

109TH CONGRESS
1ST SESSION

S. 1024

To revitalize suburban communities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 12, 2005

Mrs. CLINTON introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To revitalize suburban 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 “Suburban Core Oppor-
5 tunity, Restoration, and Enhancement (SCORE) Act of
6 2005”.

7 **SEC. 2. GENERAL PROVISIONS.**

8 (a) DEFINITIONS.—As used in this Act—

9 (1) the term “unit of local government” means
10 any city, other than a metropolitan city located in a
11 metropolitan statistical area, county, town, township,
12 parish, village, hamlet, or other general purpose po-

1 litical subdivision of a State that contains within its
2 boundaries an eligible SCORE project area;

3 (2) the term “State” means any State of the
4 United States, the Commonwealth of Puerto Rico,
5 Guam, the Northern Mariana Islands, the Virgin Is-
6 lands, and America Samoa;

7 (3) the term “metropolitan area” means a
8 standard metropolitan statistical area as established
9 by the Office of Management and Budget;

10 (4) the term “metropolitan city” means—

11 (A) a city within a metropolitan area which
12 is the central city of such area, as defined and
13 used by the Office of Management and Budget;
14 or

15 (B) any other city, within a metropolitan
16 area, which has a population of 50,000 or more;

17 (5) the term “Secretary” means the Secretary
18 of Housing and Urban Development; and

19 (6) the term “SCORE project area” means any
20 area that—

21 (A) is not eligible to be designated as a re-
22 newal community under section 1400E of the
23 Internal Revenue Code of 1986;

1 (B) is not smaller than a census-des-
2 ignated place (“CDP”) as defined by the
3 United States Bureau of the Census; and

4 (C) includes some of the following:

5 (i) Close proximity to existing develop-
6 ment and infrastructure, including access
7 to mass transit.

8 (ii) Substandard, deteriorating, dis-
9 tressed, abandoned, or underutilized resi-
10 dential, commercial, and industrial prop-
11 erties.

12 (iii) An average housing cost-burden
13 of at least 50 percent of gross income.

14 (iv) A commercial property vacancy
15 rate 30 percent higher than the average
16 commercial vacancy rate for all metropoli-
17 tan areas.

18 (v) An older, economically obsolescent
19 regional mall, commonly referred to as a
20 “Greyfield mall”.

21 (b) BASIS AND MODIFICATION OF DEFINITIONS.—

22 Where appropriate, the definitions in subsection (a) shall
23 be based, with respect to any fiscal year, on the most re-
24 cent data compiled by the United States Bureau of the
25 Census and the latest published reports of the Office of

1 Management and Budget available 90 days prior to the
2 beginning of such fiscal year. The Secretary may by regu-
3 lation change or otherwise modify the meaning of the
4 terms defined in subsection (a) in order to reflect any
5 technical change or modification thereof made subsequent
6 to such date by the United States Bureau of the Census
7 or the Office of Management and Budget.

8 **SEC. 3. DESIGNATION OF SCORE PROJECT AREAS.**

9 (a) IN GENERAL.—From among the areas nominated
10 for designation under this section, the Secretary may des-
11 ignate 1 or more SCORE project areas.

12 (b) LIMITATIONS ON DESIGNATION.—No area may
13 be designated under subsection (a) unless—

14 (1) the area is nominated by 1 or more units
15 of local government, including municipal and county
16 authorities;

17 (2) the unit of local government provides writ-
18 ten assurances and other documentation satisfactory
19 to the Secretary that—

20 (A) it convened a SCORE advisory com-
21 mittee to enter into a collaborative community
22 planning process to determine the SCORE
23 project area to be nominated;

24 (B) the SCORE advisory committee held a
25 series of open meetings to develop a vision

1 statement with the consensus of the community
2 that describes—

3 (i) the geographical extent of the
4 SCORE project area;

5 (ii) the community's goals in applying
6 for such a designation; and

7 (iii) the community's plan for the use
8 of any funds received under this Act; and

9 (C) the SCORE advisory committee passed
10 a resolution, that was later adopted by the unit
11 of local government, adopting the vision state-
12 ment agreed to in subparagraph (B); and

13 (3) the Secretary determines that any informa-
14 tion furnished is reasonably accurate.

15 **SEC. 4. PLANNING GRANTS FOR SCORE PROJECT AREAS.**

16 (a) GRANTS AUTHORIZED.—

17 (1) IN GENERAL.—The Secretary may award a
18 grant to a unit of local government to plan activities
19 in accordance with the provisions of this section.

20 (2) AMOUNT.—A grant awarded under sub-
21 section (a) shall not exceed \$250,000.

