

109TH CONGRESS  
1ST SESSION

# H. R. 2347

To revitalize suburban communities, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2005

Mr. KING of New York (for himself and Mrs. MCCARTHY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Ways and Means, 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 revitalize suburban communities, 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 “Suburban Core Oppor-  
5       tunity, Restoration, and Enhancement (SCORE) Act of  
6       2005”.

7       **SEC. 2. GENERAL PROVISIONS.**

8       (a) DEFINITIONS.—As used in this Act—

9               (1) the term “unit of local government” means  
10       any city, other than a metropolitan city located in a

1 metropolitan statistical area, county, town, township,  
2 parish, village, hamlet, or other general purpose po-  
3 litical subdivision of a State that contains within its  
4 boundaries an eligible SCORE project area;

5 (2) the term “State” means any State of the  
6 United States, the Commonwealth of Puerto Rico,  
7 Guam, the Northern Mariana Islands, the Virgin Is-  
8 lands, and America Samoa;

9 (3) the term “metropolitan area” means a  
10 standard metropolitan statistical area as established  
11 by the Office of Management and Budget;

12 (4) the term “metropolitan city” means—

13 (A) a city within a metropolitan area which  
14 is the central city of such area, as defined and  
15 used by the Office of Management and Budget;  
16 or

17 (B) any other city, within a metropolitan  
18 area, which has a population of 50,000 or more;

19 (5) the term “Secretary” means the Secretary  
20 of Housing and Urban Development; and

21 (6) the term “SCORE project area” means any  
22 area that—

23 (A) is not eligible to be designated as a re-  
24 newal community under section 1400E of the  
25 Internal Revenue Code of 1986;

(B) is not smaller than a census-designated place (“CDP”) as defined by the United States Bureau of the Census; and

(C) includes some of the following:

(i) Close proximity to existing development and infrastructure, including access to mass transit.

(ii) Substandard, deteriorating, distressed, abandoned, or underutilized residential, commercial, and industrial properties.

(iii) An average housing cost-burden of at least 50 percent of gross income.

(iv) A commercial property vacancy rate 30 percent higher than the average commercial vacancy rate for all metropolitan areas.

(v) An older, economically obsolescent regional mall, commonly referred to as a “Greyfield mall”.

(b) BASIS AND MODIFICATION OF DEFINITIONS.—

Where appropriate, the definitions in subsection (a) shall be based, with respect to any fiscal year, on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of

1 Management and Budget available 90 days prior to the  
 2 beginning of such fiscal year. The Secretary may by regu-  
 3 lation change or otherwise modify the meaning of the  
 4 terms defined in subsection (a) in order to reflect any  
 5 technical change or modification thereof made subsequent  
 6 to such date by the United States Bureau of the Census  
 7 or the Office of Management and Budget.

8 **SEC. 3. DESIGNATION OF SCORE PROJECT AREAS.**

9 (a) IN GENERAL.—From among the areas nominated  
 10 for designation under this section, the Secretary may des-  
 11 ignate 1 or more SCORE project areas.

12 (b) LIMITATIONS ON DESIGNATION.—No area may  
 13 be designated under subsection (a) unless—

14 (1) the area is nominated by 1 or more units  
 15 of local government, including municipal and county  
 16 authorities;

17 (2) the unit of local government provides writ-  
 18 ten assurances and other documentation satisfactory  
 19 to the Secretary that—

20 (A) it convened a SCORE advisory com-  
 21 mittee to enter into a collaborative community  
 22 planning process to determine the SCORE  
 23 project area to be nominated;

24 (B) the SCORE advisory committee held a  
 25 series of open meetings to develop a vision

1 statement with the consensus of the community  
2 that describes—

3 (i) the geographical extent of the  
4 SCORE project area;

5 (ii) the community's goals in applying  
6 for such a designation; and

7 (iii) the community's plan for the use  
8 of any funds received under this Act; and

9 (C) the SCORE advisory committee passed  
10 a resolution, that was later adopted by the unit  
11 of local government, adopting the vision state-  
12 ment agreed to in subparagraph (B); and

13 (3) the Secretary determines that any informa-  
14 tion furnished is reasonably accurate.

15 **SEC. 4. PLANNING GRANTS FOR SCORE PROJECT AREAS.**

16 (a) GRANTS AUTHORIZED.—

17 (1) IN GENERAL.—The Secretary may award a  
18 grant to a unit of local government to plan activities  
19 in accordance with the provisions of this section.

20 (2) AMOUNT.—A grant awarded under sub-  
21 section (a) shall not exceed \$250,000.

