

110TH CONGRESS
2D SESSION

S. _____

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

Mr. BAUCUS introduced the following bill; which was read twice and referred to the Committee on _____

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 Revitalization Act of 2008”.

6 **SEC. 2. DEFINITIONS.**

7 Section 3(8) of the Public Works and Economic De-
8 velopment Act of 1965 (42 U.S.C. 3122(8)) is amended—

9 (1) in subparagraph (C), by striking “and” at
10 the end;

1 (2) in subparagraph (D), by striking the period
2 at the end and inserting “; and”; and

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

4 “(E) the Southeast Crescent Regional
5 Commission, Northern Border Regional Com-
6 mission, and Southwest Border Regional Com-
7 mission established by section 15301(a) of title
8 40, United States Code.”.

9 **SEC. 3. ECONOMIC DEVELOPMENT PARTNERSHIPS.**

10 Section 101 of the Public Works and Economic De-
11 velopment Act of 1965 (42 U.S.C. 3131) is amended—

12 (1) in subsection (b)—

13 (A) in the matter preceding paragraph (1),
14 by inserting “economic development districts,
15 university centers,” after “multi-State regional
16 organizations,”; and

17 (B) in paragraph (3), by inserting “, inno-
18 vation, entrepreneurship, sustainable develop-
19 ment,” after “infrastructure”;

20 (2) in subsection (c), by inserting “(including
21 economic development districts)” after “local govern-
22 ment agencies”; and

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

24 “(e) EXCELLENCE IN ECONOMIC DEVELOPMENT
25 AWARDS.—

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

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

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

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

18 “(A) urban or suburban economic develop-
19 ment;

20 “(B) rural economic development;

21 “(C) environmental or energy economic de-
22 velopment;

23 “(D) economic diversification strategies
24 that respond to economic dislocations, including
25 economic dislocations caused by natural disas-

1 ters and military base realignment and closure
2 actions;

3 “(E) university-led strategies to enhance
4 economic development;

5 “(F) community entrepreneurship;

6 “(G) historic preservation-led strategies to
7 enhance economic development; and

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

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

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

19 **SEC. 4. GRANTS FOR PLANNING AND GRANTS FOR ADMIN-**
20 **ISTRATIVE EXPENSES.**

21 Section 203 of the Public Works and Economic De-
22 velopment Act of 1965 (42 U.S.C. 3143) is amended—

23 (1) in subsection (b)—

24 (A) in paragraph (3), by striking “and” at
25 the end;

1 (B) in paragraph (4), by striking the pe-
2 riod at the end and inserting “; and”; and

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

4 “(5) fostering regional collaboration among
5 local jurisdictions and organizations.”; and

6 (2) in subsection (d)(5), by striking “subsection
7 shall” and all that follows through the end of the
8 paragraph and inserting the following: “subsection
9 shall—

10 “(A) submit to the Secretary an annual re-
11 port on the planning process assisted under this
12 subsection; and

13 “(B) provide a copy of each annual report
14 to each economic development district within
15 the State.”.

16 **SEC. 5. COST SHARING.**

17 (a) FEDERAL SHARE.—Section 204(a) of the Public
18 Works and Economic Development Act of 1965 (42
19 U.S.C. 3144(a)) is amended by striking “shall not ex-
20 ceed—” and all that follows through the end of the sub-
21 section and inserting “shall not exceed 50 percent.”.

22 (b) INCREASE IN FEDERAL SHARE.—Section 204(c)
23 of the Public Works and Economic Development Act of
24 1965 (42 U.S.C. 3144(c)) is amended—

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

3 (2) by inserting before paragraph (2) (as redesi-
4 gnated by paragraph (1)) the following:

5 “(1) RELATIVE NEEDS OF AN AREA.—

6 “(A) 150-PERCENT HIGHER UNEMPLOY-
7 MENT RATE.—In the case of a grant made in
8 an area for which the 24-month unemployment
9 rate is at least 150 percent of the national aver-
10 age or the per capita income is not more than
11 70 percent of the national average, the Sec-
12 retary may increase the Federal share above the
13 percentage specified in subsection (a) up to 60
14 percent of the cost of the project.

15 “(B) 175-PERCENT HIGHER UNEMPLOY-
16 MENT RATE.—In the case of a grant made in
17 an area for which the 24-month unemployment
18 rate is at least 175 percent of the national aver-
19 age or the per capita income is not more than
20 60 percent of the national average, the Sec-
21 retary may increase the Federal share above the
22 percentage specified in subsection (a) up to 70
23 percent of the cost of the project.

