UNITED STATES HOUSE OF REPRESENTATIVES
OFFICE OF THE MAJORITY WHIP
THE HONORABLE JAMES E. CLYBURN (SC-06)

THE WHIP PACK

WEEK OF FEBRUARY 25, 2008

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Bill Text and Background for the Week of February 25, 2008

- H.R. 3521 – Public Housing Asset Management Improvement Act of 2007
- H.R. 5351 – Renewable Energy and Energy Conservation Tax Act of 2008
- H.Res. 895 – Establishing within the House of Representatives an Office of Congressional Ethics, and for other purposes

H.R. 3521 – PUBLIC HOUSING ASSET MANAGEMENT IMPROVEMENT ACT OF 2007 *(Rep. Sires – Financial Services) (Subject to a Rule)*

Bill Text: HTML Version, PDF Version
Bill Summary and Status
Rules Committee Meeting: H.Res. 974: Rule and Committee Report, Special Announcement, Amendment Process Announcement, Text of H.R.3521 as Reported, H.Rpt. 521: Financial Services Committee Report
Committee: Committee on Financial Services
Committee Staff Contact: 5-4247

AMENDMENTS MADE IN ORDER:

1. Frank (MA)/Sires (NJ)**:** The amendment clarifies the intent of an amendment offered by Rep. Velazquez and adopted by the Financial Services Committee by ensuring that public housing authorities that apply to HUD for "stop-loss" do not have their applications rejected on the basis that the management and related fees they establish pursuant to this bill are not reasonable as defined by HUD. Additionally, the amendment is a restatement of current law with respect to the ineligibility of illegal immigrants for assistance. (10 minutes)

2. Meek (FL)**:** The amendment holds HUD responsible, in the case of receivership, for performing the same responsibilities that the local housing agencies have in respect to working with tenant associations before building public housing. Additionally, in the case of receivership, before building new public housing HUD must honor any formal agreements entered into before the commencement of such receivership between the local housing authority and the tenant association. (10 minutes)

LEGISLATION AT A GLANCE:

H.R. 3521 is a carefully written bill intended to provide flexibility to the nation's 3,100 public housing authorities (PHAs) as they embark on the most significant administrative transformation in the last 30 years, commonly referred to as "asset management." Under asset management, PHAs are moving from a system of managing public housing developments on an agency-wide basis to a system of administering each development on a project-level basis. While most agree that it is desirable for PHAs to move to asset management, the disagreement arises over how this transition is implemented. PHAs have raised strenuous objection to the inflexible manner in which HUD is implementing asset management and have strongly questioned HUDs decision to force PHAs to be in compliance with asset management prior to 2011. They also object to HUD's restrictions on how they may use their operating and capital funds to successfully implement asset management. The bill responds to these objections by providing regulatory relief to PHAs transitioning to asset management.

The flexibility provided by this bill is critical because the move to asset management comes at a time of declining resources for public housing, which has in turn exacerbated the challenge faced by PHAs in converting to asset management. Public housing was funded at approximately $7.1 billion in FY 2001 while the FY 2009 budget request calls for approximately $6.3 billion in funding. PHAs should be given more, not less, flexibility in managing the declining funds being given to them.

Specifically, H.R. 3521 includes the following important provisions: (1) it would ensure that the management and related fees established by PHAs are reasonable by allowing PHs, rather than HUD, determine such fees prior to 2011; (2) it would clarify that PHAs may use a portion of their capital fund grant for operating expenses; (3) it would raise the level at which small PHAs are exempt from asset management from 250 to 500; and (4) it would encourage participation of public housing residents in the implementation of asset management.

The bill does not eliminate asset management or make it voluntary for all agencies. In addition, H.R. 3521 passed the Financial Services Committee by voice vote and the CBO estimates that the bill will have no significant impact on federal spending and does not contain any mandatory costs. Finally, the bill has been endorsed by all the groups that represent public housing administrators and agencies as well as by tenant advocacy groups, which were instrumental in developing language to ensure that affected residents are given an opportunity to comment on the impact of asset management.

