

109TH CONGRESS
1ST SESSION

S. 1865

To establish the SouthEast Crescent Authority, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 7 (legislative day, OCTOBER 6), 2005

Mrs. DOLE (for herself, Mr. BURR, and Mr. ISAKSON) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To establish the SouthEast Crescent Authority, 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 “SouthEast Crescent
5 Authority Act of 2005”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act, the following definitions apply:

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

1 (2) FEDERAL GRANT PROGRAM.—The term
2 “Federal grant program” means a Federal grant
3 program to provide assistance in carrying out eco-
4 nomic and community development activities.

5 (3) NON-PROFIT ENTITY.—The term “non-prof-
6 it entity” means any entity with tax-exempt or non-
7 profit status, as defined by the Internal Revenue
8 Service, that has been formed for the purpose of eco-
9 nomic development or has a proven record of eco-
10 nomic development experience.

11 (4) REGION.—The term “region” means the
12 area covered by the Authority (as described in sec-
13 tion 16).

14 **SEC. 3. SOUTHEAST CRESCENT AUTHORITY.**

15 (a) ESTABLISHMENT.—

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

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

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

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

1 (3) COCHAIRPERSONS.—The Authority shall be
2 headed by—

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

4 (i) as the Federal cochairperson; and

5 (ii) as a liaison between the Federal
6 Government and the Authority; and

7 (B) a State cochairperson, who—

8 (i) shall be a Governor of a partici-
9 pating State in the region; and

10 (ii) shall be elected by the State mem-
11 bers for a term of not less than 1 year.

12 (b) ALTERNATE MEMBERS.—

13 (1) STATE ALTERNATES.—

14 (A) APPOINTMENT.—The State member of
15 a participating State may have a single alter-
16 nate, who shall be appointed by the Governor of
17 the State from among the Governor’s cabinet or
18 personal staff.

19 (B) VOTING.—An alternate shall vote in
20 the event of the absence, death, disability, re-
21 moval, or resignation of the member for whom
22 the individual is an alternate.

23 (2) ALTERNATE FEDERAL COCHAIRPERSON.—

24 The President shall appoint an alternate Federal co-
25 chairperson.

1 (3) QUORUM.—

2 (A) IN GENERAL.—Subject to the require-
3 ments of this paragraph, the Authority shall de-
4 termine what constitutes a quorum of the Au-
5 thority.

6 (B) FEDERAL COCHAIRPERSON.—The
7 Federal cochairperson or the Federal cochair-
8 person’s designee must be present for the estab-
9 lishment of a quorum of the Authority.

10 (C) STATE ALTERNATES.—A State alter-
11 nate shall not be counted toward the establish-
12 ment of a quorum of the Authority.

13 (4) DELEGATION OF POWER.—No power or re-
14 sponsibility of the Authority specified in paragraphs
15 (3) and (4) of subsection (c), and no voting right of
16 any Authority member, shall be delegated to any
17 person—

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

19 (B) who is not entitled to vote in Authority
20 meetings.

21 (c) DECISIONS.—

22 (1) REQUIREMENTS FOR APPROVAL.—Except
23 as provided in subsection (g), decisions by the Au-
24 thority shall require the affirmative vote of the Fed-
25 eral cochairperson and of a majority of the State

1 members, exclusive of members representing States
2 delinquent under subsection (g)(2)(C).

3 (2) CONSULTATION.—In matters coming before
4 the Authority, the Federal cochairperson, to the ex-
5 tent practicable, shall consult with the Federal de-
6 partments and agencies having an interest in the
7 subject matter.

8 (3) DECISIONS REQUIRING QUORUM OF STATE
9 MEMBERS.—The following decisions may not be
10 made without a quorum of State members:

11 (A) A decision involving Authority policy.

12 (B) Approval of State, regional, or sub-
13 regional development plans or strategy state-
14 ments.

15 (C) Modification or revision of the
16 Authority's code.

