

111TH CONGRESS
1ST SESSION

H. R. 2587

To limit the reinvestment by States and localities of profits under the Neighborhood Stabilization Program of the Department of Housing and Urban Development.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2009

Mrs. CAPITO (for herself and Mr. LEE of New York) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To limit the reinvestment by States and localities of profits under the Neighborhood Stabilization Program of the Department of Housing and Urban Development.

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 “Neighborhood Sta-
5 bilization Program Reform Act of 2009”.

6 **SEC. 2. REINVESTMENT OF PROFITS.**

7 (a) 2-YEAR REINVESTMENT PERIOD.—Section
8 2301(d) of the Housing and Economic Recovery Act of
9 2008, as amended under the heading relating to “Comm-

1 nity Development Fund” in title XII of division A of the
 2 American Recovery and Reinvestment Act of 2009 (Public
 3 Law 111–5; 123 Stat. 218), is amended by inserting after
 4 paragraph (3) the following new paragraph:

5 “(4) REINVESTMENT OF PROFITS.—

6 “(A) PROFITS FROM SALES, RENTALS, AND
 7 REDEVELOPMENT.—

8 “(i) 2-YEAR REINVESTMENT PE-
 9 RIOD.—During the 2-year period beginning
 10 upon the date of the enactment of the
 11 Neighborhood Stabilization Program Re-
 12 form Act of 2009, any revenue generated
 13 from the sale, rental, redevelopment, reha-
 14 bilitation, or any other eligible use that is
 15 in excess of the cost to acquire and rede-
 16 velop (including reasonable development
 17 fees) or rehabilitate an abandoned or fore-
 18 closed upon home or residential property
 19 shall be provided to and used by the State
 20 or unit of general local government in ac-
 21 cordance with, and in furtherance of, the
 22 intent and provisions of this section.

23 “(ii) REDUCTION OF NATIONAL
 24 DEBT.—

1 “(I) PROFITS.—Upon the expira-
2 tion of the 2-year period set forth
3 under clause (i), any revenue gen-
4 erated from the sale, rental, redev-
5 elopment, rehabilitation, or any other
6 eligible use that is in excess of the
7 cost to acquire and redevelop (includ-
8 ing reasonable development fees) or
9 rehabilitate an abandoned or fore-
10 closed upon home or residential prop-
11 erty shall be transfered to the special
12 account established by section
13 3113(d) of title 31, United States
14 Code, and shall be used only as pro-
15 vided in such section to reduce the
16 public debt.

17 “(II) OTHER AMOUNTS.—Upon
18 the expiration of the 2-year period set
19 forth under clause (i), any other rev-
20 enue not described under subclause
21 (I) generated from the sale, rental, re-
22 development, rehabilitation, or any
23 other eligible use of an abandoned or
24 foreclosed upon home or residential
25 property shall be transfered to the

1 special account established by section
2 3113(d) of title 31, United States
3 Code, and shall be used only as pro-
4 vided in such section to reduce the
5 public debt.

6 “(B) OTHER REVENUES.—Any revenue
7 generated under subparagraphs (A), (C) or (D)
8 of subsection (c)(3) shall be provided to and
9 used by the State or unit of general local gov-
10 ernment in accordance with, and in furtherance
11 of, the intent and provisions of this section.”.

12 (b) APPLICABILITY TO STIMULUS ACT AMOUNTS.—
13 Notwithstanding any other provision of law, the amend-
14 ment made by subsection (a) shall apply with respect to
15 any amounts made available under the heading relating
16 to “Community Development Fund” in title XII of divi-
17 sion A of the American Recovery and Reinvestment Act
18 of 2009 (Public Law 111–5; 123 Stat. 218).

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