House Report 110-521:
HTML Version, PDF Version

Full Committee Mark-up:
Full Committee Markup of H.R. 3521, H.R. 2930, H.R. 3355, H.R. 3524, September 25, 2007

Summary of Committee Votes:

- Rep. Sires, D-N.J. Manager's Amendment — Clarified that provisions in the bill, including those relating to public housing asset management, may not be construed to repeal or waive provisions in current law regarding tenant participation and tenant opportunities in public housing. **Adopted by Voice Vote.**

- Rep. Velazquez, D-N.Y. Public Housing Authorities Amendment — Prohibits any efforts to prevent certain public housing authorities from participation in negotiations regarding funding mechanisms. **Adopted by Voice Vote.**

- **Vote to Report:** Favorably Reported to the Full House, as Amended, by **Voice Vote.**

CRS Reports:
RL33879: Housing Issues in the 110th Congress

GAO Reports:
(TBA)

CBO Report:
Cost Estimate: Ordered Reported by the Committee on Financial Services

Organization Statements:
National Association of Housing and Redevelopment Officials
Public Housing Authorities Directors Association
Council of Large Public Housing Authorities
Coalition Support Letter

Administration Position:
(TBA)

Fact Sheets & Talking Points:
H.R. 3521 Background and Summary>>
Fact Sheet — Committee on Financial Services

Press Releases, News Articles & Related Information:
Financial Services Committee Passes Housing Measures
September 26, 2007 Press Release — Committee on Financial Services

Other Resources:
Cosponsors of H.R. 3521

H.R. 5351 – RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2008

(Rep. Rangel – Ways and Means) (Subject to a Rule)

Bill Text: HTML Version, PDF Version
Bill Summary and Status
Rules Committee Meeting: Tuesday, February 26, 2008 at 4:00 p.m. in H-313, the Capitol, Special Announcement, Text of Bill as Introduced
Committee: Committee on Ways and Means
Committee Staff Contact: 5-3625

LEGISLATION AT A GLANCE:

I. INCREASE PRODUCTION OF RENEWABLE ELECTRICITY

Long-term extension and modification of renewable energy production tax credit. The bill extends the placed-in-service date for three years (through December 31, 2011) for certain qualifying facilities: wind; closed loop biomass; open loop biomass; geothermal; small irrigation; hydropower; landfill gas; and trash combustion facilities. It also includes a new category of qualifying facilities that will benefit from this extended placed-in-service date -- facilities that generate electricity from marine renewables (e.g., waves and tides). The bill would cap the aggregate amount of tax credits that can be earned for these qualifying facilities placed in service after December 31, 2009 to an amount that has a present value equal to 35% of the facility's cost. The bill clarifies the definition of an open loop biomass facility and the definition of a trash combustion facility. *This proposal is estimated to cost $6.57 billion over ten years.*

Long-term extension and modification of solar energy and fuel cell investment tax credit. The bill extends the 30% investment tax credit for solar energy property and qualified fuel cell property for eight years (through the end of 2016). It also increases the $500 per half kilowatt of capacity cap for qualified fuel cells to $1,500 per half kilowatt of capacity. The bill removes an existing limitation that prevents public utilities from claiming the investment tax credit and allows the energy credit to be used to offset alternative minimum tax (AMT). *This proposal is estimated to cost $621 million over ten years.*

New Clean Renewable Energy Bonds ("CREBs"). The bill authorizes $2 billion of new clean renewable energy bonds for public power providers and electric cooperatives. Sixty percent of the authorization must be used for qualifying projects of public power providers and forty percent must be used for qualifying projects of electric cooperatives. Qualifying projects include facilities that generate electricity from the following resources: wind; closed loop biomass; open loop biomass; geothermal; small irrigation hydropower; landfill gas; and trash combustion facilities. *This proposal is estimated to cost $640 million over ten years.*

Long-term extension and modification of the residential energy efficient property credit. The bill would extend the credit for residential solar property for six years (through the end of 2014). The bill would also increase the annual credit cap (currently capped at $2,000) to $4,000. The bill would include residential small wind equipment and geothermal heat pumps as property qualifying for this credit. The bill also allows the credit to be used to offset alternative minimum tax (AMT). *This proposal is estimated to cost approximately $634 million over ten years.*

