

108TH CONGRESS
1ST SESSION

H. R. 137

To provide job creation and assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. McHUGH introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, the Judiciary, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide job creation and assistance, 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 “Rural America Job
5 Assistance and Creation Act”.

6 **SEC. 2. GRANTS FOR REGIONAL SKILLS ALLIANCE SKILL
7 DEVELOPMENT.**

8 (a) AUTHORIZATION.—

7 (2) ELIGIBLE ENTITIES DESCRIBED.—

11 (i) shall consist of representatives
12 from not less than 5 businesses, or a lesser
13 number of businesses if such lesser number
14 of businesses employs at least 30 percent
15 of the employees in the industry involved
16 in the region (or a nonprofit organization
17 that represents such businesses);

18 (ii) may consist of representatives
19 from—

20 (I) labor organizations:

21 (II) State and local government:

22 and

23 (III) educational institutions:

24 (iii) is established to serve one or
25 more particular industries; and

(iv) is established to serve a particular geographic region.

3 (B) MAJORITY OF REPRESENTATIVES.—A
4 majority of the representatives comprising the
5 consortium shall be representatives described in
6 subparagraph (A)(i).

17 (b) USE OF AMOUNTS.—

24 (2) CONDUCT OF PROGRAM.—

(A) IN GENERAL.—In carrying out the program described in paragraph (1), the eligible entity may provide for—

(i) an assessment of training and job skill needs for the industry;

(ii) the development of a sequence of skill standards that are benchmarked to advanced industry practices;

(iii) the development of curriculum and training methods, including, where appropriate, e-learning or technology-based training;

(iv) the purchase, lease, or receipt of donations of training equipment;

(v) the identification of training providers and the development of partnerships between the industry and educational institutions, including community colleges;

(vi) the development of apprenticeship programs;

(vii) the development of training programs for workers, including dislocated workers;

(viii) the development of training plans for businesses; and

1 (ix) the development of the member-
2 ship of the entity.

13 (c) REQUIREMENT OF MATCHING FUNDS.—

21 (A) \$1 shall be provided by the businesses
22 participating in the entity; and

23 (B) \$1 shall be provided by the State or
24 local government involved.

25 (2) OTHER CONTRIBUTIONS —

6 (B) LIMITATION.—An eligible entity may
7 not include in-kind contributions in complying
8 with the requirement of paragraph (1). The
9 Secretary of Labor may consider such dona-
10 tions in ranking applications.

11 (d) LIMIT ON ADMINISTRATIVE EXPENSES.—The
12 Secretary of Labor may use not more than 5 percent of
13 the amounts made available to carry out this section to
14 pay the Federal administrative costs associated with
15 awarding grants under this section.

16 (e) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this section
18 \$50,000,000 for each of fiscal years 2003, 2004, and
19 2005, and such sums as are necessary for each fiscal year
20 thereafter.

21 SEC. 3. GRANTS FOR REGIONAL SKILLS ALLIANCE PLAN-
22 NING

23 (a) AUTHORIZATION.—

24 (1) IN GENERAL.—The Secretary of Labor, in

25 consultation with the Secretary of Commerce, shall

1 award grants to States to enable such States to as-
2 sist businesses, organizations, and agencies de-
3 scribed in section 2(a)(2) in conducting planning to
4 form consortia described in such section.

5 (2) MAXIMUM AMOUNT OF GRANT.—The
6 amount of a grant awarded to a State under para-
7 graph (1) may not exceed \$500,000 for any fiscal
8 year.

9 (b) APPLICATION.—The Secretary of Labor may not
10 award a grant under subsection (a) to a State unless such
11 State submits to the Secretary an application at such
12 time, in such manner, and containing such information as
13 the Secretary may reasonably require.

14 (c) REQUIREMENT OF MATCHING FUNDS.—The Sec-
15 retary of Labor may not award a grant under subsection
16 (a) to a State unless such State agrees that it will make
17 available non-Federal contributions toward the costs of
18 carrying out activities under this section in an amount
19 that is not less than \$1 for each \$1 of Federal funds pro-
20 vided under the grant.

21 (d) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to carry out this section
23 \$5,000,000 for fiscal year 2003.

