

108TH CONGRESS  
1ST SESSION

# H. R. 141

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

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2003

Mr. MCINTYRE (for himself, Mr. HAYES, and Mr. MILLER of North Carolina) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on 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

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## 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 2003”.

**6 SEC. 2. DEFINITIONS.**

7       In this Act, the following definitions apply:

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

### 17 SEC. 3. SOUTHEAST CRESCENT AUTHORITY.

18 (a) ESTABLISHMENT.—

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

5 (A) the Federal member, who shall serve—  
6 (i) as the Federal cochairperson; and  
7 (ii) as a liaison between the Federal  
8 Government and the Authority; and

9 (B) a State cochairperson, who—  
10 (i) shall be a Governor of a partici-  
11 pating State in the region; and  
12 (ii) shall be elected by the State mem-  
13 bers for a term of not less than 1 year.

14 (b) ALTERNATE MEMBERS.—

15 (1) STATE ALTERNATES.—

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

1 (2) ALTERNATE FEDERAL COCHAIRPERSON.—

2 The President shall appoint an alternate Federal co-  
3 chairperson.

### 4 (3) QUORUM.—

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

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

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

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

22 (B) who is not entitled to vote in Authority  
23 meetings.

24 (c) DECISIONS.—

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

15 (A) A decision involving Authority policy.

16 (B) Approval of State, regional, or sub-  
17 regional development plans or strategy state-  
18 ments.

19 (C) Modification or revision of the  
20 Authority's code.

21 (D) Allocation of amounts among the  
22 States.

23 (E) Designation of a distressed county.

24 (4) PROJECT AND GRANT PROPOSALS.—The ap-  
25 proval of project and grant proposals is a responsi-

1       bility of the Authority and shall be carried out in ac-  
2       cordance with section 10.

3       (d) DUTIES.—The Authority shall—

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

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

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

19              (4)(A) enhance the capacity of, and provide  
20       support for, local development districts in the region;

21       or

22              (B) if no local development district exists in an  
23       area in a participating State in the region, foster the  
24       creation of a local development district; and

4 (e) ADMINISTRATION.—In carrying out subsection  
5 (d), the Authority may—

22 (4) adopt, amend, and repeal bylaws and rules  
23 governing the conduct of Authority business and the  
24 performance of Authority duties;

15 (A) making arrangements or entering into  
16 contracts with any participating State govern-  
17 ment; or

18 (B) otherwise providing retirement and  
19 other employee benefit coverage;

20 (8) accept, use, and dispose of gifts or dona-  
21 tions of services or real, personal, tangible, or intan-  
22 gible property;

23 (9) enter into and perform such contracts or  
24 other transactions as are necessary to carry out Au-  
25 thority duties;

1 (10) establish and maintain a central office lo-  
2 cated within the Southeast Crescent Authority re-  
3 gion and field offices at such locations as the Au-  
4 thority may select; and

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

7 (f) FEDERAL AGENCY COOPERATION.—A Federal  
8 agency shall—

9 (1) cooperate with the Authority; and

14 (g) ADMINISTRATIVE EXPENSES.—

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

4 (2) STATE SHARE.—

9 (B) No FEDERAL PARTICIPATION.—The  
10 Federal cochairperson shall not participate or  
11 vote in any decision under subparagraph (A).

12 (C) DELINQUENT STATES.—If a State is  
13 delinquent in payment of the State's share of  
14 administrative expenses of the Authority under  
15 this subsection—

16 (i) no assistance under this Act shall  
17 be furnished to the State (including assist-  
18 ance to a political subdivision or a resident  
19 of the State); and

23 (h) COMPENSATION.—

24 (1) FEDERAL COCHAIRPERSON.—The Federal  
25 cochairperson shall be compensated by the Federal

1       Government at level III of the Executive Schedule in  
2       subchapter II of chapter 53 of title V, United States  
3       Code.

4                   (2) ALTERNATE FEDERAL COCHAIRPERSON.—

5       The alternate Federal cochairperson—

6                   (A) shall be compensated by the Federal  
7       Government at level V of the Executive Sched-  
8       ule described in paragraph (1); and

9                   (B) when not actively serving as an alter-  
10       nate for the Federal cochairperson, shall per-  
11       form such functions and duties as are delegated  
12       by the Federal cochairperson.

