

109TH CONGRESS
1ST SESSION

H. R. 3315

To amend title I of the Housing and Community Development Act of 1974 to withhold community development block grant funds from States and communities that do not prohibit the use of the power of eminent domain that involves the taking of the property from private persons for commercial or economic development purposes and transfer of the property to other private persons.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2005

Ms. WATERS (for herself, Mr. NEY, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend title I of the Housing and Community Development Act of 1974 to withhold community development block grant funds from States and communities that do not prohibit the use of the power of eminent domain that involves the taking of the property from private persons for commercial or economic development purposes and transfer of the property to other private persons.

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. PROHIBITION ON USE OF EMINENT DOMAIN TO**
 2 **OBTAIN PROPERTY FOR COMMERCIAL DE-**
 3 **VELOPMENT BY PRIVATE PERSONS.**

4 Title I of the Housing and Community Development
 5 Act of 1974 is amended—

6 (1) in section 104 (42 U.S.C. 5304)—

7 (A) in subsection (b)—

8 (i) in paragraph (5), by striking
 9 “and” at the end;

10 (ii) by redesignating paragraph (6) as
 11 paragraph (7); and

12 (iii) by inserting after paragraph (5)
 13 the following new paragraph:

14 “(6) the grantee (or, in the case of a grantee
 15 that is a unit of general local government, the State
 16 in which such unit is located) has in effect laws, reg-
 17 ulations, or policies referred to in paragraph (1) or
 18 (2), as appropriate, of subsection (n); and”;

19 (B) by adding at the end the following new
 20 subsection:

21 “(n) PROHIBITION ON USE OF EMINENT DOMAIN TO
 22 OBTAIN PROPERTY FOR COMMERCIAL DEVELOPMENT BY
 23 PRIVATE PERSONS.—

24 “(1) UNITS OF GENERAL LOCAL GOVERN-
 25 MENT.—No funds made available for grants under
 26 section 106 for fiscal year 2006 or any fiscal year

1 thereafter may be obligated or expended to any unit
2 of general local government unless such unit of gen-
3 eral local government (or the State in which such
4 unit of general local government is located) has in
5 effect and is enforcing laws, regulations, or policies
6 that prohibit the use of the power of eminent do-
7 main by the unit of general local government (or in
8 the case of laws, regulations, or policies of a State,
9 by the State and by any political subdivision of the
10 State), that involves the taking of the property from
11 private persons for commercial or economic develop-
12 ment purposes and transfer of the property to other
13 private persons.

14 “(2) STATES AND OTHER GRANTEES.—No
15 funds made available for grants under section 106
16 for fiscal year 2006 or any fiscal year thereafter
17 may be obligated or expended to any State, Indian
18 tribe, or insular area unless such State, Indian tribe,
19 or insular area has in effect and is enforcing laws,
20 regulations, or policies that prohibit the use of the
21 power of eminent domain by such State and by any
22 political subdivision of the State, such Indian tribe,
23 or such insular area, respectively, that involves the
24 taking of the property from private persons for com-
25 mercial or economic development purposes and

1 transfer of the property to other private persons.”;
2 and

3 (2) in section 106 (42 U.S.C. 5306)—

4 (A) in the last sentence of subsection
5 (a)(1), by striking “and (k)” and inserting
6 “(k), and (n)(2)”;

7 (B) in subsection (c), in the first sentence
8 of paragraph (1), by striking “or (d)” and in-
9 serting “(d), or (n)(2)”;

10 (C) in subsection (d)(3)(C), by striking “or
11 (d)” and inserting “(d), or (n)(1)”.

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