

104TH CONGRESS
1ST SESSION

S. 1184

To provide for the designation of distressed areas within qualifying cities as regulatory relief zones and for the selective waiver of Federal regulations within such zones, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 11 (legislative day JULY 10), 1995

Mr. ASHCROFT introduced the following bill; which was read twice and referred to the Committee on Governmental Affairs

A BILL

To provide for the designation of distressed areas within qualifying cities as regulatory relief zones and for the selective waiver of Federal regulations within such zones, 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 “Urban Regulatory Re-
5 lief Zone Act of 1995”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

1 (1) the likelihood that a proposed business site
2 will comply with many government regulations is in-
3 versely related to the length of time over which a
4 site has been utilized for commercial or industrial
5 purposes, thus rendering older sites in urban areas
6 most unlikely to be chosen for new development and
7 forcing new development away from the areas most
8 in need of economic growth and job creation; and

9 (2) broad Federal regulations often have unin-
10 tended consequences in urban areas where such reg-
11 ulations—

12 (A) offend basic notions of common sense,
13 particularly when applied to individual sites;

14 (B) adversely impact economic stability;

15 (C) result in the unnecessary loss of exist-
16 ing businesses;

17 (D) undermine new economic development,
18 especially in previously used sites;

19 (E) create undue economic hardships while
20 failing significantly to protect human health,
21 particularly in areas where economic develop-
22 ment is urgently needed to improve the health
23 and welfare of residents over a long period of
24 time; and

1 (F) contribute to social deterioration to
2 such a degree that high unemployment, crime,
3 and other economic and social problems create
4 the greatest risk to the health and well-being of
5 urban residents.

6 **SEC. 3. PURPOSES.**

7 The purposes of this Act are to—

8 (1) enable qualifying cities to provide for the
9 general well-being, health, safety and security for
10 their residents living in distressed areas by empower-
11 ing such cities to obtain selective relief from Federal
12 regulations that undermine economic stability and
13 development in distressed areas within the city; and

14 (2) authorize Federal agencies to waive the ap-
15 plication of specific Federal regulations in distressed
16 urban areas designated as urban regulatory relief
17 zones by an economic development commission—

18 (A) upon application through the Office of
19 Management and Budget by an economic devel-
20 opment commission established by a qualifying
21 city under section 5; and

22 (B) upon a determination by the appro-
23 priate Federal agency that granting such a
24 waiver will not substantially endanger health or
25 safety.

1 **SEC. 4. ELIGIBILITY FOR WAIVERS.**

2 (a) ELIGIBLE CITIES.—The mayor or chief executive
3 officer of a city may establish an economic development
4 commission to carry out the purposes of section 5 if the
5 city population is greater than 200,000 according to—

6 (1) the United States Census Bureau's 1992
7 estimate for city populations; or

8 (2) beginning 6 months after the date of the
9 enactment of this Act, the United States Census Bu-
10 reau's latest estimate for city populations.

11 (b) DISTRESSED AREA.—Any census tract within a
12 city shall qualify as a distressed area if—

13 (1) 33 percent or more of the resident popu-
14 lation in the census tract is below the poverty line;

15 (2) 45 percent or more of out-of-school males
16 aged 16 and over in the census tract worked less
17 than 26 weeks in the preceding year;

18 (3) 36 percent or more families with children
19 under age 18 in the census tract have an unmarried
20 parent as head of the household; or

21 (4) 17 percent or more of the resident families
22 in the census tract received public assistance income
23 in the preceding year.

1 **SEC. 5. ECONOMIC DEVELOPMENT COMMISSIONS.**

2 (a) PURPOSE.—The mayor or chief executive officer
3 of a qualifying city under section 4 may appoint an eco-
4 nomic development commission for the purpose of—

5 (1) designating urban regulatory relief zones in
6 a city composed of—

7 (A) a distressed area;

8 (B) a combination of distressed areas; or

9 (C) one or more distressed areas with adja-
10 cent industrial or commercial areas; and

11 (2) making application through the Office of
12 Management and Budget to waive the application of
13 specific Federal regulations within such urban regu-
14 latory relief zones.