17 (D) Allocation of amounts among the
18 States.

19 (E) Designation of a distressed county.

20 (4) PROJECT AND GRANT PROPOSALS.—The ap-
21 proval of project and grant proposals is a responsi-
22 bility of the Authority and shall be carried out in ac-
23 cordance with section 10.

24 (d) DUTIES.—The Authority shall—

1 (1) develop, on a continuing basis, comprehen-
2 sive and coordinated plans and programs to establish
3 priorities and approve grants for the economic devel-
4 opment of the region, giving due consideration to
5 other Federal, State, and local planning and devel-
6 opment activities in the region;

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

11 (3) assess the needs and capital assets of the
12 region based on available research, demonstration
13 projects, assessments, and evaluations of the region
14 prepared by Federal, State, or local agencies, local
15 development districts, and any other relevant source;

16 (4)(A) enhance the capacity of, and provide
17 support for, local development districts in the region;
18 or

19 (B) if no local development district exists in an
20 area in a participating State in the region, foster the
21 creation of a local development district; and

22 (5) encourage private investment in industrial,
23 commercial, and other economic development
24 projects in the region.

1 (e) ADMINISTRATION.—In carrying out subsection
2 (d), the Authority may—

3 (1) hold such hearings, sit and act at such
4 times and places, take such testimony, receive such
5 evidence, and print or otherwise reproduce and dis-
6 tribute a description of the proceedings and reports
7 on actions by the Authority as the Authority con-
8 siders appropriate;

9 (2) authorize, through the Federal or State co-
10 chairperson or any other member of the Authority
11 designated by the Authority, the administration of
12 oaths if the Authority determines that testimony
13 should be taken or evidence received under oath;

14 (3) request from any Federal, State, or local
15 department or agency such information as may be
16 available to or procurable by the department or
17 agency that may be of use to the Authority in car-
18 rying out duties of the Authority;

19 (4) adopt, amend, and repeal bylaws and rules
20 governing the conduct of Authority business and the
21 performance of Authority duties;

22 (5) request the head of any Federal department
23 or agency to detail to the Authority such personnel
24 as the Authority requires to carry out duties of the

1 Authority, each such detail to be without loss of se-
2 niority, pay, or other employee status;

3 (6) request the head of any State department
4 or agency or local government to detail to the Au-
5 thority such personnel as the Authority requires to
6 carry out duties of the Authority, each such detail
7 to be without loss of seniority, pay, or other em-
8 ployee status;

9 (7) provide for coverage of Authority employees
10 in a suitable retirement and employee benefit system
11 by—

12 (A) making arrangements or entering into
13 contracts with any participating State govern-
14 ment; or

15 (B) otherwise providing retirement and
16 other employee benefit coverage;

17 (8) accept, use, and dispose of gifts or dona-
18 tions of services or real, personal, tangible, or intan-
19 gible property;

20 (9) enter into and perform such contracts or
21 other transactions as are necessary to carry out Au-
22 thority duties;

23 (10) establish and maintain a central office lo-
24 cated within the Southeast Crescent Authority re-

1 gion and field offices at such locations as the Au-
2 thority may select; and

3 (11) provide for an appropriate level of rep-
4 resentation in Washington, D.C.

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

7 (1) cooperate with the Authority; and

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

12 (g) ADMINISTRATIVE EXPENSES.—

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

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

22 (B) by the States in the region partici-
23 pating in the Authority, in an amount equal to
24 50 percent of the administrative expenses.

25 (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 local-
7 ity-based comparability payment that may
8 be authorized under section 5304(h)(2)(C)
9 of that title.
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 any of the following per-
15 sons has a financial interest:

16 (A) The member, alternate, officer, or em-
17 ployee.

18 (B) The spouse, minor child, or partner of
19 the member, alternate, officer, or employee.