Sales of electric transmission property. The bill extends the present law deferral of gain on sales of transmission property by vertically integrated electric utilities to FERC-approved independent transmission companies. Rather than recognizing the full amount of gain in the year of sale, this provision allows gain on such sales to be recognized ratably over an 8-year period. The rule applies to sales before January 1, 2010. *This proposal is revenue neutral over 10 years.*

II. Increase Production of Renewable Fuels

Cellulosic alcohol production credit. The bill creates a new production tax credit of 50 cents per gallon for cellulosic alcohol produced for use as a fuel in the United States. This credit is in addition to the current 51 cents per gallon ethanol credit and the 10 cents per gallon small producer credit. The credit is available through the end of 2010. *This proposal is estimated to cost $24 million over ten years.*

Extension of biodiesel production tax credit; extension and modification of renewable diesel tax credit. The bill extends for two years (through December 31, 2010) the $1.00 and 50 cent per gallon production tax credits for biodiesel and the small biodiesel producer credit of 10 cents per gallon. The bill also extends for two years (through December 31, 2010) the $1.00 per gallon production tax credit for diesel fuel created from biomass. The bill eliminates the requirement that the diesel fuel must be produced using a thermal depolymerization process. As a result, the credit will be available for any liquid fuel created from biomass without regard to the process used so long as the fuel is usable as a fuel in diesel powered highway vehicles. The bill also clarifies that the $1 per gallon production credit for renewable diesel is limited to fuel that is produced solely from biomass. Diesel fuel that is created by co-processing biomass with other feedstocks (e.g., petroleum) will be eligible for the 50 cent per gallon tax credit for alternative fuels. *This proposal is estimated to cost $202 million over ten years.*

Extension and increase of alternative refueling stations tax credit. The bill increases the 30% alternative refueling property credit (capped at $30,000) to 50% (capped at $50,000). The credit provides a tax credit to businesses (e.g., gas stations) that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel. The bill also extends this credit through the end of 2010. *This proposal is estimated to cost $156 million over ten years.*

Clarification that fuel credits are designed to provide an incentive for United States production. The bill clarifies that the per gallon tax incentives for biodiesel, renewable diesel and alternative fuels are incentives for the production of fuels in the United States. The bill also clarifies that the per gallon tax incentives for alcohol fuels, biodiesel, renewable diesel and alternative fuels are limited to fuels that are produced for consumption in the United States. This clarification will apply to fuel produced, and sold and used, after December 31, 2008. *This proposal is estimated to raise $68 million over ten years.*

III. Reduce Our Dependence on Foreign Oil

Plug-in hybrid vehicle credit. The bill establishes a new credit for each qualified plug-in hybrid vehicle placed in service during each taxable year by a taxpayer. The base amount of the credit is $4,000. If the qualified vehicle draws propulsion from a battery with at least 5 kilowatt hours of capacity, the credit amount is increased by $200, plus another $200 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours up to 15 kilowatt hours. Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter after the quarter in which the manufacturer records 60,000 sales. The credit is reduced in following quarters. The credit is available against the alternative minimum tax (AMT). *This proposal is estimated to cost $1.3 billion over ten years.*

Fringe benefit for bicycle commuters. The bill allows employers to provide employees that commute to work using a bicycle with limited fringe benefits to offset the costs of such commuting (e.g., bicycle storage). *This proposal is estimated to cost $10 million over ten years.*

Modification of depreciation and expensing rules for certain vehicles. The bill would eliminate a loophole in the tax law that provides businesses with tax benefits if they purchase heavy vehicles that are often less fuel efficient (e.g., large sports utility vehicles (SUVs)) rather than lighter, more fuel efficient vehicles. The bill would retain these existing tax benefits for vans that are designed for strictly business use and trucks. The bill would also retain existing tax benefits for heavy vehicles (and extend these tax benefits to lighter, generally more fuel-efficient vehicles) that are used in the following businesses: (1) transporting persons or property for compensation or hire; (2) farming; (3) transporting a substantial amount of equipment, supplies or inventory; and (4) moving or delivering property which requires substantial cargo capacity. *This proposal is estimated to raise $393 million over ten years.*

IV. Energy Conservation and Efficiency

Qualified energy conservation bonds. The bill creates a new category of tax credit bonds for green community programs and initiatives designed to reduce greenhouse gas emissions. There is a national limitation of $3.6 billion which is allocated to States, municipalities and tribal governments. *This proposal is estimated to cost $1.9 billion over ten years.*

