or post-baccalaureate program that is not more than 2 years and such school or program shall (as a condition of, and prior to, such award being made with respect to such school or program)—

"(A) submit to the Secretary such information as the Secretary may require to determine the amount of such award on the basis of the costs of the costs of the items specified under paragraph (4) (except for subparagraph (D)) with respect to such school or program, and

"(B) enter into an agreement with the Secretary under which such school or provider will verify (in such manner as the Secretary may provide) that amounts paid by such school or provider to the qualifying student are used for such costs.

"(e) DEFINITIONS.—In this section:

"(1) HEALTH PROFESSIONAL SHORTAGE AREA.—The team 'health professional shortage area' has the meaning given such term in subparagraphs (A) or (B) of section 332(a)(1) of the Public Health Service Act.

"(2) INITIAL RESIDENCY PERIOD.—The term 'initial residency period' has the meaning given such term in section 1886(h)(5)(F).

"(3) MEDICALLY UNDERSERVED AREA.—The term 'medically underserved area' means an area

designated pursuant to section 330(b)(3)(A) of the Public Health Service Act.

"(4) PELL GRANT RECIPIENT.—The term 'Pell Grant recipient' has the meaning given such term in section 322(3) of the Higher Education Act of 1965.

"(5) PERIOD OF BOARD ELIGIBILITY.—The term 'period of board eligibility' has the meaning given such term in section 1886(h)(5)(G).

"(6) QUALIFYING MEDICAL SCHOOL.—The term 'qualifying medical school' means a school of medicine accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges (or approved by such Committee as meeting the standards necessary for such accreditation) or a school of osteopathy accredited by the American Osteopathic Association, or approved by such Association as meeting the standards necessary for such accreditation which—

"(A) for each academic year, enrolls at least 10 qualifying students who are in enrolled in such a school;

"(B) requires qualifying students to enroll in didactic coursework and clinical experience applicable to practicing medicine in health pro-

fessional shortage areas, medically underserved areas, or rural areas, including—

"(i) clinical rotations in such areas in applicable specialties (as applicable and as available);

"(ii) coursework or training experiences focused on medical issues prevalent in such areas and cultural and structural competency; and

"(C) is located in a State (as defined in section 210(h)).

"(7) RURAL AREA.—The term 'rural area' has the meaning given such term in section 1886(d)(2)(D).

"(f) PENALTY FOR FALSE INFORMATION.—Any person who knowingly and willfully obtains by fraud, false statement, or forgery, or fails to refund any funds, assets, or property provided under this section or attempts to so obtain by fraud, false statement or forgery, or fail to refund any funds, assets, or property, received pursuant to this section shall be fined not more than $20,000 or imprisoned for not more than 5 years, or both.".

(2) AGREEMENTS.—Section 1892 of the Social Security Act (42 U.S.C. 1395ccc) is amended—

(A) in subsection (a)(1)(A)—

(i) by striking ", or the" and inserting ", the"; and

(ii) by inserting "or the Rural and Underserved Pathway to Practice Training Program for Post- Baccalaureate and Medical Students under section 1899C" before ", owes a past-due obligation";

(B) in subsection (b)—

(i) in paragraph (1), by striking at the end "or";

(ii) in paragraph (2), by striking the period at the end and inserting "; or"; and

(iii) by adding the end the following new paragraph:

"(3) subject to subsection (f), owed by an individual to the United States by breach of an agreement under section 1899C(c) and which payment has not been paid by the individual for any amounts received under the Rural and Underserved Pathway to Practice Training Program for Post-Baccalaureate and Medical Students (and accrued interest determined in accordance with subsection (f)(4)) in the case such individual fails to complete the requirements of such agreement."; and

(C) by adding at the end the following new subsection:

"(f) AUTHORITIES WITH RESPECT TO THE COLLECTION UNDER THE PATHWAY TO PRACTICE TRAINING PROGRAM.—The Secretary—

"(1) shall require payment to the United States for any amount of damages that the United States is entitled to recover under subsection (b)(3), within the 5-year period beginning on the date an eligible individual fails to complete the requirements of such agreement under section 1899C(d)(5) (or such longer period beginning on such date as specified by the Secretary), and any such amounts not paid within such period shall be subject to collection through deductions in Medicare payments pursuant to subsection (e);

"(2) may allow payments described in paragraph (1) to be paid in installments over such 5-year period, which shall accrue interest in an amount determined pursuant to paragraph (5);

"(3) may waive the requirement for an individual to pay a past-due obligation under subsection (b)(3) in the case of hardship (as determined by the Secretary);

"(4) may not disclose any past-due obligation under subsection (b)(3) that is owed to the United States to any credit reporting agency that the United States entitled to be recovered the United States under this section; and

"(5) shall make a final determination of whether the amount of payment under section 1899C made to a qualifying student (as described in subsection (b) of such section) was in excess of or less than the amount of payment that is due, and payment of such excess or deficit is not made (or effected by offset) within 90 days of the date of the determination, and interest shall accrue on the balance of such excess or deficit not paid or offset (to the extent that the balance is owed by or owing to the provider) at a rate determined in accordance with the regulations of the Secretary of the Treasury applicable to charges for late payments.".

SEC. 137602. FUNDING FOR THE RURAL AND UNDERSERVED PATHWAY TO PRACTICE TRAINING PROGRAMS FOR POST-BACCALAUREATE STUDENTS AND MEDICAL STUDENTS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986, as amended by the preceding provisions of this Act,

is amended by inserting after section 36F the following new section:

"SEC. 36G. PATHWAY TO PRACTICE MEDICAL SCHOLARSHIP VOUCHER CREDIT.

"(a) IN GENERAL.—In the case of a qualified educational institution, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable year an amount equal to the aggregate amount paid or incurred by such institution during such taxable year pursuant to any Pathway to Practice medical scholarship voucher awarded to a qualifying student with respect to such institution.

"(b) DETERMINATION OF AMOUNTS PAID PURSUANT TO QUALIFIED SCHOLARSHIP VOUCHERS, ETC.—For purposes of this section—

"(1) an amount shall be treated as paid or incurred pursuant to an annual award of a Pathway to Practice medical scholarship voucher only if such amount is paid or incurred in reimbursement, or anticipation of, an expense described in subparagraphs (A) through (E) of paragraph (4) of section 1899C(d) of the Social Security Act and is subject to verification in such manner as the Secretary of Health and Human Services may provide under paragraph (6) of such section, and

"(2) in the case of any amount credited by a qualified educational institution against a liability owed by the qualifying student to such institution, such amount shall be treated as paid by such institution to such student as of the date that such liability would otherwise be due.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED EDUCATIONAL INSTITUTION.—The term 'qualified educational institution' means, with respect to any annual award of a Pathway to Practice medical scholarship voucher—

"(A) any qualifying medical school (as defined in subsection (e)(6) of section 1899C of the Social Security Act), and

"(B) any provider of a post-baccalaureate program referred to in subsection (b)(2)(A) of such section,

which meets the requirements of subsection (d)(6) of such section.

"(2) QUALIFYING STUDENT.—The term 'qualifying student' means any student to whom the Secretary of Health and Human Services has made an annual award of a Pathway to Practice medical scholarship voucher under section 1899C of the Social Security Act.

"(3) ANNUAL AWARD OF A PATHWAY TO PRACTICE MEDICAL SCHOLARSHIP VOUCHER.—The term 'annual award of a Pathway to Practice medical scholarship voucher' means the annual award of a Pathway to Practice medical scholarship voucher referred to in section 1899C(d)(3) of the Social Security Act.

"(d) COORDINATION OF ACADEMIC AND TAXABLE YEARS.—The credit allowed under subsection (a) with respect to any Pathway to Practice medical scholarship voucher shall not exceed the amount of such voucher which is for expenses described in subparagraphs (A) through (E) of section 1899C(d)(4) of the Social Security Act, reduced by any amount of such voucher with respect to which credit was allowed under this section for any prior taxable year.

"(e) REGULATIONS.—The Secretary shall issue such regulations or other guidance as are necessary or appropriate to carry out the purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is amended by inserting "36G," after "36F,".

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, as amended by the pre-

ceding provisions of this Act, is amended by inserting "36G," after "36F,".

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986, and amended by the preceding provisions of this Act, is amended by inserting after the item relating to section 36F the following new item:

"Sec. 36G. Pathway to Practice medical scholarship voucher credit.".

(c) INFORMATION SHARING.—The Secretary of Health and Human Services shall annually provide the Secretary of the Treasury such information regarding the program under section 1899C of the Social Security Act as the Secretary of the Treasury may require to administer the tax credits determined under section 36G of the Internal Revenue Code of 1986, including information to identify qualifying students and the qualified educational institutions at which such students are enrolled and the amount of the annual award of the Pathway to Practice medical scholarship voucher awarded to each such student with respect to such institution. Terms used in this subparagraph shall have the same meaning as when used is such section 36G.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 137603. ESTABLISHING RURAL AND UNDERSERVED PATHWAY TO PRACTICE TRAINING PROGRAMS FOR MEDICAL RESIDENTS.

Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended—

(1) in subsection (d)(5)(B)(v), by inserting ''(h)(4)(H)(vii),'' after ''The provisions of subsections (h)(4)(H)(vi),''; and

(2) in subsection (h)(4)(H), by adding at the end the following new clause:

''(vii) INCREASE IN FULL-TIME EQUIVALENT LIMITATION FOR HOSPITALS IMPLEMENTING PATHWAY TRAINING PROGRAMS.—

''(I) IN GENERAL.—For cost reporting periods beginning on or after October 1, 2026, during which a resident trains in an applicable hospital or hospitals (as defined in subclause (II) in an approved medical residency training program), the Secretary shall, after any adjustment made under any preceding provision of this paragraph or under any of paragraphs (7) through (9), subject to subclause (III), increase the limitation under

subparagraph (F) for such cost reporting period by the number of full-time equivalent residents so trained under such program during such period (in this clause, referred to as the 'Rural and Underserved Pathway to Practice Training Programs for Medical Residents' or 'Program').

"(II) APPLICABLE HOSPITAL OR HOSPITALS DEFINED.—For purposes of this clause, the term 'applicable hospital or hospitals' means any hospital that has been recognized by the Accreditation Council for Graduate Medical Education as meeting at least the following requirements for their approved medical residency training programs:

"(aa) The programs provide mentorships for residents.

"(bb) The programs include cultural and structural competency as part of the training of residents under the programs.

"(cc) The programs have a demonstrated record of training medical residents in medically underserved areas, rural areas, or health professional shortage areas.

"(dd) The hospital agrees to promote community-based training of residents under their programs, as appropriate.

"(III) ANNUAL LIMITATION FOR NUMBER OF RESIDENTS IN PROGRAM.—The Secretary shall ensure that, during any 1-year period and across all approved medical residency training programs described in subclause (I), not more than 1,000 full-time equivalent residents are trained each year.

"(IV) OTHER DEFINITIONS.—

"(aa) HEALTH PROFESSIONAL SHORTAGE AREA.—The team 'health professional shortage area' has the meaning given such term in subparagraphs (A)

or (B) of section 332(a)(1) of the Public Health Service Act.

"(bb) MEDICAL UNDERSERVED AREA.—The term 'medically underserved area' means an area designated pursuant to section 330(b)(3)(A) of the Public Health Service Act.

"(cc) QUALIFYING MEDICAL SCHOOL.—The term 'qualifying medical school' has the meaning given such term in section 1899C(e)(6).

"(dd) QUALIFYING MEDICAL STUDENT.—The term 'qualifying medical student' has the meaning given such term in section 1899C(b).

"(ee) RURAL AREA.—The term 'rural area' has the meaning given such term in section 1886(d)(2)(D).".

SEC. 137604. ADMINISTRATIVE FUNDING OF THE RURAL AND UNDERSERVED PATHWAY TO PRACTICE TRAINING PROGRAMS FOR POST-BACCALAUREATE STUDENTS, MEDICAL STUDENTS, AND MEDICAL RESIDENTS.

The Secretary shall provide for the transfer of $6,000,000 from the Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) and the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t), in addition to amounts otherwise available to remain available until expended, to carry out the administration of the Rural and Underserved Pathway to Practice Training Program for Post-Baccalaureate and Medical Students under section 1899C of such Act (42 U.S.C. 1395mmm) and the Rural and Underserved Pathway to Practice Training Programs for Medical Residents under section 1886(h)(4)(H)(vii) of such Act (42 U.S.C. 1395ww(h)(4)(H)(vii)).

PART 7—HIGHER EDUCATION

SEC. 137701. CREDIT FOR PUBLIC UNIVERSITY RESEARCH INFRASTRUCTURE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1, as amended by the preceding provisions of this Act, is amended by adding at the end the following new section:

"SEC. 45AA. PUBLIC UNIVERSITY RESEARCH INFRASTRUCTURE CREDIT.

"(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the public university research infrastructure credit determined under this section for a taxable year is an amount equal to 40 percent of the qualified cash contributions made by a taxpayer during such taxable year.

"(b) QUALIFIED CASH CONTRIBUTION.—

"(1) IN GENERAL.—

"(A) DEFINED.—For purposes of subsection (a), the qualified cash contribution for any taxable year is the aggregate amount contributed in cash by a taxpayer during such taxable year to a certified educational institution in connection with a qualifying project that, but for this section, would be treated as a charitable contribution for purposes of section 170(c).

"(B) QUALIFIED CASH CONTRIBUTIONS TAKEN INTO ACCOUNT FOR PURPOSES OF CHARITABLE CONTRIBUTION LIMITATIONS.—Any qualified cash contributions made by a taxpayer under this section shall be taken into account for purposes of determining the percentage limitations under section 170(b).

"(2) DESIGNATION REQUIRED.—A contribution shall only be treated as a qualified cash contribution

to the extent that it is designated as such by a certified educational institution under subsection (d).

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFYING PROJECT.—The term 'qualifying project' means a project to purchase, construct, or improve research infrastructure property.

"(2) RESEARCH INFRASTRUCTURE PROPERTY.—The term 'research infrastructure property' means any portion of a property, building, or structure of an eligible educational institution, or any land associated with such property, building, or structure, that is used for research.

"(3) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) an institution of higher education (as such term is defined in section 101 or 102(c) of the Higher Education Act of 1965) that is a college or university described in section 511(a)(2)(B), or

"(B) an organization described in section 170(b)(1)(A)(iv) or section 509(a)(3) to which authority has been delegated by an institution described in subparagraph (A) for purposes of applying for or administering credit amounts on behalf of such institution.

"(4) CERTIFIED EDUCATIONAL INSTITUTION.—The term 'certified educational institution' means an eligible educational institution which has been allocated a credit amount for a qualifying project and—

"(A) has received a certification for such project under subsection (d)(2), and

"(B) designates credit amounts to taxpayers for qualifying cash contributions toward such project under subsection (d)(4).

"(d) QUALIFYING UNIVERSITY RESEARCH INFRASTRUCTURE PROGRAM.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the Secretary, after consultation with the Secretary of Education, shall establish a program to—

"(i) certify and allocate credit amounts for qualifying projects to eligible educational institutions, and

"(ii) allow certified educational institutions to designate cash contributions for qualifying projects of such certified educational institutions as qualified cash contributions.

"(B) LIMITATIONS.—

"(i) ALLOCATION LIMITATION PER INSTITUTION.—The credit amounts allocated to a certified educational institution under subparagraph (A)(i) for all projects shall not exceed $50,000,000 per calendar year.

"(ii) OVERALL ALLOCATION LIMITATION.—

"(I) IN GENERAL.—The total amount of qualifying project credit amounts that may be allocated under subparagraph (A)(i) shall not exceed—

"(aa) $500,000,000 for each of calendar years 2022, 2023, 2024, 2025, and 2026, and

"(bb) $0 for each subsequent year.

"(II) ROLLOVER OF UNALLOCATED CREDIT AMOUNTS.—Any credit amounts described in subclause (I) that are unallocated during a calendar year shall be carried to the succeeding calendar year and added to the limitation allowable under such

subclause for such succeeding calendar year.

"(iii) DESIGNATION LIMITATION.—The aggregate amount of cash contributions which are designated by a certified educational institution as qualifying cash contributions with respect to any qualifying project shall not exceed 250 percent of the credit amount allocated to such certified educational institution for a qualifying project under subparagraph (A)(i).

"(2) CERTIFICATION APPLICATION.—Each eligible educational institution which applies for certification of a project under this paragraph shall submit an application in such time, form, and manner as the Secretary may require.

"(3) SELECTION CRITERIA FOR ALLOCATIONS TO ELIGIBLE EDUCATIONAL INSTITUTIONS.—The Secretary, after consultation with the Secretary of Education, shall select applications from eligible educational institutions—

"(A) based on the extent of the expected expansion of an eligible educational institution's targeted research within disciplines in science, mathematics, engineering, and technology, and

"(B) in a manner that ensures consideration is given to eligible educational institutions with full-time student populations of less than 12,000.

"(4) DESIGNATION OF QUALIFIED CASH CONTRIBUTIONS TO TAXPAYERS.—The Secretary, after consultation with the Secretary of Education, shall establish a process by which certified educational institutions shall designate cash contributions to such institutions as qualified cash contributions.

"(5) DISCLOSURE OF ALLOCATIONS AND DESIGNATIONS.—

"(A) ALLOCATIONS.—The Secretary shall, upon allocating credit amounts to an applicant under this subsection, publicly disclose the identity of the applicant and the credit amount allocated to such applicant.

"(B) DESIGNATIONS.—Each certified educational institution shall, upon designating contributions of a taxpayer as qualified cash contributions under this subsection, publicly disclose the identity of the taxpayer and the amount of contributions designated in such time, form, and manner as the Secretary may require.

"(e) REGULATIONS AND GUIDANCE.—The Secretary, after consultation with the Secretary of Education when applicable, shall prescribe such regulations and guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations for—

"(1) prevention of abuse,

"(2) establishment of reporting requirements,

"(3) establishment of selection criteria for applications, and

"(4) disclosure of allocations.

"(f) PENALTY FOR NONCOMPLIANCE.—

"(1) IN GENERAL.—If at any time during the 5-year period beginning on the date of the allocation of credit amounts to a certified educational institution under subsection (d)(1)(A)(i) there is a noncompliance event with respect to such credit amounts, then the following rules shall apply:

"(A) GENERAL RULE.—Any cash contribution designated as a qualifying cash contribution with respect to a qualifying project for which such credit amounts were allocated under subsection (d)(1)(A)(ii) shall be treated as unrelated business taxable income (as defined in section 512) of such certified educational institution.

"(B) RULE FOR UNUSED CREDIT AMOUNTS.—In the case of unused credit amounts described under paragraph (2)(A) and identified pursuant to subsection (g), the Secretary shall reallocate any portion of such unused credit amounts to certified educational institutions in lieu of imposing the general rule under subparagraph (A).

"(2) NONCOMPLIANCE EVENT.—For purposes of this subsection, the term 'noncompliance event' means, with respect to a credit amount allocated to a certified educational institution—

"(A) cash contributions equaling the amount of such credit amount are not designated as qualifying cash contributions within 2 years after December 31 of the year such credit amount is allocated,

"(B) a qualifying project with respect to which such credit amount was allocated is not placed in service within either—

"(i) 4 years after December 31 of the year such credit amount is allocated, or

"(ii) a period of time that the Secretary determines is appropriate, or

"(C) the research infrastructure property placed in service as part of a qualifying project with respect to which such credit amount was allocated ceases to be used for research within five years after such property is placed in service.

"(g) REVIEW AND REALLOCATION OF CREDIT AMOUNTS.—

"(1) REVIEW.—Not later than 5 years after the date of enactment of this section, the Secretary shall review the credit amounts allocated under this section as of such date.

"(2) REALLOCATION.—

"(A) IN GENERAL.—The Secretary may reallocate credit amounts allocated under this section if the Secretary determines, as of the date of the review in paragraph (1), that such credit amounts are subject to a noncompliance event.

"(B) ADDITIONAL PROGRAM.—If the Secretary determines that credits under this section are available for reallocation pursuant to the requirements set forth in subparagraph (A), the Secretary is authorized to conduct an additional program for applications for certification.

"(C) DEADLINE FOR REALLOCATION.—The Secretary shall not certify any project, or reallocate any credit amount, pursuant to this paragraph after December 31, 2031.

"(h) DENIAL OF DOUBLE BENEFIT.—No credit or deduction shall be allowed under any other provision of this chapter for any qualified cash contribution for which a credit is allowed under this section.

"(i) RULE FOR TRUSTS AND ESTATES.—For purposes of this section, rules similar to the rules of subsection (d) of section 52 shall apply.

"(j) TERMINATION.—This section shall not apply to qualified cash contributions made after December 31, 2033.".

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38, as amended by the preceding provisions of this Act, is amended by striking "plus" at the end of paragraph (38), by striking the period at the end of paragraph (39) and inserting ", plus", and by adding at the end the following new paragraph:

"(43) the public university research infrastructure credit determined under section 45AA.".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1,

as amended by the preceding provisions of this Act, is amended by adding at the end the following new item:

"Sec. 45AA. Public university research infrastructure credit.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified cash contributions made after December 31, 2021.

SEC. 137702. MODIFICATION OF EXCISE TAX ON INVESTMENT INCOME OF PRIVATE COLLEGES AND UNIVERSITIES.

(a) PHASEOUT OF INVESTMENT INCOME EXCISE TAX FOR PRIVATE COLLEGES AND UNIVERSITIES PROVIDING SUFFICIENT GRANTS AND SCHOLARSHIPS.—Section 4968 is amended by adding at the end the following new subsection:

"(e) PHASEOUT FOR INSTITUTIONS PROVIDING QUALIFIED AID.—

"(1) IN GENERAL.—The amount of tax imposed by subsection (a) (determined without regard to this subsection) shall be reduced (but not below zero) by the amount which bears the same ratio to such amount of tax (as so determined) as—

"(A) the excess (if any) of—

"(i) the aggregate amount of qualified aid awards provided by the institution to its first-time, full-time undergraduate stu-

dents for academic periods beginning during the taxable year, over

"(ii) an amount equal to 20 percent of the aggregate undergraduate tuition and fees received by the institution from first-time, full-time undergraduate students for such academic periods, bears to

"(B) an amount equal to 13 percent of such aggregate undergraduate tuition and fees so received.

"(2) INSTITUTION MUST MEET REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to an applicable educational institution for a taxable year unless such institution furnishes to the Secretary, and makes widely available, a statement detailing the average aggregate amount of Federal student loans received by a student for attendance at the institution, averaged among each of the following groups of first-time, full-time undergraduate students who during the taxable year completed a course of study for which the institution awarded a baccalaureate degree:

"(i) All such students.

"(ii) The students who have been awarded a Federal Pell Grant under subpart 1 of part A of title IV of the Higher Education Act of 1965 for attendance at the institution.

"(iii) The students who received work-study assistance under part C of title IV of such Act for attendance at such institution.

"(iv) The students who were provided such Federal student loans.

"(B) FORM AND MANNER FOR REPORT.—Such statement shall be furnished at such time and in such form and manner, and made widely available, under such regulations or guidance as the Secretary may prescribe.

"(C) FEDERAL STUDENT LOANS.—For purposes of this paragraph, the term 'Federal student loans' means a loan made under part D of title IV of the Higher Education Act of 1965, except such term does not include a Federal Direct PLUS Loan made on behalf of a dependent student.

"(3) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) FIRST-TIME, FULL-TIME UNDERGRADUATE STUDENT.—The term 'first-time, full-time undergraduate student' shall have the same meaning as when used in section 132 of the Higher Education Act of 1965.

"(B) QUALIFIED AID AWARDS.—The term 'qualified aid awards' means, with respect to any applicable educational institution, grants and scholarships to the extent used for undergraduate tuition and fees.

"(C) UNDERGRADUATE TUITION AND FEES.—The term 'undergraduate tuition and fees' means, with respect to any institution, the tuition and fees required for the enrollment or attendance of a student as an undergraduate student at the institution.".

(b) INFLATION ADJUSTMENT TO PER STUDENT ASSET THRESHOLD.—Section 4968(b) is amended by adding at the end the following new paragraph:

"(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2022, the dollar amount in paragraph (1)(D) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2021' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase determined under this paragraph is not a multiple of $1,000, such increase shall be rounded to the nearest multiple of $1,000.".

(c) CLARIFICATION OF 500 STUDENT THRESHOLD.—Section 4968(b)(1)(A) is amended by inserting "below the graduate level" after "500 tuition-paying students".

(d) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137703. TREATMENT OF FEDERAL PELL GRANTS FOR INCOME TAX PURPOSES.

(a) EXCLUSION FROM GROSS INCOME.—Section 117(b)(1) is amended by striking "received by an individual" and all that follows and inserting "received by an individual—

"(A) as a scholarship or fellowship grant to the extent the individual establishes that, in accordance with the conditions of the grant,

such amount was used for qualified tuition and related expenses, or

"(B) as a Federal Pell Grant under section 401 of the Higher Education Act of 1965.".

(b) TREATMENT FOR PURPOSES OF AMERICAN OPPORTUNITY TAX CREDIT AND LIFETIME LEARNING CREDIT.—Section 25A(g)(2) is amended—

(1) in subparagraph (A), by inserting "described in section 117(b)(1)(A)" after "a qualified scholarship", and

(2) in subparagraph (C), by inserting "or Federal Pell Grant under section 401 of the Higher Education Act of 1965" after "within the meaning of section 102(a)".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 137704. REPEAL OF DENIAL OF AMERICAN OPPORTUNITY TAX CREDIT ON BASIS OF FELONY DRUG CONVICTION.

(a) IN GENERAL.—Section 25A(b)(2) is amended by striking subparagraph (D).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

Subtitle I—Responsibly Funding Our Priorities

SEC. 138001. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

PART 1—CORPORATE AND INTERNATIONAL TAX REFORMS

Subpart A—Corporate Tax Rate

SEC. 138101. INCREASE IN CORPORATE TAX RATE.

(a) IN GENERAL.—Section 11(b) is amended to read as follows:

"(b) AMOUNT OF TAX.—

"(1) IN GENERAL.—The amount of the tax imposed by subsection (a) shall be the sum of—

"(A) 18 percent of so much of the taxable income as does not exceed $400,000,

"(B) 21 percent of so much of the taxable income as exceeds $400,000 but does not exceed $5,000,000, and

"(C) 26.5 percent of so much of the taxable income as exceeds $5,000,000.

In the case of a corporation which has taxable income in excess of $10,000,000 for any taxable year, the amount of tax determined under the preceding sentence for such taxable year shall be increased by the lesser of (i) 3 percent of such excess, or (ii) $287,000.

"(2) CERTAIN PERSONAL SERVICE CORPORATION NOT ELIGIBLE FOR GRADUATED RATES.—Notwithstanding paragraph (1), the amount of the tax imposed by subsection (a) on the taxable income of a qualified personal service corporation (as defined in section 448(d)(2)) shall be equal to 26.5 percent of the taxable income.".

(b) PROPORTIONAL ADJUSTMENT OF DEDUCTION FOR DIVIDENDS RECEIVED.—

(1) IN GENERAL.—Section 243(a)(1) is amended by striking "50 percent" and inserting "60 percent".

(2) DIVIDENDS FROM 20-PERCENT OWNED CORPORATIONS.—Section 243(c)(1) is amended—

(A) prior to amendment by subparagraph (B), by striking "65 percent" and inserting "72.5 percent", and

(B) by striking "50 percent" and inserting "60 percent".

(c) CONFORMING AMENDMENT.—Section 1561 is amended—

(1) by amending subsection (a) to read as follows:

"(a) IN GENERAL.—The component members of a controlled group of corporations on a December 31 shall, for their taxable years which include such December 31, be limited for purposes of this subtitle to—

"(1) amounts in each taxable income bracket in the subparagraphs of section 11(b)(1) which do not aggregate more than the maximum amount in each such bracket to which a corporation which is not a component member of a controlled group is entitled, and

"(2) one $250,000 ($150,000 if any component member is a corporation described in section 535(c)(2)(B)) amount for purposes of computing the accumulated earnings credit under section 535(c)(2) and (3).

The amounts specified in paragraph (1) shall be divided equally among the component members of such group on such December 31 unless all of such component members consent (at such time and in such manner as the Secretary shall by regulations prescribe) to an apportionment plan providing for an unequal allocation of such amounts. The

amounts specified in paragraph (2) shall be divided equally among the component members of such group on such December 31 unless the Secretary prescribes regulations permitting an unequal allocation of such amounts. Notwithstanding paragraph (1), in applying the last sentence of section 11(b)(1) to such component members, the taxable income of all such component members shall be taken into account and any increase in tax under such last sentence shall be divided among such component members in the same manner as amounts under paragraph (1).'', and

(2) by striking ''**ACCUMULATED EARNINGS CREDIT**'' in the heading and inserting ''**CERTAIN MULTIPLE TAX BENEFITS**''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(e) NORMALIZATION REQUIREMENTS.—

(1) IN GENERAL.—A normalization method of accounting shall not be treated as being used with respect to any public utility property for purposes of section 167 or 168 of the Internal Revenue Code of 1986 if the taxpayer, in computing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, reduces the tax reserve deficit less rapidly or to a lesser extent

than such reserve would be reduced under the average rate assumption method.

(2) ALTERNATIVE METHOD FOR CERTAIN TAXPAYERS.—If, as of the first day of the taxable year that includes the date of enactment of this Act—

(A) the taxpayer was required by a regulatory agency to compute depreciation for public utility property on the basis of an average life or composite rate method, and

(B) the taxpayer's books and underlying records did not contain the vintage account data necessary to apply the average rate assumption method,

the taxpayer will be treated as using a normalization method of accounting if, with respect to such jurisdiction, the taxpayer uses the alternative method for public utility property that is subject to the regulatory authority of that jurisdiction.

(3) DEFINITIONS.—For purposes of this subsection—

(A) TAX RESERVE DEFICIT.—The term ''tax reserve deficit'' means the excess of—

(i) the amount which would be the balance in the reserve for deferred taxes (as described in section 168(i)(9)(A)(ii) of

the Internal Revenue Code of 1986, or section 167(l)(3)(G)(ii) of such Code as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) if the amount of such reserve were determined by assuming that the corporate rate increases provided in the amendments made by this section were in effect for all prior periods, over

(ii) the balance in such reserve as of the day before such corporate rate increases take effect.

(B) AVERAGE RATE ASSUMPTION METHOD.—The average rate assumption method is the method under which the excess in the reserve for deferred taxes is reduced over the remaining lives of the property as used in its regulated books of account which gave rise to the reserve for deferred taxes. Under such method, if timing differences for the property reverse, the amount of the adjustment to the reserve for the deferred taxes is calculated by multiplying—

(i) the ratio of the aggregate deferred taxes for the property to the aggregate

timing differences for the property as of the beginning of the period in question, by

(ii) the amount of the timing differences which reverse during such period.

(C) ALTERNATIVE METHOD.—The ''alternative method'' is the method in which the taxpayer—

(i) computes the tax reserve deficit on all public utility property included in the plant account on the basis of the weighted average life or composite rate used to compute depreciation for regulatory purposes, and

(ii) reduces the tax reserve deficit ratably over the remaining regulatory life of the property.

(4) TREATMENT OF NORMALIZATION VIOLATION.—If, for any taxable year ending after the date of the enactment of this Act, the taxpayer does not use a normalization method of accounting, such taxpayer shall not be treated as using a normalization method of accounting for purposes of subsections (f)(2) and (i)(9)(C) of section 168 of the Internal Revenue Code of 1986.

(5) REGULATIONS.—The Secretary of the Treasury, or the Secretary's designee, shall issue such regulations or other guidance as may be necessary or appropriate to carry out this subsection, including regulations or other guidance to provide appropriate coordination between this subsection, section 13001(d) of Public Law 115-97, and section 203(e) of the Tax Reform Act of 1986.

Subpart B—Limitations on Deduction for Interest Expense

SEC. 138111. LIMITATIONS ON DEDUCTION FOR INTEREST EXPENSE.

(a) INTEREST EXPENSE OF CERTAIN MEMBERS OF INTERNATIONAL FINANCIAL REPORTING GROUPS.—Section 163 is amended by redesignating subsection (n) as subsection (p) and by inserting after subsection (m) the following new subsection:

"(n) LIMITATION ON DEDUCTION OF INTEREST BY CERTAIN MEMBERS OF INTERNATIONAL FINANCIAL REPORTING GROUPS.—

"(1) IN GENERAL.—In the case of any specified domestic corporation which is a member of any international financial reporting group, the deduction under this chapter for interest paid or accrued during the taxable year in excess of the amount of

interest includible in the gross income of such corporation shall not exceed the allowable percentage of 110 percent of such excess.

"(2) SPECIFIED DOMESTIC CORPORATION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'specified domestic corporation' means any domestic corporation other than—

"(i) any corporation if the excess of—

"(I) the average amount of interest paid or accrued by such corporation during the 3-taxable-year period ending with the taxable year to which paragraph (1) applies, over

"(II) the average amount of interest includible in the gross income of such corporation for such 3-taxable-year period,

does not exceed $12,000,000,

"(ii) any corporation to which paragraph (1) of section 163(j) does not apply by reason of paragraph (3) thereof (relating to exemption for certain small businesses), and

"(iii) any S corporation, real estate investment trust, or regulated investment company.

"(B) AGGREGATION RULE.—For purposes of subparagraph (A)(i), all domestic corporations which are members of the same international financial reporting group shall be treated as a single corporation.

"(3) INTERNATIONAL FINANCIAL REPORTING GROUP.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'international financial reporting group' means, with respect to any reporting year, two or more entities if—

"(i) either—

"(I) at least one entity is a foreign corporation engaged in a trade or business within the United States, or

"(II) at least one entity is a domestic corporation and another entity is a foreign corporation, and

"(ii) such entities are included in the same applicable financial statement with respect to such year.

"(B) ADDITIONAL MEMBERS.—

"(i) IN GENERAL.—To the extent provided by the Secretary in regulations or other guidance, the specified domestic corporation referred to in paragraph (1) may elect (at such time and in such manner as the Secretary may provide) for purposes of this subsection to treat any eligible corporation as a member of the international financial reporting group of which such specified domestic corporation is a member if such eligible corporation maintains (and such specified domestic corporation has access to) such books and records as the Secretary determines are satisfactory to allow for the application of this subsection with respect to such eligible corporation. Any election under this clause shall apply only with respect to the specified domestic corporation which makes such election.

"(ii) ELIGIBLE CORPORATION.—The term 'eligible corporation' means, with respect to any international financial reporting group, any corporation if at least 20 percent of the stock of such corporation (determined by vote and value) is held (di-

rectly or indirectly) by members of such international financial reporting group (determined without regard to this clause).

"(4) ALLOWABLE PERCENTAGE.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'allowable percentage' means, with respect to any specified domestic corporation for any taxable year, the ratio (expressed as a percentage and not greater than 100 percent) of—

"(i) such corporation's allocable share of the international financial reporting group's reported net interest expense for the reporting year of such group which ends in or with such taxable year of such corporation, over

"(ii) such corporation's reported net interest expense for such reporting year of such group.

"(B) REPORTED NET INTEREST EXPENSE.—The term 'reported net interest expense' means—

"(i) with respect to any international financial reporting group for any reporting year, the excess of—

"(I) the aggregate amount of interest expense reported in such group's applicable financial statements for such taxable year, over

"(II) the aggregate amount of interest income reported in such group's applicable financial statements for such taxable year, and

"(ii) with respect to any specified domestic corporation for any reporting year, the excess of—

"(I) the amount of interest expense of such corporation reported in the books and records of the international financial reporting group which are used in preparing such group's applicable financial statements for such taxable year, over

"(II) the amount of interest income of such corporation reported in such books and records.

"(C) ALLOCABLE SHARE OF REPORTED NET INTEREST EXPENSE.—With respect to any specified domestic corporation which is a member of any international financial reporting

group, such corporation's allocable share of such group's reported net interest expense for any reporting year is the portion of such expense which bears the same ratio to such expense as—

"(i) the EBITDA of such corporation for such reporting year, bears to

"(ii) the EBITDA of such group for such reporting year.

"(D) EBITDA.—

"(i) IN GENERAL.—The term 'EBITDA' means, with respect to any reporting year, earnings before interest income and interest expense, taxes, depreciation, depletion, and amortization—

"(I) as determined in the international financial reporting group's applicable financial statements for such year, or

"(II) for purposes of subparagraph (A)(i), as determined in the books and records of the international financial reporting group which are used in preparing such statements if not determined in such statements.

"(ii) TREATMENT OF INTRA-GROUP DISTRIBUTIONS.—The EBITDA of any specified domestic corporation shall be determined without regard to any distribution received by such corporation from any other member of the international financial reporting group.

"(E) SPECIAL RULES FOR NON-POSITIVE EBITDA.—

"(i) NON-POSITIVE GROUP EBITDA.—In the case of any international financial reporting group the EBITDA of which is zero or less, paragraph (1) shall not apply to any specified domestic corporation which is a member of such group.

"(ii) NON-POSITIVE ENTITY EBITDA.—In the case of any specified domestic corporation the EBITDA of which is zero or less, the allowable percentage shall be 0 percent.

"(5) APPLICABLE FINANCIAL STATEMENT.—For purposes of this subsection, the term 'applicable financial statement' has the meaning given such term in section 451(b)(3).

"(6) REPORTING YEAR.—For purposes of this subsection, the term 'reporting year' means any year for which an applicable financial statement is prepared or required to be prepared.

"(7) FOREIGN CORPORATIONS ENGAGED IN TRADE OR BUSINESS WITHIN THE UNITED STATES.—For purposes of this subsection, any foreign corporation engaged in a trade or business within the United States shall be treated as a domestic corporation with respect to any earnings, interest income and interest expense, or other amount, which is effectively connected with the conduct of a trade or business in the United States.

"(8) REGULATIONS.—The Secretary may issue such regulations or other guidance as are necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which—

"(A) allows or requires the adjustment of amounts reported on applicable financial statements,

"(B) allows or requires any corporation to be included or excluded as a member of any international financial reporting group for pur-

poses of any determination or calculation under this subsection,

"(C) provides rules for the application of this subsection with respect to—

"(i) a domestic corporation that is a partner (directly or indirectly) in a partnership, and

"(ii) foreign corporation to which this subsection applies by reason of paragraph (7).".

(b) MODIFICATION OF APPLICATION OF LIMITATION ON BUSINESS INTEREST TO PARTNERSHIPS AND S CORPORATIONS.—Section 163(j)(4) is amended to read as follows:

"(4) APPLICATION TO PARTNERSHIPS AND S CORPORATIONS.—In the case of any partnership or S corporation, this subsection shall be applied at the partner or shareholder level, respectively.".

(c) CARRYFORWARD OF DISALLOWED INTEREST.—

(1) IN GENERAL.—Section 163 is amended by inserting after subsection (n), as added by subsection (a), the following new subsection:

"(o) CARRYFORWARD OF CERTAIN DISALLOWED INTEREST.—

"(1) IN GENERAL.—The amount of any interest not allowed as a deduction for any taxable year by reason of subsection (j)(1) or (n)(1) (whichever imposes the lower limitation with respect to such taxable year) shall be treated as interest (and as business interest for purposes of subsection (j)(1)) paid or accrued in the succeeding taxable year.