20 (C) Any organization (other than a State
21 or political subdivision of the State) in which
22 the member, alternate, officer, or employee is
23 serving as an officer, director, trustee, partner,
24 or employee.

1 (D) Any person or organization with whom
2 the member, alternate, officer, or employee is
3 negotiating or has any arrangement concerning
4 prospective employment.

5 (2) DISCLOSURE.—Paragraph (1) shall not
6 apply if the State member, alternate, officer, or em-
7 ployee—

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

14 (B) makes full disclosure of the financial
15 interest; and

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

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

1 (j) VALIDITY OF CONTRACTS, LOANS, AND
2 GRANTS.—The Authority may declare void any contract,
3 loan, or grant of or by the Authority in relation to which
4 the Authority determines that there has been a violation
5 of any provision under subsection (h)(4), subsection (i),
6 or sections 202 through 209 of title 18, United States
7 Code.

8 **SEC. 4. ECONOMIC AND COMMUNITY DEVELOPMENT**
9 **GRANTS.**

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

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

17 (2) to assist the region in obtaining job train-
18 ing, employment-related education, and business de-
19 velopment;

20 (3) to provide assistance to severely distressed
21 and underdeveloped areas; 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) FUNDING PRIORITY.—Not less than 50 per-
10 cent of the amount of expenditures approved by the
11 Authority shall support activities or projects that
12 benefit severely and persistently distressed counties
13 and areas.

14 (3) ELIGIBLE PROJECTS.—The Authority may
15 provide assistance, make grants, enter into con-
16 tracts, or otherwise provide funds to eligible entities
17 in the region for projects that promote—

18 (A) business development;

19 (B) job training or employment-related
20 education;

21 (C) local planning and leadership develop-
22 ment;

23 (D) basic public infrastructure, including
24 high-tech infrastructure, in distressed counties
25 and isolated areas of distress; and

1 (E) any other project facilitating economic
2 development in the region.

3 (4) FEDERAL SHARE.—Notwithstanding any
4 provision of law limiting the Federal share in any
5 grant program, funds appropriated to carry out this
6 section may be used to increase a Federal share in
7 a grant program, as the Authority determines appro-
8 priate.

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

10 (a) FEDERAL GRANT PROGRAM FUNDING.—In ac-
11 cordance with subsection (b), the Federal cochairperson
12 may use amounts made available to carry out this Act,
13 without regard to any limitations on areas eligible for as-
14 sistance or authorizations for appropriation under any
15 other Act, to fund all or any portion of the basic Federal
16 contribution to a project or activity under a Federal grant
17 program in the region in an amount that is above the fixed
18 maximum portion of the cost of the project otherwise au-
19 thorized by applicable law, but not to exceed 80 percent
20 of the costs of the project.

21 (b) CERTIFICATION.—

22 (1) IN GENERAL.—In the case of any program
23 or project for which all or any portion of the basic
24 Federal contribution to the project under a Federal
25 grant program is proposed to be made under this

1 section, no Federal contribution shall be made until
2 the Federal official administering the Federal law
3 authorizing the contribution certifies that the pro-
4 gram or project—

5 (A) meets the applicable requirements of
6 the applicable Federal grant law; and

7 (B) could be approved for Federal con-
8 tribution under the law if funds were available
9 under the law for the program or project.

10 (2) CERTIFICATION BY AUTHORITY.—

11 (A) IN GENERAL.—The certifications and
12 determinations required to be made by the Au-
13 thority for approval of projects under this Act
14 in accordance with section 10—

15 (i) shall be controlling; and

16 (ii) shall be accepted by the Federal
17 agencies.

18 (B) ACCEPTANCE BY FEDERAL COCHAIR-
19 PERSON.—Any finding, report, certification, or
20 documentation required to be submitted to the
21 head of the department, agency, or instrumen-
22 tality of the Federal Government responsible for
23 the administration of any Federal grant pro-
24 gram shall be accepted by the Federal cochair-

1 person with respect to a supplemental grant for
2 any project under the program.

