

106TH CONGRESS
1ST SESSION

S. 709

To amend the Housing and Community Development Act of 1974 to establish and sustain viable rural and remote communities, and to provide affordable housing and community development assistance to rural areas with excessively high rates of outmigration and low per capita income levels.

IN THE SENATE OF THE UNITED STATES

MARCH 24, 1999

Mr. MURKOWSKI (for himself and Mr. DASCHLE) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Housing and Community Development Act of 1974 to establish and sustain viable rural and remote communities, and to provide affordable housing and community development assistance to rural areas with excessively high rates of outmigration and low per capita income levels.

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 “The Rural and Remote
5 Community Fairness Act”.

1 **TITLE I—RURAL AND REMOTE**
2 **COMMUNITY DEVELOPMENT**
3 **BLOCK GRANTS**

4 The Housing and Community Development Act of
5 1974 (Public Law 93–383) is amended by inserting at the
6 end the following new title:

7 **“TITLE IX—RURAL AND REMOTE**
8 **COMMUNITY DEVELOPMENT**
9 **BLOCK GRANTS**

10 “FINDINGS AND PURPOSE

11 “SEC. 901. (a) FINDINGS.—The Congress finds and
12 declares that—

13 “(1) a modern infrastructure, including efficient
14 housing, electricity, bulk fuel, waste water and water
15 service, is a necessary ingredient of a modern society
16 and development of a prosperous economy with mini-
17 mal environmental impacts.

18 “(2) the Nation’s rural and remote communities
19 face critical social, economic and environmental
20 problems, arising in significant measure from the
21 high cost of infrastructure development in sparsely
22 populated and remote areas, that are not adequately
23 addressed by existing Federal assistance programs;

24 “(3) in the past, Federal assistance has been
25 instrumental in establishing electric and other utility

1 service in many developing regions of the Nation,
 2 and that Federal assistance continues to be appro-
 3 priate to ensure that electric and other utility sys-
 4 tems in rural areas conform with modern standards
 5 of safety, reliability, efficiency and environmental
 6 protection; and

7 “(4) the future welfare of the Nation and the
 8 well-being of its citizens depend on the establishment
 9 and maintenance of viable rural and remote commu-
 10 nities as social, economic and political entities.

11 “(b) PURPOSE.—The purpose of this title is the de-
 12 velopment and maintenance of viable rural and remote
 13 communities through the provision of efficient housing,
 14 and reasonably priced and environmentally sound energy,
 15 water, waste water, and bulk fuel and utility services to
 16 those communities that do not have those services or who
 17 currently bear costs of those services that are significantly
 18 above the national average.

19 “DEFINITIONS

20 “SEC. 902. As used in this title:

21 “(1) The term ‘unit of general local govern-
 22 ment’ means any city, county, town, township, par-
 23 ish, village, borough (organized or unorganized) or
 24 other general purpose political subdivision of a
 25 State, Guam, the Commonwealth of the Northern
 26 Mariana Islands, Puerto Rico, the Republic of the

1 Marshall Islands, the Federated States of Micro-
2 nesia, the Republic of Palau, the Virgin Islands, and
3 American Samoa, a combination of such political
4 subdivisions that is recognized by the Secretary; and
5 the District of Columbia; or any other appropriate
6 organization of citizens of a rural and remote com-
7 munity that the Secretary may identify.

8 “(2) The term ‘population’ means total resident
9 population based on data compiled by the United
10 States Bureau of the Census and referable to the
11 same point or period in time.

12 “(3) The term ‘Native American group’ means
13 any Indian tribe, band group, and nation, including
14 Alaska Indians, Aleuts, and Eskimos, and any Alas-
15 kan Native Village, of the United States, which is
16 considered an eligible recipient under the Indian Self
17 Determination and Education Assistance Act (Public
18 Law 93–638) or was considered an eligible recipient
19 under chapter 67 of title 31, United States Code,
20 prior to the repeal of such chapter.

