

105TH CONGRESS
2D SESSION

S. 1927

To amend section 2007 of the Social Security Act to provide grant funding for 20 additional empowerment zones, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1998

Ms. MOSELEY-BRAUN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend section 2007 of the Social Security Act to provide grant funding for 20 additional empowerment zones, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Empowerment Zone
5 Enhancement Act of 1998”.

6 **SEC. 2. FUNDING ENTITLEMENT FOR ADDITIONAL ENTER-**
7 **PRISE ZONES.**

8 (a) ENTITLEMENT.—Section 2007(a)(1) of the Social
9 Security Act (42 U.S.C. 1397f(a)) is amended—

1 (1) in subparagraph (A), by striking “in the
2 State; and” and inserting “in the State designated
3 pursuant to section 1391(b) of the Internal Revenue
4 Code of 1986;”;

5 (2) in subparagraph (B), by striking the period
6 at the end and inserting “; and”; and

7 (3) by adding after subparagraph (B) the fol-
8 lowing new subparagraph:

9 “(C) 10 grants under this section for each
10 qualified empowerment zone in the State des-
11 ignated pursuant to section 1391(g) of such
12 Code.”.

13 (b) AMOUNT OF GRANTS.—Section 2007(a)(2) of
14 that Act (42 U.S.C. 1397f(a)(2)) is amended—

15 (1) in the heading of subparagraph (A), by in-
16 serting “ORIGINAL” before “EMPOWERMENT”;

17 (2) in subparagraph (A), in the matter preced-
18 ing clause (i), by inserting “described in paragraph
19 (1)(A)” after “empowerment zone”;

20 (3) by redesignating subparagraph (C) as sub-
21 paragraph (D); and

22 (4) by inserting after subparagraph (B) the fol-
23 lowing new subparagraph:

24 “(C) ADDITIONAL EMPOWERMENT
25 GRANTS.—The amount of each grant to a State

1 under this section for a qualified empowerment
2 zone described in paragraph (1)(C) shall be—

3 “(i) if the zone is designated in an
4 urban area, \$10,000,000, or

5 “(ii) if the zone is designated in a
6 rural area, \$4,000,000,

7 multiplied by the proportion of the population
8 of the zone that resides in the State.”.

9 (c) TIMING OF GRANTS.—Section 2007(a)(3) of that
10 Act (42 U.S.C. 1397f(a)(3)) is amended—

11 (1) in the heading of subparagraph (A), by in-
12 serting “ORIGINAL” before “QUALIFIED”;

13 (2) in subparagraph (A), in the matter preced-
14 ing clause (i), by inserting “described in paragraph
15 (1)(A)” after “empowerment zone”; and

16 (3) by adding after subparagraph (B) the fol-
17 lowing new subparagraph:

18 “(C) ADDITIONAL QUALIFIED EMPOWER-
19 MENT ZONES.—With respect to each qualified
20 empowerment zone described in paragraph
21 (1)(C), the Secretary shall make—

22 “(i) 1 grant under this subsection to
23 the State in which the zone lies, on the
24 date of the designation of the zone under
25 such part I; and

1 “(ii) 1 grant under this subsection to
2 such State, on the first day of each of the
3 nine fiscal years that begin after the date
4 of the designation.”.

5 (d) FUNDING.—Section 2007(a)(4) of that Act (42
6 U.S.C. 1397f(a)(4)) is amended—

7 (1) by relocating and redesignating the matter
8 following the caption as subparagraph (A);

9 (2) by inserting “ORIGINAL GRANTS.—” after
10 the subparagraph designation “(A)”;

11 (3) in subparagraph (A), as so redesignated, by
12 inserting before the period “for empowerment zones
13 and enterprise communities described in subpara-
14 graphs (A) and (B) of paragraph (1)”;

15 (4) by adding after subparagraph (A), as so re-
16 designated, the following new subparagraph:

17 “(B) ADDITIONAL GRANTS.—
18 \$1,700,000,000 shall be made available to the
19 Secretary for grants under this section for em-
20 powerment zones described in paragraph
21 (1)(C).”.