1 **SEC. 4. GRANTS FOR SUPPORT OF BUSINESS INCUBATOR**2 **ACTIVITIES.**

3 (a) PURPOSE.—It is the purpose of this section to
4 encourage entrepreneurial creativity and risk taking
5 through the support of the furnishing of business incu-
6 bator services for newly established small businesses and
7 medium-sized businesses.

8 (b) GRANT PROGRAM.—To achieve the purpose of
9 this section, the Secretary of Commerce shall carry out
10 a program to provide, through grants, financial assistance
11 for the establishment and support of entities that provide
12 business incubator services in support of the initiation and
13 initial sustainment of business activities by newly estab-
14 lished small businesses and medium-sized businesses.

15 (c) AWARDS OF GRANTS.—

16 (1) ELIGIBILITY REQUIREMENTS.—The Sec-
17 retary shall prescribe the eligibility requirements for
18 the awarding of grants under this section.

19 (2) COMPETITIVE SELECTION.—The Secretary
20 shall use a competitive process for the awarding of
21 grants under this section and, under that process,
22 select recipients of the grants on the basis of merit,
23 with priority given to underserved rural and urban
24 communities.

4 (d) ADDITIONAL ADMINISTRATIVE AUTHORITIES.—

10 (2) ADDITIONAL TERMS AND CONDITIONS.—

11 The Secretary, in awarding a grant, may impose any
12 other terms and conditions for the use of the pro-
13 ceeds of the grant that the Secretary determines ap-
14 propriate for carrying out the purpose of this section
15 and to protect the interests of the United States, in-
16 cluding the requirement that entities providing busi-
17 ness incubator services that receive a grant under
18 this section develop a plan for ultimately becoming
19 self-sufficient.

20 (e) DEFINITIONS.—In this section:

1 newly established business, including such services
2 as the following:

3 (A) **LEGAL SERVICES.**—Legal services, in-
4 cluding aid in preparing corporate charters,
5 partnership agreements, and basic contracts.

6 (B) **INTELLECTUAL PROPERTY SERV-
7 ICES.**—Services in support of the protection of
8 intellectual property through patents, trade-
9 marks, or otherwise.

10 (C) **TECHNOLOGY SERVICES.**—Services in
11 support of the acquisition and use of advanced
12 technology, including the use of Internet serv-
13 ices and web-based services.

14 (D) **PLANNING.**—Advice on—
15 (i) strategic planning; and
16 (ii) marketing, including advertising.

17 (2) **SMALL BUSINESS AND MEDIUM-SIZED BUSI-
18 NESS.**—

19 (A) **SECRETARY TO PRESCRIBE.**—The Sec-
20 retary shall prescribe the definitions of the
21 terms “small business” and “medium-sized
22 business” for the purpose of this section.

23 (B) **SMALL BUSINESS STANDARDS.**—In de-
24 fining the term “small business” for the pur-
25 pose of this section, the Secretary shall apply

1 the standards applicable for the definition of
2 the term “small-business concern” under sec-
3 tion 3 of the Small Business Act (15 U.S.C.
4 632).

7 (f) REGULATIONS.—The Secretary shall prescribe
8 regulations for the grant program administered under this
9 section.

10 (g) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated for the Department of
12 Commerce to carry out this section \$50,000,000 for fiscal
13 year 2003, and \$200,000,000 for each fiscal year there-
14 after.

15 SEC. 5. NOTIFICATION OF FEDERAL AND STATE ELECTED
16 OFFICIALS PRIOR TO DISLOCATION OF
17 WORKERS.

18 Section 3(a)(2) of the Worker Adjustment and Re-
19 training Notification Act (29 U.S.C. 2102(a)(2)) is
20 amended by inserting “Federal, State, and” after “the
21 unit of”.

1 **SEC. 6. SUBMISSION OF H-1b LABOR CONDITION APPLICA-**
2 **TION AT SAME TIME AS CLASSIFICATION PE-**
3 **TITION.**

4 Section 212(n)(1) of the Immigration and Nationality
5 Act (8 U.S.C. 1182(n)(1)) is amended by adding at the
6 end the following: “The application under this paragraph
7 shall be submitted by an employer at the same time as
8 the classification petition is filed under section 214 relat-
9 ing to the H-1B nonimmigrants who are the subject of
10 the application.”.