21 “(4) The term ‘Secretary’ means the Secretary
22 of housing and Urban Development.

23 “(5) The term ‘rural and remote community’
24 means a unit of local general government or Native
25 American group which represents or contains a pop-

1 ulation not in excess of 10,000 permanent inhab-
2 itants, and that has an average retail cost per kilo-
3 watt hour of electricity that is equal to or greater
4 than 150 percent of the average retail cost per kilo-
5 watt hour of electricity for all consumers in the
6 United States, as determined by data provided by
7 the Department of Energy's Information Adminis-
8 tration.

9 “(6) The term alternative energy sources in-
10 clude non-traditional means of providing electrical
11 energy, including, but not limited to, wind, solar,
12 biomass, geo-thermal and tidal power.

13 “(7) The term ‘average retail cost per kilowatt
14 hour of electricity’ has the same meaning as ‘aver-
15 age revenue per kilowatt hour of electricity’ as de-
16 fined by the Energy Information Administration.

17 “AUTHORIZATIONS

18 “SEC. 903. The Secretary is authorized to make
19 grants to rural and remote communities to carry out ac-
20 tivities in accordance with the provisions of the title. For
21 purposes of assistance under section 906, there are au-
22 thorized to be appropriated \$100,000,000 for each of fis-
23 cal years 2000 through 2006

24 “STATEMENT OF ACTIVITIES AND REVIEW

25 “SEC. 904. (a) Prior to the receipt in any fiscal year
26 of a grant under section 906 by any rural and remote com-

1 munity, the grantee shall have prepared and submitted to
2 the Secretary a final statement of rural and remote com-
3 munity development objectives and projected use of funds.

4 “(b) In order to permit public examination and ap-
5 praisal of such statements, to enhance the public account-
6 ability of grantees, and to facilitate coordination of activi-
7 ties with different levels of government, the grantee shall
8 in a timely manner—

9 “(1) furnish citizens information concerning the
10 amount of funds available for rural and remote com-
11 munity development activities and the range of activi-
12 ties that may be undertaken;

13 “(2) publish a proposed statement in such man-
14 ner to afford affected citizens an opportunity to ex-
15 amine its content and to submit comments on the
16 proposed statement and on the community develop-
17 ment performance of the grantee;

18 “(3) provide citizens with reasonable access to
19 records regarding the past use of funds received
20 under section 906 by the grantee; and

21 “(4) provide citizens with reasonable notice of,
22 and opportunity to comment on, any substantial
23 change proposed to be made in the use of funds re-
24 ceived under section 906 from one eligible activity to
25 another.

1 The final statement shall be made available to the public,
2 and a copy shall be furnished to the Secretary. Any final
3 statement of activities may be modified or amended from
4 time to time by the grantee in accordance with the same
5 Procedures required in this paragraph for the preparation
6 and submission of such statement.

7 “(c) Each grantee shall submit to the Secretary, at
8 a time determined by the Secretary, a performance and
9 evaluation report, concerning the use of funds made avail-
10 able under section 906, together with an assessment by
11 the grantee of the relationship of such use to the objectives
12 identified in the grantee’s statement under subsection (a)
13 and to the requirements of subsection (b). The grantee’s
14 report shall indicate its programmatic accomplishments,
15 the nature of and reasons for any changes in the grantee’s
16 program objectives, and indications of how the grantee
17 would change its programs as a result of its experiences.

18 “(d) Any rural and remote community may retain
19 any program income that is realized from any grant made
20 by the secretary under section 906 if (1) such income was
21 realized after the initial disbursement of the funds re-
22 ceived by such unit of general local government under such
23 section; and (2) such unit of general local government has
24 agreed that it will utilize the program income for eligible
25 rural and remote community development activities in ac-

1 cordance with the provisions of this title; except that the
 2 Secretary may, by regulation, exclude from consideration
 3 as program income any amounts determined to be so small
 4 that compliance with the subsection creates an unreason-
 5 able administrative burden on the rural and remote com-
 6 munity.

