

107TH CONGRESS
1ST SESSION

S. 1737

To provide for homeland security block grants.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 28, 2001

Mrs. CLINTON (for herself, Ms. MIKULSKI, Mrs. FEINSTEIN, Mr. DURBIN, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To provide for homeland security block grants.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Homeland Security Block Grant Act”.

6 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.
- Sec. 4. Grants to States, units of general local government and Indian tribes;
authorizations.
- Sec. 5. Statement of activities and review.
- Sec. 6. Activities eligible for assistance.
- Sec. 7. Allocation and distribution of funds.
- Sec. 8. Nondiscrimination in programs and activities.
- Sec. 9. Remedies for noncompliance with requirements.
- Sec. 10. Reporting requirements.

Sec. 11. Consultation by Attorney General.

Sec. 12. Interstate agreements or compacts; purposes.

Sec. 13. Matching requirements; suspension of requirements for economically distressed areas.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) In the wake of the September 11, 2001, ter-
4 rorist attacks on our country, communities all across
5 American now find themselves on the front lines in
6 the war against terrorism on United States soil.

7 (2) We recognize that these communities will be
8 forced to shoulder a significant portion of the bur-
9 den that goes along with that responsibility. We be-
10 lieve that local governments should not have to bear
11 that responsibility alone.

12 (3) Our homeland defense will only be as strong
13 as the weakest link at the State and local level. By
14 providing our communities with the resources and
15 tools they need to bolster emergency response efforts
16 and provide for other emergency response initiatives,
17 we will have a better-prepared home front and a
18 stronger America.

19 **SEC. 3. DEFINITIONS.**

20 (a) DEFINITIONS.—In this Act:

21 (1) ATTORNEY GENERAL.—The term “Attorney
22 General” means the United States Attorney General.

23 (2) CITY.—The term “city” means—

1 (A) any unit of general local government
2 that is classified as a municipality by the
3 United States Bureau of the Census; or

4 (B) any other unit of general local govern-
5 ment that is a town or township and which, in
6 the determination of the Attorney General—

7 (i) possesses powers and performs
8 functions comparable to those associated
9 with municipalities;

10 (ii) is closely settled; and

11 (iii) contains within its boundaries no
12 incorporated places as defined by the
13 United States Bureau of the Census that
14 have not entered into cooperation agree-
15 ments with such town or township to un-
16 dertake or to assist in the performance of
17 homeland security objectives.

18 (3) EXTENT OF POVERTY.—The term “extent
19 of poverty” means the number of persons whose in-
20 comes are below the poverty level. Poverty levels
21 shall be determined by the Attorney General pursu-
22 ant to criteria provided by the Office of Management
23 and Budget taking into account and making adjust-
24 ments, if feasible and appropriate and in the sole
25 discretion of the Attorney General, for regional or

1 area variations in income and cost of living, and
2 shall be based on data referable to the same point
3 or period in time.

4 (4) FEDERAL GRANT-IN-AID PROGRAM.—The
5 term “Federal grant-in-aid program” means a pro-
6 gram of Federal financial assistance other than
7 loans and other than the assistance provided by this
8 Act.

9 (5) INDIAN TRIBE.—The term “Indian tribe”
10 means any Indian tribe, band, group, and nation, in-
11 cluding Alaska Indians, Aleuts, and Eskimos, and
12 any Alaskan Native Village, of the United States,
13 which is considered an eligible recipient under the
14 Indian Self-Determination and Education Assistance
15 Act (Public Law 93–638) or was considered an eligi-
16 ble recipient under chapter 67 of title 31, United
17 States Code, prior to the repeal of such chapter.

18 (6) METROPOLITAN AREA.—The term “metro-
19 politan area” means a standard metropolitan statis-
20 tical area as established by the Office of Manage-
21 ment and Budget.

22 (7) METROPOLITAN CITY.—The term “metro-
23 politan city” means—

24 (A) a city within a metropolitan area that
25 is the central city of such area, as defined and

1 used by the Office of Management and Budget;
2 or

3 (B) any other city, within a metropolitan
4 area, which has a population of fifty thousand
5 or more.

