

109TH CONGRESS  
2D SESSION

# H. R. 5812

To reauthorize and improve the program authorized by the Appalachian  
Regional Development Act of 1965.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2006

Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. SHUSTER, Ms. NORTON, Mr. BACHUS, Mr. BOEHLERT, Mr. CHANDLER, Mr. DAVIS of Tennessee, Mr. DUNCAN, Mr. HIGGINS, Mr. HOLDEN, Mr. KUHL of New York, and Mr. RAHALL) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

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## A BILL

To reauthorize and improve the program authorized by the  
Appalachian Regional Development Act of 1965.

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 “Appalachian Regional  
5 Development Act Amendments of 2006”.

6 **SEC. 2. LIMITATION ON AVAILABLE AMOUNTS; MAXIMUM**  
7 **COMMISSION CONTRIBUTION.**

8 (a) GRANTS AND OTHER ASSISTANCE.—Section  
9 14321(a) of title 40, United States Code, is amended—

1           (1) in paragraph (1)(A), by striking clause (i)  
2           and inserting the following:

3                   “(i) the amount of the grant shall not  
4                   exceed—

5                           “(I) 50 percent of administrative  
6                           expenses;

7                           “(II) at the discretion of the  
8                           Commission, if the grant is to a local  
9                           development district that has a char-  
10                          ter or authority that includes the eco-  
11                          nomic development of a county or a  
12                          part of a county for which a dis-  
13                          tressed county designation is in effect  
14                          under section 14526, 75 percent of  
15                          administrative expenses; or

16                          “(III) at the discretion of the  
17                          Commission, if the grant is to a local  
18                          development district that has a char-  
19                          ter or authority that includes the eco-  
20                          nomic development of a county or a  
21                          part of a county for which an at-risk  
22                          county designation is in effect under  
23                          section 14526, 70 percent of adminis-  
24                          trative expenses;”; and

1           (2) in paragraph (2), by striking subparagraph  
2       (A) and inserting the following:

3           “(A) IN GENERAL.—Except as provided in  
4           subparagraph (B), of the cost of any activity el-  
5           igible for financial assistance under this section,  
6           not more than—

7           “(i) 50 percent may be provided from  
8           amounts appropriated to carry out this  
9           subtitle;

10          “(ii) in the case of a project to be car-  
11          ried out in a county for which a distressed  
12          county designation is in effect under sec-  
13          tion 14526, 80 percent may be provided  
14          from amounts appropriated to carry out  
15          this subtitle; or

16          “(iii) in the case of a project to be  
17          carried out in a county for which an at-  
18          risk county designation is in effect under  
19          section 14526, 70 percent may be provided  
20          from amounts appropriated to carry out  
21          this subtitle.”.

22       (b) DEMONSTRATION HEALTH PROJECTS.—Section  
23   14502 of title 40, United States Code, is amended—

24           (1) in subsection (d), by striking paragraph (2)  
25       and inserting the following:

1           “(2) LIMITATION ON AVAILABLE AMOUNTS.—  
2       Grants under this section for the operation (includ-  
3       ing initial operating amounts and operating deficits,  
4       which include the cost of attracting, training, and  
5       retaining qualified personnel) of a demonstration  
6       health project, whether or not constructed with  
7       amounts authorized by this section, may be made for  
8       up to—

9           “(A) 50 percent of the cost of that oper-  
10       ation;

11          “(B) in the case of a project to be carried  
12       out in a county for which a distressed county  
13       designation is in effect under section 14526, 80  
14       percent of the cost of that operation; or

15          “(C) in the case of a project to be carried  
16       out for a county for which an at-risk county  
17       designation is in effect under section 14526, 70  
18       percent of the cost of that operation.”; and

19       (2) in subsection (f), by adding at the end the  
20       following:

21          “(3) AT-RISK COUNTIES.—The maximum Com-  
22       mission contribution for a project to be carried out  
23       in a county for which an at-risk county designation  
24       is in effect under section 14526 may be increased to  
25       the lesser of—

1 “(A) 70 percent; or

2 “(B) the maximum Federal contribution  
3 percentage authorized by this section.”.

4 (c) ASSISTANCE FOR PROPOSED LOW- AND MIDDLE-  
5 INCOME HOUSING PROJECTS.—Section 14503 of title 40,  
6 United States Code, is amended—

7 (1) in subsection (d), by striking paragraph (1)  
8 and inserting the following:

9 “(1) LIMITATION ON AVAILABLE AMOUNTS.—A  
10 loan under subsection (b) for the cost of planning  
11 and obtaining financing (including the cost of pre-  
12 liminary surveys and analyses of market needs, pre-  
13 liminary site engineering and architectural fees, site  
14 options, application and mortgage commitment fees,  
15 legal fees, and construction loan fees and discounts)  
16 of a project described in that subsection may be  
17 made for up to—

18 “(A) 50 percent of that cost;

19 “(B) in the case of a project to be carried  
20 out in a county for which a distressed county  
21 designation is in effect under section 14526, 80  
22 percent of that cost; or

23 “(C) in the case of a project to be carried  
24 out for a county for which an at-risk county

1 designation is in effect under section 14526, 70  
2 percent of that cost.”; and

3 (2) in subsection (e), by striking paragraph (1)  
4 and inserting the following:

5 “(1) IN GENERAL.—A grant under this section  
6 for expenses incidental to planning and obtaining fi-  
7 nancing for a project under this section that the  
8 Secretary considers to be unrecoverable from the  
9 proceeds of a permanent loan made to finance the  
10 project shall—

11 “(A) not be made to an organization estab-  
12 lished for profit; and

13 “(B) except as provided in paragraph (2),  
14 not exceed—

15 “(i) 50 percent of those expenses;

16 “(ii) in the case of a project to be car-  
17 ried out in a county for which a distressed  
18 county designation is in effect under sec-  
19 tion 14526, 80 percent of those expenses;  
20 or

21 “(iii) in the case of a project to be  
22 carried out in a county for which an at-  
23 risk county designation is in effect under  
24 section 14526, 70 percent of those ex-  
25 penses.”.