7 “ELIGIBLE ACTIVITIES

8 “SEC. 905 (a) Eligible activities assisted under this
 9 title may include only—

10 “(1) the provision of assistance, including loans,
 11 grants, and services, for low-cost weatherization and
 12 other cost-effective energy-related repair of homes
 13 and other buildings;

14 “(2) the acquisition, construction, repair, recon-
 15 struction, or installation of reliable and cost-efficient
 16 facilities for the generation, transmission or distribu-
 17 tion of electricity for consumption in a rural and re-
 18 mote community or communities;

19 “(3) the acquisition, construction, repair, recon-
 20 struction, remediation or installation of facilities for
 21 the safe storage and efficient management of bulk
 22 fuel by rural and remote communities, and facilities
 23 for the distribution of such fuel to consumers in a
 24 rural and remote community or communities;

25 “(4) facilities and training to reduce costs of
 26 maintaining and operating generation, distribution

1 or transmission systems to a rural and remote com-
2 munity or communities;

3 “(5) the institution of professional management
4 and maintenance services for electricity generation,
5 transmission or distribution to a rural and remote
6 community or communities;

7 “(6) the investigation of the feasibility of alter-
8 nate energy sources for a rural and remote commu-
9 nity or communities;

10 “(7) acquisition, construction, repair, recon-
11 struction, operation, maintenance, or installation of
12 facilities for water or waste water service;

13 “(8) the acquisition of disposition of real prop-
14 erty (including air rights, water rights, and other in-
15 terests therein) for eligible rural and remote commu-
16 nity development activities; and

17 “(9) activities necessary to develop and imple-
18 ment a comprehensive rural and remote development
19 plan, including payment of reasonable administrative
20 costs related to planning and execution of rural and
21 remote community development activities.

22 “(b) Eligible activities may be undertaken either di-
23 rectly by the rural and remote community, or by the rural
24 and remote community through local electric utilities.

1 “ALLOCATION AND DISTRIBUTION OF FUNDS

2 “SEC. 906. For each fiscal year, of the amount ap-
3 proved in an appropriation act under section 903 for
4 grants in any year, the Secretary shall distribute to each
5 rural and remote community which has filed a final state-
6 ment of rural and remote community development objec-
7 tives and projected use of funds under section 904, an
8 amount which shall be allocated among the rural and re-
9 mote communities that filed a final statement of rural and
10 remote community development objectives and projected
11 use of funds under section 904 proportionate to the per-
12 centage that the average retail price per kilowatt hour of
13 electricity for all classes of consumers in the rural and
14 remote community exceeds the national average retail
15 price per kilowatt hour for electricity for all consumers
16 in the United States, as determined by data provided by
17 the Department of Energy’s Energy Information Adminis-
18 tration. In allocating funds under this section, the Sec-
19 retary shall give special consideration to those rural and
20 remote communities that increase economies of scale
21 through consolidation of services, affiliation and regional-
22 ization of eligible activities under this title.

23 “REMEDIES FOR NONCOMPLIANCE

24 “SEC. 907. The provisions of section 111 of the
25 Housing and Community Development Act of 1974 shall
26 apply to assistance distributed under this title.”.

1 **TITLE II—RURAL AND REMOTE**
2 **COMMUNITY ELECTRIFICA-**
3 **TION GRANTS**

4 After section 313(b) of the Rural Electrification Act
5 of 1936, add the following new subsection:

6 “(c) RURAL AND REMOTE COMMUNITY ELEC-
7 TRIFICATION GRANTS.—The Secretary is authorized to
8 provide grants to eligible borrowers under this Act for the
9 purpose of increasing energy efficiency, lowering or stabi-
10 lizing electric rates to end users, or providing or modern-
11 izing electric facilities in rural and remote communities
12 that have an average retail cost per kilowatt hour of elec-
13 tricity that is equal to or greater than 150 percent of the
14 average retail cost per kilowatt hour of electricity for all
15 consumers in the United States, as determined by data
16 provided by the Department of Energy’s Energy Informa-
17 tion Administration.