11 **SEC. 7. EXCLUSION FROM INCOME OF SEVERANCE PAY-**
12 **MENT AMOUNTS.**

13 (a) **IN GENERAL.**—Part III of subchapter B of chap-
14 ter 1 of the Internal Revenue Code of 1986 (relating to
15 items specifically excluded from gross income) is amended
16 by inserting after section 139 the following new section:

17 **“SEC. 139A. SEVERANCE PAYMENTS.**

18 “(a) **IN GENERAL.**—In the case of an individual,
19 gross income shall not include any qualified severance pay-
20 ment.

21 “(b) **LIMITATION.**—The amount to which the exclu-
22 sion under subsection (a) applies shall not exceed \$25,000
23 with respect to each separation from employment de-
24 scribed in subsection (c)(1)(B).

25 “(c) **QUALIFIED SEVERANCE PAYMENT.**—For pur-
26 poses of this section—

1 “(1) IN GENERAL.—The term ‘qualified sever-
2 ance payment’ means any payment received by an
3 individual if—

4 “(A) such payment was paid by such
5 individual’s employer on account of such indi-
6 vidual’s separation from employment, and

7 “(B) such separation was in connection
8 with a reduction in the work force of the em-
9 ployer.

10 “(2) LIMITATION.—Such term shall not include
11 any payment received by an individual if the aggre-
12 gate payments received with respect to the separa-
13 tion from employment exceed \$150,000.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for part III of subchapter B of chapter 1 of such Code
16 is amended by inserting after the item relating to section
17 139 the following new items:

“Sec. 139A. Severance payments.”

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2002.

21 **SEC. 8. EXPANSION OF WORK OPPORTUNITY TAX CREDIT.**

22 (a) IN GENERAL.—Section 51(d)(1) of the Internal
23 Revenue Code of 1986 (relating to members of targeted
24 groups) is amended by striking “or” at the end of sub-
25 paragraph (G), by striking the period at the end of sub-

1 paragraph (H) and inserting “, or”, and by adding at the
2 end the following:

3 “(I) a qualified small business employee.”.

4 (b) **QUALIFIED SMALL BUSINESS EMPLOYEE.**—Section
5 51(d) of the Internal Revenue Code of 1986 is amend-
6 ed by redesignating paragraphs (10) through (12) as para-
7 graphs (11) through (13), respectively, and by inserting
8 after paragraph (9) the following:

9 “(10) **QUALIFIED SMALL BUSINESS EM-**
10 **PLOYEE.**—

11 “(A) **IN GENERAL.**—The term ‘qualified

12 small business employee’ means any indi-
13 vidual—

14 “(i) hired by a qualified small busi-
15 ness located in a development zone, or

16 “(ii) hired by a qualified small busi-
17 ness and who is certified by the designated
18 local agency as residing in such a develop-
19 ment zone.

20 “(B) **QUALIFIED SMALL BUSINESS.**—The

21 term ‘qualified small business’ has the meaning
22 given the term ‘small employer’ by section
23 4980D(d)(2).

24 “(C) **DEVELOPMENT ZONE.**—For purposes
25 of this section—

1 “(i) IN GENERAL.—The term ‘devel-
2 opment zone’ means any area—

3 “(I) which is nominated under
4 the procedures defined in sections
5 1400E(a)(1)(A) and 1400E(a)(4) for
6 renewal communities;

7 “(II) which the Secretary of
8 Housing and Urban Development des-
9 ignates as a development zone, after
10 consultation with the Secretary of
11 Commerce;

12 “(III) which has a population of
13 not less than 5,000 and not more
14 than 150,000;

15 “(IV) which has a poverty rate
16 not less than 20 percent (within the
17 meaning of section 1400E(c)(3)(C));

18 “(V) which has an average an-
19 nual rate of job growth of less than 2
20 percent during any 3 years of the pre-
21 ceding 5-year period; and

22 “(VI) which, during the period
23 beginning January 1, 1990 and end-
24 ing with the date of the enactment of
25 this section, has a net out-migration

1 of inhabitants, or other population
2 loss, from the area of at least 2 per-
3 cent of the population of the area dur-
4 ing such period.

1 1-year period beginning with the day
2 the individual begins work for the em-
3 ployer.

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

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

22 “(IV) QUALIFIED FOURTH-YEAR
23 WAGES.—The term ‘qualified fourth-
24 year wages’ means, with respect to
25 any individual, qualified wages attrib-

utable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under subclause (III).

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to individuals who begin work for
24 the employer after the date of enactment of this Act.

