

110TH CONGRESS
2D SESSION

S. 3264

To amend the Public Works and Economic Development Act of 1965 to reauthorize that Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 15, 2008

Mr. INHOFE introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To amend the Public Works and Economic Development Act of 1965 to reauthorize that Act, 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 “Economic Development
5 Administration Reauthorization Act of 2008”.

6 **SEC. 2. ECONOMIC DEVELOPMENT PARTNERSHIPS.**

7 Section 101 of the Public Works and Economic De-
8 velopment Act of 1965 (42 U.S.C. 3131) is amended by
9 adding at the end the following:

1 “(e) EXCELLENCE IN ECONOMIC DEVELOPMENT
2 AWARDS.—

3 “(1) ESTABLISHMENT OF PROGRAM.—To rec-
4 ognize innovative economic development strategies of
5 national significance, the Secretary may establish
6 and carry out a program, to be known as the ‘Excel-
7 lence in Economic Development Award Program’
8 (referred to in this subsection as the ‘program’).

9 “(2) ELIGIBLE ENTITIES.—To be eligible for
10 recognition under the program, an entity shall be an
11 eligible recipient that is not a for-profit organization
12 or institution.

13 “(3) NOMINATIONS.—Before making an award
14 under the program, the Secretary shall solicit nomi-
15 nations publicly, in accordance with such selection
16 and evaluation procedures as the Secretary may es-
17 tablish in the solicitation.

18 “(4) CATEGORIES.—The categories of awards
19 under the program shall include awards for—

20 “(A) urban or suburban economic develop-
21 ment;

22 “(B) rural economic development;

23 “(C) environmental or energy economic de-
24 velopment;

1 “(D) economic diversification strategies
2 that respond to economic dislocations, including
3 economic dislocations caused by natural disas-
4 ters and military base realignment and closure
5 actions;

6 “(E) university-led strategies to enhance
7 economic development;

8 “(F) community- and faith-based social en-
9 trepreneurship;

10 “(G) historic preservation-led strategies to
11 enhance economic development; and

12 “(H) such other categories as the Sec-
13 retary determines to be appropriate.

14 “(5) PROVISION OF AWARDS.—The Secretary
15 may provide to each entity selected to receive an
16 award under this subsection a plaque, bowl, or simi-
17 lar article to commemorate the accomplishments of
18 the entity.

19 “(6) FUNDING.—Of amounts made available to
20 carry out this Act, the Secretary may use not more
21 than \$2,000 for each fiscal year to carry out this
22 subsection.”.

1 **SEC. 3. ENHANCEMENT OF RECIPIENT FLEXIBILITY TO**
 2 **DEAL WITH PROJECT ASSETS.**

3 (a) REVOLVING LOAN FUND PROGRAM FLEXI-
 4 BILITY.—Section 209(d) of the Public Works and Eco-
 5 nomic Development Act of 1965 (42 U.S.C. 3149(d)) is
 6 amended by adding at the end the following:

7 “(5) CONVERSION OF PROJECT ASSETS.—

8 “(A) REQUEST.—If a recipient determines
 9 that a revolving loan fund established using as-
 10 sistance provided under this section is no longer
 11 needed, or that the recipient could make better
 12 use of the assistance in light of the current eco-
 13 nomic development needs of the recipient if the
 14 assistance was made available to carry out any
 15 other project that meets the requirements of
 16 this Act, the recipient may submit to the Sec-
 17 retary a request to approve the conversion of
 18 the assistance.

19 “(B) METHODS OF CONVERSION.—A re-
 20 cipient the request to convert assistance of
 21 which is approved under subparagraph (A) may
 22 accomplish the conversion by—

23 “(i) selling to a third party any assets
 24 of the applicable revolving loan fund; or

1 “(ii) retaining repayments of principal
2 and interest amounts on loans provided
3 through the applicable revolving loan fund.

4 “(C) REQUIREMENTS.—

5 “(i) SALE.—

6 “(I) IN GENERAL.—Subject to
7 subclause (II), a recipient shall use
8 the net proceeds from a sale of assets
9 under subparagraph (B)(i) to pay any
10 portion of the costs of 1 or more
11 projects that meet the requirements of
12 this Act.