22 (3) AWARD BASIS.—The Secretary shall award  
23 grants under this section on a competitive basis.

24 (b) APPLICATION.—A unit of local government seek-  
25 ing a grant under this section on behalf of a designated

1 SCORE project area shall submit an application to the  
2 Secretary at such time, in such manner, and containing  
3 such information as the Secretary may require.

4 (c) USE OF FUNDS.—A grant awarded to a unit of  
5 local government on behalf of a designated SCORE  
6 project area pursuant to subsection (a) shall be used to  
7 create a strategic plan for the SCORE project area. Such  
8 a strategic plan shall include plans for—

9 (1) increasing the types of housing available  
10 within the SCORE project area;

11 (2) protecting natural resources, farmland, and  
12 critical environmental lands within the SCORE  
13 project area;

14 (3) preserving or increasing the amount of open  
15 space, public plazas, parks, and recreation areas  
16 within the SCORE project area;

17 (4) increasing the construction of mixed use  
18 properties and buildings within the SCORE project  
19 area;

20 (5) enhancing and promoting public transpor-  
21 tation and improved circulation and access within  
22 the SCORE project area, including the construction  
23 and renovation of streets for pedestrian use, improv-  
24 ing access to and condition of transit stations and

1 facilities, and the creation of commercial and mixed  
2 use properties adjacent to transit stations;

3 (6) preserving the character of the community  
4 within the SCORE project area, including limits on  
5 the choice of architectural designs and the loss of  
6 historic features; and

7 (7) programs or initiatives that enhance the  
8 economic base of the SCORE project area, including  
9 the creation of business improvement districts, fa-  
10 cade enhancement programs, retail store recruit-  
11 ment, and community marketing.

12 (d) SCORE ADVISORY COMMITTEE.—

13 (1) IN GENERAL.—Any unit of local govern-  
14 ment seeking to receive funds under this section  
15 shall work in close association with a SCORE advi-  
16 sory committee.

17 (2) PUBLIC HEARING.—The SCORE advisory  
18 committee shall hold at least one hearing, open to  
19 the public, concerning the strategic plan with stake-  
20 holders and other interested groups within the com-  
21 munity so that the opinions of such parties can be  
22 taken into account and so that outside groups can  
23 learn of the strategic plan.

24 (3) PUBLIC NOTICE.—Copies of the strategic  
25 plan as well as the date and time of the hearing

1 shall be made available to the public at least two  
2 weeks prior to the hearing.

3 (4) 90 DAY PERIOD FOR COMMENTS.—After the  
4 hearing, any interested party shall have 90 days in  
5 which to submit comments to the strategic plan ad-  
6 visory committee. At the end of this period, the  
7 SCORE advisory committee shall hold an additional  
8 hearing, open to the public, to discuss any revisions  
9 made to the strategic plan.

10 (e) AUTHORIZATION OF APPROPRIATIONS.—

11 (1) IN GENERAL.—There are authorized to be  
12 appropriated \$2,000,000 for fiscal year 2006 to  
13 carry out the provisions of this section.

14 (2) AMOUNTS AVAILABLE UNTIL EXPENDED.—  
15 Amounts appropriated under paragraph (1) shall re-  
16 main available until expended.

17 **SEC. 5. REVITALIZATION GRANTS FOR SCORE PROJECT**  
18 **AREAS.**

19 (a) GRANTS AUTHORIZED.—

20 (1) IN GENERAL.—The Secretary may award a  
21 grant to a unit of local government to fund activities  
22 to revitalize SCORE project areas in accordance  
23 with the provisions of this section.



1           (2) LIMITATION ON AMOUNT.—No unit of local  
2           government may receive grants under this section to-  
3           taling more than \$50,000,000.

4           (3) AWARD BASIS.—The Secretary shall award  
5           grants under this section on a competitive basis.

6           (b) APPLICATION.—A unit of local government seek-  
7           ing a grant under this section shall submit an application  
8           to the Secretary at such time, in such manner, and con-  
9           taining such information as the Secretary may require.

10          (c) SCORE REINVESTMENT FUND.—

11           (1) IN GENERAL.—Any unit of local govern-  
12           ment receiving a grant pursuant to subsection (a)  
13           shall establish a separate fund, to be known as a  
14           SCORE Reinvestment Fund, to be administered by  
15           the unit local government, in consultation with a  
16           SCORE advisory committee. The SCORE Reinvest-  
17           ment Fund shall be credited with all grant funds  
18           made available under this Act.

19           (2) DISTRIBUTION.—A unit of local govern-  
20           ment, in consultation with a SCORE advisory com-  
21           mittee, shall distribute such sums as are necessary  
22           from the SCORE Reinvestment Fund to fund  
23           projects to revitalize SCORE project areas.

