

108TH CONGRESS  
2D SESSION

# H. R. 4108

To amend the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) to provide for homeland security assistance for high-risk nonprofit organizations, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2004

Mr. NETHERCUTT (for himself, Mr. NADLER, Mr. SHAYS, Mr. ENGEL, Mr. BACHUS, Mr. BERMAN, Mr. CLAY, Mr. DAVIS of Illinois, Mrs. DAVIS of California, Mr. GRIJALVA, Mr. HOLDEN, Mr. HOYER, Mrs. LOWEY, Mr. PENCE, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. WEINER, Mr. WEXLER, Mr. PASCRELL, Mr. RUPPERSBERGER, Mr. HOEFFEL, and Ms. KAPTUR) introduced the following bill; which was referred to the Select Committee on Homeland Security, and in addition to the Committee on the Judiciary, 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 amend the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) to provide for homeland security assistance for high-risk nonprofit organizations, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the“High Risk Nonprofit  
3 Security Enhancement Act of 2004”.

4 **SEC. 2. FINDING.**

5 Congress finds that there is a public interest in pro-  
6 tecting high-risk nonprofit organizations from inter-  
7 national terrorist attacks that would disrupt the vital serv-  
8 ices such organizations provide to the people of the United  
9 States and threaten the lives and well-being of United  
10 States citizens who operate, utilize, and live or work in  
11 proximity to such organizations.

12 **SEC. 3. PURPOSES.**

13 The purposes of this Act are to—

14 (1) establish within the Department of Home-  
15 land Security a program to protect United States  
16 citizens at or near high-risk nonprofit organizations  
17 from international terrorist attacks through loan  
18 guarantees and Federal contracts for security en-  
19 hancements and technical assistance;

20 (2) establish a program within the Department  
21 of Homeland Security to provide grants to local gov-  
22 ernments to assist with incremental costs associated  
23 with law enforcement in areas in which there are a  
24 high concentration of high-risk nonprofit organiza-  
25 tions vulnerable to international terrorist attacks;  
26 and

1           (3) establish an Office of Community Relations  
 2           and Civic Affairs within the Department of Home-  
 3           land Security to focus on security needs of high-risk  
 4           nonprofit organizations with respect to international  
 5           terrorist threats.

6 **SEC. 4. AUTHORITY TO ENTER INTO CONTRACTS AND**  
 7 **ISSUE FEDERAL LOAN GUARANTEES.**

8           The Homeland Security Act of 2002 (6 U.S.C. 101  
 9 et seq.) is amended by adding at the end the following:  
 10 **“TITLE XVIII—PROTECTION OF**  
 11 **CITIZENS AT HIGH-RISK NON-**  
 12 **PROFIT ORGANIZATIONS**

13 **“SEC. 1801. DEFINITIONS.**

14           “In this title:

15           “(1) **CONTRACT.**—The term ‘contract’ means a  
 16 contract between the Federal Government and a  
 17 contractor selected from the list of certified contrac-  
 18 tors to perform security enhancements or provide  
 19 technical assistance approved by the Secretary under  
 20 this title.

21           “(2) **FAVORABLE REPAYMENT TERMS.**—The  
 22 term ‘favorable repayment terms’ means the repay-  
 23 ment terms of loans offered to nonprofit organiza-  
 24 tions under this title that—

1           “(A) are determined by the Secretary, in  
2           consultation with the Secretary of the Treasury,  
3           to be favorable under current market condi-  
4           tions;

5           “(B) have interest rates at least 1 full per-  
6           centage point below the market rate; and

7           “(C) provide for repayment over a term  
8           not less than 25 years.

9           “(3) NONPROFIT ORGANIZATION.—The term  
10          ‘nonprofit organization’ means an organization  
11          that—

12           “(A) is described under section 501(c)(3)  
13           of the Internal Revenue Code of 1986 and ex-  
14           empt from taxation under section 501(a) of  
15           such Code; and

16           “(B) is designated by the Secretary under  
17           section 1803(a).

