

111TH CONGRESS
2D SESSION

H. R. 5089

To amend the Public Works and Economic Development Act of 1965 to modify the period used to calculate certain unemployment rates, to encourage the development of business incubators, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 2010

Mr. RYAN of Ohio (for himself, Mr. BOUCHER, and Ms. SUTTON) 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 amend the Public Works and Economic Development Act of 1965 to modify the period used to calculate certain unemployment rates, to encourage the development of business incubators, 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 “Business Incubator
5 Promotion Act”.

1 **SEC. 2. DEVELOPMENT OF BUSINESS INCUBATORS.**

2 Section 2(b) of the Public Works and Economic De-
3 velopment Act of 1965 (42 U.S.C. 3121(b)) is amended
4 by striking paragraph (3) and inserting the following:

5 “(3) whether suffering from long-term distress
6 or a sudden economic dislocation, distressed commu-
7 nities should be encouraged to support the formation
8 of business incubators to promote innovation and en-
9 trepreneurship in economically distressed areas and
10 to take other actions to support entrepreneurship, so
11 as to help regions to create higher-skill, higher-wage
12 jobs and foster the participation of those regions in
13 the global marketplace; and”.

14 **SEC. 3. DEFINITIONS.**

15 Section 3 of the Public Works and Economic Devel-
16 opment Act of 1965 (42 U.S.C. 3122) is amended—

17 (1) by redesignating paragraphs (1) through
18 (12) as paragraphs (2) through (13), respectively;
19 and

20 (2) by inserting before paragraph (2) (as redes-
21 ignated by paragraph (1)) the following:

22 “(1) BUSINESS INCUBATOR.—

23 “(A) IN GENERAL.—The term ‘business in-
24 cubator’ means an organization or entity estab-
25 lished to foster the start-up of businesses or ac-
26 celerate the growth of fledgling companies by

1 providing entrepreneurs with resources and
 2 services to produce viable businesses that can
 3 help create jobs and restore vitality to dis-
 4 tressed areas.

5 “(B) EXCLUSION.—The term ‘business in-
 6 cubator’ does not include an organization or en-
 7 tity that is organized primarily as a for-profit
 8 venture.”.

9 **SEC. 4. UNEMPLOYMENT RATE.**

10 Section 301(a)(2) of the Public Works and Economic
 11 Development Act of 1965 (42 U.S.C. 3161(a)(2)) is
 12 amended by striking “24-month period” and inserting
 13 “12-month period”.

14 **SEC. 5. INCREASE IN FEDERAL SHARE; SPECIAL NEED**
 15 **AREAS.**

16 Section 204(c) of the Public Works and Economic
 17 Development Act of 1965 (42 U.S.C. 3144(c)) is amend-
 18 ed—

19 (1) by redesignating paragraphs (1) through
 20 (3) as paragraphs (2) through (4), respectively;

21 (2) by inserting before paragraph (2) (as redes-
 22 igned by paragraph (1)) the following:

23 “(1) RELATIVE NEEDS OF AN AREA.—

24 “(A) 175-PERCENT HIGHER UNEMPLOY-
 25 MENT RATE.—In the case of a grant made in

1 an area for which the 12-month unemployment
2 rate is at least 175 percent of the national aver-
3 age or the per capita income is not more than
4 60 percent of the national average, the Sec-
5 retary may increase the Federal share above the
6 percentage specified in subsection (a) up to 80
7 percent of the cost of the project.

8 “(B) 150-PERCENT HIGHER UNEMPLOY-
9 MENT RATE.—In the case of a grant made in
10 an area for which the 12-month unemployment
11 rate is at least 150 percent of the national aver-
12 age or the per capita income is not more than
13 65 percent of the national average, the Sec-
14 retary may increase the Federal share above the
15 percentage specified in subsection (a) up to 70
16 percent of the cost of the project.

17 “(C) 125-PERCENT HIGHER UNEMPLOY-
18 MENT RATE.—In the case of a grant made in
19 an area for which the 12-month unemployment
20 rate is at least 125 percent of the national aver-
21 age or the per capita income is not more than
22 70 percent of the national average, the Sec-
23 retary may increase the Federal share above the
24 percentage specified in subsection (a) up to 60
25 percent of the cost of the project.