18 “(d) For purposes of subsection (c), there is author-
19 ized to be appropriated \$20,000,000 for each of fiscal
20 years 2000–2006.”.

1 **TITLE III—RURAL RECOVERY**
 2 **COMMUNITY DEVELOPMENT**
 3 **BLOCK GRANTS.**

4 The Housing and Community Development Act of
 5 1974 (42 U.S.C. 5301 et seq.) is amended by adding at
 6 the end the following:

7 **“SEC. 123. RURAL RECOVERY COMMUNITY DEVELOPMENT**
 8 **BLOCK GRANTS.**

9 “(a) FINDINGS; PURPOSE.—

10 “(1) FINDINGS.—Congress finds that—

11 “(A) a modern infrastructure, including af-
 12 fordable housing, wastewater and water service,
 13 and advanced technology capabilities is a nec-
 14 essary ingredient of a modern society and devel-
 15 opment of a prosperous economy with minimal
 16 environmental impacts;

17 “(B) the Nation’s rural areas face critical
 18 social, economic, and environmental problems,
 19 arising in significant measure from the growing
 20 cost of infrastructure development in rural
 21 areas that suffer from low per capita income
 22 and high rates of outmigration and are not ade-
 23 quately addressed by existing Federal assist-
 24 ance programs; and

1 “(C) the future welfare of the Nation and
 2 the well-being of its citizens depend on the es-
 3 tablishment and maintenance of viable rural
 4 areas as social, economic, and political entities.

5 “(2) PURPOSE.—The purpose of this section is
 6 to provide for the development and maintenance of
 7 viable rural areas through the provision of affordable
 8 housing and community development assistance to
 9 eligible units of general local government and eligible
 10 Native American groups in rural areas with exces-
 11 sively high rates of outmigration and low per capita
 12 income levels.

13 “(b) DEFINITIONS.—In this section:

14 “(1) ELIGIBLE UNIT OF GENERAL LOCAL GOV-
 15 ERNMENT.—The term ‘eligible unit of general local
 16 government’ means a unit of general local govern-
 17 ment that is the governing body of a rural recovery
 18 area.

19 “(2) ELIGIBLE INDIAN TRIBE.—The term ‘eligi-
 20 ble Indian tribe’ means the governing body of an In-
 21 dian tribe that is located in a rural recovery area.

22 “(3) GRANTEE.—The term ‘grantee’ means an
 23 eligible unit of general local government or eligible
 24 Indian tribe that receives a grant under this section.

1 “(4) NATIVE AMERICAN GROUP.—The term
2 ‘Native American group’ means any Indian tribe,
3 band, group, and nation, including Alaska Indians,
4 Aleuts, and Eskimos, and any Alaskan Native Vil-
5 lage, of the United States, which is considered an el-
6 igible recipient under the Indian Self-Determination
7 and Education Assistance Act (Public Law 93–638)
8 or was considered an eligible recipient under chapter
9 67 of title 31, United States Code, prior to the re-
10 peal of such chapter.

11 “(5) RURAL RECOVERY AREA.—The term ‘rural
12 recovery area’ means any geographic area rep-
13 resented by a unit of general local government or a
14 Native American group—

15 “(A) the borders of which are not adjacent
16 to a metropolitan area;

17 “(B) in which—

18 “(i) the population outmigration level
19 equals or exceeds 1 percent over the most
20 recent five year period, as determined by
21 the Secretary of Agriculture, and,

22 “(ii) the per capita income is less than
23 that of the national nonmetropolitan aver-
24 age; and

1 “(C) that does not include a city with a
2 population of more than 15,000.