1 **SEC. 3. USE OF GRANTS FOR LOAN FUNDS AND SIMILAR**
2 **ARRANGEMENTS.**

3 Section 2007(b) of the Social Security Act (42 U.S.C.
4 1397f(b)) is amended by adding the end the following new
5 paragraph:

6 “(5)(A) In order to assist disadvantaged adults
7 and youths in achieving and maintaining economic
8 self-support, a State may use amounts paid under
9 this section to fund revolving loan funds or similar
10 arrangements for the purpose of making loans, loan
11 guarantees, financial services, or related activities
12 more accessible to residents, institutions, organiza-
13 tions, or businesses.

14 “(B) Interest earned by, and repayments of
15 principal and interest on loans made from, revolving
16 funds or similar arrangements described in subpara-
17 graph (A) shall be credited to such funds.

18 “(C) The funding of, or holding of funds in, a
19 revolving loan fund or similar arrangement in ac-
20 cordance with subparagraph (A), in amounts reason-
21 ably necessary to carry out the purposes of such
22 subparagraph (A), shall be deemed to comply with
23 any requirement to minimize the time elapsing be-
24 tween transfer of funds from the United States
25 Treasury and the issuance of payments for program
26 purposes.”.

1 **SEC. 4. RESPONSIBILITY FOR ENVIRONMENTAL REVIEW.**

2 Section 2007 of the Social Security Act (42 U.S.C.
3 1397f) is amended—

4 (1) by redesignating subsection (f) as sub-
5 section (h); and

6 (2) by inserting after subsection (e) the follow-
7 ing new subsection:

8 “(f) ENVIRONMENTAL REVIEW.—

9 “(1) EXECUTION OF RESPONSIBILITY BY THE
10 SECRETARY OF HOUSING AND URBAN DEVELOPMENT
11 AND THE SECRETARY OF AGRICULTURE.—

12 “(A) APPLICABILITY.—This subsection
13 shall apply to grants under this section in con-
14 nection with empowerment zones and enterprise
15 communities designated under section 1391(a)
16 of the Internal Revenue Code of 1986 and em-
17 powerment zones designated under section
18 1391(g) of such Code—

19 “(i) by the Secretary of Housing and
20 Urban Development in the case of those lo-
21 cated in urban areas; and

22 “(ii) by the Secretary of Agriculture
23 in the case of those located in rural areas.

24 “(B) EXECUTION OF RESPONSIBILITY.—
25 With respect to grants described in subpara-
26 graph (A), the Secretary of Housing and Urban

1 Development and the Secretary of Agriculture,
2 as appropriate, shall execute the responsibilities
3 under the National Environmental Policy Act of
4 1969 and other provisions of law which further
5 the purposes of such Act (as specified in regula-
6 tions issued by each such Secretary under para-
7 graph (2)(B)) that would otherwise apply to the
8 Secretary of Health and Human Services, and
9 may provide for the assumption of such respon-
10 sibilities in accordance with paragraphs (2)
11 through (5).

12 “(C) DEFINITION OF SECRETARY.—Except
13 as used in subparagraphs (A) and (B), the term
14 ‘Secretary’ as used in this subsection means the
15 Secretary of Housing and Urban Development
16 for purposes of grants under this section with
17 respect to urban areas and means the Secretary
18 of Agriculture for purposes of grants under this
19 section with respect to rural areas.

20 “(2) ASSUMPTION OF RESPONSIBILITY BY
21 STATES, UNITS OF GENERAL LOCAL GOVERNMENT,
22 AND INDIAN TRIBES.—

23 “(A) RELEASE OF FUNDS.—In order to as-
24 sure that the policies of the National Environ-
25 mental Policy Act of 1969 and other provisions

1 of law that further the purposes of such Act (as
2 specified in regulations issued by the Secretary
3 under paragraph (2)(B)) are most effectively
4 implemented in connection with the expenditure
5 of funds under this section, and to assure to the
6 public undiminished protection of the environ-
7 ment, the Secretary may, under such regula-
8 tions, in lieu of the environmental protection
9 procedures otherwise applicable, provide for the
10 release of funds for particular projects to recipi-
11 ents of assistance under this section if the
12 State, unit of general local government, or In-
13 dian tribe, as designated by the Secretary in ac-
14 cordance with regulations issued by the Sec-
15 retary under paragraph (2)(B), assumes all of
16 the responsibilities for environmental review,
17 decisionmaking, and action pursuant to such
18 Act, and such other provisions of law as the
19 regulations of the Secretary specify, that would
20 otherwise apply to the Secretary were the Sec-
21 retary to undertake such projects as Federal
22 projects.

