

**The Economic Development Administration
Reauthorization Act of 2008
Public Works and Economic Development Act --
Text as Amended**

[New text *bold italics*; Stricken text in ~~strike~~ mode]

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**TITLE I—ECONOMIC DEVELOPMENT PARTNERSHIPS COOPERATION
AND
COORDINATION**

**SEC. 101. ESTABLISHMENT OF ECONOMIC DEVELOPMENT
PARTNERSHIPS.** (42 U.S.C. § 3131)

(a) **IN GENERAL.**— In providing assistance under this title, the Secretary shall cooperate with States and other entities to ensure that, consistent with national objectives, Federal programs are compatible with and further the objectives of State, regional, and local economic development plans and comprehensive economic development strategies.

(b) **TECHNICAL ASSISTANCE.**— The Secretary may provide such technical assistance to States, political subdivisions of States, sub-State regional organizations (including organizations that cross State boundaries), multi-State regional organizations, and nonprofit organizations as the Secretary determines is appropriate to—

- (1) alleviate economic distress;
- (2) encourage and support public-private partnerships for the formation and improvement of economic development strategies that sustain and promote economic development across the United States; and
- (3) promote investment in infrastructure and technological capacity to keep pace with the changing global economy.

(c) **INTERGOVERNMENTAL REVIEW.**— The Secretary shall promulgate regulations to ensure that appropriate State and local government agencies have been given a reasonable opportunity to review and comment on proposed projects under this title that the Secretary determines may have a significant direct impact on the economy of the area.

(d) **COOPERATION AGREEMENTS.**—

(1) **IN GENERAL.**— The Secretary may enter into a cooperation agreement with any 2 or more States, or an organization of any 2 or more States, in support of effective economic development.

(2) **PARTICIPATION.**— Each cooperation agreement shall provide for suitable participation by other governmental and nongovernmental entities that

are representative of significant interests in and perspectives on economic development in an area.

(e) EXCELLENCE IN ECONOMIC DEVELOPMENT AWARDS. In order to recognize innovative economic development strategies of national significance, the Secretary may conduct an “Excellence in Economic Development Award” program. Organizations eligible for recognition are any entities eligible to be a recipient under section 3 of this Act, except for-profit firms and institutions. The Secretary shall make an award after soliciting nominations publicly and in accordance with the selection and evaluation procedures set out in such public solicitation. Award categories may include, but are not limited to, recognition for excellence in –

- (1) urban or suburban economic development;*
- (2) rural economic development;*
- (3) environmental or energy economic development;*
- (4) economic diversification strategies that respond to economic dislocations, including economic dislocations caused by natural disasters and military base realignment and closure actions;*
- (5) university-led strategies to enhance economic development;*
- (6) community and faith-based social entrepreneurship;*
- (7) historic preservation-led strategies to enhance economic development; and*
- (8) such other areas as the Secretary deems appropriate.*

The Secretary may provide each organization selected for an award with a plaque, bowl or similar artifact to commemorate the organization’s accomplishment. In addition, the Secretary may use funds appropriated pursuant to this Act for such commemorative purposes provided that the total expenditures do not exceed \$2,000 in any fiscal year.

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TITLE II—GRANTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT

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SEC. 209. GRANTS FOR ECONOMIC ADJUSTMENT. (42 U.S.C. § 3149)

(a) IN GENERAL.— On the application of an eligible recipient, the Secretary may make grants for development of public facilities, public services, business development

(including funding of a revolving loan fund), planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation and further the economic adjustment objectives of this title.

(b) CRITERIA FOR ASSISTANCE.— The Secretary may provide assistance under this section only if the Secretary determines that—

- (1) the project will help the area to meet a special need arising from—
 - (A) actual or threatened severe unemployment; or
 - (B) economic adjustment problems resulting from severe changes in economic conditions; and

- (2) the area for which a project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy, except that this paragraph shall not apply to planning projects.

(c) PARTICULAR COMMUNITY ASSISTANCE.— Assistance under this section may include assistance provided for activities identified by communities, the economies of which are injured by—

- (1) military base closures or realignments, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in diversifying their economies through projects to be carried out on Federal Government installations or elsewhere in the communities;

- (2) disasters or emergencies, in areas with respect to which a major disaster or emergency has been declared under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121 *et seq.*), for post-disaster economic recovery;

- (3) international trade, for help in economic restructuring of the communities;

- (4) fishery failures, in areas with respect to which a determination that there is a commercial fishery failure has been made under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1861a(a)); or

- (5) the loss of manufacturing jobs, for reinvesting in and diversifying the economies of the communities.

(d) SPECIAL PROVISIONS RELATING TO REVOLVING LOAN FUND GRANTS.—

- (1) IN GENERAL.— The Secretary shall promulgate regulations to maintain the proper operation and financial integrity of revolving loan funds established by recipients with assistance under this section.

- (2) EFFICIENT ADMINISTRATION.— The Secretary may—

- (A) at the request of a grantee, amend and consolidate grant agreements governing revolving loan funds to provide flexibility with respect to lending areas and borrower criteria;

(B) assign or transfer assets of a revolving loan fund to a third party for the purpose of liquidation, and the third party may retain assets of the fund to defray costs related to liquidation; and

(C) take such actions as are appropriate to enable revolving loan fund operators to sell or securitize loans (except that such actions may not include issuance of a Federal guaranty by the Secretary).

(3) TREATMENT OF ACTIONS.— An action taken by the Secretary under this subsection with respect to a revolving loan fund shall not constitute a new obligation if all grant funds associated with the original grant award have been disbursed to the recipient.