3 “(6) UNIT OF GENERAL LOCAL GOVERN-
4 MENT.—

5 “(A) IN GENERAL.—The term ‘unit of gen-
6 eral local government’ means any city, county,
7 town, township, parish, village, borough (orga-
8 nized or unorganized), or other general purpose
9 political subdivision of a State; Guam, the
10 Northern Mariana Islands, the Virgin Islands,
11 Puerto Rico, and American Samoa, or a general
12 purpose political subdivision thereof; a combina-
13 tion of such political subdivisions that, except
14 as provided in section 106(d)(4), is recognized
15 by the Secretary; the District of Columbia; and
16 the Trust Territory of the Pacific Islands.

17 “(B) OTHER ENTITIES INCLUDED.—The
18 term also includes a State or a local public body
19 or agency (as defined in section 711 of the
20 Housing and Urban Development Act of 1970),
21 community association, or other entity, that is
22 approved by the Secretary for the purpose of
23 providing public facilities or services to a new
24 community as part of a program meeting the
25 eligibility standards of section 712 of the Hous-

1 ing and Urban Development Act of 1970 or
 2 title IV of the Housing and Urban Development
 3 Act of 1968.

4 “(c) GRANT AUTHORITY.—The Secretary may make
 5 grants in accordance with this section to eligible units of
 6 general local government, Native American groups and eli-
 7 gible Indian tribes that meet the requirements of sub-
 8 section (d) to carry out eligible activities described in sub-
 9 section (f).

10 “(d) ELIGIBILITY REQUIREMENTS.—

11 “(1) STATEMENT OF RURAL DEVELOPMENT OB-
 12 JECTIVES.—In order to receive a grant under this
 13 section for a fiscal year, an eligible unit of general
 14 local government, Native American group or eligible
 15 Indian tribe—

16 “(A) shall—

17 “(i) publish a proposed statement of
 18 rural development objectives and a descrip-
 19 tion of the proposed eligible activities de-
 20 scribed in subsection (f) for which the
 21 grant will be used; and

22 “(ii) afford residents of the rural re-
 23 covery area served by the eligible unit of
 24 general local government, Native American
 25 groups or eligible Indian tribe with an op-

1 portunity to examine the contents of the
2 proposed statement and the proposed eligi-
3 ble activities published under clause (i),
4 and to submit comments to the eligible
5 unit of general local government, Native
6 American group or eligible Indian tribe, as
7 applicable, on—

8 “(I) the proposed statement and
9 the proposed eligible activities; and

10 “(II) the overall community de-
11 velopment performance of the eligible
12 unit of general local government, Na-
13 tive American groups or eligible In-
14 dian tribe, as applicable; and

15 “(B) based on any comments received
16 under subparagraph (A)(ii), prepare and submit
17 to the Secretary—

18 “(i) a final statement of rural develop-
19 ment objectives;

20 “(ii) a description of the eligible ac-
21 tivities described in subsection (f) for
22 which a grant received under this section
23 will be used; and

24 “(iii) a certification that the eligible
25 unit of general local government, Native

1 American groups or eligible Indian tribe,
2 as applicable, will comply with the require-
3 ments of paragraph (2).

4 “(2) PUBLIC NOTICE AND COMMENT.—In order
5 to enhance public accountability and facilitate the
6 coordination of activities among different levels of
7 government, an eligible unit of general local govern-
8 ment, Native American groups or eligible Indian
9 tribe that receives a grant under this section shall,
10 as soon as practicable after such receipt, provide the
11 residents of the rural recovery area served by the eli-
12 gible unit of general local government, Native Amer-
13 ican groups or eligible Indian tribe, as applicable,
14 with—

15 “(A) a copy of the final statement sub-
16 mitted under paragraph (1)(B);

17 “(B) information concerning the amount
18 made available under this section and the eligi-
19 ble activities to be undertaken with that
20 amount;

21 “(C) reasonable access to records regard-
22 ing the use of any amounts received by the eli-
23 gible unit of general local government, Native
24 American groups or eligible Indian tribe under
25 this section in any preceding fiscal year; and

1 “(D) reasonable notice of, and opportunity
 2 to comment on, any substantial change pro-
 3 posed to be made in the use of amounts re-
 4 ceived under this section from 1 eligible activity
 5 to another.