15 (b) COMPOSITION.—To the greatest extent prac-
16 ticable, an economic development commission shall in-
17 clude—

18 (1) residents representing a demographic cross
19 section of the city population; and

20 (2) members of the business community, private
21 civic organizations, employers, employees, elected of-
22 ficials, and State and local regulatory authorities.

23 (c) LIMITATION.—No more than one economic devel-
24 opment commission shall be established or designated
25 within a qualifying city.

1 **SEC. 6. LOCAL PARTICIPATION.**

2 (a) PUBLIC HEARINGS.—Before designating an area
3 as an urban regulatory relief zone, an economic develop-
4 ment commission established under section 5 shall hold
5 a public hearing, after giving adequate public notice, for
6 the purpose of soliciting the opinions and suggestions of
7 those persons who will be affected by such designation.

8 (b) INDIVIDUAL REQUESTS.—The economic develop-
9 ment commission shall establish a process by which indi-
10 viduals may submit requests to the commission to include
11 specific Federal regulations in the commission's applica-
12 tion to the Office of Management and Budget seeking
13 waivers of Federal regulations.

14 (c) AVAILABILITY OF COMMISSION DECISIONS.—
15 After holding a hearing under subsection (a) and before
16 submitting any waiver applications to the Office of Man-
17 agement and Budget under section 7, the economic devel-
18 opment commission shall make publicly available—

19 (1) a list of all areas within the city to be des-
20 igned as urban regulatory relief zones, if any;

21 (2) a list of all regulations for which the eco-
22 nomic development commission will request a waiver
23 from a Federal agency; and

24 (3) the basis for the city's findings that the
25 waiver of a regulation would improve the health and

1 safety and economic well-being of the city's residents
2 and the data supporting such a determination.

3 **SEC. 7. WAIVER OF FEDERAL REGULATIONS.**

4 (a) SELECTION OF REGULATIONS.—An economic de-
5 velopment commission may select for waiver, within an
6 urban regulatory relief zone, Federal regulations that—

7 (1)(A) are unduly burdensome to business con-
8 cerns located within an area designated as an urban
9 regulatory relief zone;

10 (B) discourages economic development within
11 the zone;

12 (C) creates undue economic hardships in the
13 zone; or

14 (D) contributes to the social deterioration of
15 the zone; and

16 (2) if waived, will not substantially endanger
17 health or safety.

18 (b) REQUEST FOR WAIVER.—(1) An economic devel-
19 opment commission shall submit a request for the waiver
20 of Federal regulations to the Office of Management and
21 Budget.

22 (2) Such request shall—

23 (A) identify the area designated as an urban
24 regulatory relief zone by the economic development
25 commission;

1 (B) identify all regulations for which the eco-
2 nomic development commission seeks a waiver; and

3 (C) explain the reasons that waiver of the regu-
4 lations would economically benefit the urban regu-
5 latory relief zone and the data supporting such de-
6 termination.

7 (c) REVIEW OF WAIVER REQUEST.—No later than
8 60 days after receiving the request for waiver, the Office
9 of Management and Budget shall—

10 (1) review the request for waiver;

11 (2) determine whether the request for waiver is
12 complete and in compliance with this Act, using the
13 most recent census data available at the time each
14 application is submitted; and

15 (3) after making a determination under para-
16 graph (2)—

17 (A) submit the request for waiver to the
18 Federal agency that promulgated the regulation
19 and notify the requesting economic development
20 commission of the date on which the request
21 was submitted to such agency; or

22 (B) notify the requesting economic devel-
23 opment commission that the request is not in
24 compliance with this Act with an explanation of
25 the basis for such determination.

1 (d) MODIFICATION OF WAIVER REQUESTS.—An eco-
2 nomic development commission may submit modifications
3 to a waiver request. The provisions of subsection (c) shall
4 apply to a modified waiver as of the date such modification
5 is received by the Office of Management and Budget.

6 (e) WAIVER DETERMINATION.—(1) No later than
7 120 days after receiving a request for waiver under sub-
8 section (c) from the Office of Management and Budget,
9 a Federal agency shall—

10 (A) make a determination of whether to waive
11 a regulation in whole or in part; and

12 (B) provide written notice to the requesting eco-
13 nomic development commission of such determina-
14 tion.