6 Any city that was classified as a metropolitan city
7 for at least 2 years pursuant to the first sentence of
8 this paragraph shall remain classified as a metro-
9 politan city. Any unit of general local government
10 that becomes eligible to be classified as a metropoli-
11 tan city, and was not classified as a metropolitan
12 city in the immediately preceding fiscal year, may,
13 upon submission of written notification to the Attor-
14 ney General, defer its classification as a metropoli-
15 tan city for all purposes under this Act, if it elects
16 to have its population included in an urban county
17 under subsection (d). Notwithstanding the second
18 sentence of this paragraph, a city may elect not to
19 retain its classification as a metropolitan city. Any
20 unit of general local government that was classified
21 as a metropolitan city in any year, may, upon sub-
22 mission of written notification to the Attorney Gen-
23 eral, relinquish such classification for all purposes
24 under this Act if it elects to have its population in-
25 cluded with the population of a county for purposes

1 of qualifying for assistance (for such following fiscal
2 year) under section 5(e) as an urban county.

3 (8) NONQUALIFYING COMMUNITY.—The term
4 “nonqualifying community” means an area that is
5 not a metropolitan city or part of an urban county
6 and does not include Indian tribes.

7 (9) POPULATION.—The term “population”
8 means total resident population based on data com-
9 piled by the United States Bureau of the Census
10 and referable to the same point or period of time.

11 (10) STATE.—The term “State” means any
12 State of the United States, or any instrumentality
13 thereof approved by the Governor; and the Common-
14 wealth of Puerto Rico.

15 (11) UNIT OF GENERAL LOCAL GOVERN-
16 MENT.—The term “unit of general local govern-
17 ment” means any city, county, town, township, par-
18 ish, village, or other general purpose political sub-
19 division of a State; a combination of such political
20 subdivisions is recognized by the Secretary; and the
21 District of Columbia.

22 (12) URBAN COUNTY.—The term “urban coun-
23 ty” means any county within a metropolitan area.

24 (b) BASIS AND MODIFICATION OF DEFINITIONS.—
25 Where appropriate, the definitions in subsection (a) shall

1 be based, with respect to any fiscal year, on the most re-
2 cent data compiled by the United States Bureau of the
3 Census and the latest published reports of the Office of
4 Management and Budget available ninety days prior to the
5 beginning of such fiscal year. The Attorney General may
6 by regulation change or otherwise modify the meaning of
7 the terms defined in subsection (a) in order to reflect any
8 technical change or modification thereof made subsequent
9 to such date by the United States Bureau of the Census
10 or the Office of Management and Budget.

11 (c) DESIGNATION OF PUBLIC AGENCIES.—One or
12 more public agencies, including existing local public agen-
13 cies, may be designated by the chief executive officer of
14 a State or a unit of general local government to undertake
15 activities assisted under this Act.

16 (d) LOCAL GOVERNMENTS, INCLUSION IN URBAN
17 COUNTY POPULATION.—With respect to program years
18 beginning with the program year for which grants are
19 made available from amounts appropriated for fiscal year
20 2002 under section 4, the population of any unit of gen-
21 eral local government which is included in that of an urban
22 county as provided in subsection (a)(6) shall be included
23 in the population of such urban county for three program
24 years beginning with the program year in which its popu-
25 lation was first so included and shall not otherwise be eli-

1 gible for a grant as a separate entity, unless the urban
2 county does not receive a grant for any year during such
3 three-year period.

4 (e) URBAN COUNTY.—Any county seeking qualifica-
5 tion as an urban county, including any urban county seek-
6 ing to continue such qualification, shall notify, as provided
7 in this subsection, each unit of general local government,
8 which is included therein and is eligible to elect to have
9 its population excluded from that of an urban county, of
10 its opportunity to make such an election. Such notification
11 shall, at a time and in a manner prescribed by the Attor-
12 ney General, be provided so as to provide a reasonable pe-
13 riod for response prior to the period for which such quali-
14 fication is sought. The population of any unit of general
15 local government which is provided such notification and
16 which does not inform, at a time and in a manner pre-
17 scribed by the Attorney General, the county of its election
18 to exclude its population from that of the county shall,
19 if the county qualifies as an urban county, be included
20 in the population of such urban county as provided in sub-
21 section (d).