Extension and modification of credit for energy efficiency improvements to existing homes. The bill extends the tax credits for energy efficient existing homes for two years (through December 31, 2009) and includes energy efficient biomass fuel stoves as a new class of energy efficient property eligible for a consumer tax credit of $300. *This proposal is estimated to cost $1.53 billion over ten years.*
Extension of energy efficient commercial buildings deduction. The bill extends the energy efficient commercial buildings deduction for five years (through December 31, 2013). *This proposal is estimated to cost $776 million over ten years.*

Modification and extension of energy efficient appliance credit. The bill would modify the existing energy efficient appliance credit and extend this credit for three years (through the end of 2010). *This proposal is estimated to cost $323 million over ten years.*

Five-year depreciation for smart meters. The bill would allow electric utilities to depreciate smart electric meters over a five-year period. *This proposal is estimated to cost $1.52 billion over ten years*.

Restructuring of New York Liberty Zone tax credits. The bill would implement a proposal included in the President's FY 2009 Budget to provide the City of New York and the State of New York with tax credits for expenditures made for transportation infrastructure projects connecting with the New York Liberty Zone. *This proposal is estimated to cost $1.83 billion over ten years.*

V. REVENUE PROVISIONS

Denial of section 199 benefits for certain major integrated oil companies (freeze current law section 199 benefits at 6% for oil and natural gas production income of other taxpayers). The bill excludes gross receipts derived from the sale, exchange or other disposition of oil, natural gas, or any primary product thereof from the domestic production deduction for large integrated oil companies. The bill would freeze the domestic production deduction for income of other taxpayers that is with respect to oil, natural gas or any primary product thereof at 6% (which is current law). This is a scaled back version of the provision proposing outright repeal of section 199 with respect to all oil, natural gas or any primary product thereof that passed the House as part of H.R. 6 (in January 2007) by a vote of 264 to 163 (with 36 House Republicans joining 228 House Democrats in support) and as part of H.R. 2776 (in August 2007) by a vote of 221 to 189 (with 9 House Republicans joining 212 House Democrats in support). *This proposal is estimated to raise $13.57 billion over 10 years.*

Clarification of foreign oil and gas extraction income. The tax code limits the ability of oil and gas companies to claim foreign tax credits with respect to foreign oil and gas extraction income. Because of this limitation, there is a potential for oil and gas companies to manipulate their extraction income in order to achieve beneficial results under U.S. foreign tax credit rules. The bill would eliminate this potential. The bill would require oil and gas companies to use the ascertainable independent market values at the nearest point to the well for which an independent market exists in calculating their foreign oil and gas extraction income ("FOGEI") and foreign oil related income ("FORI"). The bill would also require that where a foreign country collects foreign taxes that are limited in their application to taxpayers engaged in oil or gas activities that oil and gas companies treat these taxes as oil and gas extraction taxes subject to the FOGEI limitation. This identical provision was included in H.R. 2776, which passed the House of Representatives by a vote of 221 to 189 (with 9 House Republicans joining 212 House Democrats in support). *This proposal is estimated to raise $4.08 billion over ten years.*

VI. OTHER PROVISIONS

STUDIES

Carbon audit of the tax code. The bill directs the Secretary of the Treasury to request that the National Academy of Sciences undertake a comprehensive review of the tax code to identify the types of specific tax provisions that have the largest effects on carbon and other greenhouse gas emissions and to estimate the magnitude of those effects.

Comprehensive study of biofuels. The bill directs the Secretary of the Treasury, in consultation with the Secretary of Agriculture and the Secretary of Energy and the Administrator of the Environmental Protection Agency, to request that the National Academy of Sciences produce an analysis of current scientific findings relating to the future production of biofuels and the domestic effects of a dramatic increase in the production of biofuels.

Labor Standards

Labor standards for certain projects financed with tax credit bonds. The bill provides that the Davis Bacon labor standards will apply to projects financed with tax credit bonds.