"(2) LIMITATION ON CARRYFORWARD.—Interest paid or accrued in a taxable year beginning after December 31, 2021 (determined without regard to paragraph (1)), shall not be carried forward under paragraph (1) past the fifth taxable year following the taxable year in which such interest was so paid or accrued. For purposes of the preceding sentence, interest shall be treated as allowed as a deduction on a first-in, first-out basis.".

(2) CONFORMING AMENDMENTS.—

(A) Section 163(j)(2) is amended to read as follows:

"(2) CARRYFORWARD CROSS-REFERENCE.—For carryforward treatment, see subsection (o).".

(B) Section 381(c)(20) is amended to read as follows:

"(20) CARRYFORWARD OF DISALLOWED INTEREST.—The carryover of disallowed interest described

in section 163(o) to taxable years ending after the date of distribution or transfer.''.

(C) Section 382(d)(3) is amended to read as follows:

''(3) APPLICATION TO CARRYFORWARD OF DISALLOWED INTEREST.—The term 'pre-change loss' shall include any carryover of disallowed interest described in section 163(o) under rules similar to the rules of paragraph (1).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(e) TRANSITION RULE.—In the case of a partner's first succeeding taxable year described in subclause (II) of section 163(j)(4)(B)(ii) of the Internal Revenue Code of 1986 (as in effect before the amendment made by subsection (b)) which begins after December 31, 2021, the amount of excess business interest which would (but for such amendment) be carried to such taxable year under such subclause shall be treated as interest (and as business interest for purposes of section 163(j) of such Code, as amended by this section) paid or accrued in such taxable year. For carryover of any such interest disallowed for such taxable year, see section 163(o) of such Code, as amended by this section.

Subpart C—Outbound International Provisions

SEC. 138121. MODIFICATIONS TO DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE INCOME AND GLOBAL INTANGIBLE LOW-TAXED INCOME.

(a) IN GENERAL.—Section 250(a) is amended to read as follows:

''(a) IN GENERAL.—In the case of a domestic corporation for any taxable year, there shall be allowed as a deduction an amount equal to the sum of—

''(1) 21.875 percent of the foreign-derived intangible income of such domestic corporation for such taxable year, plus

''(2) 37.5 percent of—

''(A) the global intangible low-taxed income (if any) which is included in the gross income of such domestic corporation under section 951A for such taxable year, and

''(B) the amount treated as a dividend received by such corporation under section 78 which is attributable to the amount described in subparagraph (A).''.

(b) DEDUCTION TAKEN INTO ACCOUNT IN DETERMINING NET OPERATING LOSS DEDUCTION.—Section 172(d) is amended by striking paragraph (9).

(c) CERTAIN OTHER MODIFICATIONS.—

(1) Section 250(b)(3) is amended—

(A) in subparagraph (A)(i)—

(i) by striking ''and'' at the end of subclause (V),

(ii) by striking ''over'' at the end of subclause (VI), and

(iii) by adding at the end the following new subclauses:

''(VII) any income received or accrued which is of a kind which would be foreign personal holding company income (as defined in section 954(c)),

''(VIII) any amount included in the gross income of such corporation under section 1293, and

''(IX) any disqualified extraterritorial income, over'', and

(B) by adding at the end the following new subparagraph:

''(C) DISQUALIFIED EXTRATERRITORIAL INCOME.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i)(IX), the term 'disqualified extraterritorial income' means any amount included in the gross income of the corporation with respect to any

transaction for any taxable year if any amount could (determined after application of clause (ii) but without regard to any election under section 942(a)(3) as in effect before its repeal) be excluded from the gross income of the corporation with respect to such transaction for such taxable year by reason of section 114 pursuant to the application of subsection (d) or (f) of section 101 of the American Jobs Creation Act of 2004.

"(ii) ELECTION OUT OF EXTRATERRITORIAL INCOME BENEFITS.—

"(I) IN GENERAL.—Except as provided in subclause (II), the corporation referred to in clause (i) may make an irrevocable election (at such time and in such form and manner as the Secretary may provide) to have subsections (d) and (f) of section 101 of the American Jobs Creation Act of 2004 not apply with respect to such corporation for the taxable year for which such election is made and all succeeding taxable years (applicable

with respect to all transactions, including transactions occurring before such taxable year).

"(II) EXPANDED AFFILIATED GROUPS.—In the case of any corporation which is a member of an expanded affiliated group, the election described in subclause (I) may be made only by the common parent of such group and shall apply with respect to all members of such group. For purposes of the preceding sentence, the term 'expanded affiliated group' means an affiliated group as defined in section 1504(a), determined without regard to section 1504(b)(3) and by substituting 'more than 50 percent' for 'at least 80 percent' each place it appears.".

(2) Section 613A(d)(1) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by inserting after subparagraph (E) the following new subparagraph:

"(F) any deduction allowable under section 250.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(2) CERTAIN OTHER MODIFICATIONS.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2017.

(e) TRANSITIONAL RULE FOR ACCELERATED PERCENTAGE REDUCTION.—

(1) IN GENERAL.—In the case of any taxable year which includes December 31, 2021 (other than a taxable year with respect to which such date is the last day of such taxable year)—

(A) the percentage in effect under section 250(a)(1)(A) of the Internal Revenue Code of 1986 shall be treated as being equal to the sum of—

(i) the pre-effective date percentage of 37.5 percent, plus

(ii) the post-effective date percentage of 21.875 percent, and

(B) the percentage in effect under section 250(a)(1)(B) of such Code shall be treated as being equal to the sum of—

(i) the pre-effective date percentage of 50 percent, plus

(ii) the post-effective date percentage of 37.5 percent.

(2) PRE- AND POST-EFFECTIVE DATE PERCENTAGES.—For purposes of this subsection, with respect to any taxable year—

(A) the term ''pre-effective date percentage'' means the ratio that the portion of such taxable year which precedes January 1, 2022, bears to the entire taxable year, and

(B) the term ''post-effective date percentage'' means the ratio that the remainder of such taxable year bears to the entire taxable year.

SEC. 138122. REPEAL OF ELECTION FOR 1-MONTH DEFERRAL IN DETERMINATION OF TAXABLE YEAR OF SPECIFIED FOREIGN CORPORATIONS.

(a) IN GENERAL.—Section 898(c) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of specified foreign corporations beginning after November 30, 2021.

(c) TRANSITION RULE.—A taxpayer's first taxable year beginning after November 30, 2021, shall end at the same time as the first required year (within the meaning of section 898(c)(1) of the Internal Revenue Code of 1986) ending after such date.

SEC. 138123. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO CERTAIN TAXPAYERS RECEIVING SPECIFIC ECONOMIC BENEFITS.

(a) IN GENERAL.—Section 901 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

"(B) to the extent such amount exceeds the amount which would be paid or accrued by such dual capacity taxpayer under the generally applicable income tax imposed by such country or possession if such taxpayer were not a dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

"(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

"(A) is subject to a levy of such country or possession, and

"(B) receives (or will receive) directly or indirectly a specific economic benefit from such country or possession.

"(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection, the term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession of the United States on residents of such foreign coun-

try or possession that are not dual capacity taxpayers.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 138124. MODIFICATIONS TO FOREIGN TAX CREDIT LIMITATIONS.

(a) COUNTRY-BY-COUNTRY APPLICATION OF LIMITATION ON FOREIGN TAX CREDIT BASED ON TAXABLE UNITS.—

(1) IN GENERAL.—Section 904 is amended by inserting after subsection (d) the following new subsection:

''(e) COUNTRY-BY-COUNTRY APPLICATION BASED ON TAXABLE UNITS.—

''(1) IN GENERAL.—The provisions of subsections (a), (b), (c), and (d) and sections 907 and 960 shall be applied separately with respect to each country by taking into account the aggregate income properly attributable or otherwise allocable to a taxable unit of the taxpayer which is a tax resident of such country.

''(2) TAXABLE UNITS.—

"(A) IN GENERAL.—Except as otherwise provided by the Secretary, each item shall be attributable or otherwise allocable to exactly one taxable unit of the taxpayer.

"(B) DETERMINATION OF TAXABLE UNITS.—Except as otherwise provided by the Secretary, the taxable units of a taxpayer are as follows:

"(i) GENERAL TAXABLE UNIT.—The person that is the taxpayer and that is not otherwise described in a separate clause of this subparagraph.

"(ii) CONTROLLED FOREIGN CORPORATIONS.—Each controlled foreign corporation with respect to which the taxpayer is a United States shareholder.

"(iii) INTERESTS IN PASS-THROUGH ENTITIES.—Each interest held (directly or indirectly) by the taxpayer or any controlled foreign corporation referred to in clause (ii) in a pass-through entity if such pass-through entity is a tax resident of a country other than the country with respect to which such taxpayer or controlled

foreign corporation (as the case may be) is a tax resident.

"(iv) BRANCHES.—Each branch (or portion thereof) the activities of which are directly or indirectly carried on by the taxpayer or any controlled foreign corporation referred to in clause (ii) and which give rise to a taxable presence in a country other than the country in which the taxpayer or any such controlled foreign corporation (as the case may be) is a tax resident.

"(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) TAX RESIDENT.—Except as otherwise provided by the Secretary, the term 'tax resident' means a person or arrangement subject to tax under the tax law of a country as a resident, or a person or arrangement that gives rise to a taxable presence by reason of its activities in such country. If an entity is organized under the law of a country, or resident in a country, that does not impose an income tax with respect to such entity, such entity shall, except as provided by the Secretary, be treated as subject

to tax under the tax law of such country for the purposes of the preceding sentence.

"(B) PASS-THROUGH ENTITY.—Except as otherwise provided by the Secretary, the term 'pass-through entity' includes any partnership or other entity or arrangement to the extent that income, gain, deduction, or loss of the entity is taken into account in determining the income or loss of a person that owns (directly or indirectly) an interest in such entity.

"(C) BRANCH.—Except as otherwise provided by the Secretary, the term 'branch' means a taxable presence of a tax resident in a country other than its country of residence as determined under such other country's tax law. The Secretary shall provide regulations or other guidance applying such term to activities in a country that does not subject income to tax on the basis of residence or taxable presence.

"(D) TREATMENT OF FISCALLY AUTONOMOUS JURISDICTIONS.—Any fiscally autonomous jurisdiction shall be treated as a separate country. Any possession of the United States shall also be treated as separate country. For purposes of the preceding sentence, the term

'possession of the United States' means each of American Samoa, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

''(4) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out, or prevent avoidance of, the purposes of this subsection, including regulations or other guidance—

''(A) providing for the application of this subsection to entities, arrangements, and branches that are otherwise considered a resident of more than one country or no country,

''(B) providing for the application of this subsection to hybrid entities or hybrid transactions (as such terms are used for purposes of section 267A), pass-through entities, passive foreign investment companies, trusts, and other entities or arrangements not otherwise described in this subsection, and

''(C) providing for the assignment of any item (including foreign taxes and deductions) to taxable units, including in the case of amounts not otherwise taken into account in determining taxable income under this chapter.''.

(2) APPLICATION OF RECAPTURE OF OVERALL FOREIGN LOSS.—Section 904(f)(5)(E)(i) is amended by inserting ''applied separately with respect to each country (within the meaning of subsection (e)) as provided in subsection (e)'' before the period at the end.

(3) APPLICATION OF SEPARATE LIMITATION LOSSES WITH RESPECT TO GLOBAL INTANGIBLE LOW-TAXED INCOME.—Section 904(f)(5) is amended by adding at the end the following new subparagraph:

''(G) SPECIAL RULE WITH RESPECT TO GLOBAL INTANGIBLE LOW-TAXED INCOME.—The amount of the separate limitation losses for any taxable year shall reduce income described in subparagraph (d)(1)(A) for such taxable year only to the extent the aggregate amount of such losses exceeds the aggregate amount of the separate limitation incomes for such taxable year. For purposes of this subparagraph, separate limitation income shall exclude income described in subparagraph (d)(1)(A) for the taxable year.''.

(b) REPEAL OF SEPARATE APPLICATION TO FOREIGN BRANCH INCOME.—

(1) IN GENERAL.—Section 904(d)(1) is amended by striking subparagraph (B) and redesignating subparagraphs (C) and (D) as subparagraph (B) and (C).

(2) COORDINATION WITH DEDUCTION FOR FOREIGN-DERIVED INTANGIBLE INCOME.—Section 205(b)(3)(A) is amended—

(A) by striking subclause (VI) of clause (i) and inserting the following new subclause:

"(VI) the income of a United States person which is attributable to 1 or more branches (which would be referred to in clause (iv) of section 904(e)(2)(B) if such clause were applied without regard to any reference to a controlled foreign corporation) or pass-through entities (which would be referred to in clause (iii) of section 904(e)(2)(B) if such clause were applied without regard to any reference to a controlled foreign corporation) in 1 or more foreign countries, over", and

(B) by adding at the end the following flush sentence:

"For purposes of clause (i)(VI), the amount of income attributable to a branch or pass-through entity shall be determined under rules established by the Secretary.".

(3) CONFORMING AMENDMENTS.—

(A) Section 904(d)(2)(A)(ii) is amended by striking ", foreign branch income,".

(B) Section 904(d)(2) is amended by striking subparagraph (J).

(c) MODIFICATION OF FOREIGN TAX CREDIT CARRYBACK AND CARRYFORWARD.—

(1) CARRYOVER LIMITED TO 5 TAXABLE YEARS.—

(A) IN GENERAL.—Section 904(c) is amended by striking "10 succeeding taxable years" and inserting "5 succeeding taxable years".

(B) CONFORMING AMENDMENT.—Section 6511(d)(3)(A) is amended by striking "10 years" and inserting "5 years".

(2) REPEAL OF CARRYBACK.—Section 904(c) is amended—

(A) by striking "in the first preceding taxable year, and",

(B) by striking ''preceding or'' each place it appears, and

(C) by striking ''CARRYBACK AND'' in the heading thereof.

(3) CARRYOVER APPLICABLE TO TAX ON GLOBAL INTANGIBLE LOW-TAXED INCOME.—Section 904(c) is amended by striking the last sentence.

(4) APPLICATION TO LIMITATION ON FOREIGN OIL AND GAS TAXES.—Section 907(f)(1) is amended—

(A) by striking ''in the first preceding taxable year and'', and

(B) by striking ''first 10'' and inserting ''first 5''.

(d) TREATMENT OF CERTAIN TAX-EXEMPT DIVIDENDS.—

(1) CERTAIN TAX-EXEMPT DIVIDENDS TAKEN INTO ACCOUNT IN APPLYING LIMITATIONS ON FOREIGN TAX CREDITS.—Section 904(b) is amended by striking paragraph (4).

(2) CERTAIN TAX-EXEMPT DIVIDENDS NOT TAKEN INTO ACCOUNT IN ALLOCATING INTEREST EXPENSE.—Section 864(e)(3) is amended by striking ''or 245(a)'' and inserting '', 245(a), or 245A''.

(e) RULES FOR ALLOCATION OF CERTAIN DEDUCTIONS TO FOREIGN SOURCE GLOBAL INTANGIBLE LOW-TAXED INCOME FOR PURPOSES OF FOREIGN TAX CREDIT LIMITATION.—Section 904(b), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(4) DEDUCTIONS TREATED AS ALLOCABLE TO FOREIGN SOURCE GLOBAL INTANGIBLE LOW-TAXED INCOME.—In the case of a domestic corporation and solely for purposes of the application of subsection (a) with respect to amounts described in subsection (d)(1)(A), the taxpayer's taxable income from sources without the United States shall be determined by—

"(A) allocating any deduction allowed under section 250 to such income, and

"(B) by treating any expense of such domestic corporation as not allocable to such income.".

(f) TREATMENT OF CERTAIN ASSET DISPOSITIONS.—Section 904(b), as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(5) TREATMENT OF CERTAIN ASSET DISPOSITIONS.—

"(A) IN GENERAL.—Except as otherwise provided by the Secretary, in the case of any covered asset disposition, the principles of section 338(h)(16) shall apply in determining the source and character of any item for purposes of this part.

"(B) COVERED ASSET DISPOSITION.—For purposes of this paragraph, the term 'covered asset disposition' means any transaction which—

"(i) is treated as a disposition of assets for purposes of subchapter N of this chapter, and

"(ii) is treated as a disposition of stock of a corporation (or is disregarded) for purposes of the tax laws of the relevant foreign country or possession of the United States.

"(C) REGULATIONS.—The Secretary shall issue such regulations or other guidance as is necessary or appropriate to carry out, or to the prevent the avoidance of, the purposes of this paragraph.".

(g) REDETERMINATION OF FOREIGN TAXES AND RELATED CLAIMS.—

(1) IN GENERAL.—Section 905(c)(1) is amended by striking ''or'' at the end of subparagraph (B) and by inserting after subparagraph (C) the following new subparagraphs:

''(D) the taxpayer makes a timely change in its choice to claim a credit or deduction for taxes paid or accrued, or

''(E) there is any other change in the amount, or treatment, of taxes, which affects the taxpayer's tax liability under this chapter.''.

(2) MODIFICATION TO TIME FOR CLAIMING CREDIT OR DEDUCTION.—Section 901(a) is amended by striking the second sentence and inserting the following: ''The choice to claim a credit for such amounts may be made at any time before the expiration of the period prescribed by section 6511(d)(3)(A), and the choice to claim a deduction in lieu of a credit may be made at any time before the expiration of the period prescribed by section 6511(a), for making a claim for refund or credit of the tax imposed by this chapter for such taxable year, or such later period prescribed by section 6511(c) if the period is extended by agreement.''.

(3) MODIFICATION TO SPECIAL PERIOD OF LIMITATION.—Section 6511(d)(3)(A) is amended—

(A) by inserting ''change in the liability for'' before ''any taxes paid or accrued'',

(B) by striking ''actually paid'' and inserting ''paid (or deemed paid under section 960)'', and

(C) by inserting ''CHANGE IN THE LIABILITY FOR'' before ''FOREIGN TAXES'' in the heading thereof.

(h) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(2) MODIFICATION OF FOREIGN TAX CREDIT CARRYBACK AND CARRYFORWARD.—Except as otherwise provided in paragraph (3), the amendments made by subsection (c) shall apply to taxes paid or accrued in taxable years beginning after December 31, 2021.

(3) CERTAIN MODIFICATIONS.—The amendment made by subsection (c)(4)(B) shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

(4) REDETERMINATION OF FOREIGN TAXES AND RELATED CLAIMS.—The amendments made by subsection (g) shall take effect on the date which is 60 days after the date of the enactment of this Act.

(i) REGULATIONS.—The Secretary shall prescribe rules providing for the application of subsection (e) of section 904 of the Internal Revenue Code of 1986, as added by this section, to any amounts carried over under subsection (c) of such section from a taxable year with respect to which such subsection (e) did not apply to a taxable year with respect to which such subsection (e) does apply.

SEC. 138125. FOREIGN OIL AND GAS EXTRACTION INCOME AND FOREIGN OIL RELATED INCOME TO INCLUDE OIL SHALE AND TAR SANDS.

(a) IN GENERAL.—Paragraphs (1)(A) and (2)(A) of section 907(c) are each amended by inserting ''(or oil shale or tar sands)'' after ''oil or gas wells''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 138126. MODIFICATIONS TO INCLUSION OF GLOBAL INTANGIBLE LOW-TAXED INCOME.

(a) COUNTRY-BY-COUNTRY APPLICATION OF SECTION BASED ON CFC TAXABLE UNITS.—Section 951A is amended by adding at the end the following new subsection:

''(g) COUNTRY-BY-COUNTRY APPLICATION OF SECTION BASED ON CFC TAXABLE UNITS.—

''(1) IN GENERAL.—If any CFC taxable unit of a United States shareholder is a tax resident of a country which is different from the country with respect to which any other CFC taxable unit of such United States shareholder is a tax resident—

''(A) such shareholder's global intangible low-taxed income for purposes of subsection (a) shall be the sum of the amounts of global intangible low-taxed income determined separately with respect to each country with respect to which any CFC taxable unit of such shareholder is a tax resident, and

''(B) for purposes of determining such separate amounts of global intangible low-taxed income—

''(i) any reference in subsection (b), (c), or (d) to a controlled foreign corporation of such shareholder shall be treated as

reference to a CFC taxable unit of such shareholder, and

"(ii) net CFC tested income, net deemed tangible income return, qualified business asset investment, interest expense described in subsection (b)(2)(B), and such other items and amounts as the Secretary may provide, shall be determined separately with respect to each such country by determining such amounts with respect to each CFC taxable unit of such shareholder which is a tax resident of such country.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) CFC TAXABLE UNIT.—The term 'CFC taxable unit' means any taxable unit described clause (ii), (iii), or (iv) of section 904(e)(2)(B) (determined without regard to the references to the taxpayer in clauses (iii) and (iv) of such section).

"(B) APPLICATION OF OTHER DEFINITIONS.—Terms used in this subsection which are also used in section 904(e) shall have the same meaning as when used in such section.

"(3) SPECIAL RULES.—For purposes of this subsection—

"(A) APPLICATION OF CERTAIN RULES.—Except as otherwise provided by the Secretary, rules similar to the rules of section 904(e) shall apply.

"(B) ALLOCATION OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED FOREIGN CORPORATIONS.—Except as otherwise provided by the Secretary, subsection (f)(2) shall be applied separately with respect to each CFC taxable unit.".

(b) REGULATORY AUTHORITY.—

(1) IN GENERAL.—Section 951A, as amended by subsection (a), is amended by adding at the end the following new subsection:

"(h) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out, or prevent the avoidance of, the purposes of this section, including regulations or guidance which provide for—

"(1) the treatment of property if such property is transferred, or held, temporarily,

"(2) the treatment of property if the avoidance of the purposes of this section is a factor in the transfer or holding of such property, and

"(3) appropriate adjustments to the basis of stock and other ownership interests, and to earnings and profits, to reflect tested losses.".

(2) CONFORMING AMENDMENT.—Section 951A(d) is amended by striking paragraph (4).

(3) ADDITIONAL REGULATORY AUTHORITY.—Section 951A(h), as added by paragraph (1), is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting a comma, and by adding at the end the following new paragraphs:

"(4) rules similar to the rules provided under the regulations or guidance issued under section 904(e)(5),

"(5) appropriate basis adjustments, and

"(6) appropriate adjustment to made, and appropriate tax attributes and records to be maintained, separately with respect to CFC taxable units.".

(c) CARRYOVER OF NET CFC TESTED LOSS.—

(1) IN GENERAL.—Section 951A(c) is amended by adding at the end the following new paragraph:

"(3) CARRYOVER OF NET CFC TESTED LOSS.—

"(A) IN GENERAL.—If the amount described in paragraph (1)(B) with respect to any United States shareholder for any taxable year of such United States shareholder (determined after the application of this paragraph) exceeds the amount described in paragraph (1)(A) with respect to such shareholder of such taxable year, the amount otherwise described in paragraph (1)(B) with respect to such shareholder for the succeeding taxable year shall be increased by the amount of such excess.

"(B) PROPER ADJUSTMENT IN ALLOCATIONS OF GLOBAL INTANGIBLE LOW-TAXED INCOME TO CONTROLLED FOREIGN CORPORATIONS.—Proper adjustments shall be made in the application of subsection (f)(2)(B) to take into account any decrease in global intangible low-taxed income by reason of the application of subparagraph (A).".

(2) COORDINATION WITH COUNTRY-BY-COUNTRY APPLICATION.—Section 951A(g)(1)(B)(ii), as added by subsection (a), is amended by inserting "any increase determined under subsection

(c)(3)(A),'' after ''interest expense described in subsection (b)(2)(B),''.

(3) APPLICATION OF RULES WITH RESPECT TO OWNERSHIP CHANGES.—Section 382(d) is amended by adding at the end the following new paragraph:

''(4) APPLICATION TO CARRYOVER OF NET CFC TESTED LOSS.—The term 'pre-change loss' shall include any excess carried over under section 951A(c)(3) under rules similar to the rules of paragraph (1).''.

(d) REDUCTION IN NET DEEMED TANGIBLE INCOME RETURN FOR PURPOSES OF DETERMINING GLOBAL INTANGIBLE LOW-TAXED INCOME.—

(1) IN GENERAL.—Section 951A(b)(2)(A) is amended by striking ''10 percent'' and inserting ''5 percent''.

(2) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—Section 951A(b) is amended by adding at the end the following new paragraph:

''(3) APPLICATION TO ASSETS LOCATED IN POSSESSIONS OF THE UNITED STATES.—In the case of any specified tangible property located in a possession of the United States, paragraph (2)(A) and

subsection (d) shall be applied by substituting '10 percent' for '5 percent' in paragraph (2)(A).''.

(e) INCLUSION OF FOREIGN OIL AND GAS EXTRACTION INCOME IN DETERMINING TESTED INCOME AND LOSS.—Section 951A(c)(2)(A) is amended by inserting ''and'' at the end of subclause (III), by striking ''and'' at the end of subclause (IV) and inserting ''over'', and by striking subclause (V).

(f) COORDINATION WITH OTHER PROVISIONS.—Section 951A(f)(1) is amended by adding at the end the following new subparagraph:

''(C) TREATMENT OF CERTAIN REFERENCES.—Except as otherwise provided by the Secretary, references to section 951 or section 951(a) in sections 959, 961, 962 and such other sections as the Secretary may identify shall include references to section 951A or section 951A(a), respectively.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders

in which or with which such taxable years of foreign corporations end.

(2) CERTAIN RELATED MODIFICATIONS.—The amendments made by subsections (b)(1), (b)(2), and (f) shall apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 138127. MODIFICATIONS TO DETERMINATION OF DEEMED PAID CREDIT FOR TAXES PROPERLY ATTRIBUTABLE TO TESTED INCOME.

(a) INCREASE IN DEEMED PAID CREDIT.—Section 960(d)(1) is amended by striking ''80 percent'' and inserting ''95 percent (100 percent in the case of tested foreign income taxes paid or accrued to a possession of the United States)''.

(b) INCLUSION OF TAXES PROPERLY ATTRIBUTABLE TO TESTED LOSS.—Section 960(d)(3) is amended to read as follows:

''(3) TESTED FOREIGN INCOME TAXES.—For purposes of paragraph (1), the term 'tested foreign income taxes' means, with respect to any domestic corporation which is a United States shareholder of a controlled foreign corporation, such shareholder's

pro rata share (as determined under section 951A(e)(1)) of—

"(A) the foreign income taxes (within the meaning of section 904(d)(2)(F)) which are properly attributable to amounts taken into account in determining tested income or tested loss under section 951A(b)(2), and

"(B) solely to the extent provided in regulations prescribed by the Secretary, the foreign income taxes (as so defined) paid or accrued by a foreign corporation (other than such controlled foreign corporation) which owns, directly or indirectly, 80 percent or more (by vote or value) of the stock in such domestic corporation but only if—

"(i) such foreign income taxes are properly attributable to amounts of such controlled foreign corporation taken into account in determining tested income or tested loss under section 951A(b)(2), and

"(ii) no credit is allowed, in whole or in part, for such foreign taxes in any foreign jurisdiction.".

(c) APPLICATION OF FOREIGN TAX CREDIT LIMITATION TO AMOUNTS INCLUDED UNDER SECTION 78.—

(1) Section 904(d)(2) is amended by redesignating subparagraph (K) as subparagraph (L) and by inserting after subparagraph (J) the following new subparagraph:

"(K) AMOUNTS INCLUDIBLE UNDER SECTION 78.—Any amount includible in gross income under section 78 shall be treated as income in the same separate category as the related foreign taxes deemed paid.".

(2) Section 904(d)(3)(G) is amended by striking the second sentence and inserting the following: "Any amount included in gross income under section 78 shall not be treated as a dividend.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

(2) APPLICATION OF FOREIGN TAX CREDIT LIMITATION TO AMOUNTS INCLUDED UNDER SECTION 78.—The amendments made by subsection (c)

shall apply to taxable years beginning after December 31, 2017.

SEC. 138128. DEDUCTION FOR FOREIGN SOURCE PORTION OF DIVIDENDS LIMITED TO CONTROLLED FOREIGN CORPORATIONS, ETC.

(a) IN GENERAL.—Section 245A is amended—

(1) in subsections (a), (c)(1), and (c)(2), by striking ''specified 10-percent owned foreign corporation'' each place it appears and inserting ''controlled foreign corporation'', and

(2) by striking subsection (b).

(b) MODIFICATIONS RELATED TO DETERMINATION OF STATUS AS A CONTROLLED FOREIGN CORPORATION.—

(1) Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951A the following new section:

''SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF FOREIGN CONTROLLED UNITED STATES SHAREHOLDERS.

''(a) IN GENERAL.—In the case of any foreign controlled United States shareholder of a foreign controlled foreign corporation—

''(1) this subpart (other than sections 951A, 951(b), 957, and 965) shall be applied with respect

to such shareholder (separately from, and in addition to, the application of this subpart without regard to this section)—

"(A) by substituting 'foreign controlled United States shareholder' for 'United States shareholder' each place it appears therein, and

"(B) by substituting 'foreign controlled foreign corporation' for 'controlled foreign corporation' each place it appears therein, and

"(2) sections 951A and 965 shall be applied with respect to such shareholder —

"(A) by treating each reference to 'United States shareholder' in such sections as including a reference to such shareholder, and

"(B) by treating each reference to 'controlled foreign corporation' in such sections as including a reference to such foreign controlled foreign corporation.

"(b) FOREIGN CONTROLLED UNITED STATES SHAREHOLDER.—For purposes of this section, the term 'foreign controlled United States shareholder' means, with respect to any foreign corporation, any United States person which would be a United States shareholder with respect to such foreign corporation if—

"(1) section 951(b) were applied by substituting 'more than 50 percent' for '10 percent or more', and

"(2) section 958(b) were applied without regard to paragraph (4) thereof.

"(c) FOREIGN CONTROLLED FOREIGN CORPORATION.—For purposes of this section, the term 'foreign controlled foreign corporation' means a foreign corporation, other than a controlled foreign corporation, which would be a controlled foreign corporation if section 957(a) were applied—

"(1) by substituting 'foreign controlled United States shareholders' for 'United States shareholders', and

"(2) by substituting 'section 958(b) (other than paragraph (4) thereof)' for 'section 958(b)'.

"(d) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

"(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign corporation as a United States shareholder or as a controlled foreign corporation, respectively, for purposes of provisions of this title other than this subpart, and

"(2) to prevent the avoidance of the purposes of this section.".

(2) Section 957(a) is amended to read as follows:

"(a) CONTROLLED FOREIGN CORPORATION.—For purposes of this title—

"(1) IN GENERAL.—The term 'controlled foreign corporation' means any foreign corporation if more than 50 percent of—

"(A) the total combined voting power of all classes of stock of such corporation entitled to vote, or

"(B) the total value of the stock of such corporation,

is owned (within the meaning of section 958(a)), or is considered as owned by applying the rules of ownership of section 958(b), by United States shareholders on any day during the taxable year of such foreign corporation.

"(2) ELECTION TO TREAT A FOREIGN CORPORATION AS A CONTROLLED FOREIGN CORPORATION FOR CERTAIN PURPOSES.—

"(A) IN GENERAL.—In the case of a foreign corporation with respect to which an election is in effect under this paragraph, such for-

eign corporation shall be treated as controlled foreign corporation with respect to all United States shareholders of such foreign corporation.

"(B) EXCEPTIONS.—Notwithstanding subparagraph (A), such foreign corporation shall not be treated as a controlled foreign corporation for purposes of section 951B(c) or for any other purpose if the Secretary determines that treatment of such foreign corporation as a controlled foreign corporation for such purpose would be inconsistent with the purposes of this subchapter.

"(C) ELECTION.—

"(i) BY WHOM.—An election under subparagraph (A) shall be effective only if made by the foreign corporation and by all United States shareholders of such foreign corporation (determined as of the time of such election by such foreign corporation).

"(ii) WITH RESPECT TO WHOM.—Any election under this paragraph, once effective, shall apply to such foreign corporation and to all United States shareholders of such foreign corporation (including any person who becomes a United States

shareholder of such foreign corporation after such election takes effect).

"(iii) TIME, MANNER, ETC.—The election under this paragraph shall be made at such time and in such manner as the Secretary may provide and, once effective, may be revoked only with the consent of the Secretary.

"(D) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance for the application of this paragraph to an acquisition of assets described in section 381(a) from any corporation with respect to which an election under this paragraph applies.".

(3) Section 958(b) is amended—

(A) by inserting after paragraph (3) the following:

"(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.", and

(B) by striking ''Paragraph (1)'' in the last sentence and inserting ''Paragraphs (1) and (4)''.

(4) The table of sections for subpart F of part III of subchapter N of chapter 1 is amended by inserting after the item relating to section 951A the following new item:

''Sec. 951B. Amounts included in gross income of foreign controlled United States shareholders.''.

(c) CERTAIN OTHER MODIFICATIONS.—

(1) Section 245A(b)(1) is amended by striking ''with respect to such corporation''.

(2) Section 245A(e)(4) is amended by striking ''an amount received'' and all that follows through ''for which the controlled foreign corporation received a deduction'' and inserting ''any dividend received from a controlled foreign corporation for which such controlled foreign corporation received a deduction''.

(3) Section 245A(e)(1) is amended—

(A) by striking ''any dividend'' and inserting ''any hybrid dividend'', and

(B) by striking ''if the dividend is a hybrid dividend''.

(4) Section 245A(g) is amended to read as follows:

"(g) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the provisions of this section, including regulations or other guidance for—

"(1) the treatment of United States shareholders owning stock of a controlled foreign corporation through a partnership, and

"(2) the denial of all or a portion of the deduction under this section with respect to dividends received from foreign corporations in situations in which—

"(A) any portion of the dividend is out of earnings and profits arising from dispositions to related parties which—

"(i) are not made in the ordinary course of a trade or business, and

"(ii) are made on or after January 1, 2018, and during a taxable year to which section 951A did not apply, or

"(B) a transfer or issuance of stock on or after January 1, 2018, results in a reduction in the United States shareholder's pro rata share of a controlled foreign corporation's subpart F income or tested income (as defined in section 951A).".

(5) Section 246(b)(1) is amended to read as follows:

"(1) GENERAL RULE.—Except as provided in paragraph (2), the aggregate amount of the deductions allowed by section 243(a)(1) and subsection (a) and (b) of section 245 shall not exceed the percentage determined under paragraph (3) of the taxable income computed without regard to the deductions allowed by section 172, section 243(a)(1), subsections (a) and (b) of section 245, and section 250, without regard to any adjustment under section 1059, and without regard to any capital loss carryback to the taxable year under section 1212(a)(1).".

(6) Section 246(c)(1) is amended by striking "section 243" and all that follows through "245A" and inserting "section 243, 245, or 245A".

(7) For purposes of section 78 of the Internal Revenue Code of 1986, as in effect on the day before the enactment of Public Law 115-97, with respect to taxable years of foreign corporations beginning before January 1, 2018, and ending after December 31, 2017, any reference to section 245 of such Code shall be treated as including a reference to section 245A of such Code (as added by such Public Law).

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to distributions made after the date of the enactment of this Act.

(2) MODIFICATIONS RELATED TO DETERMINATION OF STATUS AS A CONTROLLED FOREIGN CORPORATION.—The amendments made by subsection (b) shall apply to—

(A) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and

(B) taxable years of United States persons in which or with which such taxable years of foreign corporations end.

(3) CERTAIN OTHER MODIFICATIONS.—The amendments made by subsection (c) shall apply to distributions made after December 31, 2017.

SEC. 138129. LIMITATION ON FOREIGN BASE COMPANY SALES AND SERVICES INCOME.

(a) FOREIGN BASE COMPANY SALES INCOME.—Section 954(d)(2) is amended to read as follows:

''(2) LIMITATION.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'related person' shall not

include any person unless such person is a taxable unit (within the meaning of section 904(e)) which is a tax resident of the United States.

"(B) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing for the proper application of subparagraph (A) in the case of a series of transactions in which a person described in subparagraph (A) is a party.".

(b) FOREIGN BASE COMPANY SERVICES INCOME.—Section 954(e)(1)(A) is amended by striking "subsection (d)(3)" and inserting "subsection (d)".

(c) CERTAIN OTHER MODIFICATIONS.—

(1)(A) Section 951(a)(1) is amended—

(i) by striking "the last day" in the matter preceding subparagraph (A) and inserting "any day",

(ii) by striking "his" each place it appears and inserting "such shareholder's", and

(iii) by inserting "if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation as of the close of the last relevant day of such foreign corporation's

taxable year,'' before ''the amount'' in subparagraph (B).

(B) Section 951(a) is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) PRO RATA SHARE OF SUBPART F INCOME.—In the case of any United States shareholder with respect to a foreign corporation, the pro rata share referred to in paragraph (1)(A) is the sum of—

''(A) if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation as of the close of the last relevant day of such foreign corporation's taxable year, such shareholder's general pro rata share determined under paragraph (3), plus

''(B) if such shareholder owns (within the meaning of section 958(a)) stock of such foreign corporation during such taxable year but does not own (within the meaning of section 958(a)) such stock as of the close of such last relevant day, such shareholder's nontaxed current dividend share determined under paragraph (4).

''(3) GENERAL PRO RATA SHARE.—

"(A) IN GENERAL.—In the case of any United States shareholder with respect to a foreign corporation, the general pro rata share determined under this paragraph is the excess (if any) of—

"(i) the pro rata current earnings percentage of the amount which bears the same ratio to such corporation's subpart F income for the taxable year (reduced by the aggregate nontaxed current dividend shares determined under paragraph (4) with respect to such shareholder or any other United States shareholder) as the part of such year during which such corporation is a controlled foreign corporation bears to the entire year, over

"(ii) the lesser of—

"(I) the amount of any pre-holding period dividends with respect to stock of such foreign corporation which such shareholder owns (within the meaning of section 958(a)) as of the close of the last relevant day of such foreign corporation's taxable year, or

"(II) the amount which bears the same ratio to the subpart F income of such corporation for the taxable year (reduced by the aggregate nontaxed current dividend shares determined under paragraph (4) with respect to such shareholder or any other United States shareholder) as the part of such year during which such shareholder did not own (within the meaning of section 958(a)) such stock bears to the entire year.

"(B) PRO RATA CURRENT EARNINGS PERCENTAGE.—For purposes of subparagraph (A)(i), the term 'pro rata current earnings percentage' means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, the ratio (expressed as a percentage) of—

"(i) the amount which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958(a)) in such corporation if on the last relevant day of such

taxable year it had distributed its earnings and profits for such taxable year (computed as of the close of such taxable year without diminution by reason of any distributions made during such taxable year), divided by

"(ii) such corporation's earnings and profits for such taxable year (as so computed).

"(C) PRE-HOLDING PERIOD DIVIDENDS.—For purposes of subparagraph (A)(ii)(I), the term 'pre-holding period dividends' means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, dividends which are—

"(i) made out of such corporation's earnings and profits for the taxable year (other than nontaxed current dividends as defined in paragraph (4)(C)), and

"(ii) received—

"(I) by any other United States person with respect to stock of such foreign corporation which such shareholder owns (within the meaning of

section 958(a)) as of the close of the last relevant day of such foreign corporation's taxable year, and

"(II) while such foreign corporation was a controlled foreign corporation and before such shareholder owned (within the meaning of section 958(a)) such stock.