1 **SEC. 4. GRANTS TO STATES, UNITS OF GENERAL LOCAL**
2 **GOVERNMENT AND INDIAN TRIBES; AUTHOR-**
3 **IZATIONS.**

4 The Attorney General is authorized to make grants
5 to States, units of general local government, and Indian
6 tribes to carry out activities in accordance with the provi-
7 sions of this Act. For purposes of assistance under section
8 7, there is authorized to be appropriated \$3,000,000,000
9 in fiscal year 2002, and such additional sums as are au-
10 thorized thereafter.

11 **SEC. 5. STATEMENT OF ACTIVITIES AND REVIEW.**

12 (a) APPLICATION.—Prior to the receipt in any fiscal
13 year of a grant under section 7(b) by any metropolitan
14 city or urban county, under section 7(d) by any State, or
15 under section 7(d)(2) by any unit of general local govern-
16 ment, the grantee shall have indicated its interest in re-
17 ceiving funds by preparing a statement of homeland secu-
18 rity objectives and projected use of funds and shall have
19 provided the Attorney General with the certifications re-
20 quired in subsection (b) and, where appropriate, sub-
21 section (c). In the case of metropolitan cities and urban
22 counties receiving grants pursuant to section 7(b) and in
23 the case of units of general local government receiving
24 grants pursuant to section 7(d)(2), the statement of pro-
25 jected use of funds shall consist of proposed homeland se-
26 curity activities. In the case of States receiving grants pur-

1 suant to section 7(d), the statement of projected use of
2 funds shall consist of the method by which the States will
3 distribute funds to units of general local government. In
4 preparing the statement, the grantee shall consider any
5 view of appropriate law enforcement, and emergency re-
6 sponse authorities and may, if deemed appropriate by the
7 grantee, modify the proposed statement. A copy of the
8 final statement shall be furnished to the Attorney General
9 and the Office of Homeland Security together with the
10 certifications required under subsection (b) and, where ap-
11 propriate, subsection (c). Any final statement of activities
12 may be modified or amended from time to time by the
13 grantee in accordance with the same procedures required
14 in this paragraph for the preparation and submission of
15 such statement.

16 (b) CERTIFICATION OF ENUMERATED CRITERIA BY
17 GRANTEE TO SECRETARY.—Any grant under section 7
18 shall be made only if the grantee certifies to the satisfac-
19 tion of the Attorney General that—

20 (1) it has developed a homeland security plan
21 pursuant to section 5 that identifies both short- and
22 long-term homeland security needs that have been
23 developed in accordance with the primary objective
24 and requirements of this Act; and

1 (2) the grantee will comply with the other pro-
2 visions of this Act and with other applicable laws.

3 (c) SUBMISSION OF ANNUAL PERFORMANCE RE-
4 PORTS, AUDITS AND ADJUSTMENTS.—

5 (1) IN GENERAL.—Each grantee shall submit to
6 the Attorney General, at a time determined by the
7 Attorney General, a performance and evaluation re-
8 port concerning the use of funds made available
9 under section 7, together with an assessment by the
10 grantee of the relationship of such use to the objec-
11 tives identified in the grantee’s statement under sub-
12 section (a). The Attorney General shall encourage
13 and assist national associations of grantees eligible
14 under section 7, national associations of States, and
15 national associations of units of general local govern-
16 ment in nonqualifying areas to develop and rec-
17 ommend to the Attorney General, within 1 year after
18 the effective date of this sentence, uniform record-
19 keeping, performance reporting, evaluation report-
20 ing, and auditing requirements for such grantees,
21 States, and units of general local government, re-
22 spectively. Based on the Attorney General’s approval
23 of these recommendations, the Attorney General
24 shall establish such requirements for use by such

1 grantees, States, and units of general local govern-
2 ment.

