

106TH CONGRESS
1ST SESSION

H. R. 2463

To amend section 2007 of the Social Security Act to provide grant funding for additional Empowerment Zones, Enterprise Communities, and Strategic Planning Communities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 1999

Mr. WATKINS (for himself and Mr. HINCHEY) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend section 2007 of the Social Security Act to provide grant funding for additional Empowerment Zones, Enterprise Communities, and Strategic Planning Communities, 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 “EC/EZ Economic De-
5 velopment Act”.

1 **SEC. 2. FUNDING ENTITLEMENT FOR ADDITIONAL EM-**
2 **POWERMENT ZONES AND ENTERPRISE COM-**
3 **MUNITIES, AND FOR STRATEGIC PLANNING**
4 **COMMUNITIES.**

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

7 (1) in subparagraph (A), by striking “in the
8 State; and” and inserting “that is in the State and
9 is designated pursuant to section 1391(b) of the In-
10 ternal Revenue Code of 1986;”;

11 (2) by adding after subparagraph (B) the fol-
12 lowing:

13 “(C)(i) 9 grants under this section for
14 each qualified empowerment zone that is in an
15 urban area in the State and is designated pur-
16 suant to section 1391(g) of such Code; and

17 “(ii) 9 grants under this section for each
18 qualified empowerment zone that is in a rural
19 area in the State and is designated pursuant to
20 section 1391(g) of such Code;

21 “(D) 9 grants under this section for each
22 qualified enterprise community that is in the
23 State and is designated pursuant to section 766
24 of the Agriculture, Rural Development, Food
25 and Drug Administration, and Related Agencies
26 Appropriations Act, 1999; and

1 “(E) 1 grant under this section for each
2 strategic planning community.”.

3 (b) AMOUNT OF GRANTS.—Section 2007(a)(2) of
4 such Act (42 U.S.C. 1397f(a)(2)) is amended—

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

7 (2) in subparagraph (A), in the matter pre-
8 ceding clause (i), by inserting “referred to in para-
9 graph (1)(A)” after “empowerment zone”;

10 (3) by redesignating subparagraph (C) as sub-
11 paragraph (F); and

12 (4) by inserting after subparagraph (B) the fol-
13 lowing:

14 “(C) ADDITIONAL EMPOWERMENT
15 GRANTS.—The amount of the grant to a State
16 under this section for a qualified empowerment
17 zone referred to in paragraph (1)(C) shall be—

18 “(i) if the zone is in an urban area,
19 \$5,600,000 for fiscal year 2000,
20 \$7,800,000 for each of fiscal years 2001
21 through 2004, and \$9,700,000 for each of
22 fiscal years 2005 through 2008; or

23 “(ii) if the zone is in a rural area,
24 \$8,860,000 for each of fiscal years 2000

1 through 2004, and \$11,075,000 for each
2 of fiscal years 2005 through 2008,
3 multiplied by the proportion of the population
4 of the zone that resides in the State.

5 “(D) ADDITIONAL ENTERPRISE COMMU-
6 NITY GRANTS.—The amount of the grant to a
7 State under this section for a qualified enter-
8 prise community referred to in paragraph
9 (1)(D) shall be \$6,600,000, multiplied by the
10 proportion of the population of the community
11 that resides in the State.

12 “(E) STRATEGIC PLANNING COMMUNITY
13 GRANTS.—The amount of the grant to a State
14 under this section for a strategic planning com-
15 munity shall be \$2,300,000, multiplied by the
16 proportion of the population of the community
17 that resides in the State.”.

18 (c) TIMING OF GRANTS.—Section 2007(a)(3) of such
19 Act (42 U.S.C. 1397f(a)(3)) is amended—

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

22 (2) in subparagraph (A), in the matter pre-
23 ceding clause (i), by inserting “referred to in para-
24 graph (1)(A)” after “empowerment zone”; and

1 (3) by adding after subparagraph (B) the fol-
2 lowing:

3 “(C) ADDITIONAL QUALIFIED EMPOWER-
4 MENT ZONES.—With respect to each qualified
5 empowerment zone referred to in paragraph
6 (1)(C), the Secretary shall make 1 grant under
7 this section to the State in which the zone lies,
8 on the first day of fiscal year 2000 and of each
9 of the 8 succeeding fiscal years.

10 “(D) ADDITIONAL QUALIFIED ENTERPRISE
11 COMMUNITIES.—With respect to each qualified
12 enterprise community referred to in paragraph
13 (1)(D), the Secretary shall make 1 grant under
14 this section to the State in which the commu-
15 nity is located on October 1, 1999.

16 “(E) STRATEGIC PLANNING COMMU-
17 NITIES.—With respect to each strategic plan-
18 ning community, the Secretary shall make 1
19 grant under this section to the State in which
20 the community is located, on October 1, 1999.”.

21 (d) FUNDING.—Section 2007(a)(4) of such Act (42
22 U.S.C. 1397f(a)(4)) is amended—

23 (1) by striking “(4) FUNDING.—\$1,000,000”
24 and inserting the following:

25 “(4) FUNDING.—

1 “(A) ORIGINAL GRANTS.—\$1,000,000”;

2 (2) by inserting “for empowerment zones and
3 enterprise communities described in subparagraphs
4 (A) and (B) of paragraph (1)” before the period;
5 and

6 (3) by adding after and below the end the fol-
7 lowing:

8 “(B) ADDITIONAL EMPOWERMENT ZONE
9 GRANTS.—\$1,577,000,000 shall be made avail-
10 able to the Secretary for grants under this sec-
11 tion for empowerment zones referred to in para-
12 graph (1)(C).

13 “(C) ADDITIONAL ENTERPRISE COMMU-
14 NITY GRANTS.—\$132,000,000 shall be made
15 available to the Secretary for grants under this
16 section for enterprise communities referred to
17 in paragraph (1)(D).

18 “(D) STRATEGIC PLANNING COMMUNITY
19 GRANTS.—\$35,000,000 shall be made available
20 to the Secretary for grants under this section
21 for strategic planning communities.”.

22 (e) DIRECT FUNDING FOR INDIAN TRIBES.—Section
23 2007(a) of such Act (42 U.S.C. 1397f(a)) is amended by
24 adding at the end the following:

25 “(5) DIRECT FUNDING FOR INDIAN TRIBES.—

1 “(A) IN GENERAL.—The Secretary may
2 make a grant under this section directly to the
3 governing body of an Indian tribe if—

4 “(i) the tribe is identified in the stra-
5 tegic plan of a qualified empowerment zone
6 or qualified enterprise community as the
7 entity that assumes sole or primary re-
8 sponsibility for carrying out activities and
9 projects under the grant; and

10 “(ii) the grant is to be used for activi-
11 ties and projects that are—

12 “(I) included in the strategic
13 plan of the qualified empowerment
14 zone or qualified enterprise commu-
15 nity, consistent with this section; and

16 “(II) approved by the Secretary
17 of Agriculture, in the case of a quali-
18 fied empowerment zone or qualified
19 enterprise community in a rural area,
20 or the Secretary of Housing and
21 Urban Development, in the case of a
22 qualified empowerment zone or quali-
23 fied enterprise community in an urban
24 area.

25 “(B) RULES OF INTERPRETATION.—

1 “(i) If grant under this section is
2 made directly to the governing body of an
3 Indian tribe under subparagraph (A), the
4 tribe shall be considered a State for pur-
5 poses of this section.

6 “(ii) This subparagraph shall not be
7 construed as making applicable to this sec-
8 tion the provisions of the Indian Self-De-
9 termination and Education Assistance
10 Act.”.

11 (f) DEFINITIONS.—

12 (1) QUALIFIED ENTERPRISE COMMUNITY.—Sec-
13 tion 2007(f)(2)(A) of such Act (42 U.S.C.
14 1397f(f)(2)(A)) is amended by inserting “or pursu-
15 ant to section 766 of the Agriculture, Rural Devel-
16 opment, Food and Drug Administration, and Re-
17 lated Agencies Appropriations Act, 1999” before the
18 semicolon.

19 (2) STRATEGIC PLAN.—Section 2007(f)(3) of
20 such Act (42 U.S.C. 1397f(f)(3)) is amended by in-
21 serting “or under section 766 of the Agriculture,
22 Rural Development, Food and Drug Administration,
23 and Related Agencies Appropriations Act, 1999” be-
24 fore the period.

1 (3) STRATEGIC PLANNING COMMUNITY.—Sec-
2 tion 2007(f) of such Act (42 U.S.C. 1397f(f)) is
3 amended by adding at the end the following:

4 “(7) STRATEGIC PLANNING COMMUNITY.—The
5 term ‘strategic planning community’ means a re-
6 spondent to the Notice Inviting Applications at 63
7 Federal Register 19162 (April 16, 1998) whose ap-
8 plication was ranked 16th through 30th in the com-
9 petition that concluded in December 1998.”.

10 (4) INDIAN TRIBE.—Section 2007(f) of such
11 Act (42 U.S.C. 1397f(f)), as amended by paragraph
12 (3) of this subsection, is amended by adding at the
13 end the following:

14 “(8) INDIAN TRIBE.—The term ‘Indian tribe’
15 means any Indian tribe, band, nation, or other orga-
16 nized group or community, including any Alaska Na-
17 tive village or regional or village corporation as de-
18 fined in or established pursuant to the Alaska Na-
19 tive Claims Settlement Act, which is recognized as
20 eligible for the special programs and services pro-
21 vided by the United States to Indians because of
22 their status as Indians.”.

1 **SEC. 3. USE OF GRANT FUNDS.**

2 (a) REVOLVING LOAN ACTIVITIES.—Section 2007(b)
3 of the Social Security Act (42 U.S.C. 1397f(b)) is amend-
4 ed by adding at the end the following:

5 “(5) REVOLVING LOAN ACTIVITIES.—

6 “(A) IN GENERAL.—In order to assist dis-
7 advantaged adults and youths in achieving and
8 maintaining economic self-support, a State may
9 use amounts paid under this section to fund re-
10 volving loan funds or similar arrangements for
11 the purpose of making loans to residents, insti-
12 tutions, organizations, or businesses that hire
13 disadvantaged adults and youths.

14 “(B) RULES FOR DISBURSEMENT.—
15 Amounts to be used as described in subpara-
16 graph (A) shall be disbursed by the Secretary,
17 consistent with the provisions of the Cash Man-
18 agement Improvement Act and its implementing
19 rules, regulations, and procedures issued by the
20 Secretary of the Treasury—

21 “(i) in the case of a grant to a revolv-
22 ing loan fund—

23 “(I) pursuant to a written irrev-
24 ovable grant commitment; and

25 “(II) at such time or times as the
26 Secretary determines that the funds

1 are needed to meet the purposes of
2 such commitment; or

3 “(ii) in the case of a grant for pur-
4 poses of capitalizing an insured depository
5 institution (as defined in section 3 of the
6 Federal Deposit Insurance Act (12 U.S.C.
7 1813)) or an insured credit union (as de-
8 fined in section 101 of the Federal Credit
9 Union Act (12 U.S.C. 1742)), at such time
10 or times as the Secretary determines that
11 funds are needed for such capitalization.”.

12 (b) USE AS NON-FEDERAL SHARE.—Section 2007(b)
13 of such Act (42 U.S.C. 1397f(b)), as amended by sub-
14 section (a) of this section, is amended by adding at the
15 end the following:

16 “(6) A State may use amounts received from a
17 grant under this section to pay all or part of the
18 non-Federal share of expenditures under any other
19 Federal grant to a local public or nonprofit private
20 agency or organization for activities consistent with
21 the purposes of this section, unless the statutory au-
22 thority for such other grant expressly prohibits
23 counting of Federal grant funds as such non-Federal
24 share.”.

1 **SEC. 4. 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 (g); and

6 (2) by inserting after subsection (e) the fol-
7 lowing:

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, enterprise
15 communities, and strategic planning commu-
16 nities (as defined in subsection (g)).

17 “(B) EXECUTION OF RESPONSIBILITY.—
18 With respect to grants described in subpara-
19 graph (A), the Secretary of Housing and Urban
20 Development and the Secretary of Agriculture,
21 as appropriate, shall execute the responsibilities
22 under the National Environmental Policy Act of
23 1969 and other provisions of law that further
24 the purposes of such Act (as specified in regula-
25 tions issued by each such Secretary under para-
26 graph (2)(B)) that would otherwise apply to the

1 Secretary of Health and Human Services, and
2 may provide for the assumption of such respon-
3 sibilities in accordance with paragraphs (2)
4 through (5).