"(4) NONTAXED CURRENT DIVIDEND SHARE.—

"(A) IN GENERAL.—In the case of any United States shareholder with respect to a foreign corporation, the nontaxed current dividend share determined under this paragraph is the nontaxed current dividend percentage of the subpart F income of such foreign corporation for the taxable year.

"(B) NONTAXED CURRENT DIVIDEND PERCENTAGE.—For purposes of this paragraph, the term 'nontaxed current dividend percentage' means, in the case of any United States shareholder with respect to a foreign corporation for any taxable year of such foreign corporation, the ratio (expressed as a percentage) of—

"(i) the amount of nontaxed current dividends with respect to such taxable year

received with respect to the stock of such foreign corporation which such shareholder owns (within the meaning of section 958(a)) at the time of the dividend on a day in which such corporation is a controlled foreign corporation, divided by

"(ii) such foreign corporation's earnings and profits for such taxable year (computed as of the close of such taxable year without diminution by reason of any distributions made during such taxable year).

"(C) NONTAXED CURRENT DIVIDENDS.—For purposes of this paragraph, the term 'nontaxed current dividends' means the portion of any amount received with respect to stock to the extent such amount (without regard to amounts included in the gross income of a United States shareholder for the taxable year by reason of this subpart)—

"(i) would result in a dividend out of the corporation's earnings and profits for the taxable year (including a dividend under section 1248 attributable to earnings and profits for the taxable year), and

"(ii) either—

"(I) would give rise to a deduction under section 245A(a), or

"(II) in the case of a dividend paid directly or indirectly to a controlled foreign corporation with respect to stock owned by the shareholder within the meaning of section 958(a)(2), would not result in subpart F income with respect to such controlled foreign corporation by reason of subsection (b)(4), (c)(3), or (c)(6) of section 954.

Any amount treated as the foreign-source portion of a dividend under section 245A(g) shall be treated as nontaxed current dividends for purposes of this paragraph.

"(5) LAST RELEVANT DAY OF TAXABLE YEAR OF A CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection, the term 'last relevant day' means, with respect to any taxable year of a foreign corporation, the last day of such taxable year on which such corporation is a controlled foreign corporation.

"(6) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance—

"(A) to treat a partnership as an aggregate of its partners,

"(B) to provide rules allowing a foreign corporation to close its taxable year upon a change in ownership, and

"(C) to treat a distribution followed by an issuance of stock to a shareholder not subject to tax under this chapter in the same manner as an acquisition of stock.".

(C) Section 951A(e)(1) is amended by striking "determined under the rules of section 951(a)(2) in the same manner as such section applies to subpart F income" and inserting "determined under rules similar to the rules of section 951(a)(2)".

(D) Section 951A(e)(2) is amended to read as follows:

"(2) TREATMENT AS UNITED STATES SHAREHOLDER.—A person shall be treated as a United States shareholder of a controlled foreign corpora-

tion for any taxable year of such person if such person—

"(A) is a United States shareholder of such foreign corporation on any day in such taxable year, and

"(B) owns (within the meaning of section 958(a)) stock in such foreign corporation on any day in such taxable year which is part of a taxable year of such foreign corporation with respect to which such foreign corporation is a controlled foreign corporation.".

(E) Section 953(c)(5)(A)(i) is amended—

(i) in subclause (I), by adding "and" at the end,

(ii) in subclause (II)—

(I) by striking "on the last day of the taxable year" and inserting "during the taxable year", and

(II) by striking "and" at the end and inserting "or", and

(iii) by striking subclause (III).

(2) Section 78 is amended by striking ", (b),".

(d) CERTAIN RELATED PROSPECTIVE MODIFICATIONS.—Section 961(c) is amended—

(1) by striking ''BASIS ADJUSTMENTS IN'' in the heading of such subsection and inserting ''APPLICATION OF RULES TO'', and

(2) by striking ''then adjustments similar to'' and all that follows in such subsection and inserting ''then rules similar to the rules of subsections (a) and (b) shall apply to—

''(1) such stock,

''(2) stock in any other controlled foreign corporation by reason of which the United States shareholder is considered under section 958(a)(2) as owning the stock described in paragraph (1), and

''(3) property by reason of which the United States shareholder is considered as owning stock described in paragraph (1) or (2).

The preceding sentence shall not apply with respect to any stock or property to which subsection (a) or (b) applies.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

(2) CERTAIN OTHER MODIFICATIONS.—

(A) The amendments made by subsection (c)(1) shall apply to distributions made after December 31, 2017.

(B) The amendment made by subsection (c)(2) apply to taxable years of foreign corporations beginning after December 31, 2017, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

Subpart D—Inbound International Provisions

SEC. 138131. MODIFICATIONS TO BASE EROSION AND ANTI-ABUSE TAX.

(a) MODIFICATIONS TO BASE EROSION MINIMUM TAX AMOUNT.—

(1) MODIFICATION OF RATES.—Section 59A(b)(1)(A) is amended by striking ''10 percent (5 percent in the case of taxable years beginning in calendar year 2018)'' and inserting ''the applicable percentage''.

(2) BASE EROSION MINIMUM TAX AMOUNT DETERMINED WITHOUT REGARD TO CREDITS.—Section 59A(b)(1)(B) is amended to read as follows:

"(B) an amount equal to the regular tax liability (as defined in section 26(b)) of the taxpayer for the taxable year.".

(3) APPLICABLE PERCENTAGE.—Section 59A(b)(2) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term applicable percentage means—

"(A) in the case of any taxable year beginning after December 31, 2021, and before January 1, 2024, 10 percent,

"(B) in the case of any taxable year beginning after December 31, 2023, and before January 1, 2026, 12.5 percent, and

"(C) in the case of any taxable year beginning after December 31, 2025, 15 percent.".

(4) TAXPAYERS SUBJECT TO RULES FOR BANKS AND SECURITIES DEALERS.—Section 59A(b)(3)(B) is amended to read as follows:

"(B) TAXPAYER DESCRIBED.—A taxpayer is described in this subparagraph if such taxpayer is—

"(i) a bank (as defined in section 585(a)(2)),

"(ii) a securities dealer registered under section 15(a) of the Securities Exchange Act of 1934, or

"(iii) a member of an affiliated group (as defined in section 1504(a)(1), determined without regard to section 1504(b)(3)) which includes any person described in clause (i) or (ii).".

(5) GENERAL BUSINESS CREDIT ALLOWED AGAINST BASE EROSION AND ANTI-ABUSE TAX.—Section 38(c)(1) is amended by striking "the tax imposed by section 55" and inserting "the taxes imposed by sections 55 and 59A".

(6) CONFORMING AMENDMENTS.—

(A) Section 59A(b)(3)(A) is amended by striking "paragraphs (1)(A) and (2)(A) shall each" and inserting "paragraph (2) shall".

(B) Section 59A(b) is amended by striking paragraph (4).

(b) MODIFICATION OF RULES FOR DETERMINING MODIFIED TAXABLE INCOME.—

(1) IN GENERAL.—Section 59A(c) is amended to read as follows:

"(c) MODIFIED TAXABLE INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term 'modified taxable income' means the taxable income of the taxpayer computed under this chapter for the taxable year with the following adjustments:

"(A) BASE EROSION TAX BENEFITS.—Any base erosion tax benefit shall be determined without regard to any base erosion payment described in paragraphs (1) through (4) of subsection (d), including for purposes of determining the adjusted basis of property described in subsection (d)(2).

"(B) BASE EROSION BASIS ADJUSTMENTS WITH RESPECT TO COST OF GOODS SOLD.—Cost of goods sold shall be determined without regard to any base erosion payment described in subparagraph (A) or (B) of subsection (d)(5).

"(C) NET OPERATING LOSSES.—The net operating loss deduction for the taxable year under section 172 shall be applied—

"(i) by substituting 'modified taxable income' for 'taxable income' in subsection (a)(2)(B)(ii)(I) thereof,

"(ii) by determining any net operating loss arising in any taxable year beginning

after December 31, 2021, without regard to any deduction which is a base erosion tax benefit (determined with respect to each such taxable year), and

"(iii) by making appropriate adjustments in the application of subsection (b)(2) thereof to take into account clause (i) of this subparagraph as though such clause applied with respect to taxable years beginning after December 31, 2021 (but by applying section 172(e) for purposes of determining the amount of modified taxable income).

"(D) APPLICATION OF CERTAIN OTHER ADJUSTMENTS.—Except as otherwise provided by the Secretary, rules similar to the rules of subsections (g) and (h) of section 59 shall apply.

"(2) BASE EROSION TAX BENEFIT.—The term 'base erosion tax benefit' means—

"(A) any deduction allowed under this chapter for the taxable year with respect to any base erosion payment described in subsection (d)(1),

"(B) in the case of a base erosion payment described in subsection (d)(2), any deduction allowed under this chapter for the taxable year for depreciation (or amortization in lieu of depreciation) with respect to the property acquired with such payment,

"(C) in the case of a base erosion payment described in subsection (d)(3)—

"(i) any reduction under section 803(a)(1)(B) in the gross amount of premiums and other consideration on insurance and annuity contracts for premiums and other consideration arising out of indemnity insurance, and

"(ii) any deduction under section 832(b)(4)(A) from the amount of gross premiums written on insurance contracts during the taxable year for premiums paid for reinsurance, and

"(D) in the case of a base erosion payment described in subsection (d)(4), any reduction in gross receipts with respect to such payment in computing gross income of the taxpayer for the taxable year for purposes of this chapter.".

(2) CERTAIN PAYMENTS WITH RESPECT TO INVENTORY TREATED AS BASE EROSION PAYMENTS.—Section 59A(d) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) CERTAIN PAYMENTS WITH RESPECT TO INVENTORY.—

''(A) INDIRECT COSTS INCLUDED IN INVENTORY UNDER SECTION 263A.—Such term shall also include any amount paid or accrued by the taxpayer to a foreign person which is a related party of the taxpayer if such amount is described in paragraph (2)(B) of section 263A(a) and required to be included in inventory costs of the taxpayer under paragraph (1)(A) of such section.

''(B) CERTAIN INDIRECT COSTS OF FOREIGN RELATED PARTIES.—Such term shall also include so much of any amount paid or accrued by the taxpayer to a foreign person which is a related party of the taxpayer in connection with the acquisition by the taxpayer from such foreign person of property which is inventory in the hands of the taxpayer as exceeds the sum of—

"(i) the direct costs of such property in the hands of such foreign person, plus

"(ii) so much of the costs described in section 263A(a)(2)(B) with respect to such property in the hands of such foreign person as the taxpayer demonstrates to the satisfaction of the Secretary are attributable to amounts—

"(I) paid or accrued by such foreign person to a United States person or a person which is not a related party of the taxpayer, or

"(II) otherwise subject to the tax imposed by this subtitle.

"(C) APPLICATION TO TIERED RELATED-PARTY TRANSACTIONS.—In the case of direct costs otherwise described in clause (i) of subparagraph (B) which are paid or incurred by the foreign person referred to in such clause to another foreign person which is a related party of the taxpayer, such costs shall be taken into account under such clause only to the extent that the taxpayer demonstrates to the satisfaction of the Secretary that such costs are attributable to amounts paid or accrued (directly or

indirectly) to a United States person or a person which is not a related party of the taxpayer.

"(D) SAFE HARBOR WITH RESPECT INDIRECT COSTS OF FOREIGN RELATED PARTIES.—In the case of a taxpayer which elects the application of this subparagraph (at such time, in such manner, and with respect to such inventory property, as the Secretary may provide), the amount described in subparagraph (B)(ii) with respect to such property shall be treated for purposes of this section as being equal to 20 percent of the amount paid or incurred by the taxpayer to the related party of the taxpayer in connection with the acquisition of such property.".

(3) EXPANSION AND CONSOLIDATION OF RULES TO EXEMPT CERTAIN PAYMENTS FROM TREATMENT AS BASE EROSION PAYMENTS.—

(A) IN GENERAL.—Section 59A is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) CERTAIN PAYMENT NOT TREATED AS BASE EROSION PAYMENTS.—

"(1) EXCEPTION FOR PAYMENTS ON WHICH TAX IS IMPOSED.—An amount shall not be treated as a base erosion payment if tax is imposed by this subtitle with respect to such amount. The amount not treated as a base erosion payment by reason of the preceding sentence shall be determined under rules similar to the rules of section 163(j)(5) (as in effect before the date of the enactment of Public Law 115-97).

"(2) EXCEPTION FOR CERTAIN PAYMENTS SUBJECT TO SUFFICIENT FOREIGN TAX.—

"(A) IN GENERAL.—An amount shall not be treated as a base erosion payment if the taxpayer establishes to the satisfaction of the Secretary that such amount was subject to an effective rate of foreign income tax (as defined in section 904(d)(2)(F)) which is not less than the applicable percentage in effect under subsection (b)(2) for the taxable year in which such amount is paid or accrued. Except as otherwise provided by the Secretary under subparagraph (B), the effective rate of foreign income tax with respect to any amount may be established on the basis of applicable financial statements (as defined in section 451(b)(3)).

"(B) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance providing procedures for determining the effective rate of foreign income tax to which any amount is subject. Such procedures may require that any transaction or series of transactions among multiple parties be recharacterized as one or more transactions directly among any 2 or more of such parties where the Secretary determines that such recharacterization is appropriate to carry out, or prevent avoidance of, the purposes of this section.

"(3) EXCEPTION FOR CERTAIN AMOUNTS WITH RESPECT TO SERVICES.—Subsections (d)(1) and (d)(5)(A) shall not apply to so much of any amount paid or accrued by a taxpayer for services as does not exceed the total services cost of such services. The preceding sentence shall not apply unless such services meet the requirements for eligibility for use of the services cost method under section 482 (determined without regard to the requirement that the

services not contribute significantly to fundamental risks of business success or failure).''.

(B) CONFORMING AMENDMENT.—Section 59A(d), as amended by paragraph (2), is amended by striking paragraph (6).

(c) REPEAL OF EXEMPTION FROM BASE EROSION AND ANTI-ABUSE TAX FOR TAXPAYERS WITH LOW BASE EROSION PERCENTAGE.—Section 59A(e)(1)(C) is amended by inserting ''in the case of any taxable year beginning before January 1, 2024,'' before ''the base erosion percentage''.

(d) OTHER MODIFICATIONS.—

(1) Section 59A(h)(2)(B) is amended by striking ''section 6038B(b)(2)'' and inserting ''section 6038A(b)(2)''.

(2) Section 59A(j)(2), as redesignated by subsection (b), is amended by striking ''subsection (g)(3)'' and inserting ''subsection (h)(3)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

Subpart E—Other Business Tax Provisions

SEC. 138141. CREDIT FOR CLINICAL TESTING OF ORPHAN DRUGS LIMITED TO FIRST USE OR INDICATION.

(a) IN GENERAL.—Section 45C(b)(2)(B) is amended to read as follows:

"(B) TESTING MUST BE RELATED TO FIRST USE OR INDICATION FOR RARE DISEASE OR CONDITION.—Human clinical testing may be taken into account under subparagraph (A) only to the extent such testing is related to the first use or indication with respect to which a drug for a rare disease or condition is designated under section 526 of the Federal Food, Drug, and Cosmetic Act.".

(b) ELIGIBLE TESTING MUST BE CONDUCTED BEFORE APPROVAL FOR ANY USE OR INDICATION.—Section 45C(b)(2)(A)(ii)(II) is amended to read as follows:

"(II) before the first date on which an application (with respect to any use or indication with respect to any disease or condition) with respect to such drug is approved under section 505(c) of such Act or, if the drug is a biological product, before the first date on which a license (with respect

to any use or indication with respect to any disease or condition) for such drug is issued under section 351(a) of the Public Health Service Act, and''.

(c) ELIGIBILITY OF BIOLOGICAL PRODUCTS.—

(1) IN GENERAL.—Section 45C(b)(2)(A)(i) is amended by inserting ''or, if the drug is a biological product, section 351(a)(3) of the Public Health Service Act'' before the comma at the end.

(2) CONFORMING AMENDMENT.—Section 45C(b)(2)(A)(ii)(I) is amended by striking ''such Act'' and inserting ''the Federal Food, Drug, and Cosmetic Act''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138142. MODIFICATIONS TO TREATMENT OF CERTAIN LOSSES.

(a) LOSSES FROM CERTAIN CAPITAL ASSETS WHICH BECOME WORTHLESS.—

(1) WHEN TREATED AS LOSS.—Section 165(g)(1) is amended by striking ''on the last day of the taxable year'' and inserting ''at the time of the identifiable event establishing worthlessness''.

(2) TREATMENT OF PARTNERSHIP INDEBTEDNESS.—Section 165(g)(2)(C) is amended by inserting ", by a partnership," after "by a corporation".

(3) TREATMENT OF PARTNERSHIP INTEREST.—Section 165 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) WORTHLESS PARTNERSHIP INTEREST.—If any interest in a partnership becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this subtitle, be treated as a loss from the sale or exchange of the interest in the partnership, as provided in section 741, at the time of the identifiable event establishing worthlessness.".

(b) DEFERRAL OF LOSSES IN CERTAIN CONTROLLED GROUP CORPORATE LIQUIDATIONS.—Section 267 is amended by adding at the end the following new subsection:

"(h) DEFERRAL OF LOSSES IN CERTAIN CONTROLLED GROUP LIQUIDATIONS.—

"(1) IN GENERAL.—In the case of two corporations described in subsection (b)(3), no loss shall be recognized on the stock or securities of the liquidating corporation in a complete liquidation to which section 331 applies until the other corporation re-

ceiving property distributed in such liquidation with respect to such stock or in exchange for such securities has disposed of substantially all property such other corporation received in such liquidation to one or more persons who are not related to such other corporation (within the meaning of subsection (b)(3) or section 707(b)(1)).

''(2) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines is necessary or appropriate to carry out the purposes of this subsection, including to apply the principles of this subsection to liquidating corporation stock or securities owned by a corporation indirectly through 1 or more partnerships.''.

(c) CROSS REFERENCE.—Section 331(c) is amended—

(1) by striking ''CROSS REFERENCE'' and all that follows through ''For general rule'' and inserting the following: ''CROSS REFERENCE.—

''(1) For general rule'', and

(2) by adding at the end the following new paragraph:

''(2) For losses in controlled group liquidations, see section 267(h).''.

(d) EFFECTIVE DATE.—

(1) SUBSECTION (a).—The amendments made by this section shall apply to losses arising in taxable years beginning after December 31, 2021.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to liquidations on or after the date of the enactment of this Act.

SEC. 138143. ADJUSTED BASIS LIMITATION FOR DIVISIVE REORGANIZATION.

(a) IN GENERAL.—Section 361 is amended by adding at the end the following new subsections:

''(d) ADJUSTED BASIS LIMITATION FOR DIVISIVE REORGANIZATIONS.—

''(1) IN GENERAL.—Except as provided paragraph (2), in the case of a reorganization described in section 368(a)(1)(D) with respect to which stock or securities of the controlled corporation (within the meaning of section 355) are distributed by the distributing corporation (within the meaning of such section) in a transaction which qualifies under such section, subsection (b)(3) and subsection (c)(3) shall not apply to so much of the money and other property transferred to creditors as equals an amount equal to the excess (if any) of—

''(A) the sum of—

"(i) the total amount of the liabilities assumed (within the meaning of section 357(c)) by the controlled corporation,

"(ii) in the case of subsection (b)(3), the total amount of money and the fair market value of other property (including stock described in section 354(a)(2)(C)) transferred to the creditors, and

"(iii) in the case of subsection (c)(3), the total principal amount of securities of the controlled corporation which is qualified property (as defined in subsection (c)(2)(B)) transferred to the creditors, over

"(B) the total adjusted bases of the assets transferred by the distributing corporation to the controlled corporation.

"(2) EXCEPTION REGARDING CERTAIN STOCK OR RIGHTS TO ACQUIRE STOCK.—Paragraph (1) shall not apply to any stock (or right to acquire stock) described in subsection (c)(2)(B).

"(3) REGULATIONS.—The Secretary shall issue such regulations as may be necessary or appropriate to prevent avoidance of tax through abuse of subsection (b)(3), subsection (c)(3), or this subsection,

including to determine whether a disposition of property or any other transaction is in connection with the reorganization or pursuant to the plan of reorganization.

''(e) CROSS-REFERENCES.—For provisions providing for the inclusion of income or recognition of gain in certain distributions, see subsections (d), (e), (f), (g), and (h) of section 355.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 361(b)(3) is amended—

(A) in the first sentence, by inserting '', and except as provided in subsection (d)'' after ''paragraph (1)'', and

(B) by striking the second and third sentences.

(2) Section 361(c) is amended—

(A) in paragraph (3), by inserting '', and except as provided in subsection (d)'' after ''this subsection'', and

(B) by striking paragraph (5).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to reorganizations occurring on or after the date of the enactment of this Act.

SEC. 138144. RENTS FROM PRISON FACILITIES NOT TREATED AS QUALIFIED INCOME FOR PURPOSES OF REIT INCOME TESTS.

(a) IN GENERAL.—Section 856(d)(2) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) any amount received or accrued, directly or indirectly, with respect to any real or personal property which is primarily used in connection with any correctional, detention, or penal facility.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138145. MODIFICATIONS TO EXEMPTION FOR PORTFOLIO INTEREST.

(a) IN GENERAL.—Section 871(h)(3)(B)(i) is amended to read as follows:

''(i) in the case of an obligation issued by a corporation—

''(I) any person who owns 10 percent or more of the total combined voting power of all classes of stock of such corporation entitled to vote, or

"(II) any person who owns 10 percent or more of the total value of the stock of such corporation, and".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 138146. CERTAIN PARTNERSHIP INTEREST DERIVATIVES.

(a) IN GENERAL.—Section 871(m) is amended by adding at the end the following new paragraphs:

"(8) SPECIFIED PARTNERSHIP INTEREST INCOME EQUIVALENT PAYMENTS.—

"(A) IN GENERAL.—For purposes of this subsection, any payment made pursuant to a sale-repurchase transaction, or a specified notional principal contract, that is determined by reference to any income or gain in respect of an interest in a specified partnership (or any other payment the Secretary determines to be substantially similar) shall be treated as a dividend equivalent.

"(B) SPECIFIED PARTNERSHIP.—For purposes of this paragraph, the term 'specified partnership' means—

"(i) any publicly-traded partnership (as defined in subsection (b) of section 7704) which is not treated as a corporation under such section, or

"(ii) any other partnership as the Secretary may by regulation prescribe.

"(C) EXCEPTIONS.—

"(i) EXCEPTED CONTRACTS.—Subparagraph (A) shall not apply to any contract or transaction the Secretary determines does not have the potential for tax avoidance.

"(ii) CERTAIN INCOME.—Under such regulations as the Secretary shall prescribe, there shall not be taken into account under subparagraph (A) any payment the income or gain from which would (but for this paragraph) be—

"(I) exempt from taxes under this subtitle, or

"(II) treated as income from sources without the United States if paid to a nonresident alien individual.

"(D) TREATMENT OF DEFINITIONS AND SPECIAL RULES WITH RESPECT TO PARTNER-

SHIPS.—For purposes of this paragraph, rules similar to the rules and definitions in paragraphs (3), (4), (5), (6) and (7) shall apply to an interest in a specified partnership in a manner similar to an underlying security, and to income or gain in respect of an interest in a specified partnership in a manner similar to a dividend.

"(9) OTHER RULES RELATING TO TREATMENT OF DIVIDEND EQUIVALENTS.—

"(A) IN GENERAL.—A dividend equivalent amount under this subsection shall be treated as a dividend paid by a domestic corporation.

"(B) RATE OF TAX FOR PUBLICLY TRADED PARTNERSHIP INCOME PAYMENTS.—In the case of a payment treated as a dividend equivalent pursuant to paragraph (8), the rate of tax imposed on any nonresident alien individual or foreign corporation with respect to such payment shall not be less than the rate that would be imposed had such individual or foreign corporation, as the case may be, received a dividend from a domestic corporation in which such individual or foreign corporation owned less than 1 percent (by vote or value) of the stock.".

(b) WITHHOLDING OF TAX ON NONRESIDENT ALIENS.—Section 1441 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DEEMED DIVIDEND EQUIVALENT PAYMENTS IN CASE OF CERTAIN PUBLICLY TRADED PARTNERSHIPS.—The Secretary may prescribe regulations, under rules similar to the rules of section 1446(f), to determine the manner in which the amount of income and gain is determined for purposes of this section in the case of amounts treated as a dividend equivalent under section 871(m)(8).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made on or after the date that is 180 days after the date of the enactment of this Act.

SEC. 138147. ADJUSTMENTS TO EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) IN GENERAL.—Section 312(n) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULES FOR CONTROLLED FOREIGN CORPORATIONS.—Earnings and profits of any controlled foreign corporation shall be determined without regard to paragraphs (4), (5), and (6).''.

(b) CONFORMING AMENDMENT.—Section 952(c) is amended by striking paragraph (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2021, and to taxable years of United States shareholders in which or with which such taxable years of foreign corporations end.

SEC. 138148. CERTAIN DIVIDENDS FROM CONTROLLED FOREIGN CORPORATIONS TO UNITED STATES SHAREHOLDERS TREATED AS EXTRAORDINARY DIVIDENDS.

(a) IN GENERAL.—Section 1059 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) TREATMENT OF CERTAIN DIVIDENDS FROM CONTROLLED FOREIGN CORPORATIONS TO UNITED STATES SHAREHOLDERS.—

"(1) IN GENERAL.—Except as otherwise provided by the Secretary, any disqualified CFC dividend shall be treated as an extraordinary dividend to which paragraph (1) and (2) of subsection (a) applies without regard to the period the taxpayer held the stock with respect to which such dividend is paid.

"(2) DISQUALIFIED CFC DIVIDEND.— For purposes of this subsection, the term 'disqualified CFC dividend' means any dividend paid by a controlled

foreign corporation to a taxpayer which is a United States shareholder of such foreign corporation if—

"(A) such dividend is attributable to earnings and profits which—

"(i) were earned by such controlled foreign corporation during a disqualified period, or

"(ii) are attributable to gain on property which accrued during a disqualified period.

"(3) DISQUALIFIED PERIOD.—For purposes of this subsection, the term 'disqualified period' means, with respect to any dividend paid with respect to any stock of a controlled foreign corporation, any period during which—

"(A) such foreign corporation was not a controlled foreign corporation, or

"(B) such stock was not owned by a United States shareholder.".

(b) REGULATIONS.—Section 1059(h), as redesignated by subsection (a), is amended—

(1) by striking "regulations" both places it appears and inserting "regulations or other guidance", and

(2) by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end the following new paragraph:

''(3) providing for the coordination of subsection (g) with the other provisions of this chapter, including section 1248.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after the date of the enactment of this Act.

SEC. 138149. MODIFICATION OF RULES FOR PARTNERSHIP INTERESTS HELD IN CONNECTION WITH THE PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Section 1061 is amended by striking subsections (a) and (b) and inserting the following new subsections:

''(a) IN GENERAL.—If one or more applicable partnership interests are held by a taxpayer at any time during the taxable year, the taxpayer's net applicable partnership gain for such taxable year shall be treated as short-term capital gain.

''(b) NET APPLICABLE PARTNERSHIP GAIN.—For purposes of this section—

''(1) IN GENERAL.—The term 'net applicable partnership gain' means—

"(A) the taxpayer's net long-term capital gain determined by only taking into account gains and losses with respect to one or more applicable partnership interests described in subsection (a), and

"(B) any other amounts which are—

"(i) includible in the gross income of the taxpayer with respect to one or more such applicable partnership interests, and

"(ii) treated as capital gain or subject to tax at the rate applicable to capital gain.

"(2) HOLDING PERIOD EXCEPTION.—

"(A) IN GENERAL.—Net applicable partnership gain shall be determined without regard to any amount which is realized after the date that is 5 years after the latest of:

"(i) The date on which the taxpayer acquired substantially all of the applicable partnership interest with respect to which the amount is realized.

"(ii) The date on which the partnership in which such applicable partnership interest is held acquired substantially all of the assets held by such partnership.

"(iii) If the partnership described in clause (i) owns, directly or indirectly, interests in one or more other partnerships, the dates determined by applying rules similar to the rules in clauses (i) and (ii) in the case of each such other partnership.

"(B) SHORTER HOLDING PERIOD IN CERTAIN CIRCUMSTANCES.—Subparagraph (A) shall be applied by substituting '3 years' for '5 years' in the case of—

"(i) a taxpayer (other than a trust or estate) with an adjusted gross income (determined without regard to sections 911, 931 and 933) of less than $400,000, and

"(ii) any income with respect to any applicable partnership interest that is attributable to a real property trade or business within the meaning of section 469(c)(7)(C).

"(iii) The Secretary is directed to provide guidance regarding determination of the amount described in subsection (a) as applied in paragraph (1) hereof, and any necessary and appropriate reporting by any

partnership to carry out the purposes of this section. —

"(3) SECTION 83 TO NOT APPLY.—This section shall be applied without regard to section 83 and any election in effect under section 83(b).

"(4) SPECIAL RULE.—To the extent provided by the Secretary, subsection (a) shall not apply to income or gain attributable to any asset not held for portfolio investment on behalf of third party investors.".

(b) MODIFICATIONS RELATED TO DEFINITION OF APPLICABLE PARTNERSHIP INTEREST.—Section 1061(c) is amended—

(1) in paragraph (1), by striking "to such other entity" and inserting "with respect to a trade or business that is not an applicable trade or business",

(2) in paragraph (3), by striking "an interest in a partnership to the extent of the partnership's proportionate interest in any of the foregoing" and inserting "except as otherwise provided by the Secretary, an interest in a partnership if such partnership has a direct or indirect interest in any of the foregoing", and

(3) in paragraph (4)—

(A) by striking ''The term'' and inserting ''Except as otherwise provided by the Secretary, the term'', and

(B) in subparagraph (A), by striking ''corporation'' and inserting ''C corporation''.

(c) RECOGNITION OF GAIN ON TRANSFERS OF APPLICABLE PARTNERSHIP INTERESTS TO UNRELATED PARTIES.—Section 1061(d) is amended to read as follows:

''(d) TRANSFER OF APPLICABLE PARTNERSHIP INTEREST.—If a taxpayer transfers any applicable partnership interest, gain shall be recognized notwithstanding any other provision of this subtitle.''.

(d) REGULATIONS.—Section 1061(e) is amended by striking the period at the end and inserting the following: '', including regulations or other guidance to—

''(1) to prevent the avoidance of the purposes of this section, including through the distribution of property by a partnership and through carry waivers, and

''(2) to provide for the application of this section to financial instruments, contracts or interests in entities other than partnerships to the extent necessary or appropriate to carry out the purposes of this section.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138150. LIMITATION ON CERTAIN SPECIAL RULES FOR SECTION 1202 GAINS.

(a) IN GENERAL.—Section 1202(a) is amended by adding at the end the following new paragraph:

"(5) LIMITATION ON CERTAIN SPECIAL RULES.—In the case of the sale or exchange of qualified small business stock after September 13, 2021, paragraphs (3) and (4) shall not apply to any taxpayer if—

"(A) the adjusted gross income of such taxpayer (determined without regard to this section and sections 911, 931, and 933) equals or exceeds $400,000, or

"(B) such taxpayer is a trust or estate.".

(b) EFFECTIVE DATE.—Except as provided in subsection (c), the amendment made by this section shall apply to sales and exchanges on or after September 13, 2021.

(c) BINDING CONTRACT EXCEPTION.—The amendment made by this section shall not apply to any sale or exchange which is made pursuant to written binding con-

tract which was in effect on September 12, 2021, and is not modified in any material respect thereafter.

SEC. 138151. CONSTRUCTIVE SALES.

(a) APPLICATION TO APPRECIATED DIGITAL ASSETS.—

(1) IN GENERAL.—Section 1259(b)(1) is amended by inserting ''digital asset,'' after ''debt instrument,''.

(2) DIGITAL ASSET.—Section 1259(d) is amended by adding at the end the following new paragraph:

''(3) DIGITAL ASSET.—Except as otherwise provided by the Secretary, the term 'digital asset' means any digital representation of value which is recorded on a cryptographically secured distributed ledger or any similar technology as specified by the Secretary.''.

(b) TREATMENT OF CERTAIN CONTRACTS.—Section 1259(c)(1)(D) is amended by inserting ''or enters into a contract to acquire'' after ''acquires''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to constructive sales (determined after the application of the amendment

made by subsection (b)) after the date of the enactment of this Act.

(2) TREATMENT OF CERTAIN CONTRACTS.—The amendment made by subsection (b) shall apply to contracts entered into after the date of the enactment of this Act.

SEC. 138152. RULES RELATING TO COMMON CONTROL.

(a) CLARIFICATION OF TRADE OR BUSINESS.—Section 52(b) is amended by adding at the end the following new sentence: ''For purposes of this subsection, the term 'trade or business' includes any activity treated as a trade or business under paragraph (5) or (6) of section 469(c).''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138153. WASH SALES BY RELATED PARTIES; WASH SALES OF SPECIFIED ASSETS.

(a) APPLICATION OF WASH SALE RULES TO RELATED PARTIES.—Section 1091(a) is amended by striking ''the taxpayer has acquired'' and inserting ''the taxpayer (or a related party) has acquired''.

(b) MODIFICATION OF BASIS ADJUSTMENT RULE TO PREVENT TRANSFER OF LOSSES TO RELATED PARTIES.—Section 1091(d) is amended to read as follows:

"(d) ADJUSTMENT TO BASIS IN CASE OF WASH SALE.—If the taxpayer (or the taxpayer's spouse) acquires substantially identical specified assets during the period which—

"(1) begins 30 days before the disposition with respect to which a deduction was disallowed under subsection (a), and

"(2) ends with the close of the taxpayer's first taxable year which begins after such disposition,

the basis of such specified assets shall be increased by the amount of the deduction so disallowed (reduced by any amount of such deduction taken into account under this subsection to increase the basis of specified assets previously acquired)."

(c) RELATED PARTY.—Section 1091 is amended by adding at the end the following new subsection:

"(g) RELATED PARTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'related party' means—

"(A) the taxpayer's spouse,

"(B) any dependent of the taxpayer and any other taxpayer with respect to whom the taxpayer is a dependent,

"(C) any individual, corporation, partnership, trust, or estate which controls, or is controlled by, (within the meaning of section 954(d)(3)) the taxpayer or any individual described in subparagraph (A) or (B) with respect to the taxpayer (or any combination thereof),

"(D) any individual retirement plan, Archer MSA (as defined in section 220(d)), or health savings account (as defined in section 223(d)), of the taxpayer or of any individual described in subparagraph (A) or (B) with respect to the taxpayer,

"(E) any account under a qualified tuition program described in section 529 or a Coverdell education savings account (as defined in section 530(b)) if the taxpayer, or any individual described in subparagraph (A) or (B) with respect to the taxpayer, is the designated beneficiary of such account or has the right to make any decision with respect to the investment of any amount in such account, and

"(F) any account under—

"(i) a plan described in section 401(a),

"(ii) an annuity plan described in section 403(a),

"(iii) an annuity contract described in section 403(b), or

"(iv) an eligible deferred compensation plan described in section 457(b) and maintained by an employer described in section 457(e)(1)(A),

if the taxpayer or any individual described in subparagraph (A) or (B) with respect to the taxpayer has the right to make any decision with respect to the investment of any amount in such account.

"(2) RULES FOR DETERMINING STATUS.—

"(A) RELATIONSHIPS DETERMINED AT TIME OF ACQUISITION.—Determinations under paragraph (1) shall be made as of the time of the purchase or exchange referred to in subsection (a) except that determinations under subparagraphs (A) and (B) of paragraph (1) shall be made for the taxable year which includes such purchase or exchange.

"(B) DETERMINATION OF MARITAL STATUS.—

"(i) IN GENERAL.—Except as provided in clause (ii), marital status shall be determined under section 7703.

"(ii) SPECIAL RULE FOR MARRIED INDIVIDUALS FILING SEPARATELY AND LIVING APART.—A husband and wife who—

"(I) file separate returns for any taxable year, and

"(II) live apart at all times during such taxable year,

shall not be treated as married individuals.

"(3) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary to prevent the avoidance of the purposes of this subsection, including regulations which treat persons as related parties if such persons are formed or availed of to avoid the purposes of this subsection.".

(d) WASH SALE RULES TO APPLY WITH RESPECT TO SPECIFIED ASSETS.—

(1) SPECIFIED ASSETS.—Section 1091, as amended by the preceding provisions of this section, is amended by adding at the end the following new subsection:

"(h) SPECIFIED ASSET.—For purposes of this section, the term 'specified asset' means any of the following:

"(1) Any security described in subparagraph (A), (B), (C), (D), or (E) of section 475(c)(2).

"(2) Any foreign currency.

"(3) Any commodity described in subparagraph (A), (B), or (C) of section 475(e)(2).

"(4) Any digital representation of value which is recorded on a cryptographically secured distributed ledger or any similar technology as specified by the Secretary.

Such term shall, except as provided in regulations, include contracts or options to acquire or sell any specified assets.".

(2) CONFORMING AMENDMENTS.—Section 1091 is amended—

(A) by striking the last sentence of subsection (a),

(B) by striking "stock or securities" each place it appears and inserting "specified assets", and

(C) by striking "shares of" each place it appears in subsections (a), (b), and (c).

(e) EXCEPTION FOR BUSINESS NEEDS AND HEDGING TRANSACTIONS.—Section 1091, as amended by the

preceding provisions of this section, is amended by adding at the end the following new subsection:

"(i) EXCEPTION FOR BUSINESS NEEDS AND HEDGING TRANSACTIONS.—Except as provided in regulations prescribed by the Secretary, subsection (a) shall not apply in the case of any sale or other disposition—

"(1) of a foreign currency or commodity described in subsection (h), and

"(2) which—

"(A) is directly related to the business needs of a trade or business of the taxpayer (other than the trade or business of trading foreign currencies or commodities described in subsection (h)), or

"(B) is part of a hedging transaction (as defined in section 1221(b)(2)).".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and other dispositions after December 31, 2021.

PART 2—TAX INCREASES FOR HIGH-INCOME INDIVIDUALS

SEC. 138201. INCREASE IN TOP MARGINAL INDIVIDUAL INCOME TAX RATE.

(a) RE-ESTABLISHMENT OF 39.6 PERCENT RATE BRACKET.—

(1) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The table contained in section 1(j)(2)(A) is amended by striking 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.".

(2) HEADS OF HOUSEHOLDS.—The table contained in section 1(j)(2)(B) is amended by striking 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.".

(3) UNMARRIED INDIVIDUALS OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS.—The table contained in section 1(j)(2)(C) is amended by striking the last two rows and inserting 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 excess over $400,000.".

(4) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The table contained in section 1(j)(2)(D) is amended by striking the last two rows 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.".