15 (2) Subject to subsection (g), a Federal agency shall
16 deny a request for a waiver only if the waiver substantially
17 endangers health or safety.

18 (3) If a Federal agency grants a waiver under this
19 subsection, the agency shall provide a written statement
20 to the requesting economic development commission
21 that—

22 (A) describes the extent of the waiver in whole
23 or in part; and

1 (B) explains the application of the waiver, in-
2 cluding guidance for business concerns, within the
3 urban regulatory relief zone.

4 (4) If a Federal agency denies a waiver under this
5 subsection, the agency shall provide a written statement
6 to the requesting economic development commission
7 that—

8 (A) explains the reasons that the waiver sub-
9 stantially endangers health or safety; and

10 (B) provides a scientific basis for such deter-
11 mination.

12 (f) AUTOMATIC WAIVER.—If a Federal agency does
13 not provide the written notice required under subsection
14 (e) within the 120-day period as required under such sub-
15 section, the waiver shall be deemed to be granted by the
16 Federal agency.

17 (g) LIMITATION.—No provision of this Act shall be
18 construed to authorize any Federal agency to waive any
19 regulation or Executive order that prohibits, or the pur-
20 pose of which is to protect persons against, discrimination
21 on the basis of race, color, religion, gender, or national
22 origin.

23 (h) APPLICABLE PROCEDURES.—A waiver of a regu-
24 lation under subsection (e) shall not be considered to be
25 a rule, rulemaking, or regulation under chapter 5 of title

1 5, United States Code. The Federal agency shall publish
2 a notice in the Federal Register stating any waiver of a
3 regulation under this section.

4 (i) EFFECT OF SUBSEQUENT AMENDMENT OF REGU-
5 LATIONS.—If a Federal agency amends a regulation for
6 which a waiver under this section is in effect, the agency
7 shall not change the waiver to impose additional require-
8 ments.

9 (j) EXPIRATION OF WAIVERS.—No waiver of a regu-
10 lation under this section shall expire unless the Federal
11 agency determines that a continuation of the waiver sub-
12 stantially endangers health or safety.

13 **SEC. 8. DEFINITIONS.**

14 For purposes of this Act, the term—

15 (1) “industrial or commercial area” means any
16 part of a census tract zoned for industrial or com-
17 mercial use which is adjacent to a census tract
18 which is a distressed area under section 5(b);

19 (2) “poverty line” has the same meaning as
20 such term is defined under section 673(2) of the
21 Community Services Block Grant Act (42 U.S.C.
22 9902(2));

23 (3) “qualifying city” means a city which is eligi-
24 ble to establish an economic development commission
25 under section 4;

1 (4) “regulation”—

2 (A) means—

3 (i) any rule as defined under section
4 551(4) of title 5, United States Code; or

5 (ii) any rulemaking conducted on the
6 record after opportunity for an agency
7 hearing under sections 556 and 557 of
8 such title; and

9 (B) shall not include—

10 (i) a rule that involves the internal
11 revenue laws of the United States, or the
12 assessment and collection of taxes, duties,
13 or other revenues or receipts;

14 (ii) a rule relating to monetary policy
15 or to the safety or soundness of federally
16 insured depository institutions or any affil-
17 iate of such an institution (as defined in
18 section 2(k) of the Bank Holding Company
19 Act of 1956 (12 U.S.C. 1841(k))), credit
20 unions, Federal Home Loan Banks, gov-
21 ernment sponsored housing enterprises,
22 farm credit institutions, foreign banks that
23 operate in the United States and their af-
24 filiates, branches, agencies, commercial
25 lending companies, or representative of-

1 fices, (as those terms are defined in section
2 1 of the International Banking Act of
3 1978 (12 U.S.C. 3101)); or

4 (iii) a rule promulgated under the
5 Communications Act of 1934 (47 U.S.C.
6 101 et seq.); and

7 (5) “urban regulatory relief zone” means an
8 area designated under section 5.