22 (3) AWARD BASIS.—The Secretary shall award
23 grants under this section on a competitive basis.

24 (b) APPLICATION.—A unit of local government seek-
25 ing a grant under this section on behalf of a designated

1 SCORE project area shall submit an application to the
2 Secretary at such time, in such manner, and containing
3 such information as the Secretary may require.

4 (c) USE OF FUNDS.—A grant awarded to a unit of
5 local government on behalf of a designated SCORE
6 project area pursuant to subsection (a) shall be used to
7 create a strategic plan for the SCORE project area. Such
8 a strategic plan shall include plans for—

9 (1) increasing the types of housing available
10 within the SCORE project area;

11 (2) protecting natural resources, farmland, and
12 critical environmental lands within the SCORE
13 project area;

14 (3) preserving or increasing the amount of open
15 space, public plazas, parks, and recreation areas
16 within the SCORE project area;

17 (4) increasing the construction of mixed use
18 properties and buildings within the SCORE project
19 area;

20 (5) enhancing and promoting public transpor-
21 tation and improved circulation and access within
22 the SCORE project area, including the construction
23 and renovation of streets for pedestrian use, improv-
24 ing access to and condition of transit stations and

1 facilities, and the creation of commercial and mixed
2 use properties adjacent to transit stations;

3 (6) preserving the character of the community
4 within the SCORE project area, including limits on
5 the choice of architectural designs and the loss of
6 historic features; and

7 (7) programs or initiatives that enhance the
8 economic base of the SCORE project area, including
9 the creation of business improvement districts, fa-
10 cade enhancement programs, retail store recruit-
11 ment, and community marketing.

12 (d) SCORE ADVISORY COMMITTEE.—

13 (1) IN GENERAL.—Any unit of local govern-
14 ment seeking to receive funds under this section
15 shall work in close association with a SCORE advi-
16 sory committee.

17 (2) PUBLIC HEARING.—The SCORE advisory
18 committee shall hold at least one hearing, open to
19 the public, concerning the strategic plan with stake-
20 holders and other interested groups within the com-
21 munity so that the opinions of such parties can be
22 taken into account and so that outside groups can
23 learn of the strategic plan.

24 (3) PUBLIC NOTICE.—Copies of the strategic
25 plan as well as the date and time of the hearing

1 shall be made available to the public at least two
2 weeks prior to the hearing.

3 (4) 90 DAY PERIOD FOR COMMENTS.—After the
4 hearing, any interested party shall have 90 days in
5 which to submit comments to the strategic plan ad-
6 visory committee. At the end of this period, the
7 SCORE advisory committee shall hold an additional
8 hearing, open to the public, to discuss any revisions
9 made to the strategic plan.

10 (e) AUTHORIZATION OF APPROPRIATIONS.—

11 (1) IN GENERAL.—There are authorized to be
12 appropriated \$2,000,000 for fiscal year 2006 to
13 carry out the provisions of this section.

14 (2) AMOUNTS AVAILABLE UNTIL EXPENDED.—
15 Amounts appropriated under paragraph (1) shall re-
16 main available until expended.

17 **SEC. 5. REVITALIZATION GRANTS FOR SCORE PROJECT**
18 **AREAS.**

19 (a) GRANTS AUTHORIZED.—

20 (1) IN GENERAL.—The Secretary may award a
21 grant to a unit of local government to fund activities
22 to revitalize SCORE project areas in accordance
23 with the provisions of this section.

1 (2) LIMITATION ON AMOUNT.—No unit of local
2 government may receive grants under this section to-
3 taling more than \$50,000,000.

4 (3) AWARD BASIS.—The Secretary shall award
5 grants under this section on a competitive basis.

6 (b) APPLICATION.—A unit of local government seek-
7 ing a grant under this section shall submit an application
8 to the Secretary at such time, in such manner, and con-
9 taining such information as the Secretary may require.

10 (c) SCORE REINVESTMENT FUND.—

11 (1) IN GENERAL.—Any unit of local govern-
12 ment receiving a grant pursuant to subsection (a)
13 shall establish a separate fund, to be known as a
14 SCORE Reinvestment Fund, to be administered by
15 the unit local government, in consultation with a
16 SCORE advisory committee. The SCORE Reinvest-
17 ment Fund shall be credited with all grant funds
18 made available under this Act.

19 (2) DISTRIBUTION.—A unit of local govern-
20 ment, in consultation with a SCORE advisory com-
21 mittee, shall distribute such sums as are necessary
22 from the SCORE Reinvestment Fund to fund
23 projects to revitalize SCORE project areas.