24 “(C) 200-PERCENT HIGHER UNEMPLOY-
25 MENT RATE.—In the case of a grant made in

1 an area for which the 24-month unemployment
2 rate is at least 200 percent of the national aver-
3 age or the per capita income is not more than
4 50 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 “(D) ADDITIONAL CRITERIA.—The Sec-
9 retary may establish eligibility criteria in addi-
10 tion to the criteria described in this paragraph
11 to address areas impacted by severe outmigra-
12 tion, sudden and severe economic dislocations,
13 and other related economic circumstances.”;

14 (3) in paragraph (2) (as redesignated by para-
15 graph (1))—

16 (A) by striking “may” and inserting
17 “shall”; and

18 (B) by inserting “to 75 percent of the cost
19 of the project, and may increase” after “sub-
20 section (a)”;

21 (4) by adding at the end the following:

22 “(5) FEDERALLY DECLARED DISASTER
23 AREAS.—In the case of a grant for an area with re-
24 spect to which a major disaster or emergency has
25 been declared under the Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act (42 U.S.C.
2 5121 et seq.) during the 18-month period ending on
3 the date on which the Federal share is determined,
4 the Secretary may increase the Federal share above
5 the percentage specified in subsection (a) up to 100
6 percent of the cost of the project.”.

7 **SEC. 6. GRANTS FOR TRAINING, RESEARCH, AND TECH-**
8 **NICAL ASSISTANCE.**

9 Section 207(a) of the Public Works and Economic
10 Development Act of 1965 (42 U.S.C. 3147(a)) is amend-
11 ed—

12 (1) in paragraph (1), by inserting “, outmigra-
13 tion,” after “unemployment”; and

14 (2) in paragraph (2)—

15 (A) in subparagraph (H), by striking
16 “and” at the end;

17 (B) by redesignating subparagraph (I) as
18 subparagraph (J); and

19 (C) by inserting after subparagraph (H)
20 the following:

21 “(I) a peer exchange program to promote
22 industry-leading practices and innovations relat-
23 ing to the organizational development, program
24 delivery, and regional initiatives of economic de-
25 velopment districts; and”.

1 **SEC. 7. ENHANCEMENT OF RECIPIENT FLEXIBILITY TO**
2 **DEAL WITH PROJECT ASSETS.**

3 (a) PARTICULAR COMMUNITY ASSISTANCE.—Section
4 209(c)(5) of the Public Works and Economic Development
5 Act of 1965 (42 U.S.C. 3149(c)(5)) is amended by insert-
6 ing “, natural resource-based, agricultural, or service sec-
7 tor” after “manufacturing”.

8 (b) REVOLVING LOAN FUND PROGRAM FLEXI-
9 BILITY.—Section 209(d) of the Public Works and Eco-
10 nomic Development Act of 1965 (42 U.S.C. 3149(d)) is
11 amended—

12 (1) by redesignating paragraphs (2) through
13 (4) as paragraphs (3) through (5), respectively;

14 (2) by inserting after paragraph (1) the fol-
15 lowing:

16 “(2) COMMENTS.—

17 “(A) IN GENERAL.—The Secretary shall
18 periodically solicit from the individuals and en-
19 tities described in subparagraph (B)—

20 “(i) comments regarding the guide-
21 lines and performance requirements for the
22 revolving loan fund program; and

23 “(ii) recommendations for improving
24 the performance of the program and grant-
25 ees under the program.

1 “(B) DESCRIPTION OF INDIVIDUALS AND
2 ENTITIES.—The individuals and entities re-
3 ferred to in subparagraph (A) are—

4 “(i) the public; and

5 “(ii) in particular, revolving loan fund
6 grantees, national experts, and employees
7 of Federal agencies with knowledge of
8 international, national, regional, and state-
9 wide trends, innovations, and noteworthy
10 practices relating to business development
11 finance, including public and private lend-
12 ing and technical assistance inter-
13 mediaries.”;

14 (3) in subparagraph (A) of paragraph (5) (as
15 redesignated by paragraph (1)), by striking “para-
16 graph (2)(C)” and inserting “paragraph (3)(C)”;
17 and

18 (4) by adding at the end the following:

19 “(6) CONVERSION OF PROJECT ASSETS.—

20 “(A) REQUEST.—If a recipient determines
21 that a revolving loan fund established using as-
22 sistance provided under this section is no longer
23 needed, or that the recipient could make better
24 use of the assistance in light of the current eco-
25 nomic development needs of the recipient if the

1 assistance was made available to carry out any
2 other project that meets the requirements of
3 this Act, the recipient may submit to the Sec-
4 retary a request to approve the conversion of
5 the assistance.