24           (d) USE OF FUNDS.—

1           (1) IN GENERAL.—A grant awarded to a unit  
2           of local government and distributed from a SCORE  
3           Reinvestment Fund shall be used to—

4                   (A) acquire real, commercial, or industrial  
5           property and existing structures within a  
6           SCORE project area;

7                   (B) pay for the costs of hiring engineers to  
8           develop or redevelop real, commercial, or indus-  
9           trial property and existing structures within a  
10          SCORE project area; and

11                  (C) pay for the construction, reconstruc-  
12          tion, alteration, rehabilitation, or to make sub-  
13          stantial improvements to real, commercial, or  
14          industrial property and existing structures with  
15          a SCORE project area.

16          (2) LIMITATION.—No more than 20 percent of  
17          the sums distributed from a SCORE Reinvestment  
18          Fund shall be allocated to any single project to revi-  
19          talize SCORE project areas.

20          (e) CERTIFICATION OF ASSESSED VALUES.—Any  
21          unit of local government receiving a grant pursuant to  
22          subsection (a) must determine and certify the assessed  
23          value of all taxable real property within the SCORE  
24          project area as of the date the unit of local government  
25          applied for the grant, and for each fiscal year thereafter.

1 (f) RECEIPT OF REVENUE.—A unit of local govern-  
2 ment receiving a grant pursuant to subsection (a) shall  
3 ensure that—

4 (1) it will receive for each fiscal year the equiv-  
5 alent of any tax revenues generated from taxes lev-  
6 ied on the assessed value of real property within the  
7 SCORE project area as of the date it applied for the  
8 grant;

9 (2) until an amount equal to the amount of the  
10 grant awarded pursuant to subsection (a) is col-  
11 lected, the SCORE Reinvestment Fund will receive  
12 all taxes generated as result of any increase in the  
13 assessed value of all taxable real property within a  
14 SCORE project area after the date it applied for the  
15 grant; and

16 (3) after an amount equal to the amount of the  
17 grant awarded pursuant to subsection (a) is col-  
18 lected, the SCORE Reinvestment Fund will receive  
19 50 percent of all taxes generated as result of any in-  
20 crease in the assessed value of all taxable real prop-  
21 erty within a SCORE project area after the date it  
22 applied for the grant.

23 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
24 are authorized to be appropriated \$250,000,000 for fiscal  
25 year 2006 to carry out the provisions of this section.

1 **SEC. 6. REQUIREMENT FOR AUDITS AND REPORTS BY**  
2 **UNITS OF LOCAL GOVERNMENT.**

3 (a) **REPORTS.**—The Secretary may not award a grant  
4 under section 5 for a fiscal year unless the unit of local  
5 government shall prepare and submit to the Secretary an  
6 annual report in such form and containing such informa-  
7 tion as the Secretary determines to be necessary for—

8 (1) securing a record and a description of the  
9 purposes for which a grant received by a unit of  
10 local government pursuant to section 5 was ex-  
11 pended and of the recipients of such expenditures;

12 (2) determining whether the grant awarded was  
13 expended in accordance with the purposes and limi-  
14 tations required pursuant to subsection (d) of sec-  
15 tion 5; and

16 (3) determining the percentage of the grant  
17 awarded that was expended by the unit of local gov-  
18 ernment for administrative expenses during the pre-  
19 ceding fiscal year.

20 (b) **AUDIT.**—

21 (1) **IN GENERAL.**—The Secretary may not  
22 award a grant under section 5 for a fiscal year un-  
23 less the unit of local government shall establish such  
24 fiscal controls and fund accounting procedures as  
25 may be necessary to ensure the proper disbursement of,

1 and accounting for, amounts received by the unit of  
2 local government under such section.

3 (2) STANDARDS.—The Secretary may not  
4 award a grant under section 5 unless the unit of  
5 local government shall—

6 (A) provide for a single financial and com-  
7 pliance audit of each SCORE Reinvestment  
8 Fund;

9 (B) perform an audit biennially and that  
10 such an audit will cover expenditures in each  
11 fiscal year; and

12 (C) conduct such an audit in accordance  
13 with standards established by the Comptroller  
14 General of the United States for the audit of  
15 governmental organizations, programs, activi-  
16 ties, and functions.

17 (3) DEFINITION.—For purposes of paragraph  
18 (2), the term “financial and compliance audit”  
19 means an audit to determine whether the financial  
20 statements of an audited SCORE Reinvestment  
21 Fund present fairly the financial position, and the  
22 results of financial operations, of the SCORE Rein-  
23 vestment Fund in accordance with generally accept-  
24 ed accounting principles, and whether the SCORE  
25 Reinvestment Fund has complied with laws and reg-

1       ulations that may have a material effect upon the fi-  
2       nancial statements.