24 (d) USE OF FUNDS.—

1 (1) IN GENERAL.—A grant awarded to a unit
2 of local government and distributed from a SCORE
3 Reinvestment Fund shall be used to—

4 (A) acquire real, commercial, or industrial
5 property and existing structures within a
6 SCORE project area;

7 (B) pay for the costs of hiring engineers to
8 develop or redevelop real, commercial, or indus-
9 trial property and existing structures within a
10 SCORE project area; and

11 (C) pay for the construction, reconstruc-
12 tion, alteration, rehabilitation, or to make sub-
13 stantial improvements to real, commercial, or
14 industrial property and existing structures with
15 a SCORE project area.

16 (2) LIMITATION.—No more than 20 percent of
17 the sums distributed from a SCORE Reinvestment
18 Fund shall be allocated to any single project to revi-
19 talize SCORE project areas.

20 (e) CERTIFICATION OF ASSESSED VALUES.—Any
21 unit of local government receiving a grant pursuant to
22 subsection (a) must determine and certify the assessed
23 value of all taxable real property within the SCORE
24 project area as of the date the unit of local government
25 applied for the grant, and for each fiscal year thereafter.

1 (f) RECEIPT OF REVENUE.—A unit of local govern-
2 ment receiving a grant pursuant to subsection (a) shall
3 ensure that—

4 (1) it will receive for each fiscal year the equiv-
5 alent of any tax revenues generated from taxes lev-
6 ied on the assessed value of real property within the
7 SCORE project area as of the date it applied for the
8 grant;

9 (2) until an amount equal to the amount of the
10 grant awarded pursuant to subsection (a) is col-
11 lected, the SCORE Reinvestment Fund will receive
12 all taxes generated as result of any increase in the
13 assessed value of all taxable real property within a
14 SCORE project area after the date it applied for the
15 grant; and

16 (3) after an amount equal to the amount of the
17 grant awarded pursuant to subsection (a) is col-
18 lected, the SCORE Reinvestment Fund will receive
19 50 percent of all taxes generated as result of any in-
20 crease in the assessed value of all taxable real prop-
21 erty within a SCORE project area after the date it
22 applied for the grant.

23 (g) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated \$250,000,000 for fiscal
25 year 2006 to carry out the provisions of this section.

1 **SEC. 6. REQUIREMENT FOR AUDITS AND REPORTS BY**
2 **UNITS OF LOCAL GOVERNMENT.**

3 (a) **REPORTS.**—The Secretary may not award a grant
4 under section 5 for a fiscal year unless the unit of local
5 government shall prepare and submit to the Secretary an
6 annual report in such form and containing such informa-
7 tion as the Secretary determines to be necessary for—

8 (1) securing a record and a description of the
9 purposes for which a grant received by a unit of
10 local government pursuant to section 5 was ex-
11 pended and of the recipients of such expenditures;

12 (2) determining whether the grant awarded was
13 expended in accordance with the purposes and limi-
14 tations required pursuant to subsection (d) of sec-
15 tion 5; and

16 (3) determining the percentage of the grant
17 awarded that was expended by the unit of local gov-
18 ernment for administrative expenses during the pre-
19 ceding fiscal year.

20 (b) **AUDIT.**—

21 (1) **IN GENERAL.**—The Secretary may not
22 award a grant under section 5 for a fiscal year un-
23 less the unit of local government shall establish such
24 fiscal controls and fund accounting procedures as
25 may be necessary to ensure the proper disbursement of,

1 and accounting for, amounts received by the unit of
2 local government under such section.

3 (2) STANDARDS.—The Secretary may not
4 award a grant under section 5 unless the unit of
5 local government shall—

6 (A) provide for a single financial and com-
7 pliance audit of each SCORE Reinvestment
8 Fund;

9 (B) perform an audit biennially and that
10 such an audit will cover expenditures in each
11 fiscal year; and

12 (C) conduct such an audit in accordance
13 with standards established by the Comptroller
14 General of the United States for the audit of
15 governmental organizations, programs, activi-
16 ties, and functions.

17 (3) DEFINITION.—For purposes of paragraph
18 (2), the term “financial and compliance audit”
19 means an audit to determine whether the financial
20 statements of an audited SCORE Reinvestment
21 Fund present fairly the financial position, and the
22 results of financial operations, of the SCORE Rein-
23 vestment Fund in accordance with generally accept-
24 ed accounting principles, and whether the SCORE
25 Reinvestment Fund has complied with laws and reg-

1 ulations that may have a material effect upon the fi-
2 nancial statements.