18           “(4) SECURITY ENHANCEMENTS.—The term  
19          ‘security enhancements’—

20           “(A) means the purchase and installation  
21           of security equipment in real property (includ-  
22           ing buildings and improvements), owned or  
23           leased by a nonprofit organization, specifically  
24           in response to the risk of attack at a nonprofit

1 organization by an international terrorist orga-  
2 nization;

3 “(B) includes software security measures;  
4 and

5 “(C) does not include enhancements that  
6 would otherwise have been reasonably necessary  
7 due to nonterrorist threats.

8 “(5) TECHNICAL ASSISTANCE.—The term ‘tech-  
9 nical assistance’—

10 “(A) means guidance, assessment, rec-  
11 ommendations, and any other provision of infor-  
12 mation or expertise which assists nonprofit or-  
13 ganizations in—

14 “(i) identifying security needs;

15 “(ii) purchasing and installing secu-  
16 rity enhancements;

17 “(iii) training employees to use and  
18 maintain security enhancements; or

19 “(iv) training employees to recognize  
20 and respond to international terrorist  
21 threats; and

22 “(B) does not include technical assistance  
23 that would otherwise have been reasonably nec-  
24 essary due to nonterrorist threats.

1 **“SEC. 1802. AUTHORITY TO ENTER INTO CONTRACTS AND**  
2 **ISSUE FEDERAL LOAN GUARANTEES.**

3 “(a) IN GENERAL.—The Secretary may—

4 “(1) enter into contracts with certified contrac-  
5 tors for security enhancements and technical assist-  
6 ance for nonprofit organizations; and

7 “(2) issue Federal loan guarantees to financial  
8 institutions in connection with loans made by such  
9 institutions to nonprofit organizations for security  
10 enhancements and technical assistance.

11 “(b) LOANS.—The Secretary may guarantee loans  
12 under this title—

13 “(1) only to the extent provided for in advance  
14 by appropriations Acts; and

15 “(2) only to the extent such loans have favor-  
16 able repayment terms.

17 **“SEC. 1803. ELIGIBILITY CRITERIA.**

18 “(a) IN GENERAL.—The Secretary shall designate  
19 nonprofit organizations as high-risk nonprofit organiza-  
20 tions eligible for contracts or loans under this title based  
21 on the vulnerability of the specific site of the nonprofit  
22 organization to international terrorist attacks.

23 “(b) VULNERABILITY DETERMINATION.—In deter-  
24 mining vulnerability to international terrorist attacks and  
25 eligibility for security enhancements or technical assist-  
26 ance under this title, the Secretary shall consider—

1           “(1) threats of international terrorist organiza-  
2           tions (as designated by the State Department)  
3           against any group of United States citizens who op-  
4           erate or are the principal beneficiaries or users of  
5           the nonprofit organization;

6           “(2) prior attacks, within or outside the United  
7           States, by international terrorist organizations  
8           against the nonprofit organization or entities associ-  
9           ated with or similarly situated as the nonprofit orga-  
10          nization;

11          “(3) the symbolic value of the site as a highly  
12          recognized United States cultural or historical insti-  
13          tution that renders the site a possible target of  
14          international terrorism;

15          “(4) the role of the nonprofit organization in  
16          responding to international terrorist attacks; and

17          “(5) any recommendations of the applicable  
18          State Homeland Security Authority established  
19          under section 1806 or Federal, State, and local law  
20          enforcement authorities.

21          “(c) DOCUMENTATION.—In order to be eligible for  
22          security enhancements, technical assistance or loan guar-  
23          antees under this title, the nonprofit organization shall  
24          provide the Secretary with documentation that—

1           “(1) the nonprofit organization hosted a gath-  
2           ering of at least 100 or more persons at least once  
3           each month at the nonprofit organization site during  
4           the preceding 12 months; or

5           “(2) the nonprofit organization provides serv-  
6           ices to at least 500 persons each year at the non-  
7           profit organization site.

8           “(d) TECHNICAL ASSISTANCE ORGANIZATIONS.—If 2  
9           or more nonprofit organizations establish another non-  
10          profit organization to provide technical assistance, that es-  
11          tablished organization shall be eligible to receive security  
12          enhancements and technical assistance under this title  
13          based upon the collective risk of the nonprofit organiza-  
14          tions it serves.