6 “(B) METHODS OF CONVERSION.—A re-
7 cipient the request to convert assistance of
8 which is approved under subparagraph (A) may
9 accomplish the conversion by—

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

12 “(ii) retaining repayments of principal
13 and interest amounts on loans provided
14 through the applicable revolving loan fund.

15 “(C) REQUIREMENTS.—

16 “(i) SALE.—

17 “(I) IN GENERAL.—Subject to
18 subclause (II), a recipient shall use
19 the net proceeds from a sale of assets
20 under subparagraph (B)(i) to pay any
21 portion of the costs of 1 or more
22 projects that meet the requirements of
23 this Act.

24 “(II) TREATMENT.—For pur-
25 poses of subclause (I), a project de-

1 scribed in that subclause shall be con-
2 sidered to be eligible under section
3 301.

4 “(ii) RETENTION OF REPAYMENTS.—
5 Retention by a recipient of any repayment
6 under subparagraph (B)(ii) shall be carried
7 out in accordance with a strategic reuse
8 plan approved by the Secretary that pro-
9 vides for the increase of capital over time
10 until sufficient amounts (including interest
11 earned on the amounts) are accumulated
12 to fund other projects that meet the re-
13 quirements of this Act.

14 “(D) TERMS AND CONDITIONS.—The Sec-
15 retary may require such terms and conditions
16 regarding a proposed conversion of the use of
17 assistance under this paragraph as the Sec-
18 retary determines to be appropriate.

19 “(E) EXPEDIENCY REQUIREMENT.—The
20 Secretary shall ensure that any assistance in-
21 tended to be converted for use pursuant to this
22 paragraph is used in an expeditious manner.

23 “(7) PROGRAM ADMINISTRATION.—The Sec-
24 retary may allocate not more than 2 percent of the
25 amounts made available for grants under this sec-

1 “(A) coordinating and implementing eco-
2 nomic development activities in the economic
3 development district;

4 “(B) carrying out economic development
5 research, planning, implementation, and advi-
6 sory functions identified in the comprehensive
7 economic development strategy; and

8 “(C) coordinating the development and im-
9 plementation of the comprehensive economic de-
10 velopment strategy with other local, State, Fed-
11 eral, and private organizations.

12 “(2) CONTRACTS.—An economic development
13 district may elect to enter into contracts for services
14 to accomplish the activities described in paragraph
15 (1).”.

16 **SEC. 10. CONSULTATION WITH OTHER PERSONS AND AGEN-**
17 **CIES.**

18 Section 503(a) of the Public Works and Economic
19 Development Act of 1965 (42 U.S.C. 3193(a)) is amended
20 by inserting “, outmigration,” after “regional unemploy-
21 ment”.

22 **SEC. 11. NOTIFICATION OF REORGANIZATION.**

23 Section 507 of the Public Works and Economic De-
24 velopment Act of 1965 (42 U.S.C. 3197) is amended—

1 (1) by striking “Not later than” and inserting
2 the following:

3 “(a) NOTIFICATION.—Not later than”; and

4 (2) by adding at the end the following:

5 “(b) STATE OF MONTANA.—The State of Montana
6 shall be served by the Seattle office of the Economic De-
7 velopment Administration.”.

8 **SEC. 12. MAINTENANCE OF EFFORT.**

9 Title VI of the Public Works and Economic Develop-
10 ment Act of 1965 (42 U.S.C. 3211 et seq.) is amended
11 by adding at the end the following:

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

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

14 “(1) ESTABLISHMENT.—To carry out the pur-
15 poses of this Act, before providing investment assist-
16 ance for a construction project under this Act, the
17 Secretary shall establish the expected period during
18 which the recipient of the assistance shall make best
19 efforts to achieve the economic development objec-
20 tives of the assistance.

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

24 “(A) any property that is acquired or im-
25 proved, in whole or in part, using investment

1 assistance under this Act shall be held in trust
2 by the recipient for the benefit of the project;
3 and

4 “(B) the Secretary shall retain an undi-
5 vided equitable reversionary interest in the
6 property.

7 “(3) TERMINATION OF FEDERAL INTEREST.—

8 “(A) IN GENERAL.—Beginning on the date
9 on which the Secretary determines that a recipi-
10 ent has fulfilled the obligations of the recipient
11 for the applicable period under paragraph (1),
12 taking into consideration the economic condi-
13 tions existing during that period, the Secretary
14 may terminate the reversionary interest of the
15 Secretary in any applicable property under
16 paragraph (2)(B).