CRS Reports:
RL33578: Energy Tax Policy: History and Current Issues
RL34162: Renewable Energy: Background and Issues for the 110th Congress

GAO Reports:
(TBA)

CBO Report:
(TBA)

Organization Statements:
American Public Power Association (APPA)
American Wind Energy Association (AWEA)
Edison Electric Institute (EEI)
National Farmers Union (NFU)

Administration Position:
(TBA)

Fact Sheets & Talking Points:
H.R. 5351 Background and Summary>>
Fact Sheet — Committee on Ways and Means

Press Releases, News Articles & Related Information:
Pelosi, Hoyer and Rangel Statement on Energy Tax Legislation on House Floor Next Week>>
February 21, 2008 Press Release — Office of the Speaker

Other Resources:
Cosponsors of H.R. 5351

H.RES. 895 – ESTABLISHING WITHIN THE HOUSE OF REPRESENTATIVES AN OFFICE OF CONGRESSIONAL ETHICS, AND FOR OTHER PURPOSES

Rules Committee: Wednesday, February 27, 2008 at 12:30 p.m. in H-313 the Capitol, Special Announcement, Text of Bill as Introduced

LEGISLATION AT A GLANCE:

Establishing an independent Office of Congressional Ethics

H.Res. 895 provides for the creation of an Office of Congressional Ethics (OCE), as an independent office within the House. Through the creation of the OCE, the House will significantly increase the transparency and accountability of its ethics enforcement process through greater timely reporting by a body of individuals who are independent from the House.

A. Office of Congressional Ethics (OCE)

1. Independent office within the House.

2. Composed of six Board members, jointly appointed by the Speaker and Minority Leader. (If there is no agreement after 90 days, the Speaker and Minority Leader will each individually appoint an equal number of Board members.) Current Members of the House, lobbyists, and federal Government officers and employees are ineligible.

3. Term of four years, with one reappointment possible. Removal only with approval of both the Speaker and Minority Leader acting jointly.

4. Board members and staff are prohibited from making any information or reports public. OCE collects information, but does not divulge it. The Committee on Standards of Official Conduct is solely responsible for public communications regarding ethical issues.

B. Review Process

1. Self-initiated review of allegations of misconduct *committed by* House Members, staff, and employees. Complaints *filed by* Members will go directly to the Committee on Standards of Official Conduct.

2. Two-step review process – (1) preliminary review, (2) second-phase review.

3. Preliminary reviews can only be initiated by two Board members submitting written notice to all other Board members.

4. Board must notify both the person who is the subject of the review and the Ethics Committee at each step in process.

5. Preliminary review phase is 30 calendar or 5 legislative days, whichever is longer.

6. By the end of the applicable time period, the Board may vote to terminate its Review, and no publication is required.

7. A second-phase review is 45 calendar or 5 legislative days, whichever is longer, with one extension of 14 calendar days possible.

8. All matters subject to a second-phase review must be referred to the Committee on Standards of Official Conduct for its review.

9. Referrals to the Committee on Standards of Official Conduct will be accompanied by two documents:

   (1) Findings of Fact
   (2) Report that
   (a) recommends dismissal, OR
   (b) recommends further inquiry, OR
   (c) states that the Board could not reach agreement

**Neither document shall contain conclusions regarding the validity of the allegations or the guilt or innocence of the person subject to the review – such matters are solely under the purview of the Ethics Committee.

C. Matters referred to Committee on Standards of Official Conduct

1. Committee has 45 calendar or 5 legislative days from date of referral to review the matter, whichever is longer. One extension of 45 calendar or 5 legislative days is available.

2. On most matters, at the end of the time period, the Committee must issue commentary on status, along with the Report and Findings of the Board. On matters both the Board and the Committee agree should be dismissed, no publication is required. If the Committee defers its review of a matter at the request of an appropriate law enforcement or regulatory authority (e.g., Department of Justice), an announcement of such deferral is required.

3. If the Committee establishes an investigative subcommittee, only that fact is publicized. If no conclusion is reached after one year, the Board's Report is published. Board Findings are published at close of that Congress.

4. If the Committee requests that the Board refers a matter prior to completion of its review, it is still subject to the time limits and reporting requirements set forth above.

CRS Reports:
RL30764: Enforcement of Congressional Rules of Conduct: An Historical Overview

Organization Statements:
(TBA)

Fact Sheets & Talking Points:
(TBA)

Press Releases, News Articles & Related Information:
(TBA)