15       **“SEC. 1804. USE OF LOAN GUARANTEES.**

16           “Funds borrowed from lending institutions, which  
17          are guaranteed by the Federal Government under this  
18          title, may be used for technical assistance and security en-  
19          hancements.

20       **“SEC. 1805. NONPROFIT ORGANIZATION APPLICATIONS.**

21           “(a) IN GENERAL.—A nonprofit organization desir-  
22          ing assistance under this title shall submit a separate ap-  
23          plication for each specific site needing security enhance-  
24          ments or technical assistance.

25           “(b) CONTENT.—Each application shall include—



1           “(1) a detailed request for security enhance-  
2           ments and technical assistance, from a list of ap-  
3           proved enhancements and assistance issued by the  
4           Secretary under this title;

5           “(2) a description of the intended uses of funds  
6           to be borrowed under Federal loan guarantees; and

7           “(3) such other information as the Secretary  
8           shall require.

9           “(c) JOINT APPLICATION.—Two or more nonprofit  
10          organizations located on contiguous sites may submit a  
11          joint application.

12       **“SEC. 1806. REVIEW BY STATE HOMELAND SECURITY AU-**  
13       **THORITIES.**

14       “(a) ESTABLISHMENT OF STATE HOMELAND SECUR-  
15       ITY AUTHORITIES.—In accordance with regulations pre-  
16       scribed by the Secretary, each State may establish a State  
17       Homeland Security Authority to carry out this title.

18       “(b) APPLICATIONS.—

19           “(1) SUBMISSION.—Applications shall be sub-  
20           mitted to the applicable State Homeland Security  
21           Authority.

22           “(2) EVALUATION.—After consultation with  
23           Federal, State, and local law enforcement authori-  
24           ties, the State Homeland Security Authority shall  
25           evaluate all applications using the criteria under sec-

1       tion 1803 and transmit all qualifying applications to  
2       the Secretary ranked by severity of risk of inter-  
3       national terrorist attack.

4               “(3) APPEAL.—An applicant may appeal the  
5       finding that an application is not a qualifying appli-  
6       cation to the Secretary under procedures that the  
7       Secretary shall issue by regulation not later than 90  
8       days after the date of enactment of this title.

9       **“SEC. 1807. SECURITY ENHANCEMENT AND TECHNICAL AS-**  
10               **SISTANCE CONTRACTS AND LOAN GUARAN-**  
11               **TEES.**

12       “(a) IN GENERAL.—Upon receipt of the applications,  
13       the Secretary shall select applications for execution of se-  
14       curity enhancement and technical assistance contracts, or  
15       issuance of loan guarantees, giving preference to the non-  
16       profit organizations determined to be at greatest risk of  
17       international terrorist attack based on criteria under sec-  
18       tion 1803.

19       “(b) SECURITY ENHANCEMENTS AND TECHNICAL  
20       ASSISTANCE; FOLLOWED BY LOAN GUARANTEES.—The  
21       Secretary shall execute security enhancement and tech-  
22       nical assistance contracts for the highest priority appli-  
23       cants until available funds are expended, after which loan  
24       guarantees shall be made available for additional appli-  
25       cants determined to be at high risk, up to the authorized

1 amount of loan guarantees. The Secretary may provide  
2 with respect to a single application a combination of such  
3 contracts and loan guarantees.

4 “(c) JOINT APPLICATIONS.—Special preference shall  
5 be given to joint applications submitted on behalf of mul-  
6 tiple nonprofit organizations located in contiguous set-  
7 tings.

8 “(d) MAXIMIZING AVAILABLE FUNDS.—Subject to  
9 subsection (b), the Secretary shall execute security en-  
10 hancement and technical assistance contracts in such  
11 amounts as to maximize the number of high-risk appli-  
12 cants nationwide receiving assistance under this title.

13 “(e) APPLICANT NOTIFICATION.—Upon selecting a  
14 nonprofit organization for assistance under this title, the  
15 Secretary shall notify the nonprofit organization that the  
16 Federal Government is prepared to enter into a contract  
17 with certified contractors to install specified security en-  
18 hancements or provide specified technical assistance at the  
19 site of the nonprofit organization.