6 “(e) DISTRIBUTION OF GRANTS.—

7 “(1) IN GENERAL.—In each fiscal year, the
 8 Secretary shall distribute to each eligible unit of
 9 general local government, Native American groups
 10 and eligible Indian tribe that meets the requirements
 11 of subsection (d)(1) a grant in an amount described
 12 in paragraph (2).

13 “(2) AMOUNT.—Of the total amount made
 14 available to carry out this section in each fiscal year,
 15 the Secretary shall distribute to each grantee the
 16 amount equal to the greater of—

17 “(A) the pro rata share of the grantee, as
 18 determined by the Secretary, based on the com-
 19 bined annual population outmigration level (as
 20 determined by Secretary of Agriculture) and the
 21 per capita income for the rural recovery area
 22 served by the grantee; or

23 “(B) \$200,000.

24 “(f) ELIGIBLE ACTIVITIES.—Each grantee shall use
 25 amounts received under this section for 1 or more of the

1 following eligible activities, which may be undertaken ei-
2 ther directly by the grantee, or by any local economic de-
3 velopment corporation, regional planning district, non-
4 profit community development corporation, or statewide
5 development organization authorized by the grantee:

6 “(1) The acquisition, construction, repair, re-
7 construction, operation, maintenance, or installation
8 of facilities for water and wastewater service or any
9 other infrastructure needs determined to be critical
10 to the further development or improvement of a des-
11 ignated industrial park.

12 “(2) The acquisition or disposition of real prop-
13 erty (including air rights, water rights, and other in-
14 terests therein) for rural community development ac-
15 tivities.

16 “(3) The development of telecommunications in-
17 frastructure within a designated industrial park that
18 encourages high technology business development in
19 rural areas.

20 “(4) Activities necessary to develop and imple-
21 ment a comprehensive rural development plan, in-
22 cluding payment of reasonable administrative costs
23 related to planning and execution of rural develop-
24 ment activities.

25 “(5) Affordable housing initiatives.

1 “(g) PERFORMANCE AND EVALUATION REPORT.—

2 “(1) IN GENERAL.—Each grantee shall annu-
3 ally submit to the Secretary a performance and eval-
4 uation report, concerning the use of amounts re-
5 ceived under this section.

6 “(2) CONTENTS.—Each report submitted under
7 paragraph (1) shall include a description of—

8 “(A) the eligible activities carried out by
9 the grantee with amounts received under this
10 section, and the degree to which the grantee
11 has achieved the rural development objectives
12 included in the final statement submitted under
13 subsection (d)(1);

14 “(B) the nature of and reasons for any
15 change in the rural development objectives or
16 the eligible activities of the grantee after sub-
17 mission of the final statement under subsection
18 (d)(1); and

19 “(C) any manner in which the grantee
20 would change the rural development objectives
21 of the grantee as a result of the experience of
22 the grantee in administering amounts received
23 under this section.

24 “(h) RETENTION OF INCOME.—A grantee may retain
25 any income that is realized from the grant, if—

1 “(1) the income was realized after the initial
2 disbursement of amounts to the grantee under this
3 section; and

4 “(2) the—

5 “(A) grantee agrees to utilize the income
6 for 1 or more eligible activities; or

7 “(B) amount of the income is determined
8 by the Secretary to be so small that compliance
9 with subparagraph (A) would create an unrea-
10 sonable administrative burden on the grantee.

11 “(i) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to carry out this section
13 \$50,000,000 for each of fiscal years 2000 through 2006.”.

○