13 “(II) TREATMENT.—For pur-
14 poses of subclause (I), a project de-
15 scribed in that subclause shall be con-
16 sidered to be eligible under section
17 301.

18 “(ii) RETENTION OF REPAYMENTS.—
19 Retention by a recipient of any repayment
20 under subparagraph (B)(ii) shall be carried
21 out in accordance with a strategic reuse
22 plan approved by the Secretary that pro-
23 vides for the increase of capital over time
24 until sufficient amounts (including interest
25 earned on the amounts) are accumulated

1 to fund other projects that meet the re-
2 quirements of this Act.

3 “(D) TERMS AND CONDITIONS.—The Sec-
4 retary may require such terms and conditions
5 regarding a proposed conversion of the use of
6 assistance under this paragraph as the Sec-
7 retary determines to be appropriate.

8 “(E) EXPEDIENCY REQUIREMENT.—The
9 Secretary shall ensure that any assistance in-
10 tended to be converted for use pursuant to this
11 paragraph is used in an expeditious manner.

12 “(6) PROGRAM ADMINISTRATION.—The Sec-
13 retary may allocate not more than 2 percent of the
14 amounts made available for grants under this sec-
15 tion for the development and maintenance of an
16 automated tracking and monitoring system to ensure
17 the proper operation and financial integrity of the
18 revolving loan program established under this sec-
19 tion.”.

20 (b) MAINTENANCE OF EFFORT.—Title VI of the
21 Public Works and Economic Development Act of 1965 (42
22 U.S.C. 3211 et seq.) is amended by adding at the end
23 the following:

24 **“SEC. 613. MAINTENANCE OF EFFORT.**

25 “(a) EXPECTED PERIOD OF BEST EFFORTS.—

1 “(1) ESTABLISHMENT.—To carry out the pur-
 2 poses of this Act, before providing investment assist-
 3 ance for a construction project under this Act, the
 4 Secretary shall establish the expected period during
 5 which the recipient of the assistance shall make best
 6 efforts to achieve the economic development objec-
 7 tives of the assistance.

8 “(2) TREATMENT OF PROPERTY.—To obtain
 9 the best efforts of a recipient during the period es-
 10 tablished under paragraph (1), during that period—

11 “(A) any property that is acquired or im-
 12 proved, in whole or in part, using investment
 13 assistance under this Act shall be held in trust
 14 by the recipient for the benefit of the project;
 15 and

16 “(B) the Secretary shall retain an undi-
 17 vided equitable reversionary interest in the
 18 property.

19 “(3) TERMINATION OF FEDERAL INTEREST.—

20 “(A) IN GENERAL.—Beginning on the date
 21 on which the Secretary determines that a recipi-
 22 ent has fulfilled the obligations of the recipient
 23 for the applicable period under paragraph (1),
 24 taking into consideration the economic condi-
 25 tions existing during that period, the Secretary

1 may terminate the reversionary interest of the
2 Secretary in any applicable property under
3 paragraph (2)(B).

4 “(B) ALTERNATIVE METHOD OF TERMI-
5 NATION.—

6 “(i) IN GENERAL.—On a determina-
7 tion by a recipient that the economic devel-
8 opment needs of the recipient have
9 changed during the period beginning on
10 the date on which investment assistance
11 for a construction project is provided
12 under this Act and ending on the expira-
13 tion of the expected period established for
14 the project under paragraph (1), the re-
15 cipient may submit to the Secretary a re-
16 quest to terminate the reversionary inter-
17 est of the Secretary in property of the
18 project under paragraph (2)(B) before the
19 date described in subparagraph (A).

20 “(ii) APPROVAL.—The Secretary may
21 approve a request of a recipient under
22 clause (i) if—

23 “(I) in any case in which the re-
24 quest is submitted during the 10-year
25 period beginning on the date on which

1 assistance is initially provided under
2 this Act for the applicable project, the
3 recipient repays to the Secretary an
4 amount equal to 100 percent of the
5 fair market value of the pro rata Fed-
6 eral share of the project; or

7 “(II) in any case in which the re-
8 quest is submitted after the expiration
9 of the 10-year period described in sub-
10 clause (I), the recipient repays to the
11 Secretary an amount equal to the fair
12 market value of the pro rata Federal
13 share of the project as if that value
14 had been amortized over the period
15 established under paragraph (1),
16 based on a straight-line depreciation
17 of the project throughout the esti-
18 mated useful life of the project.