20 “(f) CERTIFIED CONTRACTORS.—

21 “(1) IN GENERAL.—Upon receiving a notifica-  
22 tion under subsection (e), the nonprofit organization  
23 shall select a certified contractor to perform the  
24 specified security enhancements, from a list of cer-

1       tified contractors issued and maintained by the Sec-  
2       retary under subsection (j).

3               “(2) LIST.—The list referred to in paragraph  
4       (1) shall be comprised of contractors selected on the  
5       basis of—

6                       “(A) technical expertise;

7                       “(B) performance record including quality  
8       and timeliness of work performed;

9                       “(C) adequacy of employee criminal back-  
10      ground checks; and

11                      “(D) price competitiveness.

12               “(3) OTHER CERTIFIED CONTRACTORS.—The  
13      Secretary shall include on the list of certified con-  
14      tractors additional contractors selected by senior of-  
15      ficials at State Homeland Security Authorities and  
16      the chief executives of county and other local juris-  
17      dictions. Such additional certified contractors shall  
18      be selected on the basis of the criteria under para-  
19      graph (2).

20               “(g) ENSURING THE AVAILABILITY OF CONTRAC-  
21      TORS.—If the list of certified contractors under this sec-  
22      tion does not include any contractors who can begin work  
23      on the security enhancements or technical assistance with-  
24      in 60 days after applicant notification, the nonprofit orga-  
25      nization may submit a contractor not currently on the list

1 to the Secretary for the Secretary's review. If the Sec-  
2 retary does not include the submitted contractor on the  
3 list of certified contractors within 60 days after the sub-  
4 mission and does not place an alternative contractor on  
5 the list within the same time period (who would be avail-  
6 able to begin the specified work within that 60-day pe-  
7 riod), the Secretary shall immediately place the submitted  
8 contractor on the list of certified contractors and such con-  
9 tractor shall remain on such list until—

10           “(1) the specified work is completed; or

11           “(2) the Secretary can show cause why such  
12 contractor may not retain certification, with such de-  
13 terminations subject to review by the Comptroller  
14 General of the United States.

15       “(h) CONTRACTS.—Upon selecting a certified con-  
16 tractor to provide security enhancements and technical as-  
17 sistance approved by the Secretary under this title, the  
18 nonprofit organization shall notify the Secretary of such  
19 selection. The Secretary shall deliver a contract to such  
20 contractor within 10 business days after such notification.

21       “(i) CONTRACTS FOR ADDITIONAL WORK OR UP-  
22 GRADES.—A nonprofit organization, using its own funds,  
23 may enter into an additional contract with the certified  
24 contractor, for additional or upgraded security enhance-  
25 ments or technical assistance. Such additional contracts

1 shall be separate contracts between the nonprofit organi-  
2 zation and the contractor.

3 “(j) EXPEDITING ASSISTANCE.—In order to expedite  
4 assistance to nonprofit organizations, the Secretary  
5 shall—

6 “(1) compile a list of approved technical assist-  
7 ance and security enhancement activities within 45  
8 days after the date of enactment of this title;

9 “(2) publish in the Federal Register within 60  
10 days after such date of enactment a request for con-  
11 tractors to submit applications to be placed on the  
12 list of certified contractors under this section;

13 “(3) after consultation with the Secretary of  
14 the Treasury, publish in the Federal Register within  
15 60 days after such date of enactment, prescribe reg-  
16 ulations setting forth the conditions under which  
17 loan guarantees shall be issued under this title, in-  
18 cluding application procedures, expeditious review of  
19 applications, underwriting criteria, assignment of  
20 loan guarantees, modifications, commercial validity,  
21 defaults, and fees; and

22 “(4) publish in the Federal Register within 120  
23 days after such date of enactment (and every 30  
24 days thereafter) a list of certified contractors, in-  
25 cluding those selected by State Homeland Security

1 Authorities, county, and local officials, with coverage  
2 of all 50 States, the District of Columbia, and the  
3 territories.

4 **“SEC. 1808. LOCAL LAW ENFORCEMENT ASSISTANCE**  
5 **GRANTS.**

6 “(a) IN GENERAL.—The Secretary may provide  
7 grants to units of local government to offset incremental  
8 costs associated with law enforcement in areas where there  
9 is a high concentration of nonprofit organizations.

