.....

(Original Signature of Member)

118TH CONGRESS
2D SESSION

H. R. _____

To direct the Federal Communications Commission to take certain actions to increase diversity of ownership in the broadcasting industry, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HORSFORD introduced the following bill; which was referred to the Committee on _____

A BILL

To direct the Federal Communications Commission to take certain actions to increase diversity of ownership in the broadcasting industry, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Broadcast Varied Ownership Incentives for Community Expanded Service Act'' or the ''Broadcast VOICES Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) BROADCAST STATION.—The term ''broadcast station'' has the meaning given the term in section 3 of the Communications Act of 1934 (47 U.S.C. 153).

(2) COMMISSION.—The term ''Commission'' means the Federal Communications Commission.

(3) OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS.—The term ''owned by socially disadvantaged individuals'' has the meaning given the term in section 346(a) of the Communications Act of 1934, as added by section 5(a)(1) of this Act.

SEC. 3. FINDINGS.

Congress finds the following:

(1) One of the main missions of the Commission, and a compelling governmental interest, is to ensure that there is a diversity of ownership and viewpoints in the broadcasting industry.

(2) The Commission should continue to collect relevant data on the diversity described in paragraph (1), adopt improvements to that data collection and related studies, and make appropriate recommendations to Congress regarding how to increase the number of minority- and women-owned broadcast stations.

(3) Data from 2021 shows that, of the nearly 1,760 full power commercial broadcast television stations in the United States, less than 6 percent are owned by women and less than 4 percent are minority-owned. With respect to full power commercial radio stations, women owned approximately 9 percent of FM broadcast radio stations, and minorities owned less than 3 percent of those stations.

(4) In the 17 years that a minority tax certificate program was in place at the Commission between 1978 and 1995, the Commission issued 287 certificates for radio stations, and 40 certificates for television stations, under that program.

SEC. 4. FCC REPORTS TO CONGRESS.

(a) BIENNIAL REPORT CONTAINING RECOMMENDATIONS FOR INCREASING NUMBER AND VALUE OF BROADCAST STATIONS OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS.—Not later than 180 days after the date of enactment of this Act, and not less frequently than once every 2 years thereafter, the Commission shall submit to Congress a report containing recommendations for how to increase the total number, and the value, of broadcast stations that are owned by socially disadvantaged individuals.

(b) BIENNIAL REPORT ON NUMBER OF BROADCAST STATIONS OWNED BY SOCIALLY DISADVANTAGED INDI-

VIDUALS.—Not later than 180 days after the date of enactment of this Act, and not less frequently than once every 2 years thereafter, the Commission shall submit to Congress a report that identifies the total number of broadcast stations that are owned by socially disadvantaged individuals, based on data reported to the Commission on Form 323 of the Commission.

SEC. 5. TAX CERTIFICATE PROGRAM FOR BROADCAST STATION TRANSACTIONS FURTHERING OWNERSHIP BY SOCIALLY DISADVANTAGED INDIVIDUALS.

(a) REQUIREMENTS FOR ISSUANCE OF CERTIFICATE BY FCC.—

(1) IN GENERAL.—Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 346. TAX CERTIFICATE PROGRAM FOR BROADCAST STATION TRANSACTIONS FURTHERING OWNERSHIP BY SOCIALLY DISADVANTAGED INDIVIDUALS.

''(a) DEFINITIONS.—In this section:

''(1) OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS.—The term 'owned by socially disadvantaged individuals' means, with respect to a broadcast station, that—

''(A) the station is more than 50 percent (or some other percentage determined by the Commission) owned by 1 or more socially disadvantaged individuals, or, in the case of any publicly traded broadcast station, more than 50 percent (or some other percentage determined by the Commission) of the securities of such station is owned by 1 or more socially disadvantaged individuals; and

''(B) the management and daily business operations of the station are controlled by 1 or more socially disadvantaged individuals.

''(2) SOCIALLY DISADVANTAGED INDIVIDUAL.—The term 'socially disadvantaged individual' means—

''(A) a woman; or

''(B) an individual who has been subjected to racial or ethnic prejudice or cultural bias because of the identity of the individual as a member of a group, without regard to the individual qualities of the individual.