1 (d) TELECOMMUNICATIONS AND TECHNOLOGY INI-  
2 TIATIVE.—Section 14504 of title 40, United States Code,  
3 is amended by striking subsection (b) and inserting the  
4 following:

5 “(b) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
6 cost of any activity eligible for a grant under this section,  
7 not more than—

8 “(1) 50 percent may be provided from amounts  
9 appropriated to carry out this section;

10 “(2) in the case of a project to be carried out  
11 in a county for which a distressed county designa-  
12 tion is in effect under section 14526, 80 percent  
13 may be provided from amounts appropriated to  
14 carry out this section; or

15 “(3) in the case of a project to be carried out  
16 in a county for which an at-risk county designation  
17 is in effect under section 14526, 70 percent may be  
18 provided from amounts appropriated to carry out  
19 this section.”.

20 (e) ENTREPRENEURSHIP INITIATIVE.—Section  
21 14505 of title 40, United States Code, is amended by  
22 striking subsection (c) and inserting the following:

23 “(c) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
24 cost of any activity eligible for a grant under this section,  
25 not more than—

1           “(1) 50 percent may be provided from amounts  
2           appropriated to carry out this section;

3           “(2) in the case of a project to be carried out  
4           in a county for which a distressed county designa-  
5           tion is in effect under section 14526, 80 percent  
6           may be provided from amounts appropriated to  
7           carry out this section; or

8           “(3) in the case of a project to be carried out  
9           in a county for which an at-risk county designation  
10          is in effect under section 14526, 70 percent may be  
11          provided from amounts appropriated to carry out  
12          this section.”.

13          (f) REGIONAL SKILLS PARTNERSHIPS.—Section  
14          14506 of title 40, United States Code, is amended by  
15          striking subsection (d) and inserting the following:

16          “(d) LIMITATION ON AVAILABLE AMOUNTS.—Of the  
17          cost of any activity eligible for a grant under this section,  
18          not more than—

19                 “(1) 50 percent may be provided from amounts  
20                 appropriated to carry out this section;

21                 “(2) in the case of a project to be carried out  
22                 in a county for which a distressed county designa-  
23                 tion is in effect under section 14526, 80 percent  
24                 may be provided from amounts appropriated to  
25                 carry out this section; or



1 “(3) in the case of a project to be carried out  
 2 in a county for which an at-risk county designation  
 3 is in effect under section 14526, 70 percent may be  
 4 provided from amounts appropriated to carry out  
 5 this section.”.

6 (g) SUPPLEMENTS TO FEDERAL GRANT PRO-  
 7 GRAMS.—Section 14507(g) of title 40, United States  
 8 Code, is amended by adding at the end the following:

9 “(3) AT-RISK COUNTIES.—The maximum Com-  
 10 mission contribution for a project to be carried out  
 11 in a county for which an at-risk county designation  
 12 is in effect under section 14526 may be increased to  
 13 70 percent.”.

14 **SEC. 3. DISTRESSED, AT-RISK, AND ECONOMICALLY**  
 15 **STRONG COUNTIES.**

16 (a) DESIGNATION OF AT-RISK COUNTIES.—Section  
 17 14526 of title 40, United States Code, is amended—

18 (1) in the section heading, by inserting “, **at-**  
 19 **risk,**” after “**Distressed**”; and

20 (2) in subsection (a)(1) —

21 (A) by redesignating subparagraph (B) as  
 22 subparagraph (C);

23 (B) in subparagraph (A), by striking  
 24 “and” at the end; and

1 (C) by inserting after subparagraph (A)  
 2 the following:

3 “(B) designate as ‘at-risk counties’ those  
 4 counties in the Appalachian region that are  
 5 most at risk of becoming economically dis-  
 6 tressed; and”.

7 (b) CONFORMING AMENDMENT.—The analysis for  
 8 chapter 145 of such title is amended by striking the item  
 9 relating to section 14526 and inserting the following:

“14526. Distressed, at-risk, and economically strong counties.”.

10 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) IN GENERAL.—Section 14703(a) of title 40,  
 12 United States Code, is amended to read as follows:

13 “(a) IN GENERAL.—In addition to amounts made  
 14 available under section 14501, there are authorized to be  
 15 appropriated to the Appalachian Regional Commission to  
 16 carry out this subtitle—

17 “(1) \$95,200,000 for fiscal year 2007;

18 “(2) \$98,600,000 for fiscal year 2008;

19 “(3) \$102,000,000 for fiscal year 2009;

20 “(4) \$105,700,000 for fiscal year 2010; and

21 “(5) \$109,400,000 for fiscal year 2011.”.

22 (b) ALLOCATION OF FUNDS.—Section 14703 of such  
 23 title is amended by adding at the end the following:

24 “(d) ALLOCATION OF FUNDS.—Funds approved by  
 25 the Commission for a project in an Appalachian State pur-

1 suant to congressional direction shall be derived from such  
2 State’s portion of the Commission’s allocation of appro-  
3 priated amounts among the States.”.

4 **SEC. 5. TERMINATION.**

5 Section 14704 of title 40, United States Code, is  
6 amended by striking “2006” and inserting “2011”.

7 **SEC. 6. EFFECTIVE DATE.**

8 The amendments made by this Act take effect on Oc-  
9 tober 1, 2006.

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