3 (c) AVAILABILITY TO THE PUBLIC.—The Secretary
4 may not award a grant under section 5 for a fiscal year
5 unless the unit of local government shall make copies of
6 the reports and audits described in this section available
7 for public inspection.

8 (d) EVALUATIONS BY COMPTROLLER GENERAL.—
9 The Comptroller General of the United States shall, from
10 time to time, evaluate the expenditures by units of local
11 government of grants awarded under section 5 in order
12 to ensure that expenditures are consistent with the provi-
13 sions of this section.

14 **SEC. 7. INTERACTION WITH COMMUNITY DEVELOPMENT**
15 **BLOCK GRANT PROGRAMS.**

16 (a) BUSINESS LOCATED WITHIN SCORE PROJECT
17 AREAS.—A business located within an area designated as
18 a SCORE project area under section 3 that is receiving
19 Federal funds provided to States and units of general local
20 government under section 106 of the Housing and Com-
21 munity Development Act of 1974 (42 U.S.C. 5306), or,
22 if applicable, receiving funds as a result of a guarantee
23 or grant under section 108 of that same Act, shall be
24 deemed to have met for any job creation or job retention
25 effort undertaken with such funds—

1 (1) the certification requirement of section
2 104(b)(3) of such Act; and

3 (2) the requirements of section 105(c) of such
4 Act.

5 (b) HOUSING UNITS IN SCORE PROJECT AREAS.—

6 All units of housing that are located within an area des-
7 ignated as a SCORE project area under section 3 and that
8 are receiving Federal funds provided to States and units
9 of general local government under section 106 of the
10 Housing and Community Development Act of 1974 (42
11 U.S.C. 5306), or, if applicable, receiving funds as a result
12 of a guarantee or grant under section 108 of that same
13 Act, shall be considered a single structure with respect to
14 the requirements of section 105(c) of such Act.

15 (c) ECONOMIC DEVELOPMENT PROJECTS IN SCORE

16 PROJECT AREAS.—Any economic development project lo-
17 cated within an area designated as a SCORE project area
18 under section 3 that is receiving Federal funds provided
19 to States and units of general local government under sec-
20 tion 106 of the Housing and Community Development Act
21 of 1974 (42 U.S.C. 5306), or, if applicable, receiving
22 funds as a result of a guarantee or grant under section
23 108 of that same Act, shall be exempt from the public
24 benefit standards established under section 105(e) of such
25 Act.

1 **SEC. 8. TAX BENEFITS FOR SCORE PROJECT AREAS.**

2 (a) IN GENERAL.—Chapter 1 of the Internal Rev-
 3 enue Code of 1986 is amended by adding at the end the
 4 following new subchapter:

5 **“Subchapter Z—SCORE Project Areas**
 6 **Benefits**

“Sec. 1400M. Tax benefits for SCORE project areas.

7 **“SEC. 1400M. TAX BENEFITS FOR SCORE PROJECT AREAS.**

8 “(a) EXPANSION OF WORK OPPORTUNITY TAX
 9 CREDIT.—

10 “(1) IN GENERAL.—For purposes of section 51,
 11 a SCORE project area business employee shall be
 12 treated as a member of a targeted group.

13 “(2) SCORE PROJECT AREA BUSINESS EM-
 14 PLOYEE.—For purposes of this subsection—

15 “(A) IN GENERAL.—The term ‘SCORE
 16 project area business employee’ means, with re-
 17 spect to any period, any employee of a SCORE
 18 project area business if substantially all the
 19 services performed during such period by such
 20 employee for such business are performed in the
 21 SCORE project area in which the business is
 22 located.

23 “(B) SCORE PROJECT AREA BUSINESS.—
 24 The term ‘SCORE project area business’ means

1 any trade or business which is located in a
2 SCORE project business area.

3 “(C) SPECIAL RULES FOR DETERMINING
4 AMOUNT OF CREDIT.—For purposes of applying
5 subpart F of part IV of subchapter B of this
6 chapter to wages paid or incurred to any
7 SCORE project area business employee—

8 “(i) section 51(a) shall be applied by
9 substituting ‘the sum of 15 percent of the
10 qualified first-year wages, 10 percent of
11 the qualified second-year wages, and 5 per-
12 cent of the qualified third-year wages’ for
13 ‘40 percent of the qualified first-year
14 wages’,

15 “(ii) in lieu of paragraphs (2) and (3)
16 of subsection (b), the following definitions
17 and special rule shall apply:

18 “(I) QUALIFIED FIRST-YEAR
19 WAGES.—The term ‘qualified first-
20 year wages’ means, with respect to
21 any individual, qualified wages attrib-
22 utable to service rendered during the
23 1-year period beginning with the later
24 of the day the individual begins work
25 for the employer or the first day of

1 the designation of the SCORE project
2 area in which the employer is located.