(4) PRESERVATION OF SECURITIES LAWS.—

(A) NOT TREATED AS EXEMPTED SECURITIES.—No securities issued pursuant to paragraph (2)(C) shall be treated as exempted securities for purposes of the Securities Act of 1933 (15 U.S.C. 77a et seq.) or the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), unless exempted by rule or regulation of the Securities and Exchange Commission.

(B) PRESERVATION.— Except as provided in subparagraph (A), no provision of this subsection or any regulation promulgated by the Secretary under this subsection supersedes or otherwise affects the application of the securities laws (as the term is defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))) or the rules, regulations, or orders of the Securities and Exchange Commission or a self-regulatory organization under that Commission.

(5) CONVERSION OF PROJECT ASSETS. If a recipient determines that a revolving loan fund established with funds available to the Secretary pursuant to this section is no longer needed or determines that it could make better use of such funds in light of its current economic development needs if they were made available for other projects that meet the requirements of this Act, the recipient may request the Secretary to approve the conversion of those funds.

(A) A recipient may accomplish such conversion under this subsection by selling revolving loan fund assets to a third party. The recipient shall use net proceeds from such sale to finance up to 100 percent of the cost of one or more projects that otherwise meets or meet the requirements of this Act (except that for purposes of section 301 of this Act, eligibility shall be presumed).

(B) A recipient may also accomplish such conversion over time by retaining repayments of principal and interest on loans. Such conversion shall be in accord with a strategic re-use plan approved by

the Secretary to allow for the build up of capital over time until sufficient funds are accumulated to fund other projects that meet the requirements of this Act. Interest earned on such retained repayments may also be retained by the recipient and used in accordance with such strategic re-use plan.

(C) The Secretary may attach such terms and conditions to a proposed conversion of project assets under this section as the Secretary deems appropriate. The Secretary shall ensure that any funds intended for conversion under this paragraph of this subsection are used in an expeditious manner.

(6) PROGRAM ADMINISTRATION. Of the amounts appropriated to carry out economic development assistance programs under section 701(a) of this Act, the Secretary may allocate up to two percent of the total amount of funds that will support activities under this section to develop and maintain an automated tracking and monitoring system as the Secretary deems appropriate to ensure the proper operation and financial integrity of the revolving loan program established under this section.

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TITLE VI- MISCELLANEOUS

SEC. 613. MAINTENANCE OF EFFORT.

(a) PERIOD OF FEDERAL INTEREST. To carry out the purposes of this Act, before awarding assistance for a construction project, the Secretary shall establish the expected period during which a recipient must make best efforts to accomplish economic development objectives of the investment assistance. In order to secure the Government's interest in obtaining the efforts for the entire period, property that is acquired or improved, in whole or in part, with investment assistance shall be held in trust by the recipient for the benefit of the project for the entire period, during which time the Secretary shall retain an undivided equitable reversionary interest in the property. If the Secretary determines that a recipient has fulfilled its obligations for the entire period with due regard for economic conditions present during the period, the Secretary may terminate the Government's interest.

(b) TERMINATION OF FEDERAL INTEREST. If a recipient determines that its economic development needs have changed since the time of the grant award but before the expiration of the period of federal interest, the recipient may request the Secretary to extinguish the federal interest in advance of the date established under subsection (a) of this section. The Secretary may approve that request upon payment of the federal share in accord with the following:

(1) If the recipient requests termination on or before the 10th anniversary of the date of award, the recipient shall repay 100 percent of the fair market value of the pro rata federal share of the project;

(2) If the recipient requests termination after the 10th anniversary of the date of award, the recipient shall repay the federal share of the fair market value as if the value of the federal share had been amortized over the period designated pursuant to subsection (a) based on a straight-line depreciation of the project throughout its estimated useful life.

(c) TERMS AND CONDITIONS. The authority of the Secretary under this section is in addition to any authority currently available under law or grant agreement. The Secretary may attach such terms and conditions as the Secretary deems appropriate in exercising this authority, including extending the period of federal interest when the Secretary determines that a recipient's performance has been less than fully satisfactory.

(d) PREVIOUSLY EXTENDED ASSISTANCE. Upon request of a recipient of assistance previously extended under the Act prior to the date of enactment of the Economic Development Administration Reauthorization Act of 2008, the Secretary may approve a period of federal interest applicable to that previous award in a manner consistent with subsections (a) through (c) of this section in order to provide for uniform administration of the Act notwithstanding estimated useful life periods that may otherwise pertain to the award of assistance. In addition, when a recipient demonstrates that the original intended use of a project funded with assistance under this Act no longer represents the best use of such project property, the Secretary may approve the recipient's request to convert the project to a different use for the remainder of the term of the federal interest provided that the new use is consistent with the purposes of this Act.

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TITLE VII– FUNDING

SEC. 701. GENERAL AUTHORIZATION OF APPROPRIATIONS. (42 U.S.C. § 3231)

(a) ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS.— There are authorized to be appropriated for economic development assistance programs to carry out this Act, to remain available until expended, ***\$100,000,000 for the period beginning October 1, 2008, and ending September 30, 2009, and such sums as may be necessary for the period beginning October 1, 2009, and ending September 30, 2013.*** †

————(1) ~~\$400,000,000 for fiscal year 2004;~~

————(2) ~~\$425,000,000 for fiscal year 2005;~~

————(3) ~~\$450,000,000 for fiscal year 2006;~~

————(4) ~~\$475,000,000 for fiscal year 2007; and~~

————(5) ~~\$500,000,000 for fiscal year 2008]~~

(b) SALARIES AND EXPENSES.— There are authorized to be appropriated for salaries and expenses of administering this Act, to remain available until expended, ***\$32,800,000 for the period beginning October 1, 2008, and ending September 30, 2009*** †

————(1) ~~\$33,377,000 for fiscal year 2004; and~~

(2) such sums as may be necessary for each fiscal year thereafter.