3       (c) AVAILABILITY TO THE PUBLIC.—The Secretary  
4       may not award a grant under section 5 for a fiscal year  
5       unless the unit of local government shall make copies of  
6       the reports and audits described in this section available  
7       for public inspection.

8       (d) EVALUATIONS BY COMPTROLLER GENERAL.—  
9       The Comptroller General of the United States shall, from  
10      time to time, evaluate the expenditures by units of local  
11      government of grants awarded under section 5 in order  
12      to ensure that expenditures are consistent with the provi-  
13      sions of this section.

14   **SEC. 7. INTERACTION WITH COMMUNITY DEVELOPMENT**  
15                   **BLOCK GRANT PROGRAMS.**

16      (a) BUSINESS LOCATED WITHIN SCORE PROJECT  
17      AREAS.—A business located within an area designated as  
18      a SCORE project area under section 3 that is receiving  
19      Federal funds provided to States and units of general local  
20      government under section 106 of the Housing and Com-  
21      munity Development Act of 1974 (42 U.S.C. 5306), or,  
22      if applicable, receiving funds as a result of a guarantee  
23      or grant under section 108 of that same Act, shall be  
24      deemed to have met for any job creation or job retention  
25      effort undertaken with such funds—

1           (1) the certification requirement of section  
2       104(b)(3) of such Act; and

3           (2) the requirements of section 105(c) of such  
4       Act.

5       (b) HOUSING UNITS IN SCORE PROJECT AREAS.—

6 All units of housing that are located within an area des-  
7 ignated as a SCORE project area under section 3 and that  
8 are receiving Federal funds provided to States and units  
9 of general local government under section 106 of the  
10 Housing and Community Development Act of 1974 (42  
11 U.S.C. 5306), or, if applicable, receiving funds as a result  
12 of a guarantee or grant under section 108 of that same  
13 Act, shall be considered a single structure with respect to  
14 the requirements of section 105(c) of such Act.

15       (c) ECONOMIC DEVELOPMENT PROJECTS IN SCORE

16 PROJECT AREAS.—Any economic development project lo-  
17 cated within an area designated as a SCORE project area  
18 under section 3 that is receiving Federal funds provided  
19 to States and units of general local government under sec-  
20 tion 106 of the Housing and Community Development Act  
21 of 1974 (42 U.S.C. 5306), or, if applicable, receiving  
22 funds as a result of a guarantee or grant under section  
23 108 of that same Act, shall be exempt from the public  
24 benefit standards established under section 105(e) of such  
25 Act.

1 **SEC. 8. TAX BENEFITS FOR SCORE PROJECT AREAS.**

2 (a) IN GENERAL.—Chapter 1 of the Internal Rev-  
 3 enue Code of 1986 is amended by adding at the end the  
 4 following new subchapter:

5 **“Subchapter Z—SCORE Project Areas**  
 6 **Benefits**

“Sec. 1400M. Tax benefits for SCORE project areas.

7 **“SEC. 1400M. TAX BENEFITS FOR SCORE PROJECT AREAS.**

8 “(a) EXPANSION OF WORK OPPORTUNITY TAX  
 9 CREDIT.—

10 “(1) IN GENERAL.—For purposes of section 51,  
 11 a SCORE project area business employee shall be  
 12 treated as a member of a targeted group.

13 “(2) SCORE PROJECT AREA BUSINESS EM-  
 14 PLOYEE.—For purposes of this subsection—

15 “(A) IN GENERAL.—The term ‘SCORE  
 16 project area business employee’ means, with re-  
 17 spect to any period, any employee of a SCORE  
 18 project area business if substantially all the  
 19 services performed during such period by such  
 20 employee for such business are performed in the  
 21 SCORE project area in which the business is  
 22 located.

23 “(B) SCORE PROJECT AREA BUSINESS.—  
 24 The term ‘SCORE project area business’ means



1 any trade or business which is located in a  
2 SCORE project business area.