(5) ESTATES AND TRUSTS.—The table contained in section 1(j)(2)(E) is amended by striking the last row and inserting the following: "

"Over $12,500	$3,011.50, plus 39.6% of the excess over $12,500.".

(b) APPLICATION OF ADJUSTMENTS.—Section 1(j)(3) is amended to read as follows:

"(3) ADJUSTMENTS.—For taxable years beginning after December 31, 2021, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (2) in the same manner as under paragraphs (1) and (2) of subsection (f) (applied without regard to clauses (i) and (ii) of subsection (f)(2)(A), except that in prescribing such tables—

"(A) except as provided in subparagraph (B), subsection (f)(3) shall be applied by substituting 'calendar year 2017' for 'calendar year 2016' in subparagraph (A)(ii) thereof,

"(B) in the case of adjustments to the dollar amounts at which the 39.6 percent rate bracket begins (other than such dollar amount in paragraph (2)(E))—

"(i) no adjustment shall be made for taxable years beginning after December 31, 2021, and before January 1, 2023, and

"(ii) in the case of any taxable year beginning after December 31, 2022, subsection (f)(3) shall be applied by substituting 'calendar year 2021' for 'calendar year 2016',

"(C) subsection (f)(7)(B) shall apply to any unmarried individual other than a surviving spouse, and

"(D) subsection (f)(8) shall not apply.".

(c) MODIFICATION TO 39.6 PERCENT RATE BRACKET FOR HIGH-INCOME TAXPAYERS AFTER 2025.—Section 1(i)(3) is amended to read as follows:

"(3) MODIFICATIONS TO 39.6 PERCENT RATE BRACKET.—In the case of taxable years beginning after December 31, 2025—

"(A) IN GENERAL.—The rate of tax under subsections (a), (b), (c), and (d) on a taxpayer's taxable income in excess of the 39.6 percent rate bracket threshold shall be taxed at a rate of 39.6 percent.

"(B) 39.6 PERCENT RATE BRACKET THRESHOLD.—For purposes of this paragraph, the term '39.6 percent rate bracket threshold' means—

"(i) in the case any taxpayer described in subsection (a), $450,000,

"(ii) in the case of any taxpayer described in subsection (b), $425,000,

"(iii) in the case of any taxpayer described in subsection (c), $400,000, and

"(iv) in the case of any taxpayer described in subsection (d), $225,000.

"(C) INFLATION ADJUSTMENT.—For purposes of this paragraph, with respect to taxable years beginning in calendar years after 2025, each of the dollar amounts in subparagraph (B) shall be adjusted in the same manner as under paragraph (1)(C)(i), except that subsection (f)(3)(A)(ii) shall be applied by substituting '2021' for '2016'.".

(d) CONFORMING AMENDMENTS.—

(1) Section 1(j)(1) is amended by striking "December 31, 2017" and inserting "December 31, 2021".

(2) The heading of section 1(j) is amended by striking "2018" and inserting "2022".

(3) The heading of section 1(i) is amended by striking "RATE REDUCTIONS" and inserting "MODIFICATIONS"

(4) Section 15(f) is amended by striking ''rate reductions'' and inserting ''modifications''.

(e) SECTION 15 NOT TO APPLY.—For rules providing that section 15 of the Internal Revenue Code of 1986 does not apply to the amendments made by this section, see sections 1(j)(6) and 15(f) of the Internal Revenue Code of 1986.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138202. INCREASE IN CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.

(a) IN GENERAL.—Section 1(h)(1)(D) is amended by striking ''20 percent'' and inserting ''25 percent''.

(b) RE-ALIGNMENT OF 25 PERCENT CAPITAL GAINS RATE THRESHOLD WITH 39.6 PERCENT INCOME TAX RATE THRESHOLD.—Section 1(j)(5) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) IN GENERAL.—Section 1(h)(1) shall be applied by substituting 'below the maximum zero rate amount' for 'which would (without regard to this paragraph) be taxed at a rate below 25 percent' in subparagraph (B)(i).

"(B) MAXIMUM ZERO RATE AMOUNT DEFINED.—For purposes of applying section 1(h) with the modifications described in subparagraph (A), the maximum zero rate amount shall be—

"(i) in the case of a joint return or surviving spouse, $77,200,

"(ii) in the case of an individual who is a head of household (as defined in section 2(b)), $51,700,

"(iii) in the case of any other individual (other than an estate or trust), an amount equal to ½ of the amount in effect for the taxable year under subclause (I), and

"(iv) in the case of an estate or trust, $2,600.", and

(2) by striking "each of the dollar amounts in clauses (i) and (ii)" in subparagraph (C) and inserting "each dollar amount in clause (i), (ii), or (iv)".

(c) CONFORMING AMENDMENTS.—

(1) Section 55(b)(3) is amended by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D).

(2) The following provisions are each amended by striking ''20 percent'' and inserting ''25 percent'':

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) Section 1445(e)(6).

(E) The second sentence of section 7518(g)(6)(A).

(3) Section 53511(f)(2) of title 46, United States Code, is amended to read as follows:

''(2) MAXIMUM TAX RATE.—For that portion of a nonqualified withdrawal made from the capital gain account during a taxable year to which section 1(h) of such Code (26 U.S.C. 1(h)) applies, the tax rate used under paragraph (1)(B) may not exceed 25 percent.''.

(d) SECTION 15 NOT TO APPLY.—The amendments made by this section shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by

this section shall apply to taxable years ending after September 13, 2021.

(2) RE-ALIGNMENT OF 25 PERCENT CAPITAL GAINS RATE THRESHOLD WITH 39.6 PERCENT INCOME TAX RATE THRESHOLD.—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 2021.

(3) WITHHOLDING UNDER SECTIONS 1445 AND 1446.—The amendments made by subparagraphs (C) and (D) of subsection (c)(2) shall apply to dispositions after the date of the enactment of this Act.

(f) TRANSITIONAL RULES FOR TAXABLE YEARS WHICH INCLUDE SEPTEMBER 13, 2021.—

(1) IN GENERAL.—For purposes of applying section 1(h) of the Internal Revenue Code of 1986 with respect to any taxable year which includes September 13, 2021, the amount determined under subparagraph (D) of section 1(h)(1) of such Code shall be the sum of—

(A) 20 percent of the lesser of—

(i) the amount on which a tax is determined under such subparagraph (D) (without regard to this subsection), or

(ii) the amount (if any) of net capital gain determined by taking into account

only dividends, gains, and losses for the portion of the taxable year on or before September 13, 2021 (determined without regard to collectibles gain or loss, gain described in section 1(h)(6)(A)(i) of such Code, and section 1202 gain), plus—

(B) 25 percent of the excess (if any) of the amount described in subparagraph (A)(i) over the amount described in subparagraph (A)(ii).

(2) SPECIAL RULE FOR BINDING CONTRACTS ENTERED INTO PRIOR TO SEPTEMBER 13, 2021.—For purposes of paragraph (1), a gain recognized in the taxable year that includes September 13, 2021, shall be treated as being with respect to the portion of such taxable year on or before such date if such gain arises from a transaction which occurs pursuant to a written binding contract entered into on or before such date (and which is not modified thereafter in any material respect).

(3) ALTERNATIVE MINIMUM TAX.—Rules similar to the rules of paragraph (1) shall apply for purposes of applying section 55(b)(3) of such Code.

(4) APPLICATION TO PASS-THRU ENTITIES.—In applying this subsection with respect to any pass-thru entity, the determination of when dividends,

gains, and losses are properly taken into account shall be made at the entity level.

(5) DEFINITIONS OF CERTAIN TERMS.—Terms used in this subsection which are also used in section 1(h) of such Code shall have the respective meanings that such terms have in such section.

SEC. 138203. APPLICATION OF NET INVESTMENT INCOME TAX TO TRADE OR BUSINESS INCOME OF CERTAIN HIGH INCOME INDIVIDUALS.

(a) IN GENERAL.—Section 1411 is amended by adding at the end the following new subsection:

''(f) APPLICATION TO CERTAIN HIGH INCOME INDIVIDUALS.—

''(1) IN GENERAL.—In the case of any individual whose modified adjusted gross income for the taxable year exceeds the high income threshold amount, subsection (a)(1) shall be applied by substituting 'the greater of specified net income or net investment income' for 'net investment income' in subparagraph (A) thereof.

''(2) PHASE-IN OF INCREASE.—The increase in the tax imposed under subsection (a)(1) by reason of the application of paragraph (1) of this subsection shall not exceed the amount which bears the same

ratio to the amount of such increase (determined without regard to this paragraph) as—

"(A) the excess described in paragraph (1), bears to

"(B) $100,000 (½ such amount in the case of a married taxpayer (as defined in section 7703) filing a separate return).

"(3) HIGH INCOME THRESHOLD AMOUNT.—For purposes of this subsection, the term 'high income threshold amount' means—

"(A) except as provided in subparagraph (B) or (C), $400,000,

"(B) in the case of a taxpayer making a joint return under section 6013 or a surviving spouse (as defined in section 2(a)), $500,000, and

"(C) in the case of a married taxpayer (as defined in section 7703) filing a separate return, ½ of the dollar amount determined under subparagraph (B).

"(4) SPECIFIED NET INCOME.—For purposes of this section, the term 'specified net income' means net investment income determined—

"(A) without regard to the phrase 'other than such income which is derived in the ordi-

nary course of a trade or business not described in paragraph (2),' in subsection (c)(1)(A)(i),

"(B) without regard to the phrase 'described in paragraph (2)' in subsection (c)(1)(A)(ii),

"(C) without regard to the phrase 'other than property held in a trade or business not described in paragraph (2)' in subsection (c)(1)(A)(iii),

"(D) without regard to paragraphs (2), (3), and (4) of subsection (c), and

"(E) by treating paragraphs (5) and (6) of section 469(c) as applying for purposes of subsection (c) of this section.".

(b) APPLICATION TO TRUSTS AND ESTATES.—Section 1411(a)(2)(A) is amended by striking "undistributed net investment income" and inserting "the greater of undistributed specified net income or undistributed net investment income".

(c) CLARIFICATIONS WITH RESPECT TO DETERMINATION OF NET INVESTMENT INCOME.—

(1) WAGES SUBJECT TO FICA NOT TAKEN INTO ACCOUNT.—Section 1411(c)(6) is amended by inserting "or wages received with respect to employ-

ment on which a tax is imposed under section 3101(b)'' before the period at the end.

(2) NET OPERATING LOSSES NOT TAKEN INTO ACCOUNT.—Section 1411(c)(1)(B) is amended by inserting ''(other than section 172)'' after ''this subtitle''.

(3) INCLUSION OF CERTAIN FOREIGN INCOME.—

(A) IN GENERAL.—Section 1411(c)(1)(A) is amended by striking ''and'' at the end of clause (ii), by striking ''over'' at the end of clause (iii) and inserting ''and'', and by adding at the end the following new clause:

''(iv) any amount includible in gross income under section 951, 951A, 1293, or 1296, over''.

(B) PROPER TREATMENT OF CERTAIN PREVIOUSLY TAXED INCOME.—Section 1411(c) is amended by adding at the end the following new paragraph:

''(7) CERTAIN PREVIOUSLY TAXED INCOME.—The Secretary shall issue regulations or other guidance providing for the treatment of distributions of amounts previously included in gross income for pur-

poses of chapter 1 but not previously subject to tax under this section.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(e) TRANSITION RULE.—The regulations or other guidance issued by the Secretary under section 1411(c)(7) of the Internal Revenue Code of 1986 (as added by this section) shall include provisions which provide for the proper coordination and application of clauses (i) and (iv) of section 1411(c)(1)(A) with respect to—

(1) taxable years beginning on or before December 31, 2021, and

(2) taxable years beginning after such date.

SEC. 138204. LIMITATION ON DEDUCTION OF QUALIFIED BUSINESS INCOME FOR CERTAIN HIGH INCOME INDIVIDUALS.

(a) IN GENERAL.—Section 199A(a) is amended by striking ''or'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', or'', and by adding at the end the following new paragraph:

''(3) the following amount:

''(A) $500,000 in the case of a joint return or surviving spouse (as defined in section 2(a)),

"(B) $400,000 in the case of any taxpayer not described in subparagraph (A), (C), or (D),

"(C) $250,000 in the case of a married individual filing a separate return, or

"(D) $10,000 in the case of an estate or trust.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138205. LIMITATIONS ON EXCESS BUSINESS LOSSES OF NONCORPORATE TAXPAYERS.

(a) LIMITATION MADE PERMANENT.—

(1) IN GENERAL.—Section 461(l)(1) is amended to read as follows:

"(1) LIMITATION.—In the case of any taxpayer other than a corporation, any excess business loss of the taxpayer for the taxable year shall not be allowed.".

(2) CONFORMING AMENDMENT.—Section 461 is amended by striking subsection (j).

(b) MODIFICATION OF CARRYOVER OF DISALLOWED LOSSES.—Section 461(l)(2) is amended to read as follows:

"(2) DISALLOWED LOSS CARRYOVER.—Any loss which is disallowed under paragraph (1) for any taxable year shall be treated (solely for purposes of this

chapter) as a deduction described in paragraph (3)(A)(i) for the next taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2020.

SEC. 138206. SURCHARGE ON HIGH INCOME INDIVIDUALS, ESTATES, AND TRUSTS.

(a) IN GENERAL.—Part I of subchapter A of chapter 1 is amended by inserting after section 1 the following new section:

''SEC. 1A. SURCHARGE ON HIGH INCOME INDIVIDUALS, ESTATES, AND TRUSTS.

''(a) GENERAL RULE.—In the case of a taxpayer other than a corporation, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to 3 percent of so much of the modified adjusted gross income of the taxpayer as exceeds—

''(1) $5,000,000, in the case of any taxpayer not described in paragraph (2) or (3),

''(2) $2,500,000, in the case of a married individual filing a separate return, and

''(3) $100,000, in the case of an estate or trust.

''(b) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section, the term 'modified adjusted gross income' means adjusted gross income reduced by any de-

duction (not taken into account in determining adjusted gross income) allowed for investment interest (as defined in section 163(d)). In the case of an estate or trust, adjusted gross income shall be determined as provided in section 67(e).

"(c) SPECIAL RULES.—

"(1) NONRESIDENT ALIEN.—In the case of a nonresident alien individual, only amounts taken into account in connection with the tax imposed under section 871(b) shall be taken into account under this section.

"(2) CITIZENS AND RESIDENTS LIVING ABROAD.—The dollar amount applicable to any taxpayer under paragraph (1), (2), or (3) of subsection (a) (as the case may be) shall be decreased (but not below zero) by the excess (if any) of—

"(A) the amounts excluded from the taxpayer's gross income under section 911, over

"(B) the amounts of any deductions or exclusions disallowed under section 911(d)(6) with respect to the amounts described in subparagraph (A).

"(3) CHARITABLE TRUSTS.—Subsection (a) shall not apply to a trust all the unexpired interests

in which are devoted to one or more of the purposes described in section 170(c)(2)(B).

"(4) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.".

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 1 is amended by inserting after the item relating to section 1 the following new item:

"Sec. 1A. Surcharge on high income individuals.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138207. TERMINATION OF TEMPORARY INCREASE IN UNIFIED CREDIT.

(a) IN GENERAL.—Section 2010(c)(3) of the Internal Revenue Code of 1986 is amended by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying and gifts made after December 31, 2021.

SEC. 138208. INCREASE IN LIMITATION ON ESTATE TAX VALUATION REDUCTION FOR CERTAIN REAL PROPERTY USED IN FARMING OR OTHER TRADES OR BUSINESSES.

(a) IN GENERAL.—Section 2032A(a)(2) of the Internal Revenue Code of 1986 is amended by striking ''$750,000'' and inserting ''$11,700,000''.

(b) INFLATION ADJUSTMENT.—Section 2032A(a)(3) of such Code is amended—

(1) by striking ''$750,000'' both places it appears and inserting ''$11,700,000'',

(2) by striking ''1998'' in the matter preceding subparagraph (A) and inserting ''2021'', and

(3) by striking ''1997'' in subparagraph (B) and inserting ''2020''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 2021.

SEC. 138209. CERTAIN TAX RULES APPLICABLE TO GRANTOR TRUSTS.

(a) APPLICATION OF TRANSFER TAXES.—

(1) IN GENERAL.—Subtitle B of the Internal Revenue Code of 1986 is amended by adding at the end the following new chapter:

"CHAPTER 16—SPECIAL RULES FOR GRANTOR TRUSTS

''Sec. 2901. Application of transfer taxes.

"SEC. 2901. APPLICATION OF TRANSFER TAXES.

''(a) IN GENERAL.—In the case of any portion of a trust with respect to which the grantor is the deemed owner—

''(1) the value of the gross estate of the deceased deemed owner of such portion shall include all assets attributable to that portion at the time of the death of such owner,

''(2) any distribution (other than to the deemed owner or the deemed owner's spouse) from such portion to one or more beneficiaries during the life of the deemed owner of such portion (other than in discharge of an obligation of the deemed owner) shall be treated as a transfer by gift for purposes of chapter 12,

''(3) if at any time during the life of the deemed owner of such portion, such owner ceases to be treated as the owner of such portion under subpart E of part 1 of subchapter J of chapter 1, all assets attributable to such portion at such time shall be treated for purposes of chapter 12 as a transfer by gift made by the deemed owner, and

"(4) proper adjustment shall be made with respect to amounts so included in the gross estate, or treated as transferred by gift, pursuant to paragraph (1), (2), or (3), as the case may be, to account for amounts treated previously as taxable gifts under chapter 12 with respect to previous transfers to the trust by the deemed owner.

"(b) EXCEPTIONS.—This section shall not apply to any trust that is includible in the gross estate of the deemed owner (without regard to subsection (a)(1)).

"(c) DEEMED OWNER DEFINED.—For purposes of this chapter, the term 'deemed owner' means any person who is treated as the owner of a portion of a trust under subpart E of part 1 of subchapter J of chapter 1.".

(2) CROSS-REFERENCE.—Section 2511 of such Code is amended by adding at the end the following new subsection:

"(c) CROSS-REFERENCE.—For treatment of transfers to grantor trusts, see section 2901.".

(3) CLERICAL AMENDMENT.—The table of chapters for subtitle B of such Code is amended by adding at the end the following new item:

"CHAPTER 16. SPECIAL RULES FOR GRANTOR TRUSTS".

(b) CERTAIN SALES TO GRANTOR TRUST.—

(1) IN GENERAL.—Part IV of subchapter O of chapter 1 of such Code is amended by redesignating

section 1062 as section 1063 and inserting after section 1061 the following new section:

"SEC. 1062. CERTAIN SALES BETWEEN GRANTOR TRUST AND DEEMED OWNER.

"(a) IN GENERAL.—In the case of any transfer of property between a trust and the a person who is the deemed owner of the trust (or portion thereof), such treatment of the person as the owner of the trust shall be disregarded in determining whether the transfer is a sale or exchange for purposes of this chapter.

"(b) EXCEPTION.—Subsection (a) shall not apply to any trust that is fully revocable by the deemed owner.

"(c) DEEMED OWNER.—For purposes of this section, the term 'deemed owner' means any person who is treated as the owner of a portion of a trust under subpart E of part 1 of subchapter J.".

(2) RELATED TAXPAYERS.—Section 267(b) is amended by striking "or" at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting "; or", and by adding at the end the following new paragraph:

"(14) A grantor trust and the person treated as the owner of the trust (or portion thereof) under subpart E of part 1 of subchapter J of this chapter.".

(3) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter O of chapter 1 of such Code is amended by striking the item relating to section 1062 and inserting the following new items:

"Sec. 1062. Certain sales to grantor trusts.
"Sec. 1063. Cross references.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply—

(1) to trusts created on or after the date of the enactment of this Act, and

(2) to any portion of a trust established before the date of the enactment of this Act which is attributable to a contribution made on or after such date.

SEC. 138210. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.

(a) IN GENERAL.—Section 2031 of the Internal Revenue Code of 1986 is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

"(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this chapter and chapter 12—

"(1) IN GENERAL.—In the case of the transfer of any interest in an entity other than an interest

which is actively traded (within the meaning of section 1092)—

"(A) the value of any nonbusiness assets held by the entity with respect to such interest shall be determined as if the transferor had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

"(B) such nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

"(2) NONBUSINESS ASSETS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'nonbusiness asset' means any passive asset which—

"(i) is held for the production or collection of income, and

"(ii) is not used in the active conduct of a trade or business.

"(B) PASSIVE ASSETS USED IN ACTIVE CONDUCT OF TRADE OR BUSINESS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of subpara-

graph (A) as used in the active conduct of a trade or business unless—

"(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

"(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C)) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(ii).

For purposes of clause (ii), material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation to farming activity.

"(C) EXCEPTION FOR WORKING CAPITAL.—Any passive asset which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

"(3) PASSIVE ASSET.—For purposes of this subsection, the term 'passive asset' means any—

"(A) cash or cash equivalents,

"(B) except to the extent provided by the Secretary, stock in a corporation or any other equity, profits, or capital interest in a partnership,

"(C) evidence of indebtedness, option, forward or futures contract, notional principal contract, or derivative,

"(D) asset described in clause (iii), (iv), or (v) of section 351(e)(1)(B),

"(E) annuity,

"(F) real property,

"(G) asset (other than a patent, trademark, or copyright) which produces royalty income,

"(H) commodity,

"(I) collectible (within the meaning of section 408(m)),

"(J) personal property (as defined in section 1092(d)(1)) or position in personal property (within the meaning of section 1092(d)(2)), or

"(K) other asset specified in regulations prescribed by the Secretary.

"(4) LOOK-THRU RULES.—

"(A) IN GENERAL.—If a passive asset of an entity consists of a 10-percent interest in any other entity, this subsection shall be applied by disregarding the 10-percent interest and by treating the entity as holding directly its ratable share of the assets of the other entity. This subparagraph shall be applied successively to any 10-percent interest of such other entity in any other entity.

"(B) 10-PERCENT INTEREST.—The term '10-percent interest' means—

"(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation,

"(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership, and

"(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

For purposes of the preceding sentence, the rules prescribed by section 318(a) shall apply.

"(5) COORDINATION WITH SUBSECTION (b).—Subsection (b) shall apply after the application of this subsection.

"(6) REGULATIONS.—The Secretary shall issue such regulations or other guidance as the Secretary determines is necessary or appropriate to carry out this subsection, including regulations or other guidance to—

"(A) determine whether a passive asset is used in the active conduct of a trade or business, in addition to the instances described in paragraph (2)(B), and

"(B) determine whether a passive asset is held as a part of the reasonably required working capital needs of a trade or business under paragraph (2)(C).".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

PART 3—MODIFICATIONS OF RULES RELATING TO RETIREMENT PLANS

Subpart A—Limitations on High-income Taxpayers With Large Retirement Account Balances

SEC. 138301. CONTRIBUTION LIMIT FOR INDIVIDUAL RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS WITH LARGE ACCOUNT BALANCES.

(a) CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 is amended by adding at the end the following:

"SEC. 409B. CONTRIBUTION LIMIT ON INDIVIDUAL RETIREMENT PLANS OF HIGH-INCOME TAXPAYERS WITH LARGE ACCOUNT BALANCES.

"(a) GENERAL RULE.—Notwithstanding any other provision of this title, in the case of an individual who is an applicable taxpayer for a taxable year, no annual additions which are allocable to such taxable year shall be made by, or on behalf of, such individual to any individual retirement plan to the extent such annual additions exceed the excess (if any) of—

"(1) the applicable dollar amount for such taxable year, over

"(2) the aggregate vested balances to the credit of the individual (whether as a participant, owner, or beneficiary) in all applicable retirement plans (deter-

mined as of the close of the calendar year preceding the calendar year in which such taxable year begins).

"(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) ANNUAL ADDITION.—

"(A) IN GENERAL.—Except as provided in this paragraph, the term 'annual addition' means any contribution to an individual retirement plan.

"(B) CONTRIBUTIONS TO SEP AND SIMPLE PLANS.—In the case of any employer or employee contributions by, or on behalf of, an individual to a simplified employee pension under section 408(k) or a simple retirement account under section 408(p)—

"(i) such contributions shall not be treated as annual additions for purposes of applying the limitation under subsection (a), but

"(ii) the excess described in subsection (a) shall be reduced by the amount of such contributions in applying such limitation to other annual additions with respect to such individual.

"(C) ROLLOVER CONTRIBUTIONS DISREGARDED.—A rollover contribution under section 402(c), 402A(c)(3)(A), 403(a)(4), 403(b)(8), 408(d)(3)(A), 408A(e)(1), or 457(e)(16) shall not be treated as an annual addition.

"(D) ACCOUNTS ACQUIRED BY DEATH OR DIVORCE OR SEPARATION.—The acquisition of an individual retirement plan (or the transfer to or contribution of amounts to an individual retirement plan) by reason of—

"(i) the death of another individual, or

"(ii) divorce or separation (pursuant to section 408(d)(6)),

shall not be treated as an annual addition.

"(2) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means $10,000,000.

"(3) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

"(A) a defined contribution plan to which section 401(a) or 403(a) applies,

"(B) an annuity contract under section 403(b),

"(C) an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 457(e)(1)(A), or

"(D) an individual retirement plan.

"(4) APPLICABLE TAXPAYER.—

"(A) IN GENERAL.—The term 'applicable taxpayer' means, with respect to any taxable year, a taxpayer whose adjusted taxable income for such taxable year exceeds the amount determined under subparagraph (B).

"(B) DOLLAR LIMIT.—The amount determined under this subparagraph for any taxable year is—

"(i) $400,000 for an individual who is a taxpayer not described in clause (ii) or (iii),

"(ii) $425,000 in the case of an individual who is a head of household (as defined in section 2(b)), and

"(iii) $450,000 in the case of an individual who is a married individual filing a joint return or a surviving spouse (as defined in section 2(a)).

"(C) ADJUSTED TAXABLE INCOME.—The term 'adjusted taxable income' means taxable income determined without regard to—

"(i) any deduction for annual additions to individual retirement plans to which subsection (a) applies, and

"(ii) any increase in minimum required distributions by reason of section 4974(e).

"(5) ADJUSTMENTS FOR INFLATION.—

"(A) IN GENERAL.—In the case of any taxable year beginning after 2022, each of the dollar amounts under paragraph (2) and paragraph (4)(B) shall be increased by an amount equal to the product of—

"(i) such dollar amount, and

"(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which such taxable year begins, determined by substituting 'calendar year 2021' for 'calendar year 1992' in subparagraph (B) thereof.

"(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not—

"(i) in the case of the dollar amount under paragraph (2), a multiple of $250,000, such amount shall be rounded to the next lowest multiple of $250,000, and

"(ii) in the case of a dollar amount under paragraph (4), a multiple of $1,000, such amount shall be rounded to the next lowest multiple of $1,000.

"(c) REGULATIONS.—The Secretary shall prescribe such regulations and guidance as are necessary or appropriate to carry out the purposes of this section, including regulations or guidance that provide for the application of this section and section 4974(e) in the case of plans with a valuation date other than the last day of a calendar year.".

(2) CONFORMING AMENDMENTS.—

(A) The table of contents for subpart A of part I of subchapter D of chapter 1 is amended by adding after the item relating to section 409A the following new item:

"Sec. 409B. Contribution limit on individual retirement plans of high-income taxpayers with large account balances.".

(B) Section 408(r) is amended by adding at the end the following new paragraph:

"(3) For additional limitation on contributions to individual retirement plans with large account balances, see sections 402A(c)(3)(A) and 409B.".

(b) EXCISE TAX ON EXCESS ANNUAL ADDITIONS.—

(1) IN GENERAL.—Section 4973 is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INDIVIDUAL RETIREMENT PLANS WITH EXCESS ANNUAL ADDITIONS.—For purposes of this section, in the case of individual retirement plans, the term 'excess contributions' with respect to any taxable year means the sum of—

"(1) the excess of the annual additions (within the meaning of section 409B(b)(1)) to such plans over the limitation under section 409B(a) for such taxable year, reduced by the amount of any excess contributions determined under subsections (b) and (f), and

"(2) the lesser of—

"(A) the amount determined under this subsection for the preceding taxable year with respect to such plans, reduced by the aggregate distributions from such plans for the taxable year (including distributions required under section 4974(e)) to the extent not contributed in 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—

"(i) the name and identifying number of each such participant (without regard to whether such participant has separated from employment), and

"(ii) the amount to which each such participant is entitled.

"(B) INCLUSION IN REGISTRATION STATEMENT.—If both subparagraph (A) and paragraph (1) apply to a plan, the plan administrator shall include the information required under subparagraph (A) in the registration statement under paragraph (1) rather than file a statement under subparagraph (A).

"(C) ADJUSTMENTS FOR INFLATION.—In the case of any plan year beginning after 2022, the $2,500,000 amount under subparagraph (A) shall be increased by an amount equal to the product of—

"(i) such dollar amount, and

"(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which such taxable year begins, determined by substituting 'calendar year 2021' for 'calendar year 1992' in subparagraph (B) thereof.

If the amount as adjusted under the preceding sentence is not a multiple of $250,000, such amount shall be rounded to the next lowest multiple of $250,000.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2021.

(2) PLAN REQUIREMENTS.—The amendments made by subsection (c) shall apply to plan years beginning after December 31, 2021.

SEC. 138302. INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS WITH LARGE RETIREMENT ACCOUNT BALANCES.

(a) IN GENERAL.—Section 4974 is amended by adding at the end the following:

''(e) INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS FOR HIGH-INCOME TAXPAYERS WITH LARGE AGGREGATE ACCOUNT BALANCES.—

''(1) IN GENERAL.—If this subsection applies to a payee who is an applicable taxpayer (as defined in section 409B(b)(4)) for a taxable year—

''(A) all qualified retirement plans and eligible deferred compensation plans of the payee which are applicable retirement plans taken into

account in computing the excess described in paragraph (3)(A) shall be treated as 1 plan solely for purposes of applying this section to the increase in minimum required distributions for such taxable year determined under subparagraph (B), and

"(B) the minimum required distributions under this section for all plans treated as 1 plan under subparagraph (A) with respect to such payee for such taxable year shall be increased by the excess (if any) of—

"(i) the sum of—

"(I) if paragraph (2) applies to such taxable year, the applicable Roth excess amount, plus

"(II) 50 percent of the excess determined under paragraph (3)(A), reduced by the applicable Roth excess amount, over

"(ii) the sum of the minimum required distributions (determined without regard to this subsection) for all such plans.

"(2) APPLICABLE ROTH EXCESS AMOUNT.—

"(A) APPLICATION.—For purposes of paragraph (1)(B)(i), this paragraph applies to a taxable year of a payee if the aggregate vested balances to the credit of the payee (whether as a participant, owner, or beneficiary) in all applicable retirement plans (determined as of the close of the calendar year preceding the calendar year in which the taxable year begins) exceed 200 percent of the applicable dollar amount for the calendar year in which the taxable year begins.

"(B) APPLICABLE ROTH EXCESS AMOUNT.—The applicable Roth excess amount for any taxable year to which this paragraph applies is an amount equal to the lesser of—

"(i) the excess determined under subparagraph (A), or

"(ii) the aggregate balances to the credit of the payee (whether as a participant, owner, or beneficiary) in all Roth IRAs and designated Roth accounts (within the meaning of section 402A) as of the time described in subparagraph (A).

"(3) APPLICATION.—This subsection shall apply to a payee for a taxable year—

"(A) if the aggregate vested balances to the credit of the payee (whether as a participant, owner, or beneficiary) in all applicable retirement plans (determined as of the close of the calendar year preceding the calendar year in which the taxable year begins) exceed the applicable dollar amount for the calendar year in which the taxable year begins, and

"(B) without regard to whether amounts with respect to the payee are otherwise required to be distributed under section 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2).

"(4) COORDINATION AND ALLOCATION.—

"(A) MINIMUM DISTRIBUTION REQUIREMENTS.—If this subsection applies to a payee for any taxable year—

"(i) this section shall apply first to minimum required distributions determined without regard to this subsection and then to any increase in minimum required distributions by reason of this subsection, and

"(ii) nothing in this subsection shall be construed to affect the amount of any minimum required distribution determined

without regard to this subsection or the plan or plans from which it is required to be distributed from.

"(B) ALLOCATION OF INCREASE IN MINIMUM REQUIRED DISTRIBUTIONS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the taxpayer may, in such form and manner as the Secretary may prescribe, allocate any increase in minimum required distributions by reason of this subsection to applicable retirement plans treated as 1 plan under subparagraph (A) in such manner as the taxpayer chooses.

"(ii) ALLOCATION TO ROTH IRAS AND ACCOUNTS.—In the case of a taxable year to which paragraph (2) applies, the portion of any increase in minimum required distributions by reason of this subsection equal to the applicable Roth excess amount shall be allocated first to Roth IRAs and then to designated Roth accounts (within the meaning of section 402A) of the payee.

"(iii) SPECIAL RULES FOR EMPLOYEE STOCK OWNERSHIP PLANS.—If any payee

to which this subsection applies for any taxable year has account balances in 1 or more employee stock ownership plans (as defined in section 4975(e)(7)) any portion of which is invested in employer securities which are not readily tradable on an securities market, the increase in minimum required distributions by reason of this subsection shall be allocated—

"(I) first to all account balances (other than such portions) of the payee in all applicable retirement plans in the manner provided by this subparagraph (without regard to this clause), and

"(II) then to such portions in such manner as the taxpayer chooses.

The Secretary shall prescribe regulations which provide that if any such increase is allocated to any such portion of an account balance for the first taxable year of the payee beginning in 2022, the payee may elect to have such portion distributed over a period of years not greater than the period specified by the Secretary in such reg-

ulations (and any distributions made in accordance with such election shall be treated for purposes of this section as made in such first taxable year).

''(5) DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVERS.—For purposes of determining whether a distribution is an eligible rollover distribution, any distribution from an applicable retirement plan which is attributable to any increase in minimum required distributions by reason of this subsection shall be treated as a distribution required under section 401(a)(9), 403(b)(10), 408(a)(6), 408(b)(3), or 457(d)(2), whichever is applicable.

''(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 409B shall have the same meaning as when such term is used in such section.''.

(b) SPECIAL RULES.—

(1) DISTRIBUTION RIGHTS.—

(A) QUALIFIED TRUSTS.—Section 401(a) is amended by inserting after paragraph (38) the following new paragraph:

''(39) IMMEDIATE DISTRIBUTION RIGHT.—A trust forming part of a defined contribution plan shall not constitute a qualified trust under this sec-

tion unless an employee who certifies to the plan that the employee is a taxpayer who is subject to the distribution requirements of section 4974(e) may elect to receive a distribution from the employee's account balance under the plan in such amount as the employee may elect, including any amounts attributable to a qualified cash or deferred arrangement (as defined in subsection (k)(2)).''.

(B) ANNUITY CONTRACTS.—

(i) CUSTODIAL ACCOUNTS.—Section 403(b)(7)(A) is amended by adding at the end the following new flush sentence:

''Notwithstanding clause (i), the custodial account shall permit an employee who certifies that the employee is a taxpayer who is subject to the distribution requirements of section 4974(e) to elect to receive a distribution from the employee's custodial account in such amount as the employee may elect.''.

(ii) ANNUITY CONTRACTS.—Section 403(b)(11) is amended by adding at the end the following new sentence: ''Notwithstanding subparagraphs (A), (B), (C), and (D), the annuity contract shall permit an employee who certifies that the employee is

a taxpayer who is subject to the distribution requirements of section 4974(e) to elect to receive a distribution of contributions made pursuant to a salary reduction agreement (within the meaning of section 402(g)(3)) from the employee's annuity contract in such amount as the employee may elect.''

(C) GOVERNMENTAL PLANS.—Section 457(d)(1) is amended by adding at the end the following new flush sentence:

''Notwithstanding subparagraph (A), an eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall permit an employee who certifies that the employee is a taxpayer who is subject to the distribution requirements of section 4974(e) to elect to receive a distribution from the plan in such amount as the employee may elect.''.

(2) EXCEPTION FROM 10 PERCENT ADDITIONAL TAX ON EARLY DISTRIBUTIONS.—Section 72(t)(2) is amended by adding at the end the following new subparagraph:

''(I) DISTRIBUTIONS OF EXCESS BALANCES.—Distributions from an applicable retirement plan (within the meaning of section

409B)) to the extent such distributions for the taxable year do not exceed the amount required to be distributed from such plan under section 4974(e).''.

(3) WITHHOLDING.—Section 3405(b) is amended by adding at the end the following new paragraph:

''(3) ADDITIONAL WITHHOLDING FOR REQUIRED DISTRIBUTIONS FROM HIGH BALANCE RETIREMENT ACCOUNTS.—

''(A) IN GENERAL.—For purposes of this section, a distribution pursuant to section 401(a)(39), the last sentence of section 403(b)(7)(A), the last sentence of section 403(b)(11), and the last sentence of section 457(d)(1) shall be treated as a nonperiodic distribution, except that in applying this subsection to such distribution—

''(i) paragraph (1) shall be applied by substituting '35 percent' for '10 percent', and

''(ii) no election may be made under paragraph (2) with respect to such distribution.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any qualified distribution from a designated Roth account (within the meaning of section 402A).".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2021.

(2) PLAN REQUIREMENTS.—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2021.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any plan or contract amendment, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any amendment made by this section or pursuant to any regula-

tion issued by the Secretary of the Treasury under this section or such amendments, and

(ii) on or before the last day of the first plan year beginning after December 31, 2022, or such later date as the Secretary of the Treasury may prescribe.

In the case of a governmental or collectively bargained plan to which subparagraph (B) or (C) of subsection (a)(4) applies, clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under such clause.

(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified in such amendment), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect; and

(ii) such plan or contract amendment applies retroactively for such period.

Subpart B—Other Provisions Relating to Individual Retirement Plans

SEC. 138311. TAX TREATMENT OF ROLLOVERS TO ROTH IRAS AND ACCOUNTS.

(a) ROLLOVERS AND CONVERSIONS LIMITED TO TAXABLE AMOUNTS.—

(1) ROTH IRAS.—

(A) IN GENERAL.—Paragraph (1) of section 408A(e) is amended by adding at the end the following new sentence: ''A qualified rollover contribution shall not include any rollover contribution from any eligible retirement plan described in subparagraph (B) (other than from a designated Roth account (within the meaning of section 402A)) if any portion of the distribution from which such contribution is made would

(without regard to such contribution) be treated as not includible in gross income.''

(B) CONVERSIONS.—Subparagraph (C) of section 408A(d)(3) is amended by adding at the end the following new sentence: ''This subparagraph shall not apply if any portion of the plan being converted would be treated as not includible in gross income if distributed at the time of the conversion.''

(2) DESIGNATED ROTH ACCOUNTS.—Section 402A(c)(4)(B) is amended by inserting '', determined after the application of the last sentence of paragraph (1) thereof'' after ''section 408A(e)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions, transfers, and contributions made after December 31, 2021.

