

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3315

To amend title I of the Housing and Community Development Act of 1974 to withhold community development block grant funds from States and communities that do not prohibit the use of the power of eminent domain that involves the taking of the property from private persons for commercial or economic development purposes and transfer of the property to other private persons.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2005

Ms. WATERS (for herself, Mr. NEY, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend title I of the Housing and Community Development Act of 1974 to withhold community development block grant funds from States and communities that do not prohibit the use of the power of eminent domain that involves the taking of the property from private persons for commercial or economic development purposes and transfer of the property to other private persons.

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

1 **SECTION 1. PROHIBITION ON USE OF EMINENT DOMAIN TO**  
2 **OBTAIN PROPERTY FOR COMMERCIAL DE-**  
3 **VELOPMENT BY PRIVATE PERSONS.**

4 Title I of the Housing and Community Development  
5 Act of 1974 is amended—

6 (1) in section 104 (42 U.S.C. 5304)—

7 (A) in subsection (b)—

8 (i) in paragraph (5), by striking  
9 “and” at the end;

10 (ii) by redesignating paragraph (6) as  
11 paragraph (7); and

12 (iii) by inserting after paragraph (5)  
13 the following new paragraph:

14 “(6) the grantee (or, in the case of a grantee  
15 that is a unit of general local government, the State  
16 in which such unit is located) has in effect laws, reg-  
17 ulations, or policies referred to in paragraph (1) or  
18 (2), as appropriate, of subsection (n); and”;

19 (B) by adding at the end the following new  
20 subsection:

21 “(n) PROHIBITION ON USE OF EMINENT DOMAIN TO  
22 OBTAIN PROPERTY FOR COMMERCIAL DEVELOPMENT BY  
23 PRIVATE PERSONS.—

24 “(1) UNITS OF GENERAL LOCAL GOVERN-  
25 MENT.—No funds made available for grants under  
26 section 106 for fiscal year 2006 or any fiscal year

1       thereafter may be obligated or expended to any unit  
2       of general local government unless such unit of gen-  
3       eral local government (or the State in which such  
4       unit of general local government is located) has in  
5       effect and is enforcing laws, regulations, or policies  
6       that prohibit the use of the power of eminent do-  
7       main by the unit of general local government (or in  
8       the case of laws, regulations, or policies of a State,  
9       by the State and by any political subdivision of the  
10      State), that involves the taking of the property from  
11      private persons for commercial or economic develop-  
12      ment purposes and transfer of the property to other  
13      private persons.

14           “(2) STATES AND OTHER GRANTEES.—No  
15      funds made available for grants under section 106  
16      for fiscal year 2006 or any fiscal year thereafter  
17      may be obligated or expended to any State, Indian  
18      tribe, or insular area unless such State, Indian tribe,  
19      or insular area has in effect and is enforcing laws,  
20      regulations, or policies that prohibit the use of the  
21      power of eminent domain by such State and by any  
22      political subdivision of the State, such Indian tribe,  
23      or such insular area, respectively, that involves the  
24      taking of the property from private persons for com-  
25      mercial or economic development purposes and

1 transfer of the property to other private persons.”;

2 and

3 (2) in section 106 (42 U.S.C. 5306)—

4 (A) in the last sentence of subsection  
5 (a)(1), by striking “and (k)” and inserting  
6 “(k), and (n)(2)”;

7 (B) in subsection (c), in the first sentence  
8 of paragraph (1), by striking “or (d)” and in-  
9 serting “(d), or (n)(2)”;

10 (C) in subsection (d)(3)(C), by striking “or  
11 (d)” and inserting “(d), or (n)(1)”.

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