''(b) ISSUANCE OF CERTIFICATE BY COMMISSION.—Subject to the rules adopted by the Commission under subsection (d), upon application by a person that engages in a sale described in subsection (c), the Commission shall

issue to that person a certificate stating that the sale meets the requirements of this section.

''(c) SALES DESCRIBED.—A sale described in this subsection is either of the following:

''(1) SALE RESULTING IN OR PRESERVING OWNERSHIP AND CONTROL BY SOCIALLY DISADVANTAGED INDIVIDUALS.—A sale of an interest in a broadcast station if, immediately after the sale, the station is owned by socially disadvantaged individuals, without regard to whether, before the sale, the station was owned by socially disadvantaged individuals.

''(2) SALE BY INVESTOR IN STATION OWNED BY SOCIALLY DISADVANTAGED INDIVIDUALS.—In the case of a person that has contributed capital in exchange for an interest in a broadcast station that is owned by socially disadvantaged individuals, a sale by that person of some or all of that interest.

''(d) RULES.—The Commission shall adopt rules for the issuance of a certificate under subsection (b) that provide for the following:

''(1) LIMIT ON VALUE OF SALE.—A limit on the value of an interest the sale of which qualifies for the issuance of such a certificate, which shall be not greater than $50,000,000.

''(2) MINIMUM HOLDING PERIOD.—In the case of a sale described in subsection (c)(1), a minimum period after the sale during which the broadcast station shall remain owned by socially disadvantaged individuals, which shall be not shorter than 2 years and not longer than 3 years.

''(3) CUMULATIVE LIMIT ON NUMBER OR VALUE OF SALES.—A limit on the total number of sales per year or the total value of sales per year, or both, for which a person may be issued certificates under subsection (b).

''(4) PARTICIPATION IN STATION MANAGEMENT BY SOCIALLY DISADVANTAGED INDIVIDUALS.—Requirements for participation by socially disadvantaged individuals in the management of the broadcast station.

''(5) CERTIFICATION.—

''(A) IN GENERAL.—In the case of a sale described in subsection (c)(1), a requirement that the buyer of the interest in the broadcast station certify, every 180 days during the minimum holding period adopted under paragraph (2), compliance with the rules issued under that paragraph and paragraph (4).

''(B) FAILURE TO COMPLY.—With respect to a failure to make a certification required under subparagraph (A), the Commission shall—

''(i) report the failure to the Commissioner of Internal Revenue; and

''(ii) include the failure in the report to Congress submitted under subsection (e) that covers the period during which the failure occurred.

''(e) ANNUAL REPORT TO CONGRESS.—The Commission shall submit to Congress an annual report describing the sales for which certificates have been issued under subsection (b) during the period covered by the report.''.

(2) DEADLINE FOR ISSUANCE OF RULES.—Not later than 1 year after the date of enactment of this Act, the Commission shall issue rules to implement section 346 of the Communications Act of 1934, as added by paragraph (1).

(3) REPORT TO CONGRESS ON PROGRAM EXPANSION.—Not later than 6 years after the date of enactment of this Act, the Commission shall submit to Congress a report regarding whether Congress should expand section 346 of the Communications Act of 1934, as added by paragraph (1), beyond

broadcast stations to cover other entities regulated by the Commission.

(4) EXAMINATION AND REPORT TO CONGRESS ON NEXUS BETWEEN DIVERSITY OF OWNERSHIP AND DIVERSITY OF VIEWPOINT.—

(A) EXAMINATION.—Not later than 60 days after the date of enactment of this Act, the Commission shall initiate an examination of whether there is a nexus between diversity of ownership or control of broadcast stations (including ownership or control by members of minority groups or women, or by both members of minority groups and women) and diversity of the viewpoints expressed in the matter that is broadcast by broadcast stations.

(B) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Commission shall submit to Congress a report on the findings of the Commission in the examination under subparagraph (A), including supporting data.

(b) NONRECOGNITION OF GAIN OR LOSS FOR TAX PURPOSES.—

(1) IN GENERAL.—Subchapter O of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after part IV the following new part:

"PART V—SALE OF INTEREST IN CERTAIN BROADCAST STATIONS

"SEC. 1071. NONRECOGNITION OF GAIN OR LOSS FROM SALE OF INTEREST IN CERTAIN BROADCAST STATIONS.