1 “(D) UNEMPLOYMENT RATE GREATER
2 THAN NATIONAL AVERAGE.—In the case of a
3 grant made in an area for which the 12-month
4 unemployment rate is at least 1 percentage
5 point greater than the national 12-month unem-
6 ployment rate or the per capita income is not
7 more than 80 percent of the national average,
8 the Secretary may increase the Federal share
9 above the percentage specified in subsection (a)
10 up to 50 percent of the cost of the project.”;
11 and

12 (3) by adding at the end the following:

13 “(5) SPECIAL NEED AREAS.—In any case of se-
14 vere economic distress during which grant rates
15 based on relative need as required under subsection
16 (a) result in a level for the non-Federal share that
17 prevents eligible recipients in a particular area from
18 participating in grant assistance under this Act, the
19 Secretary may—

20 “(A) deem the area to be experiencing a
21 special need under section 301(a)(3);

22 “(B) reduce the non-Federal share to 20
23 percent of the cost of a project; and

24 “(C) waive the local share below that
25 amount, or entirely, if the unemployment rate

1 exceeds 12 percent or otherwise meets the re-
2 quirements of paragraph (3).”.

3 **SEC. 6. BUSINESS INCUBATORS.**

4 Title II of the Public Works and Economic Develop-
5 ment Act of 1965 is amended by inserting after section
6 207 (42 U.S.C. 3147) the following:

7 **“SEC. 208. BUSINESS INCUBATORS.**

8 “(a) DEVELOPMENT OF PLANS FOR CREATION OR
9 EXPANSION OF BUSINESS INCUBATORS.—On receipt of
10 an application from an eligible recipient (as determined
11 by the Secretary in accordance with subsection (c)), the
12 Secretary may provide grants to the eligible recipient
13 for—

14 “(1) the development of feasibility studies and
15 plans for the creation of new, or expansion of exist-
16 ing, business incubators;

17 “(2) the implementation of those studies and
18 plans by supporting the creation of new or expansion
19 of existing business incubators and related pro-
20 grammatic and technical assistance; and

21 “(3) the temporary support of operations of
22 business incubators, to the extent that the Secretary
23 determines that the support is essential to assist a
24 business incubator in becoming self-sustainable.

1 “(b) LIMITATION ON AMOUNT OF GRANTS.—The
2 amount of a grant provided to an eligible recipient under
3 this section may not exceed—

4 “(1) \$750,000, if the grant is to be used for
5 feasibility studies and plans; or

6 “(2) \$3,000,000, if the grant is to be used for
7 implementation of those studies and plans.

8 “(c) PROCEDURE FOR PROVIDING GRANTS.—

9 “(1) COMPETITIVE PROCESS REQUIRED.—The
10 Secretary shall provide each grant under this section
11 to an eligible recipient selected pursuant to a com-
12 petitive process.

13 “(2) SELECTION CRITERIA.—The Secretary
14 shall publish the criteria to be used in any competi-
15 tion under this paragraph for the selection of eligible
16 recipients of grants under this section, including re-
17 quirements relating to—

18 “(A) the projected number of jobs required
19 to be created at a new or expanded business in-
20 cubator for each of the first 6 years after the
21 date of receipt of the grant;

22 “(B) the funding to be required to create
23 or expand a business incubator during the first
24 5 years after the date of receipt of the grant;

1 “(C) the types of businesses and research
2 entities expected in the business incubator and
3 surrounding community;

4 “(D) the capability to attract a well-
5 trained workforce to the business incubator;

6 “(E) the management of the business incu-
7 bator; and

8 “(F) such other factors as the Secretary
9 determines to be appropriate.

10 “(d) AUTHORIZATION OF APPROPRIATIONS.—

11 “(1) IN GENERAL.—There are authorized to be
12 appropriated to carry out this section such sums as
13 are necessary for fiscal year 2010 and each fiscal
14 year thereafter.

15 “(2) AVAILABILITY.—Amounts made available
16 pursuant to paragraph (1) for a fiscal year shall re-
17 main available until the end of the second fiscal year
18 following the fiscal year in which the amounts were
19 first made available.”.

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