(b) NO ROLLOVERS OR CONVERSIONS FOR HIGH-INCOME TAXPAYERS.—

(1) ROTH IRAS.—

(A) QUALIFIED ROLLOVER CONTRIBUTION.—Section 408A(e), as amended by subsection (a), is amended by adding at the end the following:

"(3) HIGH-INCOME TAXPAYERS MAY ONLY ROLLOVER FROM ROTH IRAS AND ACCOUNTS.—If—

"(A) a taxpayer is an applicable taxpayer (as defined in section 409B(b)(4)) for the taxable year in which a distribution is made, and

"(B) such distribution is contributed to a Roth IRA in a rollover contribution,

such contribution shall be treated as a qualified rollover contribution under paragraph (1) only if it is made from another Roth IRA or from a designated Roth account (within the meaning of section 402A).".

(B) ELIMINATION OF CONVERSIONS.—Paragraph (3) of section 408A(d), as amended by subsection (a), is amended by adding at the end the following:

"(G) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is an applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this paragraph shall not apply to any distribution to which this paragraph otherwise applies (or to any conversion described in subparagraph (C)) which is made during such taxable year.".

(2) DESIGNATED ROTH ACCOUNTS.—Paragraph (4) of section 402A(c) is amended by adding at the end the following:

"(F) PARAGRAPH NOT TO APPLY TO HIGH-INCOME TAXPAYERS.—If a taxpayer is an applicable taxpayer (as defined in section 409B(b)(4)) for any taxable year, this paragraph shall not apply to any distribution to which this paragraph otherwise applies and which is made during such taxable year.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distributions, transfers, and contributions made in taxable years beginning after December 31, 2031.

SEC. 138312. PROHIBITION OF IRA INVESTMENTS CONDITIONED ON ACCOUNT HOLDER'S STATUS.

(a) IN GENERAL.—Subsection (a) of section 408 is amended by adding at the end the following new paragraph:

"(7) No part of the trust funds will be invested in any security if the issuer of such security (or any other person specified by the Secretary) requires the individual on whose behalf the trust is maintained to make a representation to the issuer or such other person that such individual—

"(A) has a specified minimum amount of income or assets,

"(B) has completed a specified minimum level of education, or

"(C) holds a specific license or credential.".

(b) LOSS OF EXEMPTION OF ACCOUNT.—Paragraph (2) of section 408(e) is amended—

(1) by striking "" each place it appears in subparagraph (A) and inserting "maintained",

(2) by redesignating subparagraph (B) as subparagraph (C),

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) PROHIBITED INVESTMENT.—If, during any taxable year of the individual for whose benefit any individual retirement account is maintained, the investment of any part of the funds of such individual retirement account does not comply with subsection (a)(7), such account ceases to be an individual retirement account as of the first day of such taxable year. Rules similar to the rules of clauses (i) and (ii) of subparagraph (A) shall apply for purposes of this subparagraph.",

(4) by striking ''WHERE EMPLOYEE ENGAGES IN PROHIBITED TRANSACTION'' in the heading and inserting ''IN CASE OF CERTAIN PROHIBITED TRANSACTIONS AND INVESTMENTS'',

(5) by striking ''IN GENERAL'' in the heading of subparagraph (A) and inserting ''EMPLOYEE ENGAGING IN PROHIBITED TRANSACTION'', and

(6) by striking ''(A)'' in subparagraph (C), as so redesignated, and inserting ''(A) or (B)''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 408(c) is amended by striking ''(1) through (6)'' and inserting ''(1) through (7)''.

(2) Paragraph (3) of section 4975(c) is amended—

(A) striking '''' and inserting ''maintained'',

(B) by striking ''transaction'' both places it appears and inserting ''transaction or investment'', and

(C) by striking ''section 408(e)(2)(A)'' and inserting ''subparagraph (A) or (B) of section 408(e)(2)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2021.

(2) SPECIAL RULE FOR EXISTING INVESTMENTS.—If, on the date of the enactment of this Act, an individual retirement account holds an investment prohibited under section 408(a)(7) of the Internal Revenue Code of 1986 (as added by subsection (a)), the amendments made by this section shall apply to such investment for taxable years beginning after December 31, 2023.

SEC. 138313. STATUTE OF LIMITATIONS WITH RESPECT TO IRA NONCOMPLIANCE.

(a) IN GENERAL.—Subsection (c) of section 6501 is amended by adding at the end the following new paragraph:

"(13) NONCOMPLIANCE RELATING TO AN INDIVIDUAL RETIREMENT PLAN.—

"(A) MISREPORTING.—In the case of any substantial error (willful or otherwise) in the reporting on a return of any information relating to the valuation of investment assets with respect to an individual retirement plan, the time for assessment of any tax imposed by this title

with respect to such plan shall not expire before the date which is 6 years after the return containing such error was filed (whether or not such return was filed on or after the date prescribed).

"(B) PROHIBITED TRANSACTIONS.—The time for assessment of any tax imposed by section 4975 shall not expire before the date which is 6 years after the return was filed (whether or not such return was filed on or after the date prescribed).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxes with respect to which the 3-year period under section 6501(a) of the Internal Revenue Code of 1986 (without regard to the amendment made by this section) ends after December 31, 2021.

SEC. 138314. PROHIBITION OF INVESTMENT OF IRA ASSETS IN ENTITIES IN WHICH THE OWNER HAS A SUBSTANTIAL INTEREST.

(a) IN GENERAL.—Subsection (a) of section 408, as amended by the preceding provisions of this Act, is amended by adding at the end the following new paragraph:

"(8) No part of the trust funds will be invested in a corporation, partnership or other unincorporated enterprise, or trust or estate if—

"(A) in the case of an entity with respect to which interests described in clause (i), (ii), or (iii) are not readily tradable on an securities market, 10 percent or more of—

"(i) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation,

"(ii) the capital interest or profits interest of such partnership or enterprise, or

"(iii) the beneficial interest of such trust or estate,

is owned (directly or indirectly) or held by the individual on whose behalf the trust is maintained, or

"(B) the individual on whose behalf the trust is maintained is an officer or director (or an individual having powers or responsibilities similar to officers or directors) of such corporation, partnership, or other unincorporated enterprise.

For purposes of subparagraph (A), the constructive ownership rules of paragraphs (4) and (5) of section 4975(e) shall apply, and any asset or interest held

by the trust shall be treated as held by the individual described in such subparagraph.''.

(b) LOSS OF EXEMPTION OF ACCOUNT.—Subparagraph (B) of section 408(e)(2), as added by this Act, is amended by striking ''(a)(7)'' and inserting ''(a)(7) or (a)(8)''.

(c) CONFORMING AMENDMENT.—Paragraph (1) of section 408(c), as amended by the preceding provisions of this Act, is amended by striking ''(1) through (7)'' and inserting ''(1) through (8)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to investments made in taxable years beginning after December 31, 2021.

(2) SPECIAL RULE FOR EXISTING INVESTMENTS.—If, on the date of the enactment of this Act, an individual retirement account holds an investment prohibited under section 408(a)(8) of the Internal Revenue Code of 1986 (as added by subsection (a)), the amendments made by this section shall apply to such investment for taxable years beginning after December 31, 2023.

SEC. 138315. IRA OWNERS TREATED AS DISQUALIFIED PERSONS FOR PURPOSES OF PROHIBITED TRANSACTION RULES.

(a) IN GENERAL.—Paragraph (2) of section 4975(e) is amended—

(1) by striking ''or'' at the end of subparagraph (H),

(2) by striking the period at the end of subparagraph (I) and inserting ''; or'',

(3) by inserting after subparagraph (I) the following new subparagraph:

''(J) the individual for whose benefit a plan described in subparagraph (B) or (C) of paragraph (1) is maintained.'',

(4) by striking ''or (E)'' both places it appears in subparagraphs (F) and (G) and inserting ''(E), or (J) (in the case of a plan described in subparagraph (B) or (C) of paragraph (1))'',

(5) by striking ''or (G)'' in subparagraph (I) and inserting ''(G), or (J) (in the case of a plan described in subparagraph (B) or (C) of paragraph (1))'', and

(6) by adding at the end the following: ''For purposes of subparagraphs (G) and (I), any asset or interest held by a plan described in subparagraph (B) or (C) of paragraph (1) shall be treated as

owned by the individual described in subparagraph (J) with respect to such plan.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 408(e)(2), as amended by the preceding provisions of this Act, is amended to read as follows:

''(A) EMPLOYEE ENGAGING IN PROHIBITED TRANSACTION.—If, during any taxable year of the individual for whose benefit any individual retirement account is maintained, that individual engages in any transaction prohibited by section 4975 with respect to such account, such account ceases to be an individual retirement account as of the first day of such taxable year. For purposes of this paragraph, the separate account for the benefit of any individual within an individual retirement account maintained by an employer or association of employees is treated as a separate individual retirement account.''.

(2) Subparagraph (B) of section 408(e)(2), as added by this Act, is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions occurring after December 31, 2021.

PART 4—FUNDING THE INTERNAL REVENUE SERVICE AND IMPROVING TAXPAYER COMPLIANCE

SEC. 138401. FUNDING OF THE INTERNAL REVENUE SERVICE.

In addition to amounts otherwise available, there are appropriated for fiscal year 2022, out of any money in the Treasury not otherwise appropriated:

(1) $78,935,000,000, to remain available until September 30, 2031, for necessary expenses for the Internal Revenue Service (IRS) for strengthening tax enforcement activities and increasing voluntary compliance, expanding audits and other enforcement activities, and modernizing information technology to effectively support enforcement activities, except that no use of these funds is intended to increase taxes on any taxpayer with taxable income below $400,000;

(2) $410,000,000, to remain available until September 30, 2031, for necessary expenses for the Treasury Inspector General for Tax Administration to provide oversight of the IRS, including ensuring

that taxpayer privacy is protected and that no undue burden is imposed on small businesses from IRS enforcement activities; and

(3) $157,000,000, to remain available until September 30, 2031, for the Tax Court for adjudicating tax disputes.

SEC. 138402. APPLICATION OF BACKUP WITHHOLDING WITH RESPECT TO THIRD PARTY NETWORK TRANSACTIONS.

(a) IN GENERAL.—Section 3406(b) is amended by adding at the end the following new paragraph:

"(8) OTHER REPORTABLE PAYMENTS INCLUDE PAYMENTS IN SETTLEMENT OF THIRD PARTY NETWORK TRANSACTIONS ONLY WHERE AGGREGATE FOR CALENDAR YEAR IS $600 OR MORE.—Any payment in settlement of a third party network transaction required to be shown on a return required under section 6050W which is made during any calendar year shall be treated as a reportable payment only if—

"(A) the aggregate amount of such payment and all previous such payments made by the third party settlement organization to the participating payee during such calendar year equals or exceeds $600, or

"(B) the third party settlement organization was required under section 6050W to file a return for the preceding calendar year with respect to payments to the participating payee.".

(b) CONFORMING AMENDMENT.—Section 6050W(e) is amended by inserting "equal or" before "exceed $600".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2021.

(d) TRANSITIONAL RULE FOR 2022.—In the case of payments made during calendar year 2022, section 3406(b)(8)(A) of the Internal Revenue Code of 1986 (as added by this section) shall be applied by inserting "and the aggregate number of third party network transactions settled by the third party settlement organization with respect to the participating payee during such calendar year exceeds 200" before the comma at the end.

SEC. 138403. LIMITATION ON DEDUCTION FOR QUALIFIED CONSERVATION CONTRIBUTIONS MADE BY PASS-THROUGH ENTITIES, ETC.

(a) IN GENERAL.—Section 170(h) is amended by adding at the end the following new paragraphs:

"(7) LIMITATION ON DEDUCTION FOR QUALIFIED CONSERVATION CONTRIBUTIONS MADE BY PASS-THROUGH ENTITIES.—

"(A) IN GENERAL.—A contribution by a partnership (whether directly or as a distributive share of a contribution of another partnership) shall not be treated as a qualified conservation contribution for purposes of this section if the amount of such contribution exceeds 2.5 times the sum of each partner's relevant basis in such partnership.

"(B) RELEVANT BASIS.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'relevant basis' means, with respect to any partner, the portion of such partner's modified basis in the partnership which is allocable (under rules similar to the rules of section 755) to the portion of the real property with respect to which the contribution described in subparagraph (A) is made.

"(ii) MODIFIED BASIS.—The term 'modified basis' means, with respect to any partner, such partner's adjusted basis in the partnership as determined—

"(I) immediately before the contribution described in subparagraph (A),

"(II) without regard to section 752, and

"(III) by the partnership after taking into account the adjustments described in subclauses (I) and (II) and such other adjustments as the Secretary may provide.

"(C) EXCEPTION FOR CONTRIBUTIONS OUTSIDE 3-YEAR HOLDING PERIOD.—Subparagraph (A) shall not apply to any contribution which is made at least 3 years after the latest of—

"(i) the last date on which the partnership that made such contribution acquired any portion of the real property with respect to which such contribution is made,

"(ii) the last date on which any partner in the partnership that made such contribution acquired any interest in such partnership, and

"(iii) if the interest in the partnership that made such contribution is held through one or more partnerships—

"(I) the last date on which any such partnership acquired any interest in any other such partnership, and

"(II) the last date on which any partner in any such partnership acquired any interest in such partnership.

"(D) EXCEPTION FOR FAMILY PARTNERSHIPS.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to any contribution made by any partnership if substantially all of the partnership interests in such partnership are held, directly or indirectly, by an individual and members of the family of such individual.

"(ii) MEMBERS OF THE FAMILY.—For purposes of this subparagraph, the term 'members of the family' means, with respect to any individual—

"(I) the spouse of such individual, and

"(II) any individual who bears a relationship to such individual which is described in subparagraphs (A) through (G) of section 152(d)(2).

"(E) APPLICATION TO OTHER PASS-THROUGH ENTITIES.—Except as may be otherwise provided by the Secretary, the rules of this paragraph shall apply to S corporations and other pass-through entities in the same manner as such rules apply to partnerships.

"(F) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations or other guidance—

"(i) to require reporting, including reporting related to tiered partnerships and the modified basis of partners, and

"(ii) to prevent the avoidance of the purposes of this paragraph.

"(8) NOTICE OF CERTAIN FAILURES.—

"(A) IN GENERAL.—If a donor is found by the Secretary to have failed to meet the requirement that a qualified conservation contribution shall be granted and protected in perpetuity by

reason of defective language in the deed relating to property line adjustments or extinguishment clauses, the donor shall have 90 days from the written notice by the Secretary to correct such failure, unless the Secretary can demonstrate that the donor's failure to meet those requirements was intentional.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to any reportable transaction or any contribution that is not treated as a qualified conservation contribution by reason of paragraph (7).".

(b) APPLICATION OF ACCURACY-RELATED PENALTIES.—

(1) IN GENERAL.—Section 6662(b) is amended by inserting after paragraph (9) the following new paragraph:

"(10) Any disallowance of a deduction by reason of section 170(h)(7).".

(2) TREATMENT AS GROSS VALUATION MISSTATEMENT.—Section 6662(h)(2) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following new subparagraph:

"(D) any disallowance of a deduction described in subsection (b)(10).".

(3) NO REASONABLE CAUSE EXCEPTION.—Section 6664(c)(2) is amended by inserting "or to any disallowance of a deduction described in section 6662(b)(10)" before the period at the end.

(4) APPROVAL OF ASSESSMENT NOT REQUIRED.—Section 6751(b)(2)(A) is amended by striking "subsection (b)(9)" and inserting "paragraph (9) or (10) of subsection (b)".

(c) APPLICATION OF STATUTE OF LIMITATIONS ON ASSESSMENT AND COLLECTION.—

(1) EXTENSION FOR CERTAIN ADJUSTMENTS MADE UNDER PRIOR LAW.—In the case of any disallowance of a deduction by reason of section 170(h)(7) of the Internal Revenue Code of 1986 (as added by this section) or any penalty imposed under section 6662 of such Code with respect to such disallowance, section 6229(d)(2) of such Code (as in effect before its repeal) shall be applied by substituting "2 years" for "1 year".

(2) EXTENSION FOR LISTED TRANSACTIONS.—Any contribution described in section 170(h)(7)(A) of the Internal Revenue Code of 1986 (as added by this section) shall be treated for purposes of sections

6501(c)(10) and 6235(c)(6) of such Code as a transaction specifically identified by the Secretary on December 23, 2016, as a tax avoidance transaction for purposes of section 6011 of such Code.

(d) APPLICATION TO CERTAIN TRANSACTIONS DISALLOWED UNDER OTHER PROVISIONS OF LAW.—In the case of any disallowance of a deduction under section 170 of the Internal Revenue Code of 1986 with respect to a transaction described in Internal Revenue Service Notice 2017–10 with respect to a taxable year ending before the date of the enactment of this Act, such disallowance shall be treated for purposes of section 6662(b)(10) of such Code (as added by this section) and subsection (c)(1) as being by reason of section 170(h)(7) of such Code (as added by this section).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to contributions made after December 23, 2016, in taxable years ending after such date.

(2) NOTICE OF CERTAIN FAILURES.—So much of the amendment made by subsection (a) as relates to section 170(h)(8) of the Internal Revenue Code of 1986, as added by such subsection, shall apply to—

(A) returns filed after the date of the enactment of this Act, and

(B) returns filed on or before such date if the period specified in section 6501 for assessment of the taxes with respect to which such return relates has not expired as of such date.

(3) CERTIFIED HISTORIC STRUCTURES.—In the case of contributions the conservation purpose (as defined in section 170(h)(4) of the Internal Revenue Code of 1986) of which is the preservation of a certified historic structure (as defined in section 170(h)(4)(C) of such Code), the amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2018.

(4) NO INFERENCE.—No inference is intended as to the appropriate treatment of contributions made in taxable years ending on or before the date specified in paragraph (1) or (3), whichever is applicable, or as to any activity not described in section 170(h)(7) of the Internal Revenue Code of 1986, as added by this section.

SEC. 138404. MODIFICATION OF PROCEDURAL REQUIREMENTS RELATING TO ASSESSMENT OF PENALTIES.

(a) REPEAL OF APPROVAL REQUIREMENT.—Section 6751, as amended by the preceding provision of this Act, is amended by striking subsection (b).

(b) QUARTERLY CERTIFICATIONS OF COMPLIANCE WITH PROCEDURAL REQUIREMENTS.—Section 6751, as amended by subsection (a) of this section, is amended by inserting after subsection (a) the following new subsection:

''(b) QUARTERLY CERTIFICATIONS OF COMPLIANCE.—Each appropriate supervisor of employees of the Internal Revenue Service shall certify quarterly by letter to the Commissioner of Internal Revenue whether or not the requirements of subsection (a) have been met with respect to notices of penalty issued by such employees.''.

(c) EFFECTIVE DATES.—

(1) REPEAL OF APPROVAL REQUIREMENT.—The amendment made by subsection (a) shall take effect as if included in section 3306 of the Internal Revenue Service Restructuring and Reform Act of 1998.

(2) QUARTERLY CERTIFICATIONS OF COMPLIANCE WITH PROCEDURAL REQUIREMENTS.—The amendment made by subsection (b) shall apply to

notices of penalty issued after the date of the enactment of this Act.

PART 5—OTHER PROVISIONS

SEC. 138501. MODIFICATIONS TO LIMITATION ON DEDUCTION OF EXCESSIVE EMPLOYEE REMUNERATION.

(a) IN GENERAL.—Section 162(m) is amended by adding at the end the following new paragraph:

"(7) SPECIAL RULES RELATED TO LIMITATION ON DEDUCTION OF EXCESSIVE EMPLOYEE REMUNERATION.—

"(A) AGGREGATION RULE.—A rule similar to the rule of paragraph (6)(C)(ii) shall apply for purposes of paragraph (1).

"(B) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of paragraph (1), including regulations or other guidance to prevent the avoidance of such purposes, including through the performance of services other than as an employee or by providing compensation through a pass-through or other entity.".

(b) ACCELERATION OF APPLICATION TO 5 HIGHEST COMPENSATED EMPLOYEES.—Section 162(m)(3)(C) is

amended by striking ''December 31, 2026'' and inserting ''December 31, 2021''.

(c) APPLICABLE EMPLOYEE REMUNERATION.—Section 162(m)(4)(A) is amended—

(1) by inserting ''(including performance-based compensation, commissions, post-termination compensation, and beneficiary payments)'' after ''remuneration for services'', and

(2) by inserting ''and whether or not such remuneration is paid directly by the publicly held corporation'' after ''whether or not during the taxable year''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138502. EXTENSION OF TAX TO FUND BLACK LUNG DISABILITY TRUST FUND.

(a) IN GENERAL.—Section 4121(e)(2)(A) is amended by striking ''December 31, 2021'' and inserting ''December 31, 2025''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales after December 31, 2021.

SEC. 138503. PROHIBITED TRANSACTIONS RELATING TO HOLDING DISC OR FSC IN INDIVIDUAL RETIREMENT ACCOUNT.

(a) IN GENERAL.—Section 4975(c)(1) is amended by striking ''or'' at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting ''; or'', and by adding at the end the following new subparagraph:

''(G) in the case of a DISC or FSC that receives any commission, or other payment, from an entity any stock or interest in which is owned by the individual for whose benefit an individual retirement account is maintained, holding of an interest in such DISC or FSC by the individual retirement account.''.

(b) SPECIAL RULES OF APPLICATION.—Section 4975(c) is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULES OF APPLICATION FOR DISC AND FSC HOLDINGS.—

''(A) INDIRECT HOLDING OF DISC OR FSC.—For purposes of paragraph (1)(G), if an individual retirement account holds an interest in an entity that owns (directly or indirectly) an interest in a DISC or FSC, the account shall

be treated as holding an interest in such DISC or FSC.

"(B) CONSTRUCTIVE OWNERSHIP.—For purposes of determining ownership of stock (or any other interest) in an entity under paragraph (1)(G) and ownership of an interest in a DISC or FSC under subparagraph (A), the rules prescribed by section 318 for determining ownership shall apply, except that such section shall be applied by substituting '10 percent' for '50 percent' each place it appears.

"(C) DISC AND FSC.—For purposes of his subsection, the terms 'DISC' and 'FSC' shall have the respective meanings given such terms by section 992(a)(1)) and section 922(a) (as in effect before its repeal by the FSC Repeal and Extraterritorial Income Exclusion Act of 2000).".

(c) APPLICATION OF TAX TO TERMINATED INDIVIDUAL RETIREMENT ACCOUNTS.—Section 4975(c)(3) is amended by adding at the end the following: "The preceding sentence shall not apply in the case of a prohibited transaction described in paragraph (1)(G).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to stock and other interests acquired or held on or after December 31, 2021.

SEC. 138504. INCREASE IN TAX ON CERTAIN TOBACCO PRODUCTS AND IMPOSITION OF TAX ON NICOTINE.

(a) INCREASING TAX ON CIGARETTES.—

(1) SMALL CIGARETTES.—Section 5701(b)(1) is amended by striking ''$50.33'' and inserting ''$100.66''.

(2) LARGE CIGARETTES.—Section 5701(b)(2) is amended by striking ''$105.69'' and inserting ''$211.39''.

(b) TAX PARITY FOR SMALL CIGARS.—Section 5701(a)(1) is amended by striking ''$50.33'' and inserting ''$100.66''.

(c) TAX PARITY FOR LARGE CIGARS.—Section 5701(a)(2) is amended by striking ''52.75 percent'' and all that follows through the period and inserting ''$49.56 per pound and a proportionate tax at the like rate on all fractional parts of a pound but not less than 10.06 cents per cigar.''.

(d) TAX PARITY FOR SMOKELESS TOBACCO.—

(1) Section 5701(e) is amended—

(A) in paragraph (1), by striking "$1.51" and inserting "$26.84",

(B) in paragraph (2), by striking "50.33 cents" and inserting "$10.70", and

(C) by adding at the end the following new paragraph:

"(3) SMOKELESS TOBACCO SOLD IN DISCRETE SINGLE-USE UNITS.—On discrete single-use units, $100 per thousand.".

(2) Section 5702(m) is amended—

(A) in paragraph (1), by striking "or chewing tobacco" and inserting ", chewing tobacco, or discrete single-use unit",

(B) in paragraphs (2) and (3), by inserting "and that is not a discrete single-use unit" before the period at the end of each such paragraph, and

(C) by adding at the end the following new paragraph:

"(4) DISCRETE SINGLE-USE UNIT.—The term 'discrete single-use unit' means any product containing tobacco that—

"(A) is not intended to be smoked, and

"(B) is in the form of a lozenge, tablet, pill, pouch, dissolvable strip, or other discrete single-use or single-dose unit.".

(e) TAX PARITY FOR PIPE TOBACCO.—Section 5701(f) is amended by striking "$2.8311 cents" and inserting "$49.56".

(f) TAX PARITY FOR ROLL-YOUR-OWN TOBACCO.—Section 5701(g) is amended by striking "$24.78" and inserting "$49.56".

(g) TAX PARITY FOR ROLL-YOUR-OWN TOBACCO AND CERTAIN PROCESSED TOBACCO.—Section 5702(o) is amended by inserting ", and includes processed tobacco that is removed for delivery or delivered to a person other than a person with a permit provided under section 5713, but does not include removals of processed tobacco for exportation" after "wrappers thereof".

(h) IMPOSITION OF TAX ON NICOTINE FOR USE IN VAPING, ETC.—

(1) IN GENERAL.—Section 5701 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) NICOTINE.—On taxable nicotine, manufactured in or imported into the United States, there shall be imposed a tax equal to the dollar amount specified in section

5701(b)(1) per 1,810 milligrams of nicotine (and a proportionate tax at the like rate on any fractional part thereof).''.

(2) TAXABLE NICOTINE.—Section 5702 is amended by adding at the end the following new subsection:

''(q) TAXABLE NICOTINE.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'taxable nicotine' means any nicotine which has been extracted, concentrated, or synthesized.

''(2) EXCEPTION FOR PRODUCTS APPROVED BY FOOD AND DRUG ADMINISTRATION.—Such term shall not include any nicotine if the manufacturer or importer thereof demonstrates to the satisfaction of the Secretary of Health and Human Services that such nicotine will be used in—

''(A) a drug—

''(i) that is approved under section 505 of the Federal Food, Drug, and Cosmetic Act or licensed under section 351 of the Public Health Service Act; or

''(ii) for which an investigational use exemption has been authorized under section 505(i) of the Federal Food, Drug, and

Cosmetic Act or under section 351(a) of the Public Health Service Act; or

"(B) a combination product (as described in section 503(g) of the Federal Food, Drug, and Cosmetic Act), the constituent parts of which were approved or cleared under section 505, 510(k), or 515 of such Act.

"(3) COORDINATION WITH TAXATION OF OTHER TOBACCO PRODUCTS.—Tobacco products meeting the definition of cigars, cigarettes, smokeless tobacco, pipe tobacco, and roll-your-own tobacco in this section shall be classified and taxed as such despite any concentration of the nicotine inherent in those products or any addition of nicotine to those products during the manufacturing process.

"(4) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as is necessary or appropriate to carry out the purposes of this subsection, including regulations or other guidance for coordinating the taxation of tobacco products and taxable nicotine to protect revenue and prevent double taxation.".

(3) TAXABLE NICOTINE TREATED AS A TOBACCO PRODUCT.—Section 5702(c) is amended by

striking ''and roll-your-own tobacco'' and inserting ''roll-your-own tobacco, and taxable nicotine''.

(4) MANUFACTURER OF TAXABLE NICOTINE.—Section 5702, as amended by paragraph (2), is amended by adding at the end the following new subsection:

''(r) MANUFACTURER OF TAXABLE NICOTINE.—

''(1) IN GENERAL.—Any person who extracts, concentrates, or synthesizes nicotine shall be treated as a manufacturer of taxable nicotine (and as manufacturing such taxable nicotine).

''(2) APPLICATION OF RULES RELATED TO MANUFACTURERS OF TOBACCO PRODUCTS.—Any reference to a manufacturer of tobacco products, or to manufacturing tobacco products, shall be treated as including a reference to a manufacturer of taxable nicotine, or to manufacturing taxable nicotine, respectively.''.

(j) REPEAL OF SPECIAL RULES FOR DETERMINING PRICE OF CIGARS.—Section 5702 is amended by striking subsection (l).

(k) FLOOR STOCKS TAXES.—

(1) IMPOSITION OF TAX.—On covered tobacco products, and cigarette papers and tubes, manufactured in or imported into the United States which

are removed before the tax increase date and held on such date for sale by any person, there is hereby imposed a tax in an amount equal to the excess of—

(A) the tax which would be imposed under section 5701 of the Internal Revenue Code of 1986 on the article if the article had been removed on such date, over

(B) the prior tax (if any) imposed under section 5701 of such Code on such article.

(2) COVERED TOBACCO PRODUCTS.—For purposes of this subsection, the term ''covered tobacco products'' means any tobacco product other than—

(A) cigars described in section 5701(a)(2) of the Internal Revenue Code of 1986,

(B) discrete single-use units (as defined in section 5702(m)(4) of such Code, as amended by this section), and

(C) taxable nicotine (as defined in section 5702(q) of such Code, as amended by this section).

(3) CREDIT AGAINST TAX.—Each person shall be allowed as a credit against the taxes imposed by paragraph (1) an amount equal to the lesser of $1,000 or the amount of such taxes. For purposes of the preceding sentence, all persons treated as a

single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as 1 person for purposes of this paragraph.

(4) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—The person referred to in paragraph (1) shall be liable for the tax imposed by such paragraph.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary may provide.

(5) ARTICLES IN FOREIGN TRADE ZONES.—

(A) IN GENERAL.—Notwithstanding the Act of June 18, 1934 (commonly known as the Foreign Trade Zone Act, 48 Stat. 998, 19 U.S.C. 81a et seq.) or any other provision of law, any covered tobacco products, or cigarette papers and tubes, which are located in a foreign trade zone on the tax increase date, shall be subject to the tax imposed by paragraph (1) if—

(i) internal revenue taxes have been determined, or customs duties liquidated, with respect to such article before such

date pursuant to a request made under the 1st proviso of section 3(a) of such Act, or

(ii) such article is held on such date under the supervision of an officer of the United States Customs and Border Protection of the Department of Homeland Security pursuant to the 2d proviso of such section 3(a).

(6) TAX INCREASE DATE.—For purposes of this subsection, the term ''tax increase date'' means the first day of the first calendar quarter described in subsection (k)(1).

(7) CERTAIN OTHER DEFINITIONS.—Terms used in this subsection which are also used in section 5702 of the Internal Revenue Code of 1986 shall have the same meaning as when used in such section.

(l) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to articles removed in calendar quarters beginning after the date of the enactment of this Act.

(2) DELAYED EFFECTIVE DATE FOR CERTAIN PRODUCTS.—The amendments made by subsections

(c), (d)(1)(C), (d)(2), and (h) shall apply to articles removed in calendar quarters beginning after the date which is 180 days after the date of the enactment of this Act.

(m) TRANSITION RULE FOR PERMIT AND BOND REQUIREMENTS.—A person which is lawfully engaged in business as a manufacturer or importer of taxable nicotine (within the meaning of subchapter A of chapter 52 of the Internal Revenue Code of 1986, as amended by this section) on the date of the enactment of this Act, first becomes subject to the requirements of subchapter B of chapter 52 of such Code by reason of the amendments made by this section, and submits an application under such subchapter B to engage in such business not later than 90 days after the date of the enactment of this Act, shall not be denied the right to carry on such business by reason of such requirements before final action on such application.

SEC. 138505. CLARIFICATION OF RULES REGARDING TOBACCO DRAWBACK.

(a) IN GENERAL.—Section 5706 is amended by adding at the end the following: ''Exemption from tax under section 5704 is drawback, and no further drawback shall be allowed based on merchandise that has not been subject to tax.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to drawback claims made on or after December 18, 2018.

(c) NO INFERENCE.—Nothing contained in this subsection or the amendments made by this subsection shall be construed to create any inference with respect to any drawback claim made before December 18, 2018.

SEC. 138506. TERMINATION OF EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

Section 45S(i) is amended by striking ''December 31, 2025'' and inserting ''December 31, 2023''.

SEC. 138507. CLARIFICATION OF TREATMENT OF DISC GAINS AND DISTRIBUTIONS OF CERTAIN FOREIGN SHAREHOLDERS.

(a) IN GENERAL.—Section 996(g) of the Internal Revenue Code of 1986 is amended by striking ''of such shareholder'' and inserting ''deemed to be had by such shareholder''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to gains and distributions after December 31, 2021.

(c) APPLICATION TO FOREIGN SALES CORPORATIONS.—In the case of any distribution after December 31, 2021, section 926(b)(1) of the Internal Revenue Code of 1986 (prior to its repeal by the FSC Repeal and

Extraterritorial Income Exclusion Act of 2000) shall be applied by substituting ''deemed to be had by such shareholder'' for ''of such shareholder''.

SEC. 138508. ACCESS TO SELF-EMPLOYMENT INCOME INFORMATION FOR PAID LEAVE ADMINISTRATION.

Section 6103(l) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(23) DISCLOSURE OF CERTAIN RETURN INFORMATION TO CARRY OUT PAID FAMILY AND MEDICAL LEAVE BENEFIT PROGRAM.—

''(A) IN GENERAL.—The Secretary shall, upon written request, disclose to officers and employees of the Department of the Treasury return information with respect to a taxpayer whose self-employment income is relevant in determining eligibility for, or the correct amount of, a paid family and medical leave benefit under title XXII of the Social Security Act. Such information shall be limited to—

''(i) the taxpayer identity information with respect to the taxpayer,

''(ii) the self-employment income of the taxpayer, and

"(iii) the taxable year to which such self-employment income relates.

"(B) RESTRICTION ON DISCLOSURE.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Department of the Treasury solely for the purpose of administering the paid family and medical leave benefit program under title XXII of the Social Security Act.

"(C) SELF-EMPLOYMENT INCOME.—For purposes of this paragraph, the term 'self-employment income' has the meaning given such term in section 1402(b) for purposes of the taxes imposed by section 1401(b).".

SEC. 138509. TEMPORARY RULE TO ALLOW CERTAIN S CORPORATIONS TO REORGANIZE AS PARTNERSHIPS WITHOUT TAX.

(a) IN GENERAL.—A qualified liquidation of an eligible S corporation shall be treated for purposes of the Internal Revenue Code of 1986 in the same manner as if—

(1) such liquidation were a complete liquidation described in section 332(b) of such Code, and

(2) the domestic partnership referred to in subsection (c)(2) were a corporation which is an 80-per-

cent distributee (within the meaning of section 337(c) of such Code).

(b) ELIGIBLE S CORPORATION.—For purposes of this section, the term ''eligible S corporation'' means any corporation (including any predecessor corporation) that was an S corporation on May 13, 1996, and at all times thereafter through the date on which the qualified liquidation is completed.

(c) QUALIFIED LIQUIDATION.—For purposes of this section, the term ''qualified liquidation'' means one or more transactions occurring during the 2-year period beginning on December 31, 2021 if—

(1) such transactions constitute the complete liquidation of an eligible S corporation, and

(2) substantially all of the assets and liabilities of such eligible S corporation are, as a result of such transactions, transferred to a domestic partnership.

(d) ELECTION.—This section shall apply to any qualified liquidation only if the eligible S corporation elects the application of this section in such manner as the Secretary may require and not later than the due date for filing the return of tax under chapter 1 of such Code for the taxable year in which such liquidation is completed.

(e) APPLICATION OF RESTRICTION ON SUBSECTION S CORPORATION ELECTIONS.—In the case of any quali-

fied liquidation to which this section applies, the domestic partnership referred to in subsection (c)(2) shall not fail to be treated as a successor corporation of the eligible S corporation for purposes of section 1362(g) of such Code.

(f) OTHER DEFINITIONS.—Terms used in this section which are also used in the Internal Revenue Code of 1986 shall have the same meaning as when used in such Code.

(g) REGULATIONS.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out this section.

SEC. 138510. TREATMENT OF CERTAIN QUALIFIED SOUND RECORDING PRODUCTIONS.

(a) ELECTION TO TREAT COSTS AS EXPENSES.—Section 181(a)(1) is amended by striking ''qualified film or television production, and any qualified live theatrical production,'' and inserting ''qualified film or television production, any qualified live theatrical production, and any qualified sound recording production''.

(b) DOLLAR LIMITATION.—Section 181(a)(2) is amended by adding at the end the following new subparagraph:

''(C) QUALIFIED SOUND RECORDING PRODUCTION.—Paragraph (1) shall not apply to so much of the aggregate cost of any qualified

sound recording production, or to so much of the aggregate, cumulative cost of all such qualified sound recording productions in the taxable year, as exceeds $150,000.''.

(c) NO OTHER DEDUCTION OR AMORTIZATION DEDUCTION ALLOWABLE.—Section 181(b) is amended by striking ''qualified film or television production or any qualified live theatrical production'' and inserting ''qualified film or television production, any qualified live theatrical production, or any qualified sound recording production''.

(d) ELECTION.—Section 181(c)(1) is amended by striking ''qualified film or television production or any qualified live theatrical production'' and inserting ''qualified film or television production, any qualified live theatrical production, or any qualified sound recording production''.

(e) QUALIFIED SOUND RECORDING PRODUCTION DEFINED.—Section 181 is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

''(f) QUALIFIED SOUND RECORDING PRODUCTION.—For purposes of this section, the term 'qualified sound recording production' means a sound recording (as defined

in section 101 of title 17, United States Code) produced and recorded in the United States.''.

(f) TERMINATION.—Section 181(h) (as redesignated by subsection (e)) is amended by striking ''qualified film or television production or any qualified live theatrical production'' and inserting ''qualified film or television production, any qualified live theatrical production, or any qualified sound recording production''.

(g) BONUS DEPRECIATION.—

(1) QUALIFIED SOUND RECORDING PRODUCTION AS QUALIFIED PROPERTY.—Section 168(k)(2)(A)(i) is amended—

(A) by striking ''or'' at the end of subclause (IV), by adding ''or'' at the end of subclause (V), and by inserting after subclause (V) the following:

''(VI) which is a qualified sound recording production (as defined in subsection (f) of section 181) for which a deduction would have been allowable under section 181 without regard to subsections (a)(2) and (h) of such section or this subsection,'', and

(B) in subclauses (IV) and (V) (as amended) by striking ''without regard to subsections

(a)(2) and (g)'' both places it appears and inserting ''without regard to subsections (a)(2) and (h)''.

(2) PRODUCTION PLACED IN SERVICE.—Section 168(k)(2)(H) is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', and'', and by adding after clause (ii) the following:

''(iii) a qualified sound recording production shall be considered to be placed in service at the time of initial release or broadcast.''.

(h) CONFORMING AMENDMENTS.—

(1) The heading for section 181 is amended to read as follows: ''**TREATMENT OF CERTAIN QUALIFIED PRODUCTIONS**.''.

(2) The table of sections for part VI of subchapter B of chapter 1 is amended by striking the item relating to section 181 and inserting the following new item:

''Sec. 181. Treatment of certain qualified productions.''.

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to productions commencing in taxable years ending after the date of the enactment of this Act.

SEC. 138511. PAYMENT TO CERTAIN INDIVIDUALS WHO DYE FUEL.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new subsection:

"SEC. 6433. DYED FUEL.