3 (2) **REVIEWS AND AUDITS.**—The Attorney Gen-
4 eral shall, at least on an annual basis, make such re-
5 views and audits as may be necessary or appropriate
6 to determine—

7 (A) in the case of grants made under sec-
8 tion 7(b), whether the grantee has carried out
9 its activities and, where applicable, whether the
10 grantee has carried out those activities and its
11 certifications in accordance with the require-
12 ments and the primary objectives of this Act
13 and with other applicable laws, and whether the
14 grantee has a continuing capacity to carry out
15 those activities in a timely manner; and

16 (B) in the case of grants to States made
17 under section 7(d), whether the State has dis-
18 tributed funds to units of general local govern-
19 ment in a timely manner and in conformance to
20 the method of distribution described in its
21 statement, whether the State has carried out its
22 certifications in compliance with the require-
23 ments of this Act and other applicable laws,
24 and whether the State has made such reviews
25 and audits of the units of general local govern-

1 ment as may be necessary or appropriate to de-
2 termine whether they have satisfied the applica-
3 ble performance criteria described in subpara-
4 graph (A).

5 (3) ADJUSTMENTS.—The Attorney General
6 may make appropriate adjustments in the amount of
7 the annual grants in accordance with the Attorney
8 General’s findings under this subsection. With re-
9 spect to assistance made available to units of general
10 local government under section 7(d), the Attorney
11 General may adjust, reduce, or withdraw such assist-
12 ance, or take other action as appropriate in accord-
13 ance with the Attorney General’s reviews and audits
14 under this subsection, except that funds already ex-
15 pended on eligible activities under this Act shall not
16 be recaptured or deducted from future assistance to
17 such units of general local government.

18 (d) AUDITS.—Insofar as they relate to funds provided
19 under this Act, the financial transactions of recipients of
20 such funds may be audited by the General Accounting Of-
21 fice under such rules and regulations as may be prescribed
22 by the Comptroller General of the United States. The rep-
23 resentatives of the General Accounting Office shall have
24 access to all books, accounts, records, reports, files, and
25 other papers, things, or property belonging to or in use

1 by such recipients pertaining to such financial trans-
2 actions and necessary to facilitate the audit.

3 (e) METROPOLITAN CITY AS PART OF URBAN COUN-
4 TY.—In any case in which a metropolitan city is located,
5 in whole or in part, within an urban county, the Attorney
6 General may, upon the joint request of such city and coun-
7 ty, approve the inclusion of the metropolitan city as part
8 of the urban county for purposes of submitting a state-
9 ment under section 5 and carrying out activities under this
10 Act.

11 **SEC. 6. ACTIVITIES ELIGIBLE FOR ASSISTANCE.**

12 Activities assisted under this Act may include only—

13 (1) funding additional law enforcement, fire,
14 and emergency resources, including covering over-
15 time expenses;

16 (2) purchasing and refurbishing personal pro-
17 tective equipment for fire, police, and emergency
18 personnel and acquire state-of-the-art technology to
19 improve communication and streamline efforts;

20 (3) improving cyber and infrastructure security
21 by improving—

22 (A) security for water treatment plants,
23 distribution systems, and other water infra-
24 structure; nuclear power plants and other power
25 infrastructure;

1 (B) tunnels and bridges;

2 (C) oil and gas pipelines and storage facili-
3 ties; and

4 (D) chemical plants and transportation of
5 hazardous substances;

6 (4) assisting Local Emergency Planning Com-
7 mittees so that local public agencies can design, re-
8 view, and improve disaster response systems;

9 (5) assisting communities in coordinating their
10 efforts and sharing information with all relevant
11 agencies involved in responding to terrorist attacks;

12 (6) establishing timely notification systems that
13 enable communities to communicate with each other
14 when a threat emerges;

15 (7) improving communication systems to pro-
16 vide information to the public in a timely manner
17 about the facts of any threat and the precautions
18 the public should take; and

19 (8) devising a homeland security plan, including
20 determining long-term goals and short-term objec-
21 tives, evaluating the progress of the plan, and car-
22 rying out the management, coordination, and moni-
23 toring of activities necessary for effective planning
24 implementation.

1 **SEC. 7. ALLOCATION AND DISTRIBUTION OF FUNDS.**

2 (a) ALLOCATION AND DISTRIBUTION OF FUNDS;
3 SET-ASIDE FOR INDIAN TRIBES.—

4 (1) ALLOCATION.—For each fiscal year, of the
5 amount approved in an appropriation Act under sec-
6 tion 4 for grants in a year (excluding the amounts
7 provided for use in accordance with section 6), the
8 Attorney General shall reserve for grants to Indian