3 “(C) SPECIAL RULES FOR DETERMINING  
4 AMOUNT OF CREDIT.—For purposes of applying  
5 subpart F of part IV of subchapter B of this  
6 chapter to wages paid or incurred to any  
7 SCORE project area business employee—

8 “(i) section 51(a) shall be applied by  
9 substituting ‘the sum of 15 percent of the  
10 qualified first-year wages, 10 percent of  
11 the qualified second-year wages, and 5 per-  
12 cent of the qualified third-year wages’ for  
13 ‘40 percent of the qualified first-year  
14 wages’,

15 “(ii) in lieu of paragraphs (2) and (3)  
16 of subsection (b), the following definitions  
17 and special rule shall apply:

18 “(I) QUALIFIED FIRST-YEAR  
19 WAGES.—The term ‘qualified first-  
20 year wages’ means, with respect to  
21 any individual, qualified wages attrib-  
22 utable to service rendered during the  
23 1-year period beginning with the later  
24 of the day the individual begins work  
25 for the employer or the first day of

1 the designation of the SCORE project  
2 area in which the employer is located.

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

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

21 “(IV) ONLY FIRST \$15,000 OF  
22 WAGES PER YEAR TAKEN INTO AC-  
23 COUNT.—The amount of the qualified  
24 first, second, and third year wages  
25 which may be taken into account with

1                   respect to any individual shall not ex-  
 2                   ceed \$15,000 per year, and  
 3                   “(iii) subsections (c)(4) and (I)(2) of  
 4                   section 51 shall not apply.

5           “(b) SPECIAL ALLOWANCE FOR CERTAIN SCORE  
 6 PROJECT AREA PROPERTY.—

7                   “(1) ADDITIONAL ALLOWANCE.—In the case of  
 8                   any qualified SCORE project area property—

9                   “(A) the depreciation deduction provided  
 10                  by section 167(a) for the taxable year in which  
 11                  such property is placed in service shall include  
 12                  an allowance equal to 50 percent of the ad-  
 13                  justed basis of such property, and

14                  “(B) the adjusted basis of the qualified  
 15                  SCORE project area property shall be reduced  
 16                  by the amount of such deduction before com-  
 17                  puting the amount otherwise allowable as a de-  
 18                  preciation deduction under this chapter for such  
 19                  taxable year and any subsequent taxable year.

20                  “(2) QUALIFIED SCORE PROJECT AREA PROP-  
 21                  ERTY.—For purposes of this subsection—

22                  “(A) IN GENERAL.—The term ‘qualified  
 23                  SCORE project area property’ means prop-  
 24                  erty—

1 “(i) which is nonresidential real prop-  
2 erty or residential rental property,

3 “(ii) substantially all of the use of  
4 which is in the active conduct of a trade or  
5 business by the taxpayer in the SCORE  
6 project area in which such property is lo-  
7 cated,

8 “(iii) the original use of which in the  
9 SCORE project area commences with the  
10 taxpayer after the date of the designation  
11 of such area, and

12 “(iv) which is acquired by the tax-  
13 payer by purchase (as defined in section  
14 179(d)) after the date of such designation,  
15 but only if no written binding contract for  
16 the acquisition was in effect before such  
17 date.

18 “(B) EXCEPTIONS.—

19 “(i) 30 PERCENT ADDITIONAL ALLOW-  
20 ANCE PROPERTY.—Such term shall not in-  
21 clude property to which section 168(k) ap-  
22 plies.

23 “(ii) ALTERNATIVE DEPRECIATION  
24 PROPERTY.—The term ‘qualified New York  
25 Liberty Zone property’ shall not include

1           any property described in section  
2           168(k)(2)(D)(I).

3           “(iii) ELECTION OUT.—For purposes  
4           of this subsection, rules similar to the rules  
5           of section 168(k)(2)(D)(iii) shall apply.

6           “(C) SPECIAL RULES.—For purposes of  
7           this subsection, rules similar to the rules of  
8           subparagraph (E) of section 168(k)(2) shall  
9           apply, except that—

10           “(i) ‘the date of the designation of the  
11           SCORE project area’ shall be substituted  
12           for ‘September 10, 2001’ each place it ap-  
13           pears, and

14           “(ii) clause (I) thereof shall be applied  
15           without regard to ‘and before January 1,  
16           2005’.

17           “(D) ALLOWANCE AGAINST ALTERNATIVE  
18           MINIMUM TAX.—For purposes of this sub-  
19           section, rules similar to the rules of section  
20           168(k)(2)(G) shall apply.

21           “(c) SCORE PROJECT AREA.—For purposes of this  
22           section, the term ‘SCORE project area’ means an area  
23           designated under the Suburban Core Opportunity, Res-  
24           toration, and Enhancement (SCORE) Act of 2005.”.

1       (b) CLERICAL AMENDMENT.—The table of sub-  
2 chapters for chapter 1 of the Internal Revenue Code of  
3 1986 is amended by adding at the end the following new  
4 item:

“SUBCHAPTER Z—SCORE PROJECT AREAS BENEFITS”.