"(a) IN GENERAL.—If a person establishes to the satisfaction of the Secretary that such person meets the requirements of subsection (b) with respect to diesel fuel or kerosene, then the Secretary shall pay to such person an amount (without interest) equal to the tax described in subsection (b)(2)(A) with respect to such diesel fuel or kerosene.

"(b) REQUIREMENTS.—

"(1) IN GENERAL.—A person meets the requirements of this subsection with respect to diesel fuel or kerosene if such person removes from a terminal eligible indelibly dyed diesel fuel or kerosene.

"(2) ELIGIBLE INDELIBLY DYED DIESEL FUEL OR KEROSENE DEFINED.—The term 'eligible indelibly dyed diesel fuel or kerosene' means diesel fuel or kerosene—

"(A) with respect to which a tax under section 4081 was previously paid (and not credited or refunded), and

"(B) which is exempt from taxation under section 4082(a).

"(c) CROSS REFERENCE.—For civil penalty for excessive claims under this section, see section 6675.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6206 is amended—

(A) by striking "or 6427" each place it appears and inserting "6427, or 6433", and

(B) by striking "6420 and 6421" and inserting "6420, 6421, and 6433".

(2) Section 6430 is amended—

(A) by striking "or" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "or", and by adding at the end the following new paragraph:

"(4) which are removed as eligible indelibly dyed diesel fuel or kerosene under section 6433.".

(3) Section 6675 is amended—

(A) in subsection (a), by striking "or 6427 (relating to fuels not used for taxable purposes)" and inserting "6427 (relating to fuels not used for taxable purposes), or 6433 (relating to eligible indelibly dyed fuel)", and

(B) in subsection (b)(1), by striking "6421, or 6427," and inserting "6421, 6427, or 6433".

(4) The table of sections for subchapter B of chapter 65 is amended by adding at the end the following new item:

"Sec. 6433. Dyed fuel.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to eligible indelibly dyed diesel fuel or kerosene removed on or after the date that is 180 days after the date of the enactment of this section.

SEC. 138512. EXTENSION OF CREDIT FOR PORTION OF EMPLOYER SOCIAL SECURITY TAXES PAID WITH RESPECT TO EMPLOYEE TIPS TO BEAUTY SERVICE ESTABLISHMENTS.

(a) EXTENSION OF TIP CREDIT TO BEAUTY SERVICE BUSINESS.—

(1) IN GENERAL.—Section 45B(b)(2) is amended to read as follows:

"(2) APPLICATION ONLY TO CERTAIN LINES OF BUSINESS.—In applying paragraph (1), there shall be taken into account only tips received from customers or clients in connection with the following services:

"(A) The providing, delivering, or serving of food or beverages for consumption, if the tip-

ping of employees delivering or serving food or beverages by customers is customary.

"(B) The providing of beauty services to a customer or client if the tipping of employees providing such services is customary.".

(2) BEAUTY SERVICE DEFINED.—Section 45B is amended by adding at the end the following new subsection:

"(e) BEAUTY SERVICE.—For purposes of this section, the term 'beauty service' means any of the following:

"(1) Barbering and hair care.

"(2) Nail care.

"(3) Esthetics.

"(4) Body and spa treatments.".

(b) CREDIT DETERMINED WITH RESPECT TO MINIMUM WAGE IN EFFECT.—Section 45B(b)(1)(B) is amended—

(1) by striking "as in effect on January 1, 2007, and", and

(2) by inserting ", and in the case of food or beverage establishments, as in effect on January 1, 2007" after "without regard to section 3(m) of such Act".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138513. ENHANCEMENT OF WORK OPPORTUNITY CREDIT DURING COVID–19 RECOVERY PERIOD.

(a) IN GENERAL.—Section 51 is amended by adding at the end the following new subsection:

"(l) ADJUSTMENT TO CREDIT DURING COVID–19 RECOVERY PERIOD.—In the case of individuals (other than any individual who is a qualified summer youth employee) hired after the date of the enactment of this subsection and before January 1, 2023—

"(1) INCREASED AMOUNT OF CREDIT.—Subsection (a) shall be applied by substituting '50 percent' for '40 percent'.

"(2) AVAILABILITY OF CREDIT IN SECOND YEAR OF EMPLOYMENT.—

"(A) IN GENERAL.—Subsection (a) shall be applied by inserting 'or qualified second-year wages' after 'wages'.

"(B) QUALIFIED SECOND-YEAR WAGES.—For the purposes of this paragraph, the term 'qualified second-year wages' means qualified wages which are attributable to service rendered

during the 1-year period beginning on the day after the last day of the 1-year period with respect to the recipient determined under subsection (b)(2).

"(3) INCREASE IN LIMITATION ON WAGES TAKEN INTO ACCOUNT.—Subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000'.

"(4) ELIGIBILITY OF REHIRES.—

"(A) IN GENERAL.—Subsection (i)(2) shall not apply.

"(B) REGULATIONS.—The Secretary shall issue such regulations as the Secretary determines appropriate to ensure a reasonable application of subparagraph (A), including prohibiting attempts to claim the benefit of this section through the termination and rehiring of an employee.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of enactment of this Act.

SEC. 138514. ALLOWANCE OF DEDUCTION FOR CERTAIN EXPENSES OF THE TRADE OR BUSINESS OF BEING AN EMPLOYEE.

(a) ABOVE-THE-LINE DEDUCTION FOR UNION DUES.—Section 62(a)(2) is amended by adding at the end the following new subparagraph:

"(F) UNION DUES.—The deductions allowed by section 162 which are both—

"(A) not in excess of $250, and

"(B) attributable to a trade or business consisting of the performance of services by the taxpayer as an employee if such deductions are for dues paid to a labor organization described in section 501(c)(5) and with respect to which such taxpayer remained a member through the end of the taxable year.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138515. COVER OVER OF CERTAIN DISTILLED SPIRITS TAXES.

(a) REPEAL OF LIMITATION ON COVER OVER OF DISTILLED SPIRITS TAXES TO PUERTO RICO AND VIRGIN ISLANDS.—

(1) IN GENERAL.—Section 7652 is amended by striking subsection (f) and by redesignating sub-

sections (g) and (h) as subsections (f) and (g), respectively.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distilled spirits brought into the United States after December 31, 2021.

(b) REQUIRED TRANSFER TO PUERTO RICO CONSERVATION TRUST FUND OF PORTION OF PUERTO RICO RUM COVER OVER.—

(1) IN GENERAL.—Section 7652(a) is amended by adding at the end the following new paragraph:

"(4) REQUIRED TRANSFER TO PUERTO RICO CONSERVATION TRUST FUND OF PORTION OF RUM TAXES COVERED OVER.—

"(A) IN GENERAL.—From any taxes collected on rum transported to the United States that are covered into the treasury of Puerto Rico under paragraph (3) at a rate equal to or greater than $10.50 per proof gallon, Puerto Rico shall transfer to the Puerto Rico Conservation Trust Fund an amount per proof gallon equal to or greater than ⅙ of the difference between $10.50 and the rate, not to exceed $13.25, at which such taxes are covered into such treasury. Puerto Rico's obligations under

this paragraph shall not modify or impair payment priorities established under Puerto Rico law and in effect on May 21, 2021.

"(B) PUERTO RICO CONSERVATION TRUST FUND.—For purposes of this section, the term 'Puerto Rico Conservation Trust Fund' means the fund established pursuant to a Memorandum of Understanding between the United States Department of the Interior and the Commonwealth of Puerto Rico, dated December 24, 1968.".

(2) COVER OVER DETERMINED WITHOUT REGARD TO CERTAIN RATE REDUCTIONS.—Section 7652(h), as amended by subsections (a) and (c), is amended by inserting "(a)(4)," after "(a)(3),".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to distilled spirits brought into the United States after December 31, 2021.

(c) COVER OVER DETERMINED WITHOUT REGARD TO CERTAIN RATE REDUCTIONS.—

(1) IN GENERAL.—Section 7652, as amended by subsection (a), is amended by inserting after subsection (g) the following new subsection:

"(h) COVER OVER DETERMINED WITHOUT REGARD TO CERTAIN RATE REDUCTIONS.—For purposes of subsections (a)(3), (b)(3), and (e)(1), refunds under section 5001(c)(4) shall not be taken into account as a refund, and the amount of taxes imposed and collected under section 5001(a)(1) shall be determined without regard to section 5001(c).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in section 13807 of Public Law 116–260.

(3) CONFORMING AMENDMENTS.—

(A) 7652(E).—

(i) IN GENERAL.—Section 7652(e) is amended by striking paragraph (5).

(ii) EFFECTIVE DATE.—The amendment made by this subparagraph shall take effect as if included in section 13807 of Public Law 115–97.

(B) 7652(I).—

(i) IN GENERAL.—Section 7652 is amended by striking subsection (i).

(ii) EFFECTIVE DATE.—The amendment made by this subparagraph shall take effect as if included in section 107 of Public Law 116–260.

SEC. 138516. RESEARCH AND EXPERIMENTAL EXPENDITURES.

(a) IN GENERAL.—Section 13206 of Public Law 115–97 is amended—

(1) in subsection (b)(3), by striking ''2021'' and inserting ''2025'', and

(2) in subsection (e), by striking ''2021'' and inserting ''2025''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 138517. PAYROLL CREDIT FOR COMPENSATION OF LOCAL NEWS JOURNALISTS.

(a) IN GENERAL.—In the case of an eligible local newspaper publisher, there shall be allowed as a credit against applicable employment taxes for each calendar quarter an amount equal to the applicable percentage of wages paid by such publisher to local news journalists for such calendar quarter.

(b) LIMITATIONS AND REFUNDABILITY.—

(1) WAGES TAKEN INTO ACCOUNT.—The amount of wages paid with respect to any individual which may be taken into account under subsection (a) during any calendar quarter by the eligible local newspaper publisher shall not exceed $12,500.

(2) CREDIT LIMITED TO EMPLOYMENT TAXES.—The credit allowed by subsection (a) with respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by any credits allowed under sections 3131, 3132, 3134, and 6432 of the Internal Revenue Code of 1986) on the wages paid with respect to the employment of all the employees of the eligible local newspaper publisher for such calendar quarter.

(3) REFUNDABILITY OF EXCESS CREDIT.—

(A) IN GENERAL.—If the amount of the credit under subsection (a) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b) of the Internal Revenue Code of 1986.

(B) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, any amounts due to the employer under this paragraph shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(c) DEFINITIONS.—For purposes of this section—

(1) APPLICABLE PERCENTAGE.—The term ''applicable percentage'' means—

(A) in the case of each of the first 4 calendar quarters to which this section applies, 50 percent, and

(B) in the case of each calendar quarter thereafter, 30 percent.

(2) APPLICABLE EMPLOYMENT TAXES.—The term ''applicable employment taxes'' means the taxes imposed under section 3111(b) of the Internal Revenue Code of 1986.

(3) ELIGIBLE LOCAL NEWSPAPER PUBLISHER.—The term ''eligible local newspaper publisher'' means, with respect to any calendar quarter, any employer if substantially all of the gross receipts of such employer for such calendar quarter are derived in the trade or business of publishing a local newspaper.

(4) LOCAL NEWSPAPER.—The term ''local newspaper'' means any print or digital publication if—

(A) the primary content of such publication is original content derived from primary sources and relating to news and current events,

(B) such publication primarily serves the needs of a regional or local community,

(C) the publisher of such publication employs at least one local news journalist who resides in such regional or local community, and

(D) the publisher of such publication employs no more than 750 employees during the calendar quarter with respect to which a credit is allowed under this section.

(5) LOCAL NEWS JOURNALIST.—The term ''local news journalist'' means, with respect to any eligible local newspaper publisher for any calendar quarter, an individual who provides at least 100 hours of service during such calendar quarter to such eligible local newspaper publisher, during which time such individual regularly gathers, collects, photographs, records, writes, or reports news or information that concerns local events or other matters of local public interest.

(6) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

(7) WAGES.—The term ''wages'' means wages (as defined in section 3121(a) of the Internal Revenue Code of 1986).

(8) OTHER TERMS.—Any term used in this section which is also used in chapter 21 or chapter 22 of the Internal Revenue Code of 1986 shall have the same meaning as when used in such chapter.

(d) AGGREGATION RULE.—

(1) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as one employer for purposes of this section.

(2) EXCEPTION.—Paragraph (1) shall not apply unless such persons are involved in the production of the same print or digital publication.

(e) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1) and 280C(a) of the Internal Revenue Code of 1986 shall apply.

(f) CERTAIN GOVERNMENTAL EMPLOYERS.—This credit shall not apply to the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing.

(g) ELECTION TO HAVE SECTION NOT APPLY.—This section shall not apply with respect to any eligible

local newspaper publisher for any calendar quarter if such person elects (at such time and in such manner as the Secretary may prescribe) not to have this section apply.

(h) SPECIAL RULES.—

(1) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be included for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period.

(2) DENIAL OF DOUBLE BENEFIT.—Any wages taken into account in determining the credit allowed under this section shall not be taken into account for purposes of determining the credits allowed under section 41, 45A, 45P, 45S, 51, 1396, 3131, 3132, 3134, and 6432 of such Code.

(3) THIRD-PARTY PAYORS.—Any credit allowed under this section shall be treated as a credit described in section 3511(d)(2) of such Code.

(i) TREATMENT OF DEPOSITS.—The Secretary shall waive any penalty under section 6656 of the Internal Revenue Code of 1986 for any failure to make a deposit of any applicable employment taxes if the Secretary deter-

mines that such failure was due to the reasonable anticipation of the credit allowed under this section.

(j) REGULATIONS AND GUIDANCE.—The Secretary shall issue such forms, instructions, regulations, and guidance as are necessary to implement the purposes of this section, including with respect to the application of the credit under subsection (a) to third-party payors (including professional employer organizations, certified professional employer organizations, or agents under section 3504 of the Internal Revenue Code of 1986), including regulations or guidance allowing such payors to submit documentation necessary to substantiate the eligible employer status of employers that use such payors.

(k) APPLICATION.—This section shall only apply to calendar quarters during the first 5 calendar years beginning after the date of the enactment of this Act.

SEC. 138518. TREATMENT OF FINANCIAL GUARANTY INSURANCE COMPANIES AS QUALIFYING INSURANCE CORPORATIONS UNDER PASSIVE FOREIGN INVESTMENT COMPANY RULES.

(a) IN GENERAL.—Section 1297(f)(3) is amended by adding at the end the following new subparagraph:

"(C) SPECIAL RULES FOR FINANCIAL GUARANTY INSURANCE COMPANIES.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A)(ii) and (B), the applicable insurance liabilities of a financial guaranty insurance company shall include its unearned premium reserves if—

"(I) such company is prohibited under generally accepted accounting principles from reporting on its applicable financial statements reserves for losses and loss adjustment expenses with respect to a financial guaranty insurance or reinsurance contract except to the extent that losses and loss adjustment expenses are expected to exceed the unearned premium reserves on the contract,

"(II) the applicable financial statement of such company reports financial guaranty exposure of at least 15-to-1 or State or local bond exposure of at least 9-to-1 (8-to-1 in the case of a taxable year of such company which ends on or before December 31, 2018), and

"(III) such company includes in its insurance liabilities only its unearned premium reserves relating to insurance written or assumed that is within the single risk limits set forth in subsection (D) of section 4 of the Financial Guaranty Insurance Guideline (modified by using total shareholder's equity as reported on the applicable financial statement of the company rather than aggregate of the surplus to policyholders and contingency reserves).

"(ii) APPLICATION OF ALTERNATIVE FACTS AND CIRCUMSTANCES TEST.—A financial guaranty insurance company shall be treated as satisfying the requirements of paragraph (2)(B).

"(iii) FINANCIAL GUARANTY INSURANCE COMPANY.—For purposes of this subparagraph, the term 'financial guaranty insurance company' means any insurance company the sole business of which is writing or reinsuring financial guaranty insurance (as defined in subsection (A) of sec-

tion 1 of the Financial Guaranty Insurance Guideline) which is permitted under subsection (B) of section 4 of such Guideline.

"(iv) FINANCIAL GUARANTY EXPOSURE.—For purposes of this subparagraph, the term 'financial guaranty exposure' means the ratio of—

"(I) the net debt service outstanding insured or reinsured by the company that is within the single risk limits set forth in the Financial Guaranty Insurance Guideline (as reported on such company's applicable financial statement), to

"(II) the company's total assets (as so reported).

"(v) STATE OR LOCAL BOND EXPOSURE.—For purposes of this subparagraph, the term 'State or local bond exposure' means the ratio of—

"(I) the net unpaid principal of State or local bonds (as defined in section 103(c)(1)) insured or reinsured by the company that is within the single risk limits set forth in the

Financial Guaranty Insurance Guideline (as reported on such company's applicable financial statement), to

"(II) the company's total assets (as so reported)."

"(vi) FINANCIAL GUARANTY INSURANCE GUIDELINE.—For purposes of this subparagraph—

"(I) IN GENERAL.—The term 'Financial Guaranty Insurance Guideline' means the October 2008 model regulation that was adopted by the National Association of Insurance Commissioners on December 4, 2007.

"(II) DETERMINATIONS MADE BY SECRETARY.—The determination of whether any provision of the Financial Guaranty Insurance Guideline has been satisfied shall be made by the Secretary.".

(b) REPORTING OF CERTAIN ITEMS.—Section 1297(f)(4) is amended by adding at the end the following new subparagraph:

"(C) CLARIFICATION THAT CERTAIN ITEMS ON APPLICABLE FINANCIAL STATEMENT BE

SEPARATELY REPORTED WITH RESPECT TO CORPORATION.—An amount described in paragraph (1)(B) or clause (i)(II), (i)(III), (iv)(I), (iv)(II), (v)(I), or (v)(II) of paragraph (3)(C) shall be treated as reported on an applicable financial statement for purposes of this section if—

"(i) such amount is separately reported on such statement with respect to the corporation referred to in paragraph (1), or

"(ii) such amount is separately determined for purposes of calculating an amount which is reported on such statement.

"(D) AUTHORITY OF SECRETARY TO REQUIRE REPORTING.—

"(i) IN GENERAL.—Each United States person who owns an interest in a specified non-publicly traded foreign corporation and who takes the position that such corporation is not a passive foreign investment company shall report to the Secretary such information with respect to

such corporation as the Secretary may require.

"(ii) SPECIFIED NON-PUBLICLY TRADED FOREIGN CORPORATION.—For purposes of this subparagraph, the term 'specified non-publicly traded foreign corporation' means any foreign corporation—

"(I) which would be a passive foreign investment company if subsection (b)(2)(B) did not apply, and

"(II) no interest in which is traded on an established securities market.".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect as if included in section 14501 of Public Law 115–97.

(2) REPORTING.—The amendment made by subsection (b) shall apply to reports made after the date of the enactment of this Act.

SEC. 138519. CREDIT FOR QUALIFIED ACCESS TECHNOLOGY FOR THE BLIND.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 is amended by inserting after section 36G the following new section:

"SEC. 36H. CREDIT FOR QUALIFIED ACCESS TECHNOLOGY FOR THE BLIND.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this subtitle an amount equal to amounts paid or incurred during the taxable year, not compensated for by insurance or otherwise, by the taxpayer for qualified access technology for use by a qualified blind individual who is the taxpayer, the taxpayer's spouse, or any dependent (as defined in section 152) of the taxpayer.

"(b) LIMITATION.—The aggregate amount of the credit allowed under subsection (a) with respect to any qualified blind individual shall not exceed $2,000 in any 3-consecutive-taxable-year period.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED BLIND INDIVIDUAL.—The term 'qualified blind individual' means an individual who is blind within the meaning of section 63(f)(4).

"(2) QUALIFIED ACCESS TECHNOLOGY DEFINED.—The term 'qualified access technology' means hardware, software, or other information

technology the primary function of which is to convert or adapt information which is visually represented into forms or formats useable by blind individuals.

"(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

"(e) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of a taxable year beginning after 2022, the $2,000 amount in subsection (b) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2021' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"(2) ROUNDING.—If the amount as adjusted under subparagraph (A) is not a multiple of $100, such amount shall be rounded to the next lowest multiple of $100.

"(f) TERMINATION.—This section shall not apply with respect to amounts paid or incurred in taxable years beginning after December 31, 2026.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A), as amended by the preceding provisions of this Act, is amended by inserting ", 36H" after "36G".

(2) Section 1324(b)(2) of title 31, United States Code, is amended by inserting ", 36H" after ", 36G".

(3) The table of sections for subpart C of part IV of subchapter A is amended by inserting after the item relating to section 36G the following new item:

"Sec. 36H. Credit for qualified access technology for the blind."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2021.

SEC. 138520. MODIFICATION OF REIT CONSTRUCTIVE OWNERSHIP RULES.

(a) IN GENERAL.—Section 856(d)(5) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end the following:

"(C) except as otherwise provided by the Secretary, stock, assets, and net profits con-

structively owned by a partnership, estate, trust, or corporation by reason of the application of section 318(a)(3) (after application of subparagraphs (A) and (B)) shall not be considered as owned by it for purposes of again applying such section in order to make another person the constructive owner of such stock, assets, or net profits.

Subparagraph (C) shall not prevent any person from being the constructive owner of stock, assets, or net profits of any person as the result of any other application of section 318(a) (as modified by this paragraph).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(c) NO INFERENCE.—Nothing in this section or the amendments made by this section shall be construed to create any inference with respect to the proper application of section 318 of the Internal Revenue Code of 1986 to cases other than cases to which such amendments apply.

Subtitle J—Drug Pricing

PART 1—LOWERING PRICES THROUGH FAIR DRUG PRICE NEGOTIATION

SEC. 139001. PROVIDING FOR LOWER PRICES FOR CERTAIN HIGH-PRICED SINGLE SOURCE DRUGS.

(a) PROGRAM TO LOWER PRICES FOR CERTAIN HIGH-PRICED SINGLE SOURCE DRUGS.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new part:

"PART E—FAIR PRICE NEGOTIATION PROGRAM TO LOWER PRICES FOR CERTAIN HIGH-PRICED SINGLE SOURCE DRUGS

"SEC. 1191. ESTABLISHMENT OF PROGRAM.

''(a) IN GENERAL.—The Secretary shall establish a Fair Price Negotiation Program (in this part referred to as the 'program'). Under the program, with respect to each price applicability period, the Secretary shall—

''(1) publish a list of selected drugs in accordance with section 1192;

''(2) enter into agreements with manufacturers of selected drugs with respect to such period, in accordance with section 1193;

''(3) negotiate and, if applicable, renegotiate maximum fair prices for such selected drugs, in accordance with section 1194; and

"(4) carry out the administrative duties described in section 1196.

"(b) DEFINITIONS RELATING TO TIMING.—For purposes of this part:

"(1) INITIAL PRICE APPLICABILITY YEAR.—The term 'initial price applicability year' means a plan year (beginning with plan year 2025) or, if agreed to in an agreement under section 1193 by the Secretary and manufacturer involved, a period of more than one plan year (beginning on or after January 1, 2025).

"(2) PRICE APPLICABILITY PERIOD.—The term 'price applicability period' means, with respect to a drug, the period beginning with the initial price applicability year with respect to which such drug is a selected drug and ending with the last plan year during which the drug is a selected drug.

"(3) SELECTED DRUG PUBLICATION DATE.—The term 'selected drug publication date' means, with respect to each initial price applicability year, April 15 of the plan year that begins 2 years prior to such year.

"(4) VOLUNTARY NEGOTIATION PERIOD.—The term 'voluntary negotiation period' means, with re-

spect to an initial price applicability year with respect to a selected drug, the period—

"(A) beginning on the sooner of—

"(i) the date on which the manufacturer of the drug and the Secretary enter into an agreement under section 1193 with respect to such drug; or

"(ii) June 15 following the selected drug publication date with respect to such selected drug; and

"(B) ending on March 31 of the year that begins one year prior to the initial price applicability year.

"(c) OTHER DEFINITIONS.—For purposes of this part:

"(1) FAIR PRICE ELIGIBLE INDIVIDUAL.—The term 'fair price eligible individual' means, with respect to a selected drug—

"(A) in the case such drug is furnished or dispensed to the individual at a pharmacy or by a mail order service—

"(i) an individual who is enrolled under a prescription drug plan under part D of title XVIII or an MA–PD plan under part C of such title if coverage is provided

under such plan for such selected drug; and

"(ii) an individual who is enrolled under a group health plan or health insurance coverage offered in the group or individual market (as such terms are defined in section 2791 of the Public Health Service Act) with respect to which there is in effect an agreement with the Secretary under section 1197 with respect to such selected drug as so furnished or dispensed; and

"(B) in the case such drug is furnished or administered to the individual by a hospital, physician, or other provider of services or supplier—

"(i) an individual who is entitled to benefits under part A of title XVIII or enrolled under part B of such title if such selected drug is covered under the respective part; and

"(ii) an individual who is enrolled under a group health plan or health insurance coverage offered in the group or individual market (as such terms are defined

in section 2791 of the Public Health Service Act) with respect to which there is in effect an agreement with the Secretary under section 1197 with respect to such selected drug as so furnished or administered.

"(2) MAXIMUM FAIR PRICE.—The term 'maximum fair price' means, with respect to a plan year during a price applicability period and with respect to a selected drug (as defined in section 1192(c)) with respect to such period, the price published pursuant to section 1195 in the Federal Register for such drug and year.

"(3) AVERAGE INTERNATIONAL MARKET PRICE DEFINED.—

"(A) IN GENERAL.—The terms 'average international market price' and 'AIM price' mean, with respect to a drug, the average price (which shall be the net average price, if practicable, and volume-weighted, if practicable) for a unit (as defined in paragraph (4)) of the drug for sales of such drug (calculated across different dosage forms and strengths of the drug and not based on the specific formulation or package size or package type), as computed (as

of the date of publication of such drug as a selected drug under section 1192(a)) in all countries described in clause (ii) of subparagraph (B) that are applicable countries (as described in clause (i) of such subparagraph) with respect to such drug.

"(B) APPLICABLE COUNTRIES.—

"(i) IN GENERAL.—For purposes of subparagraph (A), a country described in clause (ii) is an applicable country described in this clause with respect to a drug if there is available an average price for any unit for the drug for sales of such drug in such country.

"(ii) COUNTRIES DESCRIBED.—For purposes of this paragraph, the following are countries described in this clause:

"(I) Australia.

"(II) Canada.

"(III) France.

"(IV) Germany.

"(V) Japan.

"(VI) The United Kingdom.

"(4) UNIT.—The term 'unit' means, with respect to a drug, the lowest identifiable quantity

(such as a capsule or tablet, milligram of molecules, or grams) of the drug that is dispensed.

"SEC. 1192. SELECTION OF NEGOTIATION-ELIGIBLE DRUGS AS SELECTED DRUGS.

"(a) IN GENERAL.—Not later than the selected drug publication date with respect to an initial price applicability year, subject to subsection (h), the Secretary shall select and publish in the Federal Register a list of—

"(1)(A) with respect to an initial price applicability year during 2025, at least 25 negotiation-eligible drugs described in subparagraphs (A) and (B), but not subparagraph (C), of subsection (d)(1) (or, with respect to an initial price applicability year during such period beginning after 2025, the maximum number (if such number is less than 25) of such negotiation-eligible drugs for the year) with respect to such year; and

"(B) with respect to an initial price applicability year during 2026 or a subsequent year, at least 50 negotiation-eligible drugs described in subparagraphs (A) and (B), but not subparagraph (C), of subsection (d)(1) (or, with respect to an initial price applicability year during such period, the maximum number (if such number is less than 50) of

such negotiation-eligible drugs for the year) with respect to such year;

"(2) all negotiation-eligible drugs described in subparagraph (C) of such subsection with respect to such year; and

"(3) all new-entrant negotiation-eligible drugs (as defined in subsection (g)(1)) with respect to such year.

Each drug published on the list pursuant to the previous sentence shall be subject to the negotiation process under section 1194 for the voluntary negotiation period with respect to such initial price applicability year (and the renegotiation process under such section as applicable for any subsequent year during the applicable price applicability period). In applying this subsection, any negotiation-eligible drug that is selected under this subsection for an initial price applicability year shall not count toward the required minimum amount of drugs to be selected under paragraph (1) for any subsequent year, including such a drug so selected that is subject to renegotiation under section 1194.

"(b) SELECTION OF DRUGS.—In carrying out subsection (a)(1) the Secretary shall select for inclusion on the published list described in subsection (a) with respect 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

"(B) under section 351(k) of the Public Health Service Act using such drug as the reference product; and

"(2) continue to be marketed.

"(d) NEGOTIATION-ELIGIBLE DRUG.—

"(1) IN GENERAL.—For purposes of this part, the term 'negotiation-eligible drug' means, with respect to the selected drug publication date with respect to an initial price applicability year, a qualifying single source drug, as defined in subsection (e), that meets any of the following criteria:

"(A) COVERED PART D DRUGS.—The drug is among the 125 covered part D drugs (as defined in section 1860D–2(e)) for which there was an estimated greatest net spending under parts C and D of title XVIII, as determined by the Secretary, during the most recent plan year prior to such drug publication date for which data are available.

"(B) OTHER DRUGS.—The drug is among the 125 drugs for which there was an estimated greatest net spending in the United States (including the 50 States, the District of Columbia, and the territories of the United States), as determined by the Secretary, during the most re-

cent plan year prior to such drug publication date for which data are available.

"(C) INSULIN.—The drug is a qualifying single source drug described in subsection (e)(3).

"(2) CLARIFICATION.—In determining whether a qualifying single source drug satisfies any of the criteria described in paragraph (1), the Secretary shall, to the extent practicable, use data that is aggregated across dosage forms and strengths of the drug and not based on the specific formulation or package size or package type of the drug.

"(3) PUBLICATION.—Not later than the selected drug publication date with respect to an initial price applicability year, the Secretary shall publish in the Federal Register a list of negotiation-eligible drugs with respect to such selected drug publication date.

"(e) QUALIFYING SINGLE SOURCE DRUG.—For purposes of this part, the term 'qualifying single source drug' means any of the following:

"(1) DRUG PRODUCTS.—A drug that—

"(A) is approved under section 505(c) of 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.

"(g) NEW-ENTRANT NEGOTIATION-ELIGIBLE DRUGS.—

"(1) IN GENERAL.—For purposes of this part, the term 'new-entrant negotiation-eligible drug' means, with respect to the selected drug publication date with respect to an initial price applicability year, a qualifying single source drug—

"(A) that is first approved or licensed, as described in paragraph (1), (2), or (3) of subsection (e), as applicable, during the year preceding such selected drug publication date; and

"(B) that the Secretary determines under paragraph (2) is likely to be included as a negotiation-eligible drug with respect to the subsequent selected drug publication date.

"(2) DETERMINATION.—In the case of a qualifying single source drug that meets the criteria described in subparagraph (A) of paragraph (1), with respect to an initial price applicability year, if the wholesale acquisition cost at which such drug is first marketed in the United States is equal to or greater than the median household income (as determined according to the most recent data collected by the United States Census Bureau), the Secretary shall determine before the selected drug publication date

with respect to the initial price applicability year, if the drug is likely to be included as a negotiation-eligible drug with respect to the subsequent selected drug publication date, based on the projected spending under title XVIII or in the United States on such drug. For purposes of this paragraph the term 'United States' includes the 50 States, the District of Columbia, and the territories of the United States.

"(h) CONFLICT OF INTEREST.—

"(1) IN GENERAL.—In the case the Inspector General of the Department of Health and Human Services determines the Secretary has a conflict, with respect to a matter described in paragraph (2), the individual described in paragraph (3) shall carry out the duties of the Secretary under this part, with respect to a negotiation-eligible drug, that would otherwise be such a conflict.

"(2) MATTER DESCRIBED.—A matter described in this paragraph is—

"(A) a financial interest (as described in section 2635.402 of title 5, Code of Federal Regulations, as in effect on the date of the enactment of this section, (except for an interest described in subsection (b)(2)(iv) of such sec-

tion)) on the date of the selected drug publication date, with respect the price applicability year (as applicable);

"(B) a personal or business relationship (as described in section 2635.502 of such title) on the date of the selected drug publication date, with respect the price applicability year;

"(C) employment by a manufacturer of a negotiation-eligible drug during the preceding 10-year period beginning on the date of the selected drug publication date, with respect to each price applicability year; and

"(D) any other matter the General Counsel determines appropriate.

"(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is—

"(A) the highest-ranking officer or employee of the Department of Health and Human Services (as determined by the organizational chart of the Department) that does not have a conflict under this subsection; and

"(B) is nominated by the President and confirmed by the Senate with respect to the position.

"SEC. 1193. MANUFACTURER AGREEMENTS.

"(a) IN GENERAL.—For purposes of section 1191(a)(2), the Secretary shall enter into agreements with manufacturers of selected drugs with respect to a price applicability period, by not later than June 15 following the selected drug publication date with respect to such selected drug, under which—

"(1) during the voluntary negotiation period for the initial price applicability year for the selected drug, the Secretary and manufacturer, in accordance with section 1194, negotiate to determine (and, by not later than the last date of such period and in accordance with subsection (c), agree to) a maximum fair price for such selected drug of the manufacturer in order to provide access to such price—

"(A) to fair price eligible individuals who with respect to such drug are described in subparagraph (A) of section 1191(c)(1) and are furnished or dispensed such drug during, subject to subparagraph (2), the price applicability period; and

"(B) to hospitals, physicians, and other providers of services and suppliers with respect to fair price eligible individuals who with respect to such drug are described in subparagraph (B) of such section and are furnished or

administered such drug during, subject to subparagraph (2), the price applicability period;

"(2) the Secretary and the manufacturer shall, in accordance with a process and during a period specified by the Secretary pursuant to rulemaking, renegotiate (and, by not later than the last date of such period and in accordance with subsection (c), agree to) the maximum fair price for such drug if the Secretary determines that there is a material change in any of the factors described in section 1194(d) relating to the drug, including changes in the AIM price for such drug, in order to provide access to such maximum fair price (as so renegotiated)—

"(A) to fair price eligible individuals who with respect to such drug are described in subparagraph (A) of section 1191(c)(1) and are furnished or dispensed such drug during any year during the price applicability period (beginning after such renegotiation) with respect to such selected drug; and

"(B) to hospitals, physicians, and other providers of services and suppliers with respect to fair price eligible individuals who with respect to such drug are described in subpara-

graph (B) of such section and are furnished or administered such drug during any year described in subparagraph (A);

"(3) the maximum fair price (including as renegotiated pursuant to paragraph (2)), with respect to such a selected drug, shall be provided to fair price eligible individuals, who with respect to such drug are described in subparagraph (A) of section 1191(c)(1), at the pharmacy or by a mail order service at the point-of-sale of such drug;

"(4) the manufacturer, subject to subsection (d), submits to the Secretary, in a form and manner specified by the Secretary—

"(A) for the voluntary negotiation period for the price applicability period (and, if applicable, before any period of renegotiation specified pursuant to paragraph (2)) with respect to such drug all information that the Secretary requires to carry out the negotiation (or renegotiation process) under this part, including information described in section 1192(f) and section 1194(d)(1); and

"(B) on an ongoing basis, information on changes in prices for such drug that would affect the AIM price for such drug or otherwise

provide a basis for renegotiation of the maximum fair price for such drug pursuant to paragraph (2);

"(5) the manufacturer agrees that in the case the selected drug of a manufacturer is a drug described in subsection (c), the manufacturer will, in accordance with such subsection, make any payment required under such subsection with respect to such drug; and

"(6) the manufacturer complies with requirements imposed by the Secretary for purposes of administering the program, including with respect to the duties described in section 1196.

"(b) AGREEMENT IN EFFECT UNTIL DRUG IS NO LONGER A SELECTED DRUG.—An agreement entered into under this section shall be effective, with respect to a drug, until such drug is no longer considered a selected drug under section 1192(c).

"(c) SPECIAL RULE FOR CERTAIN SELECTED DRUGS WITHOUT AIM PRICE.—

"(1) IN GENERAL.—In the case of a selected drug for which there is no AIM price available with respect to the initial price applicability year for such drug and for which an AIM price becomes available beginning with respect to a subsequent plan year

during the price applicability period for such drug, if the Secretary determines that the amount described in paragraph (2)(A) for a unit of such drug is greater than the amount described in paragraph (2)(B) for a unit of such drug, then by not later than one year after the date of such determination, the manufacturer of such selected drug shall pay to the Treasury an amount equal to the product of—

"(A) the difference between such amount described in paragraph (2)(A) for a unit of such drug and such amount described in paragraph (2)(B) for a unit of such drug; and

"(B) the number of units of such drug sold in the United States, including the 50 States, the District of Columbia, and the territories of the United States, during the period described in paragraph (2)(B).

"(2) AMOUNTS DESCRIBED.—

"(A) WEIGHTED AVERAGE PRICE BEFORE AIM PRICE AVAILABLE.—For purposes of paragraph (1), the amount described in this subparagraph for a selected drug described in such paragraph, is the amount equal to the weighted average manufacturer price (as defined in section 1927(k)(1)) for such dosage strength and

form for the drug during the period beginning with the first plan year for which the drug is included on the list of negotiation-eligible drugs published under section 1192(d) and ending with the last plan year during the price applicability period for such drug with respect to which there is no AIM price available for such drug.

"(B) AMOUNT MULTIPLIER AFTER AIM PRICE AVAILABLE.—For purposes of paragraph (1), the amount described in this subparagraph for a selected drug described in such paragraph, is the amount equal to 200 percent of the AIM price for such drug with respect to the first plan year during the price applicability period for such drug with respect to which there is an AIM price available for such drug.

"(d) CONFIDENTIALITY OF INFORMATION.—Information submitted to the Secretary under this part by a manufacturer of a selected drug that is proprietary information of such manufacturer (as determined by the Secretary) may be used only by the Secretary or disclosed to and used by the Comptroller General of the United States or the Medicare Payment Advisory Commission for purposes of carrying out this part.

"(e) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall, pursuant to rulemaking, specify, in accordance with paragraph (2), the information that must be submitted under subsection (a)(4).

"(2) INFORMATION SPECIFIED.—Information described in paragraph (1), with respect to a selected drug, shall include information on sales of the drug (by the manufacturer of the drug or by another entity under license or other agreement with the manufacturer, with respect to the sales of such drug, regardless of the name under which the drug is sold) in any foreign country that is part of the AIM price. The Secretary shall verify, to the extent practicable, such sales from appropriate officials of the government of the foreign country involved.

"(f) COMPLIANCE WITH REQUIREMENTS FOR ADMINISTRATION OF PROGRAM.—Each manufacturer with an agreement in effect under this section shall comply with requirements imposed by the Secretary or a third party with a contract under section 1196(c)(1), as applicable, for purposes of administering the program.

"SEC. 1194. NEGOTIATION AND RENEGOTIATION PROCESS.

"(a) IN GENERAL.—For purposes of this part, under an agreement under section 1193 between the Secretary and a manufacturer of a selected drug, with respect to

the period for which such agreement is in effect and in accordance with subsections (b) and (c), the Secretary and the manufacturer—

"(1) shall during the voluntary negotiation period with respect to the initial price applicability year for such drug, in accordance with this section, negotiate a maximum fair price for such drug for the purpose described in section 1193(a)(1); and

"(2) as applicable pursuant to section 1193(a)(2) and in accordance with the process specified pursuant to such section, renegotiate such maximum fair price for such drug for the purpose described in such section.