19 “(b) TERMS AND CONDITIONS.—The Secretary may
20 establish such terms and conditions under this section as
21 the Secretary determines to be appropriate, including by
22 extending the period of a reversionary interest of the Sec-
23 retary under subsection (a)(2)(B) in any case in which the
24 Secretary determines that the performance of a recipient
25 is unsatisfactory.

1 “(c) PREVIOUSLY EXTENDED ASSISTANCE.—

2 “(1) IN GENERAL.—With respect to any recipi-
3 ent to which the term of provision of assistance was
4 extended under this Act before the date of enact-
5 ment of this section, the Secretary may approve a
6 request of the recipient under subsection (a) in ac-
7 cordance with the requirements of this section to en-
8 sure uniform administration of this Act, notwith-
9 standing any estimated useful life period that other-
10 wise relates to the assistance.

11 “(2) CONVERSION OF USE.—If a recipient de-
12 scribed in paragraph (1) demonstrates to the Sec-
13 retary that the intended use of the project for which
14 assistance was provided under this Act no longer
15 represents the best use of the property used for the
16 project, the Secretary may approve a request by the
17 recipient to convert the property to a different use
18 for the remainder of the term of the Federal interest
19 in the property, subject to the condition that the
20 new use shall be consistent with the purposes of this
21 Act.

22 “(d) STATUS OF AUTHORITY.—The authority of the
23 Secretary under this section is in addition to any authority
24 of the Secretary pursuant to any law or grant agreement
25 in effect on the date of enactment of this section.”.

1 **SEC. 4. EXTENSION OF AUTHORIZATION OF APPROPRIA-**
2 **TIONS.**

3 Section 701(a) of the Public Works and Economic
4 Development Act of 1965 (42 U.S.C. 3231(a)) is amend-
5 ed—

6 (1) in paragraph (1), by striking “2004” and
7 inserting “2009”;

8 (2) in paragraph (2), by striking “2005” and
9 inserting “2010”;

10 (3) in paragraph (3), by striking “2006” and
11 inserting “2011”;

12 (4) in paragraph (4), by striking “2007” and
13 inserting “2012”; and

14 (5) in paragraph (5), by striking “2008” and
15 inserting “2013”.

16 **SEC. 5. FUNDING FOR GRANTS FOR PLANNING AND**
17 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

18 Section 704 of the Public Works and Economic De-
19 velopment Act of 1965 (42 U.S.C. 3234) is amended to
20 read as follows:

21 **“SEC. 704. FUNDING FOR GRANTS FOR PLANNING AND**
22 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

23 “(a) IN GENERAL.—Subject to subsection (b), of the
24 amounts made available under section 701 for each fiscal
25 year, not less than \$27,000,000 shall be made available
26 to provide grants under section 203.

1 “(b) SUBJECT TO TOTAL APPROPRIATIONS.—For
2 any fiscal year, the amount made available pursuant to
3 subsection (a) shall be increased to—

4 “(1) \$28,000,000, if the total amount made
5 available under subsection 701(a) for the fiscal year
6 is equal to or greater than \$300,000,000;

7 “(2) \$29,500,000, if the total amount made
8 available under subsection 701(a) for the fiscal year
9 is equal to or greater than \$340,000,000;

10 “(3) \$31,000,000, if the total amount made
11 available under subsection 701(a) for the fiscal year
12 is equal to or greater than \$380,000,000;

13 “(4) \$32,500,000, if the total amount made
14 available under subsection 701(a) for the fiscal year
15 is equal to or greater than \$420,000,000; and

16 “(5) \$34,500,000, if the total amount made
17 available under subsection 701(a) for the fiscal year
18 is equal to or greater than \$460,000,000.”.

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