

110TH CONGRESS
1ST SESSION

H. R. 66

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2007

Mr. MCINTYRE (for himself and Mr. HAYES) 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

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 2007”.

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.—

19 (1) IN GENERAL.—There is established the
20 SouthEast Crescent Authority.

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.—

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

1 (5) encourage private investment in industrial,
2 commercial, and other economic development
3 projects in the region.

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

20 (ii) no member of the Authority from
21 the State shall participate or vote in any
22 action by the Authority.

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 5, 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—

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

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

4 (i) CONFLICTS OF INTEREST.—

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

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

19 (B) The spouse, minor child, or partner of
20 the member, alternate, officer, or employee.

21 (C) Any organization (other than a State
22 or political subdivision of the State) in which
23 the member, alternate, officer, or employee is
24 serving as an officer, director, trustee, partner,
25 or employee.

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—

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.

10 (a) FEDERAL GRANT PROGRAM FUNDING.—In ac-
11 cordance with subsection (b), the Federal cochairperson
12 may use amounts made available to carry out this Act,
13 without regard to any limitations on areas eligible for as-
14 sistance or authorizations for appropriation under any
15 other Act, to fund all or any portion of the basic Federal
16 contribution to a project or activity under a Federal grant
17 program in the region in an amount that is above the fixed
18 maximum portion of the cost of the project otherwise au-
19 thorized by applicable law, but not to exceed 80 percent
20 of the costs of the project.

21 (b) CERTIFICATION.—

22 (1) IN GENERAL.—In the case of any program
23 or project for which all or any portion of the basic
24 Federal contribution to the project under a Federal
25 grant program is proposed to be made under this

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

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 establishes,
14 may designate—

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

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.—

22 (1) IN GENERAL.—The Authority shall main-
23 tain accurate and complete records of all trans-
24 actions and activities 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 2008 through 2012. Such sums
4 shall remain 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.

10 SEC. 15. TERMINATION OF AUTHORITY.

11 This Act shall have no force or effect on or after Oc-
12 tober 1, 2012.

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

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

○