"(b) NEGOTIATING METHODOLOGY AND OBJECTIVE.—

"(1) IN GENERAL.—The Secretary shall develop and use a consistent methodology for negotiations under subsection (a) that, in accordance with paragraph (2) and subject to paragraph (3), achieves the lowest maximum fair price for each selected drug while appropriately rewarding innovation.

"(2) PRIORITIZING FACTORS.—In considering the factors described in subsection (d) in negotiating (and, as applicable, renegotiating) the maximum fair price for a selected drug, the Secretary shall, to the

extent practicable, consider all of the available factors listed but shall prioritize the following factors:

"(A) RESEARCH AND DEVELOPMENT COSTS.—The factor described in paragraph (1)(A) of subsection (d).

"(B) MARKET DATA.—The factor described in paragraph (1)(B) of such subsection.

"(C) UNIT COSTS OF PRODUCTION AND DISTRIBUTION.—The factor described in paragraph (1)(C) of such subsection.

"(D) COMPARISON TO EXISTING THERAPEUTIC ALTERNATIVES.—The factor described in paragraph (2)(A) of such subsection.

"(3) REQUIREMENT.—

"(A) IN GENERAL.—In negotiating the maximum fair price of a selected drug, with respect to an initial price applicability year for the selected drug, and, as applicable, in renegotiating the maximum fair price for such drug, with respect to a subsequent year during the price applicability period for such drug, in the case that the manufacturer of the selected drug offers under the negotiation or renegotiation, as applicable, a price for such drug that is not more than the target price described in sub-

paragraph (B) for such drug for the respective year, the Secretary shall agree under such negotiation or renegotiation, respectively, to such offered price as the maximum fair price.

"(B) TARGET PRICE.—

"(i) IN GENERAL.—Subject to clause (ii), the target price described in this subparagraph for a selected drug with respect to a year, is the average price (which shall be the net average price, if practicable, and volume-weighted, if practicable) for a unit of such drug for sales of such drug, as computed (across different dosage forms and strengths of the drug and not based on the specific formulation or package size or package type of the drug) in the applicable country described in section 1191(c)(3)(B) with respect to such drug that, with respect to such year, has the lowest average price for such drug as compared to the average prices (as so computed) of such drug with respect to such year in the other applicable countries described in such section with respect to such drug.

"(ii) SELECTED DRUGS WITHOUT AIM PRICE.—In applying this paragraph in the case of negotiating the maximum fair price of a selected drug for which there is no AIM price available with respect to the initial price applicability year for such drug, or, as applicable, renegotiating the maximum fair price for such drug with respect to a subsequent year during the price applicability period for such drug before the first plan year for which there is an AIM price available for such drug, the target price described in this subparagraph for such drug and respective year is the amount that is 80 percent of the average manufacturer price (as defined in section 1927(k)(1)) for such drug and year.

"(c) LIMITATION.—

"(1) IN GENERAL.—Subject to paragraph (2), the maximum fair price negotiated (including as renegotiated) under this section for a selected drug, with respect to each plan year during a price applicability period for such drug, shall not exceed 120 percent of the AIM price applicable to such drug with respect to such year.

"(2) SELECTED DRUGS WITHOUT AIM PRICE.—In the case of a selected drug for which there is no AIM price available with respect to the initial price applicability year for such drug, for each plan year during the price applicability period before the first plan year for which there is an AIM price available for such drug, the maximum fair price negotiated (including as renegotiated) under this section for the selected drug shall not exceed the amount equal to 85 percent of the average manufacturer price for the drug with respect to such year.

"(d) CONSIDERATIONS.—For purposes of negotiating and, as applicable, renegotiating (including for purposes of determining whether to renegotiate) the maximum fair price of a selected drug under this part with the manufacturer of the drug, the Secretary, consistent with subsection (b)(2), shall take into consideration the factors described in paragraphs (1), (2), (3), and (5), and may take into consideration the factor described in paragraph (4):

"(1) MANUFACTURER-SPECIFIC INFORMATION.—The following information, including as submitted by the manufacturer:

"(A) Research and development costs of the manufacturer for the drug and the extent to

which the manufacturer has recouped research and development costs.

"(B) Market data for the drug, including the distribution of sales across different programs and purchasers and projected future revenues for the drug.

"(C) Unit costs of production and distribution of the drug.

"(D) Prior Federal financial support for novel therapeutic discovery and development with respect to the drug.

"(E) Data on patents and on existing and pending exclusivity for the drug.

"(F) National sales data for the drug.

"(G) Information on clinical trials for the drug in the United States or in applicable countries described in section 1191(c)(3)(B).

"(2) INFORMATION ON ALTERNATIVE PRODUCTS.—The following information:

"(A) The extent to which the drug represents a therapeutic advance as compared to existing therapeutic alternatives and, to the extent such information is available, the costs of such existing therapeutic alternatives.

"(B) Information on approval by the Food and Drug Administration of alternative drug products.

"(C) Information on comparative effectiveness analysis for such products, taking into consideration the effects of such products on specific populations, such as individuals with disabilities, the elderly, terminally ill, children, and other patient populations.

In considering information described in subparagraph (C), the Secretary shall not use evidence or findings from comparative clinical effectiveness research in a manner that treats extending the life of an elderly, disabled, or terminally ill individual as of lower value than extending the life of an individual who is younger, nondisabled, or not terminally ill. Nothing in the previous sentence shall affect the application or consideration of an AIM price for a selected drug.

"(3) FOREIGN SALES INFORMATION.—To the extent available on a timely basis, including as provided by a manufacturer of the selected drug or otherwise, information on sales of the selected drug in each of the countries described in section 1191(c)(3)(B).

"(4) VA DRUG PRICING INFORMATION.—Information disclosed to the Secretary pursuant to subsection (f).

"(5) ADDITIONAL INFORMATION.—Information submitted to the Secretary, in accordance with a process specified by the Secretary, by other parties that are affected by the establishment of a maximum fair price for the selected drug.

"(e) REQUEST FOR INFORMATION.—For purposes of negotiating and, as applicable, renegotiating (including for purposes of determining whether to renegotiate) the maximum fair price of a selected drug under this part with the manufacturer of the drug, with respect to a price applicability period, and other relevant data for purposes of this section—

"(1) the Secretary shall, not later than the selected drug publication date with respect to the initial price applicability year of such period, request drug pricing information from the manufacturer of such selected drug, including information described in subsection (d)(1); and

"(2) by not later than October 1 following the selected drug publication date, the manufacturer of 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

such drug is in effect under section 1193, the Secretary shall publish in the Federal Register—

"(A) subject to subparagraph (B), the amount equal to the maximum fair price published for such drug for the previous year, increased by the annual percentage increase in the consumer price index for all urban consumers (all items; U.S. city average) as of September of such previous year; or

"(B) in the case the maximum fair price for such drug was renegotiated, for the first year for which such price as so renegotiated applies, such renegotiated maximum fair price.

"(2) PRICES NEGOTIATED AFTER DEADLINE.—In the case of a selected drug with respect to an initial price applicability year for which the maximum fair price is determined under this part after the date of publication under this section, the Secretary shall publish such maximum fair price in the Federal Register by not later than 30 days after the date such maximum price is so determined.

"SEC. 1196. ADMINISTRATIVE DUTIES; COORDINATION PROVISIONS.

"(a) ADMINISTRATIVE DUTIES.—

"(1) IN GENERAL.—For purposes of section 1191, the administrative duties described in this section are the following:

"(A) The establishment of procedures (including through agreements with manufacturers under this part, contracts with prescription drug plans under part D of title XVIII and MA–PD plans under part C of such title, and agreements under section 1197 with group health plans and health insurance issuers of health insurance coverage offered in the individual or group market) under which the maximum fair price for a selected drug is provided to fair price eligible individuals, who with respect to such drug are described in subparagraph (A) of section 1191(c)(1), at pharmacies or by mail order service at the point-of-sale of the drug for the applicable price period for such drug and providing that such maximum fair price is used for determining cost-sharing under such plans or coverage for the selected drug.

"(B) The establishment of procedures (including through agreements with manufacturers under this part and contracts with hospitals, physicians, and other providers of services and

suppliers and agreements under section 1197 with group health plans and health insurance issuers of health insurance coverage offered in the individual or group market) under which, in the case of a selected drug furnished or administered by such a hospital, physician, or other provider of services or supplier to fair price eligible individuals (who with respect to such drug are described in subparagraph (B) of section 1191(c)(1)), the maximum fair price for the selected drug is provided to such hospitals, physicians, and other providers of services and suppliers (as applicable) with respect to such individuals and providing that such maximum fair price is used for determining cost-sharing under the respective part, plan, or coverage for the selected drug.

"(C) The establishment of procedures (including through agreements and contracts described in subparagraphs (A) and (B)) to ensure that, not later than 90 days after the dispensing of a selected drug to a fair price eligible individual by a pharmacy or mail order service, the pharmacy or mail order service is reim-

bursed for an amount equal to the difference between—

"(i) the lesser of—

"(I) the wholesale acquisition cost of the drug;

"(II) the national average drug acquisition cost of the drug; and

"(III) any other similar determination of pharmacy acquisition costs of the drug, as determined by the Secretary; and

"(ii) the maximum fair price for the drug.

"(D) The establishment of procedures to ensure that the maximum fair price for a selected drug is applied before—

"(i) any coverage or financial assistance under other health benefit plans or programs that provide coverage or financial assistance for the purchase or provision of prescription drug coverage on behalf of fair price eligible individuals as the Secretary may specify; and

"(ii) any other discounts.

"(E) The establishment of procedures to enter into appropriate agreements and protocols for the ongoing computation of AIM prices for selected drugs, including, to the extent possible, to compute the AIM price for selected drugs and including by providing that the manufacturer of such a selected drug should provide information for such computation not later than 3 months after the first date of the voluntary negotiation period for such selected drug.

"(F) The establishment of procedures to compute and apply the maximum fair price across different strengths and dosage forms of a selected drug and not based on the specific formulation or package size or package type of the drug.

"(G) The establishment of procedures to negotiate and apply the maximum fair price in a manner that does not include any dispensing or similar fee.

"(H) The establishment of procedures to carry out the provisions of this part, as applicable, with respect to—

"(i) fair price eligible individuals who 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.—

"(A) IN GENERAL.—The Secretary shall monitor compliance by a manufacturer with the terms of an agreement under section 1193, including by establishing a mechanism through which violations of such terms may be reported.

"(B) NOTIFICATION.—If a third party with a contract under subsection (c)(1) determines that the manufacturer is not in compliance with such agreement, the third party shall notify the Secretary of such noncompliance for appropriate enforcement under section 4192 of the Internal Revenue Code of 1986 or section 1198, as applicable.

"(b) COLLECTION OF DATA.—

"(1) FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS.—The Secretary may collect appropriate data from prescription drug plans under part D of title XVIII and MA–PD plans under part C of such title in a timeframe that allows for maximum fair prices to be provided under this part for selected drugs.

"(2) FROM HEALTH PLANS.—The Secretary may collect appropriate data from group health plans or health insurance issuers offering group or individual health insurance coverage in a timeframe

that allows for maximum fair prices to be provided under this part for selected drugs.

"(3) COORDINATION OF DATA COLLECTION.—To the extent feasible, as determined by the Secretary, the Secretary shall ensure that data collected pursuant to this subsection is coordinated with, and not duplicative of, other Federal data collection efforts.

"(c) CONTRACT WITH THIRD PARTIES.—

"(1) IN GENERAL.—The Secretary may enter into a contract with 1 or more third parties to administer the requirements established by the Secretary in order to carry out this part. At a minimum, the contract with a third party under the preceding sentence shall require that the third party—

"(A) receive and transmit information between the Secretary, manufacturers, and other individuals or entities the Secretary determines appropriate;

"(B) receive, distribute, or facilitate the distribution of funds of manufacturers to appropriate individuals or entities in order to meet the obligations of manufacturers under agreements under this part;

"(C) provide adequate and timely information to manufacturers, consistent with the agreement with the manufacturer under this part, as necessary for the manufacturer to fulfill its obligations under this part; and

"(D) permit manufacturers to conduct periodic audits, directly or through contracts, of the data and information used by the third party to determine discounts for applicable drugs of the manufacturer under the program.

"(2) PERFORMANCE REQUIREMENTS.—The Secretary shall establish performance requirements for a third party with a contract under paragraph (1) and safeguards to protect the independence and integrity of the activities carried out by the third party under the program under this part.

"SEC. 1197. VOLUNTARY PARTICIPATION BY OTHER HEALTH PLANS.

"(a) AGREEMENT TO PARTICIPATE UNDER PROGRAM.—

"(1) IN GENERAL.—Subject to paragraph (2), under the program under this part the Secretary shall be treated as having in effect an agreement with a group health plan or health insurance issuer offering group or individual health insurance cov-

erage (as such terms are defined in section 2791 of the Public Health Service Act), with respect to a price applicability period and a selected drug with respect to such period—

"(A) with respect to such selected drug furnished or dispensed at a pharmacy or by mail order service if coverage is provided under such plan or coverage during such period for such selected drug as so furnished or dispensed; and

"(B) with respect to such selected drug furnished or administered by a hospital, physician, or other provider of services or supplier if coverage is provided under such plan or coverage during such period for such selected drug as so furnished or administered.

"(2) OPTING OUT OF AGREEMENT.—The Secretary shall not be treated as having in effect an agreement under the program under this part with a group health plan or health insurance issuer offering group or individual health insurance coverage with respect to a price applicability period and a selected drug with respect to such period if such a plan or issuer affirmatively elects, through a process

specified by the Secretary, not to participate under the program with respect to such period and drug.

"(b) PUBLICATION OF ELECTION.—With respect to each price applicability period and each selected drug with respect to such period, the Secretary and the Secretary of Labor and the Secretary of the Treasury, as applicable, shall make public a list of each group health plan and each health insurance issuer offering group or individual health insurance coverage, with respect to which coverage is provided under such plan or coverage for such drug, that has elected under subsection (a) not to participate under the program with respect to such period and drug.

"SEC. 1198. CIVIL MONETARY PENALTY.

"(a) VIOLATIONS RELATING TO OFFERING OF MAXIMUM FAIR PRICE.—Any manufacturer of a selected drug that has entered into an agreement under section 1193, with respect to a plan year during the price applicability period for such drug, that does not provide access to a price that is not more than the maximum fair price (or a lesser price) for such drug for such year—

"(1) to a fair price eligible individual who with respect to such drug is described in subparagraph (A) of section 1191(c)(1) and who is furnished or dispensed such drug during such year; or

"(2) to a hospital, physician, or other provider of services or supplier with respect to fair price eligible individuals who with respect to such drug is described in subparagraph (B) of such section and is furnished or administered such drug by such hospital, physician, or provider or supplier during such year;

shall be subject to a civil monetary penalty equal to ten times the amount equal to the difference between the price for such drug made available for such year by such manufacturer with respect to such individual or hospital, physician, provider, or supplier and the maximum fair price for such drug for such year.

"(b) VIOLATIONS OF CERTAIN TERMS OF AGREEMENT.—Any manufacturer of a selected drug that has entered into an agreement under section 1193, with respect to a plan year during the price applicability period for such drug, that is in violation of a requirement imposed pursuant to section 1193(a)(6) shall be subject to a civil monetary penalty of not more than $1,000,000 for each such violation.

"(c) APPLICATION.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil monetary penalty under this section in the same manner

as such provisions apply to a penalty or proceeding under section 1128A(a).

"SEC. 1199. MISCELLANEOUS PROVISIONS.

"(a) PAPERWORK REDUCTION ACT.—Chapter 35 of title 44, United States Code, shall not apply to data collected under this part.

"(b) LIMITATION ON JUDICIAL REVIEW.—The following shall not be subject to judicial review:

"(1) The selection of drugs for publication under section 1192(a).

"(2) The determination of whether a drug is a negotiation-eligible drug under section 1192(d).

"(3) The determination of the maximum fair price of a selected drug under section 1194.

"(4) The determination of units of a drug for purposes of section 1191(c)(3).

"(c) COORDINATION.—In carrying out this part with respect to group health plans or health insurance coverage offered in the group market that are subject to oversight by the Secretary of Labor or the Secretary of the Treasury, the Secretary of Health and Human Services shall coordinate with such respective Secretary.

"(d) DATA SHARING.—The Secretary shall share with the Secretary of the Treasury such information as

is necessary to determine the tax imposed by section 4192 of the Internal Revenue Code of 1986.''.

(b) APPLICATION OF MAXIMUM FAIR PRICES AND CONFORMING AMENDMENTS.—

(1) UNDER MEDICARE.—

(A) APPLICATION TO PAYMENTS UNDER PART B.—Section 1847A(b)(1)(B) of the Social Security Act (42 U.S.C. 1395w–3a(b)(1)(B)) is amended by inserting ''or in the case of such a drug or biological that is a selected drug (as defined in section 1192(c)), with respect to a price applicability period (as defined in section 1191(b)(2)), 106 percent of the maximum fair price (as defined in section 1191(c)(2)) applicable for such drug and a plan year during such period'' after ''paragraph (4)''.

(B) EXCEPTION TO PART D NON-INTERFERENCE.—Section 1860D–11(i) of the Social Security Act (42 U.S.C. 1395w–111(i)) is amended by inserting '', except as provided under part E of title XI'' after ''the Secretary''.

(C) APPLICATION AS NEGOTIATED PRICE UNDER PART D.—Section 1860D–2(d)(1) of the Social Security Act (42 U.S.C. 1395w–102(d)(1)) is amended—

(i) in subparagraph (B), by inserting ", subject to subparagraph (D)," after "negotiated prices"; and

(ii) by adding at the end the following new subparagraph:

"(D) APPLICATION OF MAXIMUM FAIR PRICE FOR SELECTED DRUGS.—In applying this section, in the case of a covered part D drug that is a selected drug (as defined in section 1192(c)), with respect to a price applicability period (as defined in section 1191(b)(2)), the negotiated prices used for payment (as described in this subsection) shall be the maximum fair price (as defined in section 1191(c)(2)) for such drug and for each plan year during such period.".

(D) INFORMATION FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS REQUIRED.—

(i) PRESCRIPTION DRUG PLANS.—Section 1860D–12(b) of the Social Security Act (42 U.S.C. 1395w–112(b)) is amended by adding at the end the following new paragraph:

"(8) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Each contract entered into

with a PDP sponsor under this part with respect to a prescription drug plan offered by such sponsor shall require the sponsor to provide information to the Secretary as requested by the Secretary in accordance with section 1196(b).''.

(ii) MA–PD PLANS.—Section 1857(f)(3) of the Social Security Act (42 U.S.C. 1395w–27(f)(3)) is amended by adding at the end the following new subparagraph:

''(E) PROVISION OF INFORMATION RELATED TO MAXIMUM FAIR PRICES.—Section 1860D–12(b)(8).''.

(2) UNDER GROUP HEALTH PLANS AND HEALTH INSURANCE COVERAGE.—

(A) PHSA.—Part D of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–111 et seq.) is amended by adding at the end the following new section:

''SEC. 2799A–11. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF MAXIMUM FAIR PRICES.

''(a) IN GENERAL.—In the case of a group health plan or health insurance issuer offering group or individual health insurance coverage that is treated under section 1197 of the Social Security Act as having in effect

an agreement with the Secretary under the Fair Price Negotiation Program under part E of title XI of such Act, with respect to a price applicability period (as defined in section 1191(b) of such Act) and a selected drug (as defined in section 1192(c) of such Act) with respect to such period with respect to which coverage is provided under such plan or coverage—

"(1) the provisions of such part shall apply—

"(A) if coverage of such selected drug is provided under such plan or coverage if the drug is furnished or dispensed at a pharmacy or by a mail order service, to the plans or coverage offered by such plan or issuer, and to the individuals enrolled under such plans or coverage, during such period, with respect to such selected drug, in the same manner as such provisions apply to prescription drug plans and MA–PD plans, and to individuals enrolled under such prescription drug plans and MA–PD plans during such period; and

"(B) if coverage of such selected drug is provided under such plan or coverage if the drug is furnished or administered by a hospital, physician, or other provider of services or supplier, to the plans or coverage offered by such

plan or issuers, to the individuals enrolled under such plans or coverage, and to hospitals, physicians, and other providers of services and suppliers during such period, with respect to such drug in the same manner as such provisions apply to the Secretary, to individuals entitled to benefits under part A of title XVIII or enrolled under part B of such title, and to hospitals, physicians, and other providers and suppliers participating under title XVIII during such period;

''(2) the plan or issuer shall apply any cost-sharing responsibilities under such plan or coverage, with respect to such selected drug, by substituting an amount not more than the maximum fair price negotiated under such part E of title XI for such drug in lieu of the drug price upon which the cost-sharing would have otherwise applied, and such cost-sharing responsibilities with respect to such selected drug may not exceed such maximum fair price; and

''(3) the Secretary shall apply the provisions of such part E to such plan, issuer, and coverage, such individuals so enrolled in such plans and coverage, and such hospitals, physicians, and other providers

and suppliers participating in such plans and coverage.

"(b) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION PROGRAM.—A group health plan or a health insurance issuer offering group or individual health insurance coverage shall publicly disclose in a manner and in accordance with a process specified by the Secretary any election made under section 1197 of the Social Security Act by the plan or issuer to not participate in the Fair Price Negotiation Program under part E of title XI of such Act with respect to a selected drug (as defined in section 1192(c) of such Act) for which coverage is provided under such plan or coverage before the beginning of the plan year for which such election was made.".

(B) ERISA.—

(i) IN GENERAL.—Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1181 et seq.) is amended by adding at the end the following new section:

"SEC. 726. FAIR PRICE NEGOTIATION PROGRAM AND APPLICATION OF MAXIMUM FAIR PRICES.

"(a) IN GENERAL.—In the case of a group health 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

drug is furnished or administered by a hospital, physician, or other provider of services or supplier, to the plans or coverage offered by such plan or issuers, to the individuals enrolled under such plans or coverage, and to hospitals, physicians, and other providers of services and suppliers during such period, with respect to such drug in the same manner as such provisions apply to the Secretary, to individuals entitled to benefits under part A of title XVIII or enrolled under part B of such title, and to hospitals, physicians, and other providers and suppliers participating under title XVIII during such period;

''(2) the plan or issuer shall apply any cost-sharing responsibilities under such plan or coverage, with respect to such selected drug, by substituting an amount not more than the maximum fair price negotiated under such part E of title XI for such drug in lieu of the drug price upon which the cost-sharing would have otherwise applied, and such cost-sharing responsibilities with respect to such selected drug may not exceed such maximum fair price; and

"(3) the Secretary shall apply the provisions of such part E to such plan, issuer, and coverage, and such individuals so enrolled in such plans.

"(b) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION PROGRAM.—A group health plan or a health insurance issuer offering group health insurance coverage shall publicly disclose in a manner and in accordance with a process specified by the Secretary any election made under section 1197 of the Social Security Act by the plan or issuer to not participate in the Fair Price Negotiation Program under part E of title XI of such Act with respect to a selected drug (as defined in section 1192(c) of such Act) for which coverage is provided under such plan or coverage before the beginning of the plan year for which such election was made.".

(ii) APPLICATION TO RETIREE AND CERTAIN SMALL GROUP HEALTH PLANS.—Section 732(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1191a(a)) is amended by striking "section 711" and inserting "sections 711 and 726".

(iii) CLERICAL AMENDMENT.—The table of sections for subpart B of part 7 of 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

order service, to the plan, and to the individuals enrolled under such plan during such period, with respect to such selected drug, in the same manner as such provisions apply to prescription drug plans and MA–PD plans, and to individuals enrolled under such prescription drug plans and MA–PD plans during such period; and

"(B) if coverage of such selected drug is provided under such plan if the drug is furnished or administered by a hospital, physician, or other provider of services or supplier, to the plan, to the individuals enrolled under such plan, and to hospitals, physicians, and other providers of services and suppliers during such period, with respect to such drug in the same manner as such provisions apply to the Secretary, to individuals entitled to benefits under part A of title XVIII or enrolled under part B of such title, and to hospitals, physicians, and other providers and suppliers participating under title XVIII during such period;

"(2) the plan shall apply any cost-sharing responsibilities under such plan, with respect to such selected drug, by substituting an amount not more

than the maximum fair price negotiated under such part E of title XI for such drug in lieu of the drug price upon which the cost-sharing would have otherwise applied, and such cost-sharing responsibilities with respect to such selected drug may not exceed such maximum fair price; and

"(3) the Secretary shall apply the provisions of such part E to such plan and such individuals so enrolled in such plan.

"(b) NOTIFICATION REGARDING NONPARTICIPATION IN FAIR PRICE NEGOTIATION PROGRAM.—A group health plan shall publicly disclose in a manner and in accordance with a process specified by the Secretary any election made under section 1197 of the Social Security Act by the plan to not participate in the Fair Price Negotiation Program under part E of title XI of such Act with respect to a selected drug (as defined in section 1192(c) of such Act) for which coverage is provided under such plan before the beginning of the plan year for which such election was made.".

(ii) APPLICATION TO RETIREE AND CERTAIN SMALL GROUP HEALTH PLANS.—Section 9831(a)(2) of the Internal Revenue Code of 1986 is amended by inserting

"other than with respect to section 9826," before "any group health plan".

(iii) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 100 of such Code is amended by adding at the end the following new item:

"Sec. 9826. Fair Price Negotiation Program and application of maximum fair prices.".

(3) FAIR PRICE NEGOTIATION PROGRAM PRICES INCLUDED IN BEST PRICE AND AMP.—Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

(A) in subsection (c)(1)(C)(ii)—

(i) in subclause (III), by striking at the end "; and";

(ii) in subclause (IV), by striking at the end the period and inserting "; and"; and

(iii) by adding at the end the following new subclause:

"(V) in the case of a rebate period and a covered outpatient drug that is a selected drug (as defined in section 1192(c)) during such rebate period, shall be inclusive of the price for such drug made available from the

manufacturer during the rebate period by reason of application of part E of title XI to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity within the United States.''; and

(B) in subsection (k)(1)(B), by adding at the end the following new clause:

''(iii) CLARIFICATION.—Notwithstanding clause (i), in the case of a rebate period and a covered outpatient drug that is a selected drug (as defined in section 1192(c)) during such rebate period, any reduction in price paid during the rebate period to the manufacturer for the drug by a wholesaler or retail community pharmacy described in subparagraph (A) by reason of application of part E of title XI shall be included in the average manufacturer price for the covered outpatient drug.''.

(4) FEHBP.—Section 8902 of title 5, United States Code, is amended by adding at the end the following:

"(p) A contract may not be made or a plan approved under this chapter with any carrier that has affirmatively elected, pursuant to section 1197 of the Social Security Act, not to participate in the Fair Price Negotiation Program established under section 1191 of such Act for any selected drug (as that term is defined in section 1192(c) of such Act).".

(5) OPTION OF SECRETARY OF VETERANS AFFAIRS TO PURCHASE COVERED DRUGS AT MAXIMUM FAIR PRICES.—Section 8126 of title 38, United States Code, is amended—

(A) in subsection (a)(2), by inserting ", subject to subsection (j)," after "may not exceed";

(B) in subsection (d), in the matter preceding paragraph (1), by inserting ", subject to subsection (j)" after "for the procurement of the drug"; and

(C) by adding at the end the following new subsection:

"(j)(1) In the case of a covered drug that is a selected drug, for any year during the price applicability period for such drug, if the Secretary determines that the maximum fair price of such drug for such year is less than the price for such drug otherwise in effect pursuant to this section

(including after application of any reduction under subsection (a)(2) and any discount under subsection (c)), at the option of the Secretary, in lieu of the maximum price (determined after application of the reduction under subsection (a)(2) and any discount under subsection (c), as applicable) that would be permitted to be charged during such year for such drug pursuant to this section without application of this subsection, the maximum price permitted to be charged during such year for such drug pursuant to this section shall be such maximum fair price for such drug and year.

''(2) For purposes of this subsection:

''(A) The term 'maximum fair price' means, with respect to a selected drug and year during the price applicability period for such drug, the maximum fair price (as defined in section 1191(c)(2) of the Social Security Act) for such drug and year.

''(B) The term 'negotiation eligible drug' has the meaning given such term in section 1192(d)(1) of the Social Security Act.

''(C) The term 'price applicability period' has, with respect to a selected drug, the meaning given such term in section 1191(b)(2) of such Act.

"(D) The term 'selected drug' means, with respect to a year, a drug that is a selected drug under section 1192(c) of such Act for such year.".

SEC. 139002. SELECTED DRUG MANUFACTURER EXCISE TAX IMPOSED DURING NONCOMPLIANCE PERIODS.

(a) IN GENERAL.—Subchapter E of chapter 32 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 4192. SELECTED DRUGS DURING NONCOMPLIANCE PERIODS.

"(a) IN GENERAL.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any selected drug during a day described in subsection (b) a tax in an amount such that the applicable percentage is equal to the ratio of—

"(1) such tax, divided by

"(2) the sum of such tax and the price for which so sold.

"(b) NONCOMPLIANCE PERIODS.—A day is described in this subsection with respect to a selected drug if it is a day during one of the following periods:

"(1) The period beginning on the June 16th immediately following the selected drug publication date and ending on the first date during which the

manufacturer of the drug has in place an agreement described in subsection (a) of section 1193 of the Social Security Act with respect to such drug.

"(2) The period beginning on the April 1st immediately following the June 16th described in paragraph (1) and ending on the first date during which the manufacturer of the drug has agreed to a maximum fair price under such agreement.

"(3) In the case of a selected drug with respect to which the Secretary of Health and Human Services has specified a renegotiation period under such agreement, the period beginning on the first date after the last date of such renegotiation period and ending on the first date during which the manufacturer of the drug has agreed to a renegotiated maximum fair price under such agreement.

"(4) With respect to information that is required to be submitted to the Secretary of Health and Human Services under such agreement, the period beginning on the date on which such Secretary certifies that such information is overdue and ending on the date that such information is so submitted.

"(5) In the case of a selected drug with respect to which a payment is due under subsection (c) of such section 1193, the period beginning on the date

on which the Secretary of Health and Human Services certifies that such payment is overdue and ending on the date that such payment is made in full.

"(c) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

"(1) in the case of sales of a selected drug during the first 90 days described in subsection (b) with respect to such drug, 65 percent,

"(2) in the case of sales of such drug during the 91st day through the 180th day described in subsection (b) with respect to such drug, 75 percent,

"(3) in the case of sales of such drug during the 181st day through the 270th day described in subsection (b) with respect to such drug, 85 percent, and

"(4) in the case of sales of such drug during any subsequent day, 95 percent.

"(d) SELECTED DRUG.—For purposes of this section—

"(1) IN GENERAL.—The term 'selected drug' means any selected drug (within the meaning of section 1192 of the Social Security Act) which is manufactured or produced in the United States or entered into the United States for consumption, use, or warehousing.

"(2) UNITED STATES.—The term 'United States' has the meaning given such term by section 4612(a)(4).

"(3) COORDINATION WITH RULES FOR POSSESSIONS OF THE UNITED STATES.—Rules similar to the rules of paragraphs (2) and (4) of section 4132(c) shall apply for purposes of this section.

"(e) OTHER DEFINITIONS.—For purposes of this section, the terms 'selected drug publication date' and 'maximum fair price' have the meaning given such terms in section 1191 of the Social Security Act.

"(f) ANTI-ABUSE RULE.—In the case of a sale which was timed for the purpose of avoiding the tax imposed by this section, the Secretary may treat such sale as occurring during a day described in subsection (b).".

(b) NO DEDUCTION FOR EXCISE TAX PAYMENTS.—Section 275 of the Internal Revenue Code of 1986 is amended by adding "or by section 4192" before the period at the end of subsection (a)(6).

(c) CONFORMING AMENDMENTS.—

(1) Section 4221(a) of the Internal Revenue Code of 1986 is amended by inserting "or 4192" after "section 4191".

(2) Section 6416(b)(2) of such Code is amended by inserting "or 4192" after "section 4191".

(d) CLERICAL AMENDMENTS.—

(1) The heading of subchapter E of chapter 32 of the Internal Revenue Code of 1986 is amended by striking "**Medical Devices**" and inserting "**Other Medical Products**".

(2) The table of subchapters for chapter 32 of such Code is amended by striking the item relating to subchapter E and inserting the following new item:

"SUBCHAPTER E. OTHER MEDICAL PRODUCTS".

(3) The table of sections for subchapter E of chapter 32 of such Code is amended by adding at the end the following new item:

"Sec. 4192. Selected drugs during noncompliance periods.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. 139003. FAIR PRICE NEGOTIATION IMPLEMENTATION FUND.

(a) IN GENERAL.—There is hereby established a Fair Price Negotiation Implementation Fund (referred to in this section as the "Fund"). The Secretary of Health and Human Services may obligate and expend amounts in the Fund to carry out this part and parts 2 and 3 (and the amendments made by such parts).

(b) FUNDING.—There is authorized to be appropriated, and there is hereby appropriated, out of any monies in the Treasury not otherwise appropriated, to the Fund $3,000,000,000, to remain available until expended, of which—

(1) $600,000,000 shall become available on the date of the enactment of this Act;

(2) $600,000,000 shall become available on October 1, 2023;

(3) $600,000,000 shall become available on October 1, 2024;

(4) $600,000,000 shall become available on October 1, 2025; and

(5) $600,000,000 shall become available on October 1, 2026.

(c) SUPPLEMENT NOT SUPPLANT.—Any amounts appropriated pursuant to this section shall be in addition to any other amounts otherwise appropriated pursuant to any other provision of law.

PART 2—PRESCRIPTION DRUG INFLATION REBATES

SEC. 139101. MEDICARE PART B REBATE BY MANUFACTURERS.

(a) IN GENERAL.—Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(z) REBATE BY MANUFACTURERS FOR SINGLE SOURCE DRUGS WITH PRICES INCREASING FASTER THAN INFLATION.—

"(1) REQUIREMENTS.—

"(A) SECRETARIAL PROVISION OF INFORMATION.—Not later than 6 months after the end of each calendar quarter beginning on or after July 1, 2023, the Secretary shall, for each part B rebatable drug, report to each manufacturer of such part B rebatable drug the following for such calendar quarter:

"(i) Information on the total number of units of the billing and payment code described in subparagraph (A)(i) of paragraph (3) with respect to such drug and calendar quarter.

"(ii) Information on the amount (if any) of the excess average sales price increase described in subparagraph (A)(ii) of

such paragraph for such drug and calendar quarter.

"(iii) The rebate amount specified under such paragraph for such part B rebatable drug and calendar quarter.

"(B) MANUFACTURER REQUIREMENT.—For each calendar quarter beginning on or after July 1, 2023, the manufacturer of a part B rebatable drug shall, for such drug, not later than 30 days after the date of receipt from the Secretary of the information described in subparagraph (A) for such calendar quarter, provide to the Secretary a rebate that is equal to the amount specified in paragraph (3) for such drug for such calendar quarter.

"(2) PART B REBATABLE DRUG DEFINED.—

"(A) IN GENERAL.—In this subsection, the term 'part B rebatable drug' means a single source drug or biological (as defined in subparagraph (D) of section 1847A(c)(6)), including a biosimilar biological product (as defined in subparagraph (H) of such section), payable (if such drug were furnished to an individual enrolled under this part) under this part, except

such term shall not include such a drug or biological—

"(i) if the average total allowed charges under this part as determined by the Secretary for a year per individual that uses such a drug or biological, as determined by the Secretary, are less than, subject to subparagraph (B), $100; or

"(ii) that is a vaccine described in subparagraph (A) or (B) of section 1861(s)(10).

"(B) INCREASE.—The dollar amount applied under subparagraph (A)(i)—

"(i) for 2024, shall be the dollar amount specified under such subparagraph for 2023, increased by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year; and

"(ii) for a subsequent year, shall be the dollar amount specified in this clause (or clause (i)) for the previous year, increased by the percentage increase in the consumer price index for all urban con-

sumers (United States city average) for the 12-month period ending with June of the previous year.

Any dollar amount specified under this subparagraph that is not a multiple of $10 shall be rounded to the nearest multiple of $10.

"(3) REBATE AMOUNT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the amount specified in this paragraph for a part B rebatable drug assigned to a billing and payment code for a calendar quarter is, subject to subparagraph (B) and paragraph (4), the amount equal to the product of—

"(i) the total number of units, as described in section 1847A(c)(1)(B), with respect to such drug during the calendar quarter; and

"(ii) the amount (if any) by which—

"(I) the payment amount under subparagraph (B) or (C) of section 1847A(b)(1), as applicable, for such part B rebatable drug during the calendar quarter; exceeds

"(II) the inflation-adjusted payment amount determined under subparagraph (C) for such part B rebatable drug during the calendar quarter.

"(B) EXCLUDED UNITS.—For purposes of subparagraph (A)(i), the Secretary shall exclude from the total number of units with respect to a part B rebatable drug and calendar quarter units of such part B rebatable drug for which payment was made under a State plan under title XIX (or waiver of such plan), as reported by States under section 1927(b)(2)(A) for the most recent rebate period.

"(C) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—The inflation-adjusted payment amount determined under this subparagraph for a part B rebatable drug for a calendar quarter is—

"(i) the payment amount for the billing and payment code for such drug in the payment amount benchmark quarter (as defined in subparagraph (D)); increased by

"(ii) the percentage by which the rebate period CPI–U (as defined in subpara-

graph (F)) for the calendar quarter exceeds the benchmark period CPI–U (as defined in subparagraph (E)).

"(D) PAYMENT AMOUNT BENCHMARK QUARTER.—The term 'payment amount benchmark quarter' means the calendar quarter beginning January 1, 2016.

"(E) BENCHMARK PERIOD CPI–U.—The term 'benchmark period CPI–U' means the consumer price index for all urban consumers (United States city average) for July 2015.

"(F) REBATE PERIOD CPI–U.—The term 'rebate period CPI–U' means, with respect to a calendar quarter described in subparagraph (C), the greater of the benchmark period CPI–U and the consumer price index for all urban consumers (United States city average) for the first month of the calendar quarter that is two calendar quarters prior to such described calendar quarter.

"(4) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—

"(A) SUBSEQUENTLY APPROVED DRUGS.—Subject to subparagraph (B), in the case of a part B rebatable drug first approved or licensed

by the Food and Drug Administration after July 1, 2015, clause (i) of paragraph (3)(C) shall be applied as if the term 'payment amount benchmark quarter' were defined under paragraph (3)(D) as the third full calendar quarter after the day on which the drug was first marketed and clause (ii) of paragraph (3)(C) shall be applied as if the term 'benchmark period CPI–U' were defined under paragraph (3)(E) as if the reference to 'July 2015' under such paragraph were a reference to 'the first month of the first full calendar quarter after the day on which the drug was first marketed'.

"(B) TIMELINE FOR PROVISION OF REBATES FOR SUBSEQUENTLY APPROVED DRUGS.—In the case of a part B rebatable drug first approved or licensed by the Food and Drug Administration after July 1, 2015, paragraph (1)(B) shall be applied as if the reference to 'July 1, 2023' under such paragraph were a reference to the later of the 6th full calendar quarter after the day on which the drug was first marketed or July 1, 2023.