13                   (3) STATE MEMBERS AND ALTERNATES.—

14                   (A) IN GENERAL.—A State shall com-  
15       pensate each member and alternate rep-  
16       resenting the State on the Authority at the rate  
17       established by law of the State.

18                   (B) NO ADDITIONAL COMPENSATION.—No  
19       State member or alternate member shall receive  
20       any salary, or any contribution to or sup-  
21       plementation of salary from any source other  
22       than the State for services provided by the  
23       member or alternate to the Authority.

24                   (4) DETAILED EMPLOYEES.—

6 (i) any source other than the State,  
7 local, or intergovernmental department or  
8 agency from which the person was detailed;  
9 or

10 (ii) the Authority.

11 (B) VIOLATION.—Any person that violates  
12 this paragraph shall be fined not more than  
13 \$5,000, imprisoned not more than 1 year, or  
14 both.

15 (C) APPLICABLE LAW.—The Federal co-  
16 chairperson, the alternate Federal cochair-  
17 person, and any Federal officer or employee de-  
18 tailed to duty on the Authority under sub-  
19 section (e)(5) shall not be subject to subpara-  
20 graph (A), but shall remain subject to sections  
21 202 through 209 of title 18, United States  
22 Code.

23 (5) ADDITIONAL PERSONNEL.—

24 (A) COMPENSATION.—

6 (ii) EXCEPTION.—Compensation  
7 under clause (i) shall not exceed the max-  
8 imum rate for the Senior Executive Service  
9 under section 5382 of title 5, United  
10 States Code, including any applicable local-  
11 ity-based comparability payment that may  
12 be authorized under section 5304(h)(2)(C)  
13 of that title.

14 (B) EXECUTIVE DIRECTOR.—The executive  
15 director shall be responsible for—

16 (i) the carrying out of the administra-  
17 tive duties of the Authority;

20 (iii) such other duties as the Author-  
21 ity may assign.

22 (C) NO FEDERAL EMPLOYEE STATUS.—No  
23 member, alternate, officer, or employee of the  
24 Authority (except the Federal cochairperson of  
25 the Authority, the alternate and staff for the

1       Federal cochairperson, and any Federal em-  
2       ployee detailed to the Authority under sub-  
3       section (e)(5)) shall be considered to be a Fed-  
4       eral employee for any purpose.

5       (i) CONFLICTS OF INTEREST.—

6           (1) IN GENERAL.—Except as provided under  
7       paragraph (2), no State member, alternate, officer,  
8       or employee of the Authority shall participate per-  
9       sonally and substantially as a member, alternate, of-  
10       ficer, or employee of the Authority, through decision,  
11       approval, disapproval, recommendation, the ren-  
12       dering of advice, investigation, or otherwise, in any  
13       proceeding, application, request for a ruling or other  
14       determination, contract, claim, controversy, or other  
15       matter in which, to knowledge of the member, alter-  
16       native, officer, or employee any of the following per-  
17       sons has a financial interest:

18           (A) The member, alternate, officer, or em-  
19       ployee.

20           (B) The spouse, minor child, partner, or  
21       organization (other than a State or political  
22       subdivision of the State) of the member, alter-  
23       native, officer, or employee, in which the member,  
24       alternate, officer, or employee is serving as offi-  
25       cer, director, trustee, partner, or employee.

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

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.—

5 (B) in combination with funds available  
6 under another State or Federal grant program;

or

8 (C) from any other source.

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

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

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

(a) FEDERAL GRANT PROGRAM FUNDING.—In accordance with subsection (b), the Federal cochairperson may use amounts made available to carry out this Act, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act, to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in the region in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by applicable law, but not to exceed 80 percent of the costs of the project.

**21 (b) CERTIFICATION.—**

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—

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.—

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 eval-  
18 uated, 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 may des-  
14       ignate—

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.

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

## 20 SEC. 12. RECORDS.

21 (a) RECORDS OF THE AUTHORITY.—

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

## 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 appropriated to the Authority to carry out this Act \$40,000,000  
3 for each of fiscal years 2004 through 2008, to remain  
4 available until expended.

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

9 **SEC. 15. TERMINATION OF AUTHORITY.**

10 This Act shall have no force or effect on or after Oc-  
11 tober 1, 2008.

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

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

○