23 “(B) IMPLEMENTATION.—The Secretary of
24 Housing and Urban Development and the Sec-
25 retary of Agriculture shall each issue regula-

1 tions to carry out this subsection only after con-
2 sultation with the Council on Environmental
3 Quality. Such regulations shall—

4 “(i) specify any other provisions of
5 law which further the purposes of the Na-
6 tional Environmental Policy Act of 1969
7 and to which the assumption of respon-
8 sibility as provided in this subsection ap-
9 plies;

10 “(ii) provide eligibility criteria and
11 procedures for the designation of a State,
12 unit of general local government, or Indian
13 tribe to assume all of the responsibilities in
14 this section;

15 “(iii) specify the purposes for which
16 funds may be committed without regard to
17 the procedure established under paragraph
18 (3);

19 “(iv) provide for monitoring of the
20 performance of environmental reviews
21 under this subsection;

22 “(v) in the discretion of the Secretary,
23 provide for the provision or facilitation of
24 training for such performance; and

1 “(vi) subject to the discretion of the
2 Secretary, provide for suspension or termi-
3 nation by the Secretary of the assumption
4 under subparagraph (A).

5 “(C) RESPONSIBILITIES OF STATE, UNIT
6 OF GENERAL LOCAL GOVERNMENT, OR INDIAN
7 TRIBE.—The Secretary’s duty under subpara-
8 graph (B) shall not be construed to limit any
9 responsibility assumed by a State, unit of gen-
10 eral local government, or Indian tribe with re-
11 spect to any particular release of funds under
12 subparagraph (A).

13 “(3) PROCEDURE.—The Secretary shall ap-
14 prove the release of funds for projects subject to the
15 procedures authorized by this subsection only if, not
16 less than 15 days prior to such approval and prior
17 to any commitment of funds to such projects (except
18 for such purposes specified in the regulations issued
19 under paragraph (2)(B)), the recipient submits to
20 the Secretary a request for such release accompanied
21 by a certification of the State, unit of general local
22 government, or Indian tribe which meets the require-
23 ments of paragraph (4). The approval by the Sec-
24 retary of any such certification shall be deemed to
25 satisfy the Secretary’s responsibilities pursuant to

1 paragraph (1) under the National Environmental
2 Policy Act of 1969 and such other provisions of law
3 as the regulations of the Secretary specify insofar
4 as those responsibilities relate to the releases of
5 funds for projects to be carried out pursuant thereto
6 which are covered by such certification.

7 “(4) CERTIFICATION.—A certification under the
8 procedures authorized by this subsection shall—

9 “(A) be in a form acceptable to the Sec-
10 retary;

11 “(B) be executed by the chief executive of-
12 ficer or other officer of the State, unit of gen-
13 eral local government, or Indian tribe who
14 qualifies under regulations of the Secretary;

15 “(C) specify that the State, unit of general
16 local government, or Indian tribe under this
17 subsection has fully carried out its responsibil-
18 ities as described under paragraph (2); and

19 “(D) specify that the certifying officer—

20 “(i) consents to assume the status of
21 a responsible Federal official under the
22 National Environmental Policy Act of
23 1969 and each provision of law specified in
24 regulations issued by the Secretary insofar
25 as the provisions of such Act or other such

1 provision of law apply pursuant to para-
2 graph (2); and

3 “(ii) is authorized and consents on be-
4 half of the State, unit of general local gov-
5 ernment, or Indian tribe and himself or
6 herself to accept the jurisdiction of the
7 Federal courts for the purpose of enforce-
8 ment of the responsibilities as such an offi-
9 cial.

10 “(5) APPROVAL BY STATES.—In cases in which
11 a unit of general local government carries out the re-
12 sponsibilities described in paragraph (2), the Sec-
13 retary may permit the State to perform those ac-
14 tions of the Secretary described in paragraph (3).
15 The performance of such actions by the State, where
16 permitted, shall be deemed to satisfy the responsibil-
17 ities referred to in the second sentence of paragraph
18 (3).”.