17 “(B) ALTERNATIVE METHOD OF TERMI-
18 NATION.—

19 “(i) IN GENERAL.—On a determina-
20 tion by a recipient that the economic devel-
21 opment needs of the recipient have
22 changed during the period beginning on
23 the date on which investment assistance
24 for a construction project is provided
25 under this Act and ending on the expira-

1 tion of the expected period established for
2 the project under paragraph (1), the re-
3 cipient may submit to the Secretary a re-
4 quest to terminate the reversionary inter-
5 est of the Secretary in property of the
6 project under paragraph (2)(B) before the
7 date described in subparagraph (A).

8 “(ii) APPROVAL.—The Secretary may
9 approve a request of a recipient under
10 clause (i) if—

11 “(I) in any case in which the re-
12 quest is submitted during the 10-year
13 period beginning on the date on which
14 assistance is initially provided under
15 this Act for the applicable project, the
16 recipient repays to the Secretary an
17 amount equal to 100 percent of the
18 fair market value of the pro rata Fed-
19 eral share of the project; or

20 “(II) in any case in which the re-
21 quest is submitted after the expiration
22 of the 10-year period described in sub-
23 clause (I), the recipient repays to the
24 Secretary an amount equal to the fair
25 market value of the pro rata Federal

1 share of the project as if that value
2 had been amortized over the period
3 established under paragraph (1),
4 based on a straight-line depreciation
5 of the project throughout the esti-
6 mated useful life of the project.

7 “(b) TERMS AND CONDITIONS.—The Secretary may
8 establish such terms and conditions under this section as
9 the Secretary determines to be appropriate, including by
10 extending the period of a reversionary interest of the Sec-
11 retary under subsection (a)(2)(B) in any case in which the
12 Secretary determines that the performance of a recipient
13 is unsatisfactory.

14 “(c) PREVIOUSLY EXTENDED ASSISTANCE.—With
15 respect to any recipient to which the term of provision of
16 assistance was extended under this Act before the date
17 of enactment of this section, the Secretary may approve
18 a request of the recipient under subsection (a) in accord-
19 ance with the requirements of this section to ensure uni-
20 form administration of this Act, notwithstanding any esti-
21 mated useful life period that otherwise relates to the as-
22 sistance.

23 “(d) CONVERSION OF USE.—If a recipient of assist-
24 ance under this Act demonstrates to the Secretary that
25 the intended use of the project for which assistance was

1 provided under this Act no longer represents the best use
2 of the property used for the project, the Secretary may
3 approve a request by the recipient to convert the property
4 to a different use for the remainder of the term of the
5 Federal interest in the property, subject to the condition
6 that the new use shall be consistent with the purposes of
7 this Act.

8 “(e) STATUS OF AUTHORITY.—The authority of the
9 Secretary under this section is in addition to any authority
10 of the Secretary pursuant to any law or grant agreement
11 in effect on the date of enactment of this section.”.

12 **SEC. 13. EXTENSION OF AUTHORIZATION OF APPROPRIA-**
13 **TIONS.**

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

17 (1) in paragraph (1), by striking “2004” and
18 inserting “2009”;

19 (2) in paragraph (2), by striking “2005” and
20 inserting “2010”;

21 (3) in paragraph (3), by striking “2006” and
22 inserting “2011”;

23 (4) in paragraph (4), by striking “2007” and
24 inserting “2012”; and

1 (5) in paragraph (5), by striking “2008” and
2 inserting “2013”.

3 **SEC. 14. FUNDING FOR GRANTS FOR PLANNING AND**
4 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

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

8 **“SEC. 704. FUNDING FOR GRANTS FOR PLANNING AND**
9 **GRANTS FOR ADMINISTRATIVE EXPENSES.**

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

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

17 “(1) \$28,000,000, if the total amount made
18 available under subsection 701(a) for the fiscal year
19 is equal to or greater than \$280,000,000;

20 “(2) \$29,500,000, if the total amount made
21 available under subsection 701(a) for the fiscal year
22 is equal to or greater than \$320,000,000;

23 “(3) \$31,000,000, if the total amount made
24 available under subsection 701(a) for the fiscal year
25 is equal to or greater than \$350,000,000;

1 “(4) \$32,500,000, if the total amount made
2 available under subsection 701(a) for the fiscal year
3 is equal to or greater than \$380,000,000; and

4 “(5) \$34,500,000, if the total amount made
5 available under subsection 701(a) for the fiscal year
6 is equal to or greater than \$420,000,000.”.