3 **SEC. 6. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION**
4 **AND ADMINISTRATIVE EXPENSES.**

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

8 (1) is—

9 (A)(i) a planning district in existence on
10 the date of enactment of this Act that is recog-
11 nized by the Economic Development Adminis-
12 tration of the Department of Commerce; or

13 (ii) a development district recognized by
14 the State; or

15 (B) if an entity described in subparagraph
16 (A)(i) or (A)(ii) does not exist, an entity des-
17 ignated by the Authority that satisfies the cri-
18 teria developed by the Economic Development
19 Administration for a local development district;
20 and

21 (2) has not, as certified by the Federal cochair-
22 person—

23 (A) inappropriately used Federal grant
24 funds from any Federal source; or

1 (B) appointed an officer who, during the
2 period in which another entity inappropriately
3 used Federal grant funds from any Federal
4 source, was an officer of the other entity.

5 (b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

6 (1) IN GENERAL.—The Authority may make
7 grants for administrative expenses under this sec-
8 tion.

9 (2) CONDITIONS FOR GRANTS.—

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

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

19 (c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—

20 A local development district shall—

21 (1) operate as a lead organization serving
22 multicounty areas in the region at the local level;
23 and

24 (2) serve as a liaison between State and local
25 governments, nonprofit organizations (including

1 community-based groups and educational institu-
2 tions), the business community, and citizens that—

3 (A) are involved in multijurisdictional plan-
4 ning;

5 (B) provide technical assistance to local ju-
6 risdictions and potential grantees; and

7 (C) provide leadership and civic develop-
8 ment assistance.

9 **SEC. 7. DISTRESSED COUNTIES AND AREAS AND NONDIS-**
10 **TRESSED COUNTIES.**

11 Not later than 90 days after the date of enactment
12 of this Act, and annually thereafter, the Authority, in ac-
13 cordance with such criteria as the Authority establishes,
14 may designate—

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

20 (2) as isolated areas of distress, areas located
21 in nondistressed counties in the region that are se-
22 verely and persistently distressed as documented by
23 comparable statistical measures.

1 **SEC. 8. DEVELOPMENT PLANNING PROCESS.**

2 (a) STATE DEVELOPMENT PLAN.—In accordance
3 with policies established by the Authority, each State
4 member shall submit a development plan for the area of
5 the region represented by the State member.

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

10 (c) CONSULTATION.—In carrying out the develop-
11 ment planning process, a State shall—

12 (1) consult with—

13 (A) local development districts;

14 (B) local units of government; and

15 (C) institutions of higher learning; and

16 (2) take into consideration the goals, objectives,
17 priorities, and recommendations of the entities de-
18 scribed in paragraph (1).

19 (d) PUBLIC PARTICIPATION.—The Authority and ap-
20 plicable State and local development districts shall encour-
21 age and assist, to the maximum extent practicable, public
22 participation in the development, revision, and implemen-
23 tation of all plans and programs under this Act.

24 **SEC. 9. PROGRAM DEVELOPMENT CRITERIA.**

25 (a) IN GENERAL.—In considering programs and
26 projects to be provided assistance under this Act, and in

1 establishing a priority ranking of the requests for assist-
2 ance provided by the Authority, the Authority shall follow
3 procedures that ensure, to the maximum extent prac-
4 ticable, consideration of—

5 (1) the relationship of the project to overall re-
6 gional development;

7 (2) the per capita income and poverty and un-
8 employment rates and other socioeconomic indicators
9 in an area;

10 (3) the financial resources available to the ap-
11 plicants for assistance seeking to carry out the
12 project, with emphasis on ensuring that projects are
13 adequately financed to maximize the probability of
14 successful economic development;

15 (4) the importance of the project in relation to
16 other projects that may be in competition for the
17 same funds;

18 (5) the prospects that the project for which as-
19 sistance is sought will improve, on a continuing rath-
20 er than a temporary basis, the opportunities for em-
21 ployment, the average level of income, or the eco-
22 nomic development of the area served by the project;
23 and

24 (6) the extent to which the project design pro-
25 vides for detailed outcome measurements by which

1 grant expenditures and the results of the expendi-
2 tures may be evaluated.