"(C) EXEMPTION FOR SHORTAGES.—The Secretary may reduce or waive the rebate

amount under paragraph (1)(B) with respect to a part B rebatable drug that is described as currently in shortage on the shortage list in effect under section 506E of the Federal Food, Drug, and Cosmetic Act or in the case of other exigent circumstances, as determined by the Secretary.

"(D) SELECTED DRUGS.—In the case of a part B rebatable drug that is a selected drug (as defined in section 1192(c)) for a price applicability period (as defined in section 1191(b)(2))—

"(i) for calendar quarters during such period for which a maximum fair price (as defined in section 1191(c)(2)) for such drug has been determined and is applied under part E of title XI, the rebate amount under paragraph (1)(B) shall be waived; and

"(ii) in the case such drug is determined (pursuant to such section 1192(c)) to no longer be a selected drug, for each applicable year beginning after the price applicability period with respect to such drug, clause (i) of paragraph (3)(C) shall

be applied as if the term 'payment amount benchmark quarter' were defined under paragraph (3)(D) as the calendar quarter beginning January 1 of the last year beginning during such price applicability period with respect to such selected drug and clause (ii) of paragraph (3)(C) shall be applied as if the term 'benchmark period CPI–U' were defined under paragraph (3)(E) as if the reference to 'July 2015' under such paragraph were a reference to the July of the year preceding such last year.

"(5) APPLICATION TO BENEFICIARY COINSURANCE.—In the case of a part B rebatable drug, if the payment amount under this part for a quarter exceeds the inflation adjusted payment for such quarter—

"(A) in computing the amount of any coinsurance applicable under this part to an individual to whom such drug is furnished, the computation of such coinsurance shall be based on the inflation-adjusted payment amount determined under paragraph (3)(C) for such part B rebatable drug; and

"(B) the amount of such coinsurance is equal to 20 percent of such inflation-adjusted payment amount so determined.

"(6) REBATE DEPOSITS.—Amounts paid as rebates under paragraph (1)(B) shall be deposited into the Federal Supplementary Medical Insurance Trust Fund established under section 1841.

"(7) CIVIL MONEY PENALTY.—If a manufacturer of a part B rebatable drug has failed to comply with the requirements under paragraph (1)(B) for such drug for a calendar quarter, the manufacturer shall be subject to, in accordance with a process established by the Secretary pursuant to regulations, a civil money penalty in an amount equal to at least 125 percent of the amount specified in paragraph (3) for such drug for such calendar quarter. The provisions of section 1128A (other than subsections (a) (with respect to amounts of penalties or additional assessments) and (b)) shall apply to a civil money penalty under this paragraph in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).

"(8) APPLICATION TO MULTIPLE SOURCE DRUGS.—The Secretary may, pursuant to rulemaking, apply the provisions of this subsection to

multiple source drugs (as defined in section 1847A(c)(6)(C)), including, for purposes of determining the rebate amount under paragraph (3), by calculating manufacturer-specific average sales prices for the benchmark period and the rebate period.''.

(b) AMOUNTS PAYABLE; COST-SHARING.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (G), by inserting ''\, subject to subsection (i)(9),'' after ''the amounts paid'';

(ii) in subparagraph (S), by striking ''with respect to'' and inserting ''subject to subparagraph (DD), with respect to'';

(iii) by striking ''and (DD)'' and inserting ''(EE)''; and

(iv) by inserting before the semicolon at the end the following: ''\, and (EE) with respect to a part B rebatable drug (as defined in paragraph (2) of section 1834(z)) for which the payment amount for a calendar quarter under paragraph

(3)(A)(ii)(I) of such section for such quarter exceeds the inflation-adjusted payment under paragraph (3)(A)(ii)(II) of such section for such quarter, the amounts paid shall be the difference between (i) the payment amount under paragraph (3)(A)(ii)(I) of such section for such drug, and (ii) 20 percent of the inflation-adjusted payment amount under paragraph (3)(A)(ii)(II) of such section for such drug''; and

(B) by adding at the end of the flush left matter following paragraph (9), the following:

''For purposes of applying paragraph (1)(EE), subsections (i)(9) and (t)(8)(F), and section 1834(z)(5), the Secretary shall make such estimates and use such data as the Secretary determines appropriate, and may do so by program instruction or otherwise.'';

(2) in subsection (i), by adding at the end the following new paragraph:

''(9) In the case of a part B rebatable drug (as defined in paragraph (2) of section 1834(z)) for which payment under this subsection is not packaged into a payment for a covered OPD service (as defined in subsection (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-

sions of section 1834(z)(5) and subsection (a) apply under such section and subsection.''.

(c) CONFORMING AMENDMENTS.—

(1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42 U.S.C. 1395w–3a(c)(3)) is amended by inserting ''or section 1834(z)'' after ''section 1927''.

(2) EXCLUDING PARTS B DRUG INFLATION REBATE FROM BEST PRICE.—Section 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)) is amended by inserting ''or section 1834(z)'' after ''this section''.

(3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)) is amended by striking ''or to carry out section 1847B'' and inserting ''to carry out section 1847B or section 1834(z)''.

SEC. 139102. MEDICARE PART D REBATE BY MANUFACTURERS.

(a) IN GENERAL.—Part D of title XVIII of the Social Security Act is amended by inserting after section 1860D–14A (42 U.S.C. 1395w–114a) the following new section:

"SEC. 1860D–14B. MANUFACTURER REBATE FOR CERTAIN DRUGS WITH PRICES INCREASING FASTER THAN INFLATION.

"(a) REQUIREMENTS.—

"(1) SECRETARIAL PROVISION OF INFORMATION.—Not later than 9 months after the end of each applicable year (as defined in subsection (g)(7)), the Secretary shall, for each part D rebatable drug, report to each manufacturer of such part D rebatable drug the following for such year:

"(A) Information on the amount (if any) of the excess average manufacturer price increase described in subsection (b)(1)(B) for each dosage form and strength with respect to such drug and year.

"(B) The rebate amount specified under subsection (b) for each dosage form and strength with respect to such drug and year.

"(2) MANUFACTURER REQUIREMENTS.—For each applicable year, the manufacturer of a part D rebatable drug, for each dosage form and strength with respect to such drug, not later than 30 days after the date of receipt from the Secretary of the information described in paragraph (1) for such year, shall provide to the Secretary a rebate that is 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

strength with respect to such part D rebatable drug for the year; exceeds

"(II) the inflation-adjusted payment amount determined under paragraph (3) for such dosage form and strength with respect to such part D rebatable drug for the year.

"(B) EXCLUDED UNITS.—For purposes of subparagraph (A)(i), the Secretary shall exclude from the total number of units for a dosage form and strength with respect to a part D rebatable drug and the most recent rebate period under section 1927, with respect to an applicable year, for which such information is available, units of each dosage form and strength of such part D rebatable drug, for which payment was made under a State plan under title XIX (or waiver of such plan), as reported by States under section 1927(b)(2)(A) for such rebate period.

"(2) DETERMINATION OF ANNUAL MANUFACTURER PRICE.—The annual manufacturer price determined under this paragraph for a dosage form and strength, with respect to a part D rebatable

drug and an applicable year, is the sum of the products of—

"(A) the average manufacturer price (as defined in subsection (g)(6)) of such dosage form and strength, as calculated for a unit of such drug, with respect to each of the calendar quarters of such year; and

"(B) the ratio of—

"(i) the total number of units of such dosage form and strength reported for the purpose of calculating average manufacturer price under section 1927 during each such calendar quarter of such year; to

"(ii) the total number of units of such dosage form and strength reported for the purpose of calculating average manufacturer price under section 1927 during such year, as determined by the Secretary.

"(3) DETERMINATION OF INFLATION-ADJUSTED PAYMENT AMOUNT.—The inflation-adjusted payment amount determined under this paragraph for a dosage form and strength with respect to a part D rebatable drug for an applicable year, subject to subparagraphs (A) and (D) of paragraph (5), is—

"(A) the benchmark year manufacturer price determined under paragraph (4) for such dosage form and strength with respect to such drug and year; increased by

"(B) the percentage by which the applicable year CPI–U (as defined in subsection (g)(5)) for the year exceeds the benchmark period CPI–U (as defined in subsection (g)(4)).

"(4) DETERMINATION OF BENCHMARK YEAR MANUFACTURER PRICE.—The benchmark year manufacturer price determined under this paragraph for a dosage form and strength, with respect to a part D rebatable drug and an applicable year, is the sum of the products of—

"(A) the average manufacturer price (as defined in subsection (g)(6)) of such dosage form and strength, as calculated for a unit of such drug, with respect to each of the calendar quarters of the payment amount benchmark year (as defined in subsection (g)(3)); and

"(B) the ratio of—

"(i) the total number of units of such dosage form and strength dispensed during each such calendar quarter of such payment amount benchmark year; to

"(ii) the total number of units of such dosage form and strength dispensed during such payment amount benchmark year.

"(5) SPECIAL TREATMENT OF CERTAIN DRUGS AND EXEMPTION.—

"(A) SUBSEQUENTLY APPROVED DRUGS.—In the case of a part D rebatable drug first approved or licensed by the Food and Drug Administration after January 1, 2016, subparagraphs (A) and (B) of paragraph (4) shall be applied as if the term 'payment amount benchmark year' were defined under subsection (g)(3) as the first calendar year beginning after the day on which the drug was first marketed by any manufacturer and subparagraph (B) of paragraph (3) shall be applied as if the term 'benchmark period CPI–U' were defined under subsection (g)(4) as if the reference to 'January 2016' under such subsection were a reference to 'January of the first year beginning after the date on which the drug was first marketed by any manufacturer'.

"(B) EXEMPTION FOR SHORTAGES.—The Secretary may reduce or waive the rebate under paragraph (1) with respect to a part D

rebatable drug that is described as currently in shortage on the shortage list in effect under section 506E of the Federal Food, Drug, and Cosmetic Act or in the case of other exigent circumstances, as determined by the Secretary.

"(C) TREATMENT OF NEW FORMULATIONS.—

"(i) IN GENERAL.—In the case of a part D rebatable drug that is a line extension of a part D rebatable drug that is an oral solid dosage form, the Secretary shall establish a formula for determining the amount specified in this subsection with respect to such part D rebatable drug and an applicable year with consideration of the original part D rebatable drug.

"(ii) LINE EXTENSION DEFINED.—In this subparagraph, the term 'line extension' means, with respect to a part D rebatable drug, a new formulation of the drug, such as an extended release formulation, but does not include an abuse-deterrent formulation of the drug (as determined by the Secretary), regardless of

whether such abuse-deterrent formulation is an extended release formulation.

"(D) SELECTED DRUGS.—In the case of a part D rebatable drug that is a selected drug (as defined in section 1192(c)) for a price applicability period (as defined in section 1191(b)(2))—

"(i) for plan years during such period for which a maximum fair price (as defined in section 1191(c)(2)) for such drug has been determined and is applied under part E of title XI, the rebate under subsection (a)(1)(B) shall be waived; and

"(ii) in the case such drug is determined (pursuant to such section 1192(c)) to no longer be a selected drug, for each applicable year beginning after the price applicability period with respect to such drug, subparagraphs (A) and (B) of paragraph (4) shall be applied as if the term 'payment amount benchmark year' were defined under subsection (g)(3) as the last year beginning during such price applicability period with respect to such selected drug and subparagraph (B) of paragraph

(3) shall be applied as if the term 'benchmark period CPI–U' were defined under subsection (g)(4) as if the reference to 'January 2016' under such subsection were a reference to January of the last year beginning during such price applicability period with respect to such drug.

''(c) REBATE DEPOSITS.—Amounts paid as rebates under subsection (b) shall be deposited into the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund established under section 1841.

''(d) INFORMATION.—For purposes of carrying out this section, the Secretary shall use information submitted by manufacturers under section 1927(b)(3) and information submitted by States under section 1927(b)(2)(A).

''(e) CIVIL MONEY PENALTY.—If a manufacturer of a part D rebatable drug has failed to comply with the requirement under subsection (a)(1)(B) with respect to such drug for an applicable year, the manufacturer shall be subject to, in accordance with a process established by the Secretary pursuant to regulations, a civil money penalty in an amount equal to 125 percent of the amount specified in subsection (b) for such drug for such year. The provisions of section 1128A (other than subsections (a) (with

respect to amounts of penalties or additional assessments) and (b)) shall apply to a civil money penalty under this subsection in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).

"(f) JUDICIAL REVIEW.—There shall be no judicial review of the following:

"(1) The determination of units under this section.

"(2) The determination of whether a drug is a part D rebatable drug under this section.

"(3) The calculation of the rebate amount under this section.

"(g) DEFINITIONS.—In this section:

"(1) PART D REBATABLE DRUG DEFINED.—

"(A) IN GENERAL.—The term 'part D rebatable drug' means a drug or biological that would (without application of this section) be a covered part D drug, except such term shall, with respect to an applicable year, not include such a drug or biological if the average annual total cost under this part for such year per individual who uses such a drug or biological, as determined by the Secretary, is less than, subject to subparagraph (B), $100, as determined by the Secretary using the most recent data

available or, if data is not available, as estimated by the Secretary.

"(B) INCREASE.—The dollar amount applied under subparagraph (A)—

"(i) for 2024, shall be the dollar amount specified under such subparagraph for 2023, increased by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period beginning with January of 2023; and

"(ii) for a subsequent year, shall be the dollar amount specified in this subparagraph for the previous year, increased by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period beginning with January of the previous year.

Any dollar amount specified under this subparagraph that is not a multiple of $10 shall be rounded to the nearest multiple of $10.

"(2) UNIT DEFINED.—The term 'unit' means, with respect to a part D rebatable drug, the lowest identifiable quantity (such as a capsule or tablet,

milligram of molecules, or grams) of the part D rebatable drug, including data reported under section 1927.

"(3) PAYMENT AMOUNT BENCHMARK YEAR.—The term 'payment amount benchmark year' means the year beginning January 1, 2016.

"(4) BENCHMARK PERIOD CPI–U.—The term 'benchmark period CPI–U' means the consumer price index for all urban consumers (United States city average) for January 2016.

"(5) APPLICABLE YEAR CPI–U.—The term 'applicable year CPI–U' means, with respect to an applicable year, the consumer price index for all urban consumers (United States city average) for January of such year.

"(6) AVERAGE MANUFACTURER PRICE.—The term 'average manufacturer price' has the meaning, with respect to a part D rebatable drug of a manufacturer, given such term in section 1927(k)(1), with respect to a covered outpatient drug of a manufacturer for a rebate period under section 1927.

"(7) APPLICABLE YEAR.—The term 'applicable year' means a year beginning with 2023.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART B ASP CALCULATION.—Section 1847A(c)(3) of the Social Security Act (42 U.S.C. 1395w–3a(c)(3)), as amended by section 139101(c)(1), is further amended by striking ''section 1927 or section 1834(z)'' and inserting ''section 1927, section 1834(z), or section 1860D–14B''.

(2) EXCLUDING PART D DRUG INFLATION REBATE FROM BEST PRICE.—Section 1927(c)(1)(C)(ii)(I) of the Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(ii)(I)), as amended by section 139101(c)(2), is further amended by striking ''or section 1834(z)'' and inserting '', section 1834(z), or section 1860D–14B''.

(3) COORDINATION WITH MEDICAID REBATE INFORMATION DISCLOSURE.—Section 1927(b)(3)(D)(i) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(D)(i)), as amended by section 139101(c)(3), is further amended by striking ''or section 1834(z)'' and inserting '', section 1834(z), or section 1860D–14B''.

PART 3—PART D IMPROVEMENTS AND MAXIMUM OUT-OF-POCKET CAP FOR MEDICARE BENEFICIARIES

SEC. 139201. MEDICARE PART D BENEFIT REDESIGN.

(a) BENEFIT STRUCTURE REDESIGN.—Section 1860D–2(b) of the Social Security Act (42 U.S.C. 1395w–102(b)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), in the matter preceding clause (i), by inserting ''for a year preceding 2024 and for costs above the annual deductible specified in paragraph (1) and up to the annual out-of-pocket threshold specified in paragraph (4)(B) for 2024 and each subsequent year'' after ''paragraph (3)'';

(B) in subparagraph (C)—

(i) in clause (i), in the matter preceding subclause (I), by inserting ''for a year preceding 2024,'' after ''paragraph (4),''; and

(ii) in clause (ii)(III), by striking ''and each subsequent year'' and inserting ''through 2023''; and

(C) in subparagraph (D)—

(i) in clause (i)—

(I) in the matter preceding subclause (I), by inserting ''for a year preceding 2024,'' after ''paragraph (4),''; and

(II) in subclause (I)(bb), by striking ''a year after 2018'' and inserting ''each of years 2018 through 2023''; and

(ii) in clause (ii)(V), by striking ''2019 and each subsequent year'' and inserting ''each of years 2019 through 2023'';

(2) in paragraph (3)(A)—

(A) in the matter preceding clause (i), by inserting ''for a year preceding 2024,'' after ''and (4),''; and

(B) in clause (ii), by striking ''for a subsequent year'' and inserting ''for each of years 2007 through 2023''; and

(3) in paragraph (4)—

(A) in subparagraph (A)—

(i) in clause (i)—

(I) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and moving the margin

of each such redesignated item 2 ems to the right;

(II) in the matter preceding item (aa), as redesignated by subclause (I), by striking ''is equal to the greater of—'' and inserting ''is equal to—

''(I) for a year preceding 2024, the greater of—'';

(III) by striking the period at the end of item (bb), as redesignated by subclause (I), and inserting ''; and''; and

(IV) by adding at the end the following:

''(II) for 2024 and each succeeding year, $0.''; and

(ii) in clause (ii), by striking ''clause (i)(I)'' and inserting ''clause (i)(I)(aa)'';

(B) in subparagraph (B)—

(i) in clause (i)—

(I) in subclause (V), by striking ''or'' at the end;

(II) in subclause (VI)—

(aa) by striking ''for a subsequent year'' and inserting ''for

each of years 2021 through 2023''; and

(bb) by striking the period at the end and inserting a semicolon; and

(III) by adding at the end the following new subclauses:

''(VII) for 2024, is equal to $2,000; or

''(VIII) for a subsequent year, is equal to the amount specified in this subparagraph for the previous year, increased by the annual percentage increase described in paragraph (6) for the year involved.''; and

(ii) in clause (ii), by striking ''clause (i)(II)'' and inserting ''clause (i)'';

(C) in subparagraph (C)(i), by striking ''and for amounts'' and inserting ''and, for a year preceding 2024, for amounts''; and

(D) in subparagraph (E), by striking ''In applying'' and inserting ''For each of years 2011 through 2023, in applying''.

(b) DECREASING REINSURANCE PAYMENT AMOUNT.—Section 1860D–15(b)(1) of the Social Security

Act (42 U.S.C. 1395w–115(b)(1)) is amended by inserting after ''80 percent'' the following: ''(or, with respect to a coverage year after 2023, 20 percent)''.

(c) MANUFACTURER DISCOUNT PROGRAM.—

(1) IN GENERAL.—Part D of title XVIII of the Social Security Act (42 U.S.C. 1395w–101 et seq.), as amended by section 139102, is further amended by inserting after section 1860D–14B the following new section:

''SEC. 1860D–14C. MANUFACTURER DISCOUNT PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a manufacturer discount program (in this section referred to as the 'program'). Under the program, the Secretary shall enter into agreements described in subsection (b) with manufacturers and provide for the performance of the duties described in subsection (c). The Secretary shall establish a model agreement for use under the program by not later than January 1, 2023, in consultation with manufacturers, and allow for comment on such model agreement.

''(b) TERMS OF AGREEMENT.—

''(1) IN GENERAL.—

''(A) AGREEMENT.—An agreement under this section shall require the manufacturer to provide applicable beneficiaries access to dis-

counted prices for applicable drugs of the manufacturer that are dispensed on or after January 1, 2024.

"(B) PROVISION OF DISCOUNTED PRICES AT THE POINT-OF-SALE.—The discounted prices described in subparagraph (A) shall be provided to the applicable beneficiary at the pharmacy or by the mail order service at the point-of-sale of an applicable drug.

"(C) TIMING OF AGREEMENT.—

"(i) SPECIAL RULE FOR 2024.—In order for an agreement with a manufacturer to be in effect under this section with respect to the period beginning on January 1, 2024, and ending on December 31, 2024, the manufacturer shall enter into such agreement not later than 30 days after the date of the establishment of a model agreement under subsection (a).

"(ii) 2025 AND SUBSEQUENT YEARS.—In order for an agreement with a manufacturer to be in effect under this section with respect to plan year 2025 or a subsequent plan year, the manufacturer shall enter into such agreement (or such

agreement shall be renewed under paragraph (4)(A)) not later than January 30 of the preceding year.

"(2) PROVISION OF APPROPRIATE DATA.—Each manufacturer with an agreement in effect under this section shall collect and have available appropriate data, as determined by the Secretary, to ensure that it can demonstrate to the Secretary compliance with the requirements under the program.

"(3) COMPLIANCE WITH REQUIREMENTS FOR ADMINISTRATION OF PROGRAM.—Each manufacturer with an agreement in effect under this section shall comply with requirements imposed by the Secretary or a third party with a contract under subsection (d)(3), as applicable, for purposes of administering the program, including any determination under subparagraph (A) of subsection (c)(1) or procedures established under such subsection (c)(1).

"(4) LENGTH OF AGREEMENT.—

"(A) IN GENERAL.—An agreement under this section shall be effective for an initial period of not less than 12 months and shall be automatically renewed for a period of not less than 1 year unless terminated under subparagraph (B).

"(B) TERMINATION.—

"(i) BY THE SECRETARY.—The Secretary may provide for termination of an agreement under this section for a knowing and willful violation of the requirements of the agreement or other good cause shown. Such termination shall not be effective earlier than 30 days after the date of notice to the manufacturer of such termination. The Secretary shall provide, upon request, a manufacturer with a hearing concerning such a termination, and such hearing shall take place prior to the effective date of the termination with sufficient time for such effective date to be repealed if the Secretary determines appropriate.

"(ii) BY A MANUFACTURER.—A manufacturer may terminate an agreement under this section for any reason. Any such termination shall be effective, with respect to a plan year—

"(I) if the termination occurs before January 30 of a plan year, as of the day after the end of the plan year; and

"(II) if the termination occurs on or after January 30 of a plan year, as of the day after the end of the succeeding plan year.

"(iii) EFFECTIVENESS OF TERMINATION.—Any termination under this subparagraph shall not affect discounts for applicable drugs of the manufacturer that are due under the agreement before the effective date of its termination.

"(iv) NOTICE TO THIRD PARTY.—The Secretary shall provide notice of such termination to a third party with a contract under subsection (d)(3) within not less than 30 days before the effective date of such termination.

"(c) DUTIES DESCRIBED.—The duties described in this subsection are the following:

"(1) ADMINISTRATION OF PROGRAM.—Administering the program, including—

"(A) the determination of the amount of the discounted price of an applicable drug of a manufacturer;

"(B) the establishment of procedures under which discounted prices are provided to

applicable beneficiaries at pharmacies or by mail order service at the point-of-sale of an applicable drug;

"(C) the establishment of procedures to ensure that, not later than the applicable number of calendar days after the dispensing of an applicable drug by a pharmacy or mail order service, the pharmacy or mail order service is reimbursed for an amount equal to the difference between—

"(i) the negotiated price of the applicable drug; and

"(ii) the discounted price of the applicable drug;

"(D) the establishment of procedures to ensure that the discounted price for an applicable drug under this section is applied before any coverage or financial assistance under other health benefit plans or programs that provide coverage or financial assistance for the purchase or provision of prescription drug coverage on behalf of applicable beneficiaries as the Secretary may specify; and

"(E) providing a reasonable dispute resolution mechanism to resolve disagreements be-

tween manufacturers, applicable beneficiaries, and the third party with a contract under subsection (d)(3).

"(2) MONITORING COMPLIANCE.—

"(A) IN GENERAL.—The Secretary shall monitor compliance by a manufacturer with the terms of an agreement under this section.

"(B) NOTIFICATION.—If a third party with a contract under subsection (d)(3) determines that the manufacturer is not in compliance with such agreement, the third party shall notify the Secretary of such noncompliance for appropriate enforcement under subsection (e).

"(3) COLLECTION OF DATA FROM PRESCRIPTION DRUG PLANS AND MA–PD PLANS.—The Secretary may collect appropriate data from prescription drug plans and MA–PD plans in a timeframe that allows for discounted prices to be provided for applicable drugs under this section.

"(d) ADMINISTRATION.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide for the implementation of this section, including the performance of the duties described in subsection (c).

"(2) LIMITATION.—In providing for the implementation of this section, the Secretary shall not receive or distribute any funds of a manufacturer under the program.

"(3) CONTRACT WITH THIRD PARTIES.—The Secretary shall enter into a contract with 1 or more third parties to administer the requirements established by the Secretary in order to carry out this section. At a minimum, the contract with a third party under the preceding sentence shall require that the third party—

"(A) receive and transmit information between the Secretary, manufacturers, and other individuals or entities the Secretary determines appropriate;

"(B) receive, distribute, or facilitate the distribution of funds of manufacturers to appropriate individuals or entities in order to meet the obligations of manufacturers under agreements under this section;

"(C) provide adequate and timely information to manufacturers, consistent with the agreement with the manufacturer under this section, as necessary for the manufacturer to fulfill its obligations under this section; and

"(D) permit manufacturers to conduct periodic audits, directly or through contracts, of the data and information used by the third party to determine discounts for applicable drugs of the manufacturer under the program.

"(4) PERFORMANCE REQUIREMENTS.—The Secretary shall establish performance requirements for a third party with a contract under paragraph (3) and safeguards to protect the independence and integrity of the activities carried out by the third party under the program under this section.

"(5) IMPLEMENTATION.—The Secretary may implement the program under this section by program instruction or otherwise.

"(6) ADMINISTRATION.—Chapter 35 of title 44, United States Code, shall not apply to the program under this section.

"(e) ENFORCEMENT.—

"(1) AUDITS.—Each manufacturer with an agreement in effect under this section shall be subject to periodic audit by the Secretary.

"(2) CIVIL MONEY PENALTY.—

"(A) IN GENERAL.—The Secretary may impose a civil money penalty on a manufacturer that fails to provide applicable beneficiaries dis-

counts for applicable drugs of the manufacturer in accordance with such agreement for each such failure in an amount the Secretary determines is equal to the sum of—

"(i) the amount that the manufacturer would have paid with respect to such discounts under the agreement, which will then be used to pay the discounts which the manufacturer had failed to provide; and

"(ii) 25 percent of such amount.

"(B) APPLICATION.—The provisions of section 1128A (other than subsections (a) and (b)) shall apply to a civil money penalty under this paragraph in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a).

"(f) CLARIFICATION REGARDING AVAILABILITY OF OTHER COVERED PART D DRUGS.—Nothing in this section shall prevent an applicable beneficiary from purchasing a covered part D drug that is not an applicable drug (including a generic drug or a drug that is not on the formulary of the prescription drug plan or MA–PD plan that the applicable beneficiary is enrolled in).

"(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

offering the MA–PD plan uses a formulary, which is on the formulary of the prescription drug plan or MA–PD plan that the applicable beneficiary is enrolled in;

"(II) if the PDP sponsor of the prescription drug plan or the MA organization offering the MA–PD plan does not use a formulary, for which benefits are available under the prescription drug plan or MA–PD plan that the applicable beneficiary is enrolled in; or

"(III) is provided through an exception or appeal; and

"(B) does not include a selected drug (as defined in section 1192(c)) during a price applicability period (as defined in section 1191(b)(2)) with respect to such drug.

"(3) APPLICABLE NUMBER OF CALENDAR DAYS.—The term 'applicable number of calendar days' means—

"(A) with respect to claims for reimbursement submitted electronically, 14 days; and

"(B) with respect to claims for reimbursement submitted otherwise, 30 days.

"(4) DISCOUNTED PRICE.—

"(A) IN GENERAL.—The term 'discounted price' means, with respect to an applicable drug of a manufacturer dispensed during a year to an applicable beneficiary—

"(i) who has not incurred costs, as determined in accordance with section 1860D–2(b)(4)(C), for covered part D drugs in the year that are equal to or exceed the annual out-of-pocket threshold specified in section 1860D–2(b)(4)(B)(i) for the year, 90 percent of the negotiated price of such drug; and

"(ii) who has incurred such costs, as so determined, in the year that are equal to or exceed such threshold for the year, 70 percent of the negotiated price of such drug.

"(B) CLARIFICATION.—Nothing in this section shall be construed as affecting the responsibility of an applicable beneficiary for payment of a dispensing fee for an applicable drug.

"(C) SPECIAL CASE FOR CERTAIN CLAIMS.—

"(i) CLAIMS SPANNING DEDUCTIBLE.—In the case where the entire amount of the negotiated price of an individual claim for an applicable drug with respect to an applicable beneficiary does not fall above the annual deductible specified in section 1860D–2(b)(1) for the year, the manufacturer of the applicable drug shall provide the discounted price under this section on only the portion of the negotiated price of the applicable drug that falls above such annual deductible.

"(ii) CLAIMS SPANNING OUT-OF-POCKET THRESHOLD.—In the case where the entire amount of the negotiated price of an individual claim for an applicable drug with respect to an applicable beneficiary does not fall entirely below or entirely above the annual out-of-pocket threshold specified in section 1860D–2(b)(4)(B)(i) for the year, the manufacturer of the applicable drug shall provide the discounted price—

"(I) in accordance with subparagraph (A)(i) on the portion of the ne-

gotiated price of the applicable drug that falls below such threshold; and

"(II) in accordance with subparagraph (A)(ii) on the portion of such price of such drug that falls at or above such threshold.

"(5) MANUFACTURER.—The term 'manufacturer' means any entity which is engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription drug products, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis. Such term does not include a wholesale distributor of drugs or a retail pharmacy licensed under State law.

"(6) NEGOTIATED PRICE.—The term 'negotiated price' has the meaning given such term in section 423.100 of title 42, Code of Federal Regulations (or any successor regulation), except that, with respect to an applicable drug, such negotiated price shall not include any dispensing fee for the applicable drug.

"(7) QUALIFIED RETIREE PRESCRIPTION DRUG PLAN.—The term 'qualified retiree prescription drug

plan' has the meaning given such term in section 1860D–22(a)(2).''.

(2) SUNSET OF MEDICARE COVERAGE GAP DISCOUNT PROGRAM.—Section 1860D–14A of the Social Security Act (42 U.S.C. 1395–114a) is amended—

(A) in subsection (a), in the first sentence, by striking ''The Secretary'' and inserting ''Subject to subsection (h), the Secretary''; and

(B) by adding at the end the following new subsection:

''(h) SUNSET OF PROGRAM.—

''(1) IN GENERAL.—The program shall not apply with respect to applicable drugs dispensed on or after January 1, 2024, and, subject to paragraph (2), agreements under this section shall be terminated as of such date.

''(2) CONTINUED APPLICATION FOR APPLICABLE DRUGS DISPENSED PRIOR TO SUNSET.—The provisions of this section (including all responsibilities and duties) shall continue to apply after January 1, 2024, with respect to applicable drugs dispensed prior to such date.''.

(3) INCLUSION OF ACTUARIAL VALUE OF MANUFACTURER DISCOUNTS IN BIDS.—Section 1860D–11

of the Social Security Act (42 U.S.C. 1395w–111) is amended—

(A) in subsection (b)(2)(C)(iii)—

(i) by striking ''assumptions regarding the reinsurance'' and inserting ''assumptions regarding—

''(I) the reinsurance''; and

(ii) by adding at the end the following:

''(II) for 2024 and each subsequent year, the manufacturer discounts provided under section 1860D–14C subtracted from the actuarial value to produce such bid; and''; and

(B) in subsection (c)(1)(C)—

(i) by striking ''an actuarial valuation of the reinsurance'' and inserting ''an actuarial valuation of—

''(i) the reinsurance'';

(ii) in clause (i), as inserted by clause (i) of this subparagraph, by adding ''and'' at the end; and

(iii) by adding at the end the following:

"(ii) for 2024 and each subsequent year, the manufacturer discounts provided under section 1860D–14C;".

(d) CONFORMING AMENDMENTS.—

(1) Section 1860D–2 of the Social Security Act (42 U.S.C. 1395w–102) is amended—

(A) in subsection (a)(2)(A)(i)(I), by striking ", or an increase in the initial" and inserting "or, for a year preceding 2024, an increase in the initial";

(B) in subsection (c)(1)(C)—

(i) in the subparagraph heading, by striking "AT INITIAL COVERAGE LIMIT"; and

(ii) by inserting "for a year preceding 2024 or the annual out-of-pocket threshold specified in subsection (b)(4)(B) for the year for 2024 and each subsequent year" after "subsection (b)(3) for the year" each place it appears; and

(C) in subsection (d)(1)(A), by striking "or an initial" and inserting "or, for a year preceding 2024, an initial".

(2) Section 1860D–4(a)(4)(B)(i) of the Social Security Act (42 U.S.C. 1395w–104(a)(4)(B)(i)) is

amended by striking ''the initial'' and inserting ''for a year preceding 2024, the initial''.

(3) Section 1860D–14(a) of the Social Security Act (42 U.S.C. 1395w–114(a)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (C), by striking ''The continuation'' and inserting ''For a year preceding 2024, the continuation'';

(ii) in subparagraph (D)(iii), by striking ''1860D–2(b)(4)(A)(i)(I)'' and inserting ''1860D–2(b)(4)(A)(i)(I)(aa)''; and

(iii) in subparagraph (E), by striking ''The elimination'' and inserting ''For a year preceding 2024, the elimination''; and

(B) in paragraph (2)—

(i) in subparagraph (C), by striking ''The continuation'' and inserting ''For a year preceding 2024, the continuation''; and

(ii) in subparagraph (E), by striking ''1860D–2(b)(4)(A)(i)(I)'' and inserting ''1860D–2(b)(4)(A)(i)(I)(aa)''.

(4) Section 1860D–21(d)(7) of the Social Security Act (42 U.S.C. 1395w–131(d)(7)) is amended

by striking ''section 1860D–2(b)(4)(B)(i)'' and inserting ''section 1860D–2(b)(4)(C)(i)''.

(5) Section 1860D–22(a)(2)(A) of the Social Security Act (42 U.S.C. 1395w–132(a)(2)(A)) is amended—

(A) by striking ''the value of any discount'' and inserting the following: ''the value of—

''(i) for years prior to 2024, any discount'';

(B) in clause (i), as inserted by subparagraph (A) of this paragraph, by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following new clause:

''(ii) for 2024 and each subsequent year, any discount provided pursuant to section 1860D–14C.''.

(6) Section 1860D–41(a)(6) of the Social Security Act (42 U.S.C. 1395w–151(a)(6)) is amended—

(A) by inserting ''for a year before 2024'' after ''1860D–2(b)(3)''; and

(B) by inserting ''for such year'' before the period.

(7) Section 1860D–43 of the Social Security Act (42 U.S.C. 1395w–153) is amended—

(A) in subsection (a)—

(i) by striking paragraph (1) and inserting the following:

''(1) participate in—

''(A) for 2011 through 2023, the Medicare coverage gap discount program under section 1860D–14A; and

''(B) for 2024 and each subsequent year, the manufacturer discount program under section 1860D–14C;'';

(ii) by striking paragraph (2) and inserting the following:

''(2) have entered into and have in effect—

''(A) for 2011 through 2023, an agreement described in subsection (b) of section 1860D–14A with the Secretary; and

''(B) for 2024 and each subsequent year, an agreement described in subsection (b) of section 1860D–14C with the Secretary; and''; and

(iii) by striking paragraph (3) and inserting the following:

''(3) have entered into and have in effect, under terms and conditions specified by the Secretary—

''(A) for 2011 through 2023, a contract with a third party that the Secretary has en-

tered into a contract with under subsection (d)(3) of section 1860D–14A; and

"(B) for 2024 and each subsequent year, a contract with a third party that the Secretary has entered into a contract with under subsection (d)(3) of section 1860D–14C."; and

(B) by striking subsection (b) and inserting the following:

"(b) EFFECTIVE DATE.—Paragraphs (1)(A), (2)(A), and (3)(A) of subsection (a) shall apply to covered part D drugs dispensed under this part on or after January 1, 2011, and before January 1, 2024, and paragraphs (1)(B), (2)(B), and (3)(B) of such subsection shall apply to covered part D drugs dispensed under this part on or after January 1, 2024.".

(8) Section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended—

(A) in subsection (c)(1)(C)(i)(VI), by inserting before the period at the end the following: "or under the manufacturer discount program under section 1860D–14C"; and

(B) in subsection (k)(1)(B)(i)(V), by inserting before the period at the end the following: "or under section 1860D–14C".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan year 2024 and subsequent plan years.

SEC. 139202. ALLOWING CERTAIN ENROLLEES OF PRESCRIPTION DRUG PLANS AND MA–PD PLANS UNDER MEDICARE PROGRAM TO SPREAD OUT COST-SHARING UNDER CERTAIN CIRCUMSTANCES.

Section 1860D–2(b)(2) of the Social Security Act (42 U.S.C. 1395w–102(b)(2)), as amended by section 139201, is further amended—

(1) in subparagraph (A), by striking ''Subject to subparagraphs (C) and (D)'' and inserting ''Subject to subparagraphs (C), (D), and (E)''; and

(2) by adding at the end the following new subparagraph:

''(E) ENROLLEE OPTION REGARDING SPREADING COST-SHARING.—The Secretary shall establish by regulation a process under which, with respect to plan year 2024 and subsequent plan years, a prescription drug plan or an MA–PD plan shall, in the case of a part D eligible individual enrolled with such plan for such plan year who is not a subsidy eligible individual (as defined in section 1860D–14(a)(3))

and with respect to whom the plan projects that the dispensing of the first fill of a covered part D drug to such individual will result in the individual incurring costs that are equal to or above the annual out-of-pocket threshold specified in paragraph (4)(B) for such plan year, provide such individual with the option to make the coinsurance payment required under subparagraph (A) (for the portion of such costs that are not above such annual out-of-pocket threshold) in the form of periodic installments over the remainder of such plan year.''.

PART 4—REPEAL OF CERTAIN PRESCRIPTION DRUG REBATE RULE

SEC. 139301. PROHIBITING IMPLEMENTATION OF RULE RELATING TO ELIMINATING THE ANTI-KICKBACK STATUTE SAFE HARBOR PROTECTION FOR PRESCRIPTION DRUG REBATES.

Beginning January 1, 2026, the Secretary of Health and Human Services shall not implement, administer, or enforce the provisions of the final rule published by the Office of the Inspector General of the Department of Health and Human Services on November 30, 2020, and titled ''Fraud and Abuse; Removal of Safe Harbor Protection 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).

Union Calendar No. 94

117TH CONGRESS
1ST SESSION

H. R. 5376

[Report No. 117–130]

A BILL

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

SEPTEMBER 27, 2021

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed