

107TH CONGRESS
2D SESSION

H. R. 3618

To provide a framework for coordinating Federal, State, and local efforts to meet the special needs of the SouthEast Crescent Region.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2002

Mr. MCINTYRE (for himself, Mr. SHOWS, Mr. BURR of North Carolina, Mr. HILLIARD, Mr. JEFFERSON, Mr. GOODE, Ms. MCKINNEY, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide a framework for coordinating Federal, State, and local efforts to meet the special needs of the South-East Crescent Region.

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. FINDINGS AND PURPOSES.**

4 (a) FINDINGS.—The Congress hereby finds and de-
5 clares the following:

6 (1) The SouthEast Crescent Region, while
7 abundant in natural resources and rich in potential,

1 lags behind the rest of the Nation in its economic
2 growth and that its people have not shared properly
3 in the Nation's prosperity.

4 (2) The State and local governments and the
5 people of the SouthEast Crescent Region understand
6 their problems and have been working and will con-
7 tinue to work purposefully toward their solution.

8 (3) Regionwide development of the SouthEast
9 Crescent Region is feasible, desirable and urgently
10 needed.

11 (4) The SouthEast Crescent Region has the op-
12 portunity, in accommodating future growth and de-
13 velopment, to demonstrate local leadership and co-
14 ordinated planning so that public services, transpor-
15 tation, communications infrastructure, and other
16 community resources will be provided in a way com-
17 patible with the traditions of the region and so as
18 to enhance the quality of life for the people of the
19 region.

20 (b) PURPOSES.—The purposes of this Act are the fol-
21 lowing:

22 (1) To assist the SouthEast Crescent Region in
23 addressing its problems, to promote its economic de-
24 velopment, and to establish a framework for joint
25 Federal and State efforts toward providing the basic

1 facilities essential to its growth and attacking its
2 common problems and addressing its common needs
3 on a coordinated and concerted regional basis.

4 (2) To provide a framework for coordinating
5 Federal, State, and local efforts toward—

6 (A) planning for growth and change in the
7 SouthEast Crescent Region so as to maximize
8 the economic benefits and minimize future so-
9 cial and environmental costs; and

10 (B) implementing programs and projects
11 carried out in the region by Federal, State, and
12 local governmental agencies so as to better meet
13 the problems of the region.

14 (3) To assist the SouthEast Crescent Region
15 in—

16 (A) providing the infrastructures necessary
17 for economic and human resources development;

18 (B) developing the region's economic base;

19 (C) building entrepreneurial communities;

20 (D) generating a diversified regional econ-
21 omy; and

22 (E) making the region's human, economic,
23 and natural resources more competitive in na-
24 tional and world markets.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) **AUTHORITY.**—The term “Authority” means
4 the SouthEast Crescent Authority established by
5 section 3.

6 (2) **REGION.**—The term “region” means the
7 area covered by the Authority (as described in sec-
8 tion 16).

9 (3) **FEDERAL GRANT PROGRAM.**—The term
10 “Federal grant program” means a Federal grant
11 program to provide assistance in carrying out eco-
12 nomic and community development activities.

13 **SEC. 3. SOUTHEAST CRESCENT AUTHORITY.**

14 (a) **ESTABLISHMENT.**—

15 (1) **IN GENERAL.**—There is established the
16 SouthEast Crescent Authority.

17 (2) **COMPOSITION.**—The Authority shall be
18 composed of—

19 (A) a Federal member, to be appointed by
20 the President, with the advice and consent of
21 the Senate; and

22 (B) the Governor of each State in the re-
23 gion that elects to participate in the Authority.

24 (3) **COCHAIRPERSONS.**—The Authority shall be
25 headed by—

26 (A) the Federal member, who shall serve—

1 (i) as the Federal cochairperson; and

2 (ii) as a liaison between the Federal

3 Government and the Authority; and

4 (B) a State cochairperson, who—

5 (i) shall be a Governor of a partici-

6 pating State in the region; and

7 (ii) shall be elected by the State mem-

8 bers for a term of not less than 1 year.

9 (b) ALTERNATE MEMBERS.—

10 (1) STATE ALTERNATES.—The State member

11 of a participating State may have a single alternate,

12 who shall be appointed by the Governor of the State

13 from among his Cabinet or personal staff.

14 (2) ALTERNATE FEDERAL COCHAIRPERSON.—

15 The President shall appoint an alternate Federal co-

16 chairperson.

17 (3) QUORUM.—The Authority shall determine

18 what constitutes a quorum for regular or special Au-

19 thority meetings. However, a State alternate shall

20 not be counted toward the establishment of a

21 quorum of the Authority in any instance in which a

22 quorum of the State members is required to be

23 present.

24 (4) DELEGATION OF POWER.—No power or re-

25 sponsibility of the Authority specified in paragraphs

1 (2) and (3) of subsection (c), and no voting right of
2 any Authority member, shall be delegated to any
3 person—

4 (A) who is not a Authority member; or

5 (B) who is not entitled to vote in Authority
6 meetings.

7 (c) VOTING.—

8 (1) IN GENERAL.—A decision by the Authority
9 shall require a majority vote of the Authority (not
10 including any member representing a State that is
11 delinquent under subsection (g)(2)(C)) to be effec-
12 tive.

13 (2) QUORUM.—A quorum of State members
14 shall be required to be present in person or by
15 agreed upon electronic means for the Authority to
16 make any policy decision, including—

17 (A) a modification or revision of a Author-
18 ity policy decision;

19 (B) approval of a State or regional devel-
20 opment plan; and

21 (C) any allocation of funds among the
22 States.

23 (3) PROJECT AND GRANT PROPOSALS.—The ap-
24 proval of project and grant proposals shall be—

25 (A) a responsibility of the Authority; and

1 (B) conducted in accordance with section
2 10.

3 (4) VOTING BY ALTERNATE MEMBERS.—An al-
4 ternate member shall vote in the case of the absence,
5 death, disability, removal, or resignation of the Fed-
6 eral or State representative for which the alternate
7 member is an alternate.

8 (d) DUTIES.—The Authority shall—

9 (1) develop, on a continuing basis, comprehen-
10 sive and coordinated plans and programs to establish
11 priorities and approve grants for the economic devel-
12 opment of the region, giving due consideration to
13 other Federal, State, and local planning and devel-
14 opment activities in the region;

15 (2) not later than 365 days after the date of
16 enactment of this Act, establish priorities in a devel-
17 opment plan for the region (including 5-year re-
18 gional outcome targets);

19 (3) assess the needs and assets of the region
20 based on available research, demonstrations, inves-
21 tigation, assessments, and evaluations of the region
22 prepared by Federal, State, and local agencies, uni-
23 versities, local development districts, and other non-
24 profit groups;

1 (4) formulate and recommend to the Governors
2 and legislatures of States that participate in the Au-
3 thority forms of interstate cooperation;

4 (5) work with State and local agencies in devel-
5 oping appropriate model legislation;

6 (6)(A) enhance the capacity of, and provide
7 support for, local development districts in the region;
8 or

9 (B) if no local development district exists in an
10 area in a participating State in the region, foster the
11 creation of a local development district;

12 (7) encourage private investment in industrial,
13 commercial, and other economic development
14 projects in the region; and

15 (8) cooperate with and assist State governments
16 with economic development programs of partici-
17 pating States.

18 (e) ADMINISTRATION.—In carrying out subsection
19 (d), the Authority may—

20 (1) hold such hearings, sit and act at such
21 times and places, take such testimony, receive such
22 evidence, and print or otherwise reproduce and dis-
23 tribute a description of the proceedings and reports
24 on actions by the Authority as the Authority con-
25 siders appropriate;

1 (2) authorize, through the Federal or State co-
2 chairperson or any other member of the Authority
3 designated by the Authority, the administration of
4 oaths if the Authority determines that testimony
5 should be taken or evidence received under oath; and

6 (3) request from any Federal, State, or local
7 department or agency such information as may be
8 available to or procurable by the department or
9 agency that may be of use to the Authority in car-
10 rying out duties of the Authority;

11 (4) adopt, amend, and repeal bylaws and rules
12 governing the conduct of Authority business and the
13 performance of Authority duties;

14 (5) request the head of any Federal department
15 or agency to detail to the Authority such personnel
16 as the Authority requires to carry out duties of the
17 Authority, each such detail to be without loss of se-
18 niority, pay, or other employee status;

19 (6) request the head of any State department
20 or agency or local government to detail to the Au-
21 thority such personnel as the Authority requires to
22 carry out duties of the Authority, each such detail
23 to be without loss of seniority, pay, or other em-
24 ployee status;

1 (7) provide for coverage of Authority employees
2 in a suitable retirement and employee benefit system
3 by—

4 (A) making arrangements or entering into
5 contracts with any participating State govern-
6 ment; or

7 (B) otherwise providing retirement and
8 other employee benefit coverage;

9 (8) accept, use, and dispose of gifts or dona-
10 tions of services or real, personal, tangible, or intan-
11 gible property;

12 (9) enter into and perform such contracts,
13 leases, cooperative agreements, or other transactions
14 as are necessary to carry out Authority duties, in-
15 cluding any contracts, leases, or cooperative agree-
16 ments with—

17 (A) any department, agency, or instrumen-
18 tality of the United States;

19 (B) any State (including a political sub-
20 division, agency, or instrumentality of the
21 State); or

22 (C) any person, firm, association, or cor-
23 poration; and

1 (10) establish and maintain a central office and
2 field offices at such locations as the Authority may
3 select.

4 (f) FEDERAL AGENCY COOPERATION.—A Federal
5 agency shall—

6 (1) cooperate with the Authority; and

7 (2) provide, on request of the Federal cochair-
8 person, appropriate assistance in carrying out this
9 Act, in accordance with applicable Federal laws (in-
10 cluding regulations).

11 (g) ADMINISTRATIVE EXPENSES.—

12 (1) IN GENERAL.—Administrative expenses of
13 the Authority (except for the expenses of the Fed-
14 eral cochairperson, including expenses of the alter-
15 nate and staff of the Federal cochairperson, which
16 shall be paid solely by the Federal Government)
17 shall be paid—

18 (A) by the Federal Government, in an
19 amount equal to 50 percent of the administra-
20 tive expenses; and

21 (B) by the States in the region partici-
22 pating in the Authority, in an amount equal to
23 50 percent of the administrative expenses.

24 (2) STATE SHARE.—

1 (A) IN GENERAL.—The share of adminis-
2 trative expenses of the Authority to be paid by
3 each State shall be determined by the Author-
4 ity.

5 (B) NO FEDERAL PARTICIPATION.—The
6 Federal cochairperson shall not participate or
7 vote in any decision under subparagraph (A).

8 (C) DELINQUENT STATES.—If a State is
9 delinquent in payment of the State’s share of
10 administrative expenses of the Authority under
11 this subsection—

12 (i) no assistance under this Act shall
13 be furnished to the State (including assist-
14 ance to a political subdivision or a resident
15 of the State); and

16 (ii) no member of the Authority from
17 the State shall participate or vote in any
18 action by the Authority.

19 (h) COMPENSATION.—

20 (1) FEDERAL COCHAIRPERSON.—The Federal
21 cochairperson shall be compensated by the Federal
22 Government at level III of the Executive Schedule in
23 subchapter II of chapter 53 of title V, United States
24 Code.

1 (2) ALTERNATE FEDERAL COCHAIRPERSON.—

2 The alternate Federal cochairperson—

3 (A) shall be compensated by the Federal
4 Government at level V of the Executive Sched-
5 ule described in paragraph (1); and

6 (B) when not actively serving as an alter-
7 nate for the Federal cochairperson, shall per-
8 form such functions and duties as are delegated
9 by the Federal cochairperson.

10 (3) STATE MEMBERS AND ALTERNATES.—

11 (A) IN GENERAL.—A State shall com-
12 pensate each member and alternate rep-
13 resenting the State on the Authority at the rate
14 established by law of the State.

15 (B) NO ADDITIONAL COMPENSATION.—No
16 State member or alternate member shall receive
17 any salary, or any contribution to or sup-
18 plementation of salary from any source other
19 than the State for services provided by the
20 member or alternate to the Authority.

21 (4) DETAILED EMPLOYEES.—

22 (A) IN GENERAL.—No person detailed to
23 serve the Authority under subsection (e)(6)
24 shall receive any salary or any contribution to

1 or supplementation of salary for services pro-
2 vided to the Authority from—

3 (i) any source other than the State,
4 local, or intergovernmental department or
5 agency from which the person was detailed;
6 or

7 (ii) the Authority.

8 (B) VIOLATION.—Any person that violates
9 this paragraph shall be fined not more than
10 \$5,000, imprisoned not more than 1 year, or
11 both.

12 (C) APPLICABLE LAW.—The Federal co-
13 chairperson, the alternate Federal cochair-
14 person, and any Federal officer or employee de-
15 tailed to duty on the Authority under sub-
16 section (e)(5) shall not be subject to subpara-
17 graph (A), but shall remain subject to sections
18 202 through 209 of title 18, United States
19 Code.

20 (5) ADDITIONAL PERSONNEL.—

21 (A) COMPENSATION.—

22 (i) IN GENERAL.—The Authority may
23 appoint and fix the compensation of an ex-
24 ecutive director and such other personnel

1 as are necessary to enable the Authority to
2 carry out the duties of the Authority.

3 (ii) EXCEPTION.—Compensation
4 under clause (i) shall not exceed the maximum rate for the Senior Executive Service
5 under section 5382 of title 5, United
6 States Code, including any applicable locality-based comparability payment that may
7 be authorized under section 5304(h)(2)(C)
8 of that title.

9
10
11 (B) EXECUTIVE DIRECTOR.—The executive
12 director shall be responsible for—

13 (i) the carrying out of the administrative
14 duties of the Authority;

15 (ii) direction of the Authority staff;
16 and

17 (iii) such other duties as the Authority
18 may assign.

19 (C) NO FEDERAL EMPLOYEE STATUS.—No
20 member, alternate, officer, or employee of the
21 Authority (except the Federal cochairperson of
22 the Authority, the alternate and staff for the
23 Federal cochairperson, and any Federal employee
24 detailed to the Authority under sub-

1 section (e)(5)) shall be considered to be a Fed-
2 eral employee for any purpose.

3 (i) CONFLICTS OF INTEREST.—

4 (1) IN GENERAL.—Except as provided under
5 paragraph (2), no State member, alternate, officer,
6 or employee of the Authority shall participate per-
7 sonally and substantially as a member, alternate, of-
8 ficer, or employee of the Authority, through decision,
9 approval, disapproval, recommendation, the ren-
10 dering of advice, investigation, or otherwise, in any
11 proceeding, application, request for a ruling or other
12 determination, contract, claim, controversy, or other
13 matter in which, to knowledge of the member, alter-
14 nate, officer, or employee—

15 (A) the member, alternate, officer, or em-
16 ployee;

17 (B) the spouse, minor child, partner, or or-
18 ganization (other than a State or political sub-
19 division of the State) of the member, alternate,
20 officer, or employee, in which the member, al-
21 ternate, officer, or employee is serving as offi-
22 cer, director, trustee, partner, or employee; or

23 (C) any person or organization with whom
24 the member, alternate, officer, or employee is
25 negotiating or has any arrangement concerning

1 prospective employment; has a financial inter-
2 est.

3 (2) DISCLOSURE.—Paragraph (1) shall not
4 apply if the State member, alternate, officer, or
5 employee—

6 (A) immediately advises the Authority of
7 the nature and circumstances of the proceeding,
8 application, request for a ruling or other deter-
9 mination, contract, claim, controversy, or other
10 particular matter presenting a potential conflict
11 of interest;

12 (B) makes full disclosure of the financial
13 interest; and

14 (C) before the proceeding concerning the
15 matter presenting the conflict of interest, re-
16 ceives a written determination by the Authority
17 that the interest is not so substantial as to be
18 likely to affect the integrity of the services that
19 the Authority may expect from the State mem-
20 ber, alternate, officer, or employee.

21 (3) VIOLATION.—Any person that violates this
22 subsection shall be fined not more than \$10,000, im-
23 prisoned not more than 2 years, or both.

24 (j) VALIDITY OF CONTRACTS, LOANS, AND
25 GRANTS.—The Authority may declare void any contract,

1 loan, or grant of or by the Authority in relation to which
2 the Authority determines that there has been a violation
3 of any provision under subsection (h)(4), subsection (i),
4 or sections 202 through 209 of title 18, United States
5 Code.

6 **SEC. 4. ECONOMIC AND COMMUNITY DEVELOPMENT**
7 **GRANTS.**

8 (a) IN GENERAL.—The Authority may approve
9 grants to States and public and nonprofit entities for
10 projects, approved in accordance with section 10—

11 (1) to develop the infrastructures of the region
12 for the purpose of facilitating economic development
13 in the region (except that grants for this purpose
14 may only be made to a State or local government);

15 (2) to assist the region in obtaining the job
16 training, employment-related education, and busi-
17 ness development that are needed to build and main-
18 tain strong local economies;

19 (3) to provide assistance to severely distressed
20 and underdeveloped areas that lack financial re-
21 sources for improving basic public services; and

22 (4) to otherwise achieve the purposes of this
23 Act.

24 (b) FUNDING.—

1 (1) IN GENERAL.—Funds for grants under sub-
2 section (a) may be provided—

3 (A) entirely from appropriations to carry
4 out this section;

5 (B) in combination with funds available
6 under another State or Federal grant program;
7 or

8 (C) from any other source.

9 (2) PRIORITY OF FUNDING.—To best build the
10 foundations for long-term economic development and
11 to complement other Federal and State resources in
12 the region, Federal funds available under this Act
13 shall be focused on the following activities to en-
14 hance the economic capacity of the region including:

15 (A) Basic public infrastructures in dis-
16 tressed counties and isolated areas of distress.

17 (B) Infrastructures for the purpose of fa-
18 cilitating economic development in the region.

19 (C) Business development, with emphasis
20 on entrepreneurship.

21 (D) Job training or employment-related
22 education, with emphasis on use of existing
23 public educational institutions located in the re-
24 gion.

1 (E) Access for residents to affordable,
2 quality health care.

3 (F) Local planning and leadership develop-
4 ment.

5 (3) Federal share in grant programs.—Not-
6 withstanding any provision of law limiting the Fed-
7 eral share in any grant program, funds appropriated
8 to carry out this section may be used to increase a
9 Federal share in a grant program, as the Authority
10 determines appropriate.

11 **SEC. 5. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

12 (a) FINDING.—Congress finds that certain States
13 and local communities of the region, including local devel-
14 opment districts, may be unable to take maximum advan-
15 tage of Federal grant programs for which the States and
16 communities are eligible because—

17 (1) they lack the economic resources to meet
18 the required matching share; or

19 (2) there are insufficient funds available under
20 the applicable Federal grant law authorizing the
21 program to meet pressing needs of the region.

22 (b) FEDERAL GRANT PROGRAM FUNDING.—In ac-
23 cordance with subsection (c), the Federal cochairperson
24 may use amounts made available to carry out this Act,
25 without regard to any limitations on areas eligible for as-

1 sistance or authorizations for appropriation under any
2 other Act, to fund all or any portion of the basic Federal
3 contribution to a project or activity under a Federal grant
4 program in the region in an amount that is above the fixed
5 maximum portion of the cost of the project otherwise au-
6 thorized by applicable law, but not to exceed 80 percent
7 of the costs of the project.

8 (c) CERTIFICATION.—

9 (1) IN GENERAL.—In the case of any program
10 or project for which all or any portion of the basic
11 Federal contribution to the project under a Federal
12 grant program is proposed to be made under this
13 section, no Federal contribution shall be made until
14 the Federal official administering the Federal law
15 authorizing the contribution certifies that the pro-
16 gram or project—

17 (A) meets the applicable requirements of
18 the applicable Federal grant law; and

19 (B) could be approved for Federal con-
20 tribution under the law if funds were available
21 under the law for the program or project.

22 (2) CERTIFICATION BY AUTHORITY.—

23 (A) IN GENERAL.—The certifications and
24 determinations required to be made by the Au-

1 thority for approval of projects under this Act
2 in accordance with section 10—

3 (i) shall be controlling; and

4 (ii) shall be accepted by the Federal
5 agencies.

6 (B) ACCEPTANCE BY FEDERAL COCHAIR-
7 PERSON.—Any finding, report, certification, or
8 documentation required to be submitted to the
9 head of the department, agency, or instrumen-
10 tality of the Federal Government responsible for
11 the administration of any Federal grant pro-
12 gram shall be accepted by the Federal cochair-
13 person with respect to a supplemental grant for
14 any project under the program.

15 **SEC. 6. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION**
16 **AND ADMINISTRATIVE EXPENSES.**

17 (a) DEFINITION OF LOCAL DEVELOPMENT DIS-
18 TRICT.—In this section, the term “local development dis-
19 trict” means an entity designated by the State that—

20 (1) is—

21 (A) a planning district in existence on the
22 date of enactment of this Act that is recognized
23 by the Economic Development Administration
24 of the Department of Commerce; or

1 (B) a development district recognized by
2 the State; or

3 (C) where an entity described in subpara-
4 graph (A) or (B) does not exist—

5 (i) organized and operated in a man-
6 ner that ensures broad-based community
7 participation and an effective opportunity
8 for other nonprofit groups to contribute to
9 the development and implementation of
10 programs in the region;

11 (ii) governed by a policy board with at
12 least a simple majority of members con-
13 sisting of elected officials or employees of
14 a general purpose unit of local government
15 who have been appointed to represent the
16 government;

17 (iii) certified to the Authority as hav-
18 ing a charter or authority that includes the
19 economic development of counties or parts
20 of counties or other political subdivisions
21 within the region—

22 (I) by the Governor of each State
23 in which the entity is located; or

1 (II) by the State officer des-
2 ignated by the appropriate State law
3 to make the certification; and

4 (iv)(I) a nonprofit incorporated body
5 organized or chartered under the law of
6 the State in which the entity is located;

7 (II) a nonprofit agency or instrumen-
8 tality of a State or local government;

9 (III) a public organization established
10 before the date of enactment of this Act
11 under State law for creation of multijuris-
12 dictional, areawide planning organizations;
13 or

14 (IV) a nonprofit association or com-
15 bination of bodies, agencies, and instru-
16 mentalities described in subclauses (I)
17 through (III); and

18 (2) has not, as certified by the Federal
19 cochairperson—

20 (A) inappropriately used Federal grant
21 funds from any Federal source; or

22 (B) appointed an officer who, during the
23 period in which another entity inappropriately
24 used Federal grant funds from any Federal
25 source, was an officer of the other entity.

1 (b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

2 (1) IN GENERAL.—The Authority may make
3 grants for administrative expenses under this sec-
4 tion.

5 (2) CONDITIONS FOR GRANTS.—

6 (A) MAXIMUM AMOUNT.—The amount of
7 any grant awarded under paragraph (1) shall
8 not exceed 80 percent of the administrative ex-
9 penses of the local development district receiv-
10 ing the grant.

11 (B) LOCAL SHARE.—The contributions of
12 a local development district for administrative
13 expenses may be in cash or in kind, fairly evalu-
14 ated, including space, equipment, and services.

15 (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—

16 A local development district shall—

17 (1) operate as a lead organization serving
18 multicounty areas in the region at the local level;
19 and

20 (2) serve as a liaison between State and local
21 governments, nonprofit organizations (including
22 community-based groups and educational institu-
23 tions), the business community, and citizens that—

24 (A) are involved in multijurisdictional plan-
25 ning;

1 (B) provide technical assistance to local ju-
2 risdictions and potential grantees; and

3 (C) provide leadership and civic develop-
4 ment assistance.

5 **SEC. 7. DISTRESSED COUNTIES AND AREAS AND NONDIS-**
6 **TRESSED COUNTIES.**

7 Not later than 90 days after the date of enactment
8 of this Act, and annually thereafter, the Authority, in ac-
9 cordance with such criteria as the Authority may
10 designate—

11 (1) as distressed counties, counties in the re-
12 gion that are the most severely and persistently dis-
13 tressed and underdeveloped and have high rates of
14 poverty, low per capita income, or high rates of un-
15 employment; and

16 (2) as isolated areas of distress, areas located
17 in nondistressed counties in the region that are se-
18 verely and persistently distressed as documented by
19 comparable statistical measures.

20 **SEC. 8. DEVELOPMENT PLANNING PROCESS.**

21 (a) STATE DEVELOPMENT PLAN.—In accordance
22 with policies established by the Authority, each State
23 member shall submit a development plan for the area of
24 the region represented by the State member.

1 (b) CONTENT OF PLAN.—A State development plan
2 submitted under subsection (a) shall reflect the goals, ob-
3 jectives, and priorities identified in the regional develop-
4 ment plan developed under section 3(d)(2).

5 (c) CONSULTATION WITH INTERESTED LOCAL PAR-
6 TIES.—In carrying out the development planning process
7 (including the selection of programs and projects for as-
8 sistance), a State may—

9 (1) consult with—

10 (A) local development districts;

11 (B) local units of government; and

12 (C) institutions of higher learning; and

13 (2) take into consideration the goals, objectives,
14 priorities, and recommendations of the entities de-
15 scribed in paragraph (1).

16 (d) PUBLIC PARTICIPATION.—

17 (1) IN GENERAL.—The Authority and applica-
18 ble State and local development districts shall en-
19 courage and assist, to the maximum extent prac-
20 ticable, public participation in the development, revi-
21 sion, and implementation of all plans and programs
22 under this Act.

23 (2) REGULATIONS.—The Authority shall de-
24 velop guidelines for providing public participation

1 described in paragraph (1), including public hear-
2 ings.

3 **SEC. 9. PROGRAM DEVELOPMENT CRITERIA.**

4 (a) IN GENERAL.—In considering programs and
5 projects to be provided assistance under this Act, and in
6 establishing a priority ranking of the requests for assist-
7 ance provided by the Authority, the Authority shall follow
8 procedures that ensure, to the maximum extent prac-
9 ticable, consideration of—

10 (1) the relationship of the project or class of
11 projects to overall regional development;

12 (2) the per capita income and poverty and un-
13 employment rates and other socioeconomic indicators
14 in an area;

15 (3) the financial resources available to the ap-
16 plicants for assistance seeking to carry out the
17 project, with emphasis on ensuring that projects are
18 adequately financed to maximize the probability of
19 successful economic development;

20 (4) the importance of the project or class of
21 projects in relation to other projects or classes of
22 projects that may be in competition for the same
23 funds;

24 (5) the prospects that the project for which as-
25 sistance is sought will improve, on a continuing rath-

1 er than a temporary basis, the opportunities for em-
2 ployment, the average level of income, or the eco-
3 nomic development of the area served by the project;
4 and

5 (6) the extent to which the project design pro-
6 vides for detailed outcome measurements by which
7 grant expenditures and the results of the expendi-
8 tures may be evaluated.

9 (b) NO RELOCATION ASSISTANCE.—No financial as-
10 sistance authorized by this Act shall be used to assist an
11 establishment in relocating from 1 area to another.

12 (c) REDUCTION OF FUNDS.—Funds may be provided
13 for a program or project in a State under this Act only
14 if the Authority determines that the level of Federal or
15 State financial assistance provided under a law other than
16 this Act, for the same type of program or project in the
17 same area of the State within the region, will not be re-
18 duced as a result of funds made available by this Act.

19 **SEC. 10. APPROVAL OF DEVELOPMENT PLANS AND**
20 **PROJECTS.**

21 (a) IN GENERAL.—A State or regional development
22 plan or any multistate subregional plan that is proposed
23 for development under this Act shall be reviewed by the
24 Authority.

1 (b) EVALUATION BY STATE MEMBER.—An applica-
2 tion for a grant or any other assistance for a project under
3 this Act shall be made through and evaluated for approval
4 by the State member of the Authority representing the
5 applicant.

6 (c) CERTIFICATION.—An application for a grant or
7 other assistance for a project shall be approved only on
8 certification by the State member that the application for
9 the project—

10 (1) describes ways in which the project complies
11 with any applicable State development plan;

12 (2) meets applicable criteria under section 9;

13 (3) provides adequate assurance that the pro-
14 posed project will be properly administered, oper-
15 ated, and maintained; and

16 (4) otherwise meets the requirements of this
17 Act.

18 (d) VOTES FOR DECISIONS.—On certification by a
19 State member of the Authority of an application for a
20 grant or other assistance for a specific project under this
21 section, an affirmative vote of the Authority under section
22 3(c) shall be required for approval of the application.

1 **SEC. 11. CONSENT OF STATES.**

2 Nothing in this Act requires any State to engage in
3 or accept any program under this Act without the consent
4 of the State.

5 **SEC. 12. RECORDS.**

6 (a) RECORDS OF THE AUTHORITY.—

7 (1) IN GENERAL.—The Authority shall main-
8 tain accurate and complete records of all trans-
9 actions and activities of the Authority.

10 (2) AVAILABILITY.—All records of the Author-
11 ity shall be available for audit and examination by
12 the Comptroller General of the United States and
13 the Inspector General of the Department of Agri-
14 culture (including authorized representatives of the
15 Comptroller General and the Inspector General of
16 the Department of Agriculture).

17 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-
18 ANCE.—

19 (1) IN GENERAL.—A recipient of Federal funds
20 under this Act shall, as required by the Authority,
21 maintain accurate and complete records of trans-
22 actions and activities financed with Federal funds
23 and report on the transactions and activities to the
24 Authority.

25 (2) AVAILABILITY.—All records required under
26 paragraph (1) shall be available for audit by the

1 Comptroller General of the United States, and the
2 Authority (including authorized representatives of
3 the Comptroller General, and the Authority).

4 (c) ANNUAL AUDIT.—The Authority shall secure an
5 independent auditor to audit the activities, transactions,
6 and records of the Authority on an annual basis.

7 **SEC. 13. ANNUAL REPORT.**

8 Not later than 180 days after the end of each fiscal
9 year, the Authority shall submit to the President and to
10 Congress a report describing the activities carried out
11 under this Act.

12 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

13 (a) IN GENERAL.—There is authorized to be appro-
14 priated to the Authority to carry out this Act \$40,000,000
15 for each of fiscal years 2003 through 2007, to remain
16 available until expended.

17 (b) ADMINISTRATIVE EXPENSES.—Not more than 5
18 percent of the amount appropriated under subsection (a)
19 for a fiscal year shall be used for administrative expenses
20 of the Authority.

21 **SEC. 15. TERMINATION OF AUTHORITY.**

22 This Act shall have no force or effect on or after Oc-
23 tober 1, 2007.

1 **SEC. 16. AREA COVERED BY SOUTHEAST CRESCENT AU-**
2 **THORITY.**

3 (a) IN GENERAL.—The SouthEast Crescent Author-
4 ity shall include all parts of the States of Virginia, North
5 Carolina, South Carolina, Georgia, Alabama, Mississippi,
6 and Florida not already served by the Appalachian Re-
7 gional Commission or the Delta Regional Authority.

8 (b) ADDITIONAL AREAS ELIGIBLE FOR INCLU-
9 SION.—Upon adoption by the government of any of the
10 following counties in Alabama of a formal resolution indi-
11 cating the decision of the county to be included in the
12 SouthEast Crescent Authority, the county shall be so in-
13 cluded: Barbour, Bullock, Choctaw, Clarke, Dallas,
14 Greene, Hale, Lowndes, Macon, Marengo, Perry, Pickens,
15 Russell, Sumter, Washington, Wilcox.

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