10 “(b) USE.—Grant funds received under this section  
11 may be used only for personnel costs or for equipment  
12 needs specifically related to such incremental costs.

13 “(c) MAXIMIZATION OF IMPACT.—The Secretary  
14 shall award grants in such amounts as to maximize the  
15 impact of available funds in protecting nonprofit organiza-  
16 tions nationwide from international terrorist attacks.

17 **“SEC. 1809. OFFICE OF COMMUNITY RELATIONS AND CIVIC**  
18 **AFFAIRS.**

19 “(a) IN GENERAL.—There is established within the  
20 Department, the Office of Community Relations and Civic  
21 Affairs to administer grant programs for nonprofit organi-  
22 zations and local law enforcement assistance.

23 “(b) ADDITIONAL RESPONSIBILITIES.—The Office of  
24 Community Relations and Civic Affairs shall—

1           “(1) coordinate community relations efforts of  
2       the Department;

3           “(2) serve as the official liaison of the Secretary  
4       to the nonprofit, human and social services, and  
5       faith-based communities; and

6           “(3) assist in coordinating the needs of those  
7       communities with the Citizen Corps program.

8       **“SEC. 1810. AUTHORIZATION OF APPROPRIATIONS AND**  
9               **LOAN GUARANTEES.**

10       “(a) NONPROFIT ORGANIZATIONS PROGRAM.—There  
11       are authorized to be appropriated to the Department to  
12       carry out the nonprofit organization program under this  
13       title, \$100,000,000 for fiscal year 2005 and such sums  
14       as may be necessary for fiscal years 2006 and 2007.

15       “(b) LOCAL LAW ENFORCEMENT ASSISTANCE  
16       GRANTS.—There are authorized to be appropriated to the  
17       Department for local law enforcement assistance grants  
18       under section 1808, \$50,000,000 for fiscal year 2005 and  
19       such sums as may be necessary for fiscal years 2006 and  
20       2007.

21       “(c) OFFICE OF COMMUNITY RELATIONS AND CIVIC  
22       AFFAIRS.—There are authorized to be appropriated to the  
23       Department for the Office of Community Relations and  
24       Civic Affairs under section 1809, \$5,000,000 for fiscal



1 year 2005 and such sums as may be necessary for fiscal  
 2 years 2006 and 2007.

3 “(d) LOAN GUARANTEES.—

4 “(1) AUTHORIZATION OF APPROPRIATIONS.—

5 There are authorized to be appropriated in each of  
 6 fiscal years 2005, 2006, and 2007, such amounts as  
 7 may be required under the Federal Credit Act with  
 8 respect to Federal loan guarantees authorized by  
 9 this title, which shall remain available until ex-  
 10 pended.

11 “(2) LIMITATION.—The aggregate value of all  
 12 loans for which loan guarantees are issued under  
 13 this title by the Secretary may not exceed  
 14 \$250,000,000 in each of fiscal years 2005, 2006,  
 15 and 2007.”.

16 **SEC. 5. TECHNICAL AND CONFORMING AMENDMENT.**

17 The table of contents under section 1(b) of the Home-  
 18 land Security Act of 2002 (6 U.S.C. 101(b)) is amended  
 19 by adding at the end the following:

“TITLE XVIII—PROTECTION OF CITIZENS AT HIGH-RISK  
 NONPROFIT ORGANIZATIONS

“Sec. 1801. Definitions.

“Sec. 1802. Authority to enter into contracts and issue Federal loan guaran-  
 tees.

“Sec. 1803. Eligibility criteria.

“Sec. 1804. Use of loan guarantees.

“Sec. 1805. Nonprofit organization applications.

“Sec. 1806. Review by State Homeland Security Authorities.

“Sec. 1807. Security enhancement and technical assistance contracts and loan  
 guarantees.

“Sec. 1808. Local law enforcement assistance grants.

“Sec. 1809. Office of Community Relations and Civic Affairs.

“Sec. 1810. Authorization of appropriations and loan guarantees.”.