5 “(C) DEFINITION OF SECRETARY.—Except
6 as otherwise specified, in this subsection, the
7 term ‘Secretary’ means the Secretary of Hous-
8 ing and Urban Development for purposes of
9 grants under this section with respect to quali-
10 fied empowerment zones and qualified enter-
11 prise communities in urban areas, and strategic
12 planning areas, and the Secretary of Agri-
13 culture for purposes of grants under this sec-
14 tion with respect to qualified empowerment
15 zones and qualified enterprise communities in
16 rural areas.

17 “(2) ASSUMPTION OF RESPONSIBILITY BY
18 STATES, UNITS OF GENERAL LOCAL GOVERNMENT,
19 AND INDIAN TRIBES.—

20 “(A) RELEASE OF FUNDS.—In order to as-
21 sure that the policies of the National Environ-
22 mental Policy Act of 1969 and other provisions
23 of law that further the purposes of such Act (as
24 specified in regulations issued by the Secretary
25 under subparagraph (B)) are most effectively

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

20 “(B) IMPLEMENTATION.—The Secretary of
21 Housing and Urban Development and the Sec-
22 retary of Agriculture shall each issue regula-
23 tions to carry out this subsection only after con-
24 sultation with the Council on Environmental
25 Quality. Such regulations shall—

1 “(i) specify any other provisions of
2 law that further the purposes of the Na-
3 tional Environmental Policy Act of 1969
4 and to which the assumption of responsi-
5 bility as provided in this subsection ap-
6 plies;

7 “(ii) provide eligibility criteria and
8 procedures for the designation of a State,
9 unit of general local government, or Indian
10 tribe to assume all of the responsibilities
11 described in subparagraph (A);

12 “(iii) specify the purposes for which
13 funds may be committed without regard to
14 the procedure established under paragraph
15 (3);

16 “(iv) provide for monitoring of the
17 performance of environmental reviews
18 under this subsection;

19 (v) in the discretion of the Secretary,
20 provide for the provision or facilitation of
21 training for such performance; and

22 “(vi) subject to the discretion of the
23 Secretary, provide for suspension or termi-
24 nation by the Secretary of the assumption
25 under subparagraph (A).

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

9 “(3) PROCEDURE.—The Secretary shall ap-
10 prove the release of funds for projects subject to the
11 procedures authorized by this subsection only if, not
12 less than 15 days prior to such approval and prior
13 to any commitment of funds to such projects (except
14 for such purposes specified in the regulations issued
15 under paragraph (2)(B)), the recipient submits to
16 the Secretary a request for such release accompanied
17 by a certification of the State, unit of general local
18 government, or Indian tribe that meets the require-
19 ments of paragraph (4). The approval by the Sec-
20 retary of any such certification shall be deemed to
21 satisfy the Secretary’s responsibilities pursuant to
22 paragraph (1) under the National Environmental
23 Policy Act of 1969 and such other provisions of law
24 as the regulations of the Secretary specify insofar as
25 those responsibilities relate to the releases of funds

1 for projects to be carried out pursuant thereto that
2 are covered by such certification.

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

5 “(A) be in a form acceptable to the Sec-
6 retary;

7 “(B) be executed by the chief executive of-
8 ficer or other officer of the State, unit of gen-
9 eral local government, or Indian tribe who
10 qualifies under regulations of the Secretary;

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

15 “(D) specify that the certifying officer—

16 “(i) consents to assume the status of
17 a responsible Federal official under the
18 National Environmental Policy Act of
19 1969 and each provision of law specified in
20 regulations issued by the Secretary insofar
21 as the provisions of such Act or other such
22 provisions of law apply pursuant to para-
23 graph (2); and

24 “(ii) is authorized and consents on be-
25 half of the State, unit of general local gov-

1 ernment, or Indian tribe and himself or
2 herself to accept the jurisdiction of the
3 Federal courts for the purpose of enforce-
4 ment of the responsibilities as such an offi-
5 cial.

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

○