19 **SEC. 5. PERFORMANCE MEASUREMENT AND EVALUATION;**
20 **GRANT ADJUSTMENTS.**

21 Section 2007 of the Social Security Act (42 U.S.C.
22 1397f), as amended by section 4, is further amended by
23 adding after subsection (f) the following new subsection:

1 “(g) PERFORMANCE MEASUREMENT SYSTEM, RE-
2 PORTS, AND EVALUATIONS, GRANT ADJUSTMENTS, AND
3 RELATED MATTERS.—

4 “(1) APPLICABILITY.—The requirements of this
5 subsection—

6 “(A) apply to all grants made by a State,
7 from grants to the State under subsection
8 (a)(2)(C), to lead implementing entities (as de-
9 fined in paragraph (7)) for empowerment zones
10 designated pursuant to section 1391(g) of the
11 Internal Revenue Code of 1986 (26 U.S.C.
12 1391(g)); and

13 “(B) are in addition to the annual report
14 and biennial audit requirements applicable to
15 States under section 2006.

16 “(2) PERFORMANCE MEASUREMENT SYSTEM.—
17 The lead implementing entity for an empowerment
18 zone shall establish a performance measurement sys-
19 tem acceptable to the Secretary to assist in assessing
20 the extent to which its strategic plan is being imple-
21 mented and funds made available under subsection
22 (a)(2)(C) are being used effectively.

23 “(3) PERFORMANCE REPORT.—Each lead im-
24 plementing entity shall submit to the Secretary (and
25 make available to the public upon request), at such

1 time and in such manner as the Secretary shall pre-
2 scribe, a report including an assessment of the
3 progress the empowerment zone has made toward
4 implementing its strategic plan, and such other in-
5 formation as the Secretary shall prescribe. To the
6 extent practicable, the report shall also include infor-
7 mation available to the lead implementing entity
8 with respect to the use of tax incentives available to
9 empowerment zones designated pursuant to section
10 1391(g) of the Internal Revenue Code of 1986.

11 “(4) PERFORMANCE EVALUATIONS, ADJUST-
12 MENTS, AND RECORDKEEPING.—

13 “(A) PERFORMANCE EVALUATIONS.—The
14 Secretary shall regularly evaluate the progress
15 of the lead implementing entity for the em-
16 powerment zone in implementing the strategic
17 plan for the zone, on the basis of performance
18 reviews and any other information that the Sec-
19 retary may require.

20 “(B) ADJUSTMENTS.—On the basis of the
21 Secretary’s evaluation under subparagraph (A),
22 the Secretary may direct the Secretary of
23 Health and Human Services to adjust, reduce,
24 or cancel the grant to a State under subsection
25 (a)(2)(C) for the current or any future fiscal

1 year or years, except that amounts already
2 properly expended by a lead implementing en-
3 tity on eligible activities under this Act shall
4 not be recaptured or deducted from future
5 grants to the State.

6 “(5) RETENTION OF RECORDS.—Each lead im-
7 plementing entity shall keep such records relating to
8 funds received from grants to the State under sub-
9 section (a)(2)(C), including the amounts and disposi-
10 tion of such funds and the types of activities funded,
11 as the Secretary determines to be necessary to en-
12 able the Secretary to evaluate the performance of
13 the lead implementing agency and to determine com-
14 pliance with the requirements of this subsection.

15 “(6) SECRETARY’S ACCESS TO DOCUMENTS.—
16 The Secretary shall have access, for the purpose of
17 evaluations and examinations pursuant to paragraph
18 (4)(A), to any books, documents, papers, and
19 records of any grantee or other entity or person that
20 are pertinent to grant amounts received in connec-
21 tion with this section.

22 “(7) DEFINITIONS.—For purposes of this sub-
23 section—

24 “(A) the term ‘lead implementing entity’
25 means the local government or governments,

1 the governance body of an empowerment zone
2 as specified in the strategic plan, or any non-
3 profit entity that is principal administrator of
4 an empowerment zone; and

5 “(B) the term ‘Secretary’ means the Sec-
6 retary of Housing and Urban Development for
7 purposes of grants under this section with re-
8 spect to urban areas and means the Secretary
9 of Agriculture for purposes of grants under this
10 section with respect to rural areas, except as
11 the context otherwise indicates.”.

12 **SEC. 6. TECHNICAL AMENDMENTS.**

13 Section 2007(b) of the Social Security Act is amend-
14 ed—

15 (1) in paragraph (2), in the matter preceding
16 subparagraph (A), by striking “to prevent”; and

17 (2) in paragraph (4), in the matter preceding
18 subparagraph (A), by striking “maintain” and in-
19 serting “maintaining”.

○