3 “(II) QUALIFIED SECOND-YEAR
4 WAGES.—The term ‘qualified second-
5 year wages’ means, with respect to
6 any individual, qualified wages attrib-
7 utable to service rendered during the
8 1-year period beginning on the day
9 after the last day of the 1-year period
10 with respect to such individual deter-
11 mined under subclause (I).

12 “(III) QUALIFIED THIRD-YEAR
13 WAGES.—The term ‘qualified third-
14 year wages’ means, with respect to
15 any individual, qualified wages attrib-
16 utable to service rendered during the
17 1-year period beginning on the day
18 after the last day of the 1-year period
19 with respect to such individual deter-
20 mined under subclause (II).

21 “(IV) ONLY FIRST \$15,000 OF
22 WAGES PER YEAR TAKEN INTO AC-
23 COUNT.—The amount of the qualified
24 first, second, and third year wages
25 which may be taken into account with

1 respect to any individual shall not ex-
2 ceed \$15,000 per year, and

3 “(iii) subsections (c)(4) and (I)(2) of
4 section 51 shall not apply.

5 “(b) SPECIAL ALLOWANCE FOR CERTAIN SCORE
6 PROJECT AREA PROPERTY.—

7 “(1) ADDITIONAL ALLOWANCE.—In the case of
8 any qualified SCORE project area property—

9 “(A) the depreciation deduction provided
10 by section 167(a) for the taxable year in which
11 such property is placed in service shall include
12 an allowance equal to 50 percent of the ad-
13 justed basis of such property, and

14 “(B) the adjusted basis of the qualified
15 SCORE project area property shall be reduced
16 by the amount of such deduction before com-
17 puting the amount otherwise allowable as a de-
18 preciation deduction under this chapter for such
19 taxable year and any subsequent taxable year.

20 “(2) QUALIFIED SCORE PROJECT AREA PROP-
21 PERTY.—For purposes of this subsection—

22 “(A) IN GENERAL.—The term ‘qualified
23 SCORE project area property’ means prop-
24 erty—

1 “(i) which is nonresidential real prop-
2 erty or residential rental property,

3 “(ii) substantially all of the use of
4 which is in the active conduct of a trade or
5 business by the taxpayer in the SCORE
6 project area in which such property is lo-
7 cated,

8 “(iii) the original use of which in the
9 SCORE project area commences with the
10 taxpayer after the date of the designation
11 of such area, and

12 “(iv) which is acquired by the tax-
13 payer by purchase (as defined in section
14 179(d)) after the date of such designation,
15 but only if no written binding contract for
16 the acquisition was in effect before such
17 date.

18 “(B) EXCEPTIONS.—

19 “(i) 30 PERCENT ADDITIONAL ALLOW-
20 ANCE PROPERTY.—Such term shall not in-
21 clude property to which section 168(k) ap-
22 plies.

23 “(ii) ALTERNATIVE DEPRECIATION
24 PROPERTY.—The term ‘qualified New York
25 Liberty Zone property’ shall not include

1 any property described in section
2 168(k)(2)(D)(I).

3 “(iii) ELECTION OUT.—For purposes
4 of this subsection, rules similar to the rules
5 of section 168(k)(2)(D)(iii) shall apply.

6 “(C) SPECIAL RULES.—For purposes of
7 this subsection, rules similar to the rules of
8 subparagraph (E) of section 168(k)(2) shall
9 apply, except that—

10 “(i) ‘the date of the designation of the
11 SCORE project area’ shall be substituted
12 for ‘September 10, 2001’ each place it ap-
13 pears, and

14 “(ii) clause (I) thereof shall be applied
15 without regard to ‘and before January 1,
16 2005’.

17 “(D) ALLOWANCE AGAINST ALTERNATIVE
18 MINIMUM TAX.—For purposes of this sub-
19 section, rules similar to the rules of section
20 168(k)(2)(G) shall apply.

21 “(e) SCORE PROJECT AREA.—For purposes of this
22 section, the term ‘SCORE project area’ means an area
23 designated under the Suburban Core Opportunity, Res-
24 toration, and Enhancement (SCORE) Act of 2005.”

1 (b) CLERICAL AMENDMENT.—The table of sub-
2 chapters for chapter 1 of the Internal Revenue Code of
3 1986 is amended by adding at the end the following new
4 item:

“SUBCHAPTER Z—SCORE PROJECT AREAS BENEFITS”.