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

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

13 **SEC. 10. APPROVAL OF DEVELOPMENT PLANS AND**
14 **PROJECTS.**

15 (a) IN GENERAL.—A State or regional development
16 plan or any multistate subregional plan that is proposed
17 for development under this Act shall be reviewed by the
18 Authority.

19 (b) EVALUATION BY STATE MEMBER.—An applica-
20 tion for a grant or any other assistance for a project under
21 this Act shall be made through and evaluated for approval
22 by the State member of the Authority representing the
23 applicant.

24 (c) CERTIFICATION.—An application for a grant or
25 other assistance for a project shall be approved only on

1 certification by the State member and Federal cochair-
2 person that the application for the project—

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

5 (2) meets applicable criteria under section 9;

6 (3) provides adequate assurance that the pro-
7 posed project will be properly administered, oper-
8 ated, and maintained; and

9 (4) otherwise meets the requirements of this
10 Act.

11 (d) VOTES FOR DECISIONS.—Upon certification of an
12 application for a grant or other assistance for a specific
13 project under this section, an affirmative vote of the Au-
14 thority under section 3(c) shall be required for approval
15 of the application.

16 **SEC. 11. CONSENT OF STATES.**

17 Nothing in this Act requires any State to engage in
18 or accept any program under this Act without the consent
19 of the State.

20 **SEC. 12. RECORDS.**

21 (a) RECORDS OF THE AUTHORITY.—

22 (1) IN GENERAL.—The Authority shall main-
23 tain accurate and complete records of all trans-
24 actions and activities of the Authority.

1 (2) AVAILABILITY.—All records of the Author-
2 ity shall be available for audit and examination by
3 the Comptroller General of the United States (in-
4 cluding authorized representatives of the Comp-
5 troller General).

6 (b) RECORDS OF RECIPIENTS OF FEDERAL ASSIST-
7 ANCE.—

8 (1) IN GENERAL.—A recipient of Federal funds
9 under this Act shall, as required by the Authority,
10 maintain accurate and complete records of trans-
11 actions and activities financed with Federal funds
12 and report on the transactions and activities to the
13 Authority.

14 (2) AVAILABILITY.—All records required under
15 paragraph (1) shall be available for audit by the
16 Comptroller General of the United States and the
17 Authority (including authorized representatives of
18 the Comptroller General and the Authority).

19 **SEC. 13. ANNUAL REPORT.**

20 Not later than 180 days after the end of each fiscal
21 year, the Authority shall submit to the President and to
22 Congress a report describing the activities carried out
23 under this Act.

1 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) IN GENERAL.—There is authorized to be appro-
3 priated to the Authority to carry out this Act \$40,000,000
4 for each of fiscal years 2006 through 2010, to remain
5 available until expended.

6 (b) ADMINISTRATIVE EXPENSES.—Not more than 5
7 percent of the amount appropriated under subsection (a)
8 for a fiscal year shall be used for administrative expenses
9 of the Authority.

10 **SEC. 15. TERMINATION OF AUTHORITY.**

11 This Act shall have no force or effect on or after Oc-
12 tober 1, 2010.

13 **SEC. 16. AREA COVERED BY SOUTHEAST CRESCENT AU-**
14 **THORITY.**

15 SouthEast Crescent Authority region shall include all
16 parts of the States of Virginia, North Carolina, South
17 Carolina, Georgia, Alabama, Mississippi, and Florida that
18 are not eligible for assistance from the Appalachian Re-
19 gional Commission or the Delta Regional Authority.

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