''(a) NONRECOGNITION OF GAIN OR LOSS.—If a sale of an interest in a broadcast station, within the meaning of section 346 of the Communications Act of 1934, is certified by the Federal Communications Commission under such section, such sale shall, if the taxpayer so elects, be treated as an involuntary conversion of such property within the meaning of section 1033. For purposes of such section as made applicable by the provisions of this section, stock of a corporation operating a broadcast station shall be treated as property similar or related in service or use to the property so converted. The part of the gain, if any, on such sale to which section 1033 is not applied shall nevertheless not be recognized, if the taxpayer so elects, to the extent that it is applied to reduce the basis for determining gain or loss on any such sale, of a character subject to the allowance for depreciation under section 167, remaining in the hands of the taxpayer imme-

diately after the sale, or acquired in the same taxable year. The manner and amount of such reduction shall be determined under regulations prescribed by the Secretary. Any election made by the taxpayer under this section shall be made by a statement to that effect in his return for the taxable year in which the sale takes place, and such election shall be binding for the taxable year and all subsequent taxable years.

''(b) MINIMUM HOLDING PERIOD; CONTINUED MANAGEMENT.—If—

''(1) there is nonrecognition of gain or loss to a taxpayer under this section with respect to a sale of property (determined without regard to this paragraph), and

''(2) the taxpayer ceases to fulfill any requirements of the rules adopted by the Federal Communications Commission under paragraph (2) or (4) of section 346(c) of the Communications Act of 1934 (as such rules are in effect on the date of such sale),

there shall be no nonrecognition of gain or loss under this section to the taxpayer with respect to such sale, except that any gain or loss recognized by the taxpayer by reason of this subsection shall be taken into account as of the date on which the taxpayer so ceases to fulfill such requirements.

''(c) BASIS.—For basis of property acquired on a sale treated as an involuntary conversion under subsection (a), see section 1033(b).''.

(2) CLERICAL AMENDMENT.—The table of parts for subchapter O of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item related to part IV the following new part:

''PART V—SALE OF INTEREST IN CERTAIN BROADCAST STATIONS

''Section 1071. Nonrecognition of gain or loss from sale of interest in certain broadcast stations.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to sales of interests in broadcast stations after the date that is 1 year after the date of enactment of this Act.

(d) SUNSET.—The amendments made by this section shall not apply with respect to sales of interests in broadcast stations after the date that is 16 years after the date of enactment of this Act.

SEC. 6. CREDIT FOR CERTAIN CONTRIBUTIONS WITH RESPECT TO BROADCAST STATIONS.

(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. 45BB. CREDIT FOR CERTAIN CONTRIBUTIONS WITH RESPECT TO BROADCAST STATIONS.

"(a) IN GENERAL.—For purposes of section 38, the broadcast station contribution credit determined under this section for any taxable year is an amount equal to the fair market value of any broadcast station, or any interest in a broadcast station, which is contributed in a qualified contribution during such taxable year.

"(b) QUALIFIED CONTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified contribution' means a contribution or gift to or for the use of an entity described in section 170(c)(2) which has as a part of its charitable purpose the training of socially disadvantaged individuals in the management and operation of broadcast stations (as certified by the Federal Communications Commission), but only if the recipient holds such station or interest for not less than 2 years after the date of the contribution.

"(2) SOCIALLY DISADVANTAGED INDIVIDUALS.—The term 'socially disadvantaged individuals' has the meaning given such term in section 346(a)(2) of the Communications Act of 1934.

"(c) BROADCAST STATION.—For purposes of this section, the term 'broadcast station' has the same meaning

as when used in section 346 of the Communications Act of 1934.

''(d) DENIAL OF DEDUCTION.—No deduction shall be allowed under section 170 with respect to any contribution for which credit is allowed under this section.''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is 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 broadcast station contribution credit determined under section 45BB(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for 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 item:

''Sec. 45BB. Credit for certain contributions with respect to broadcast stations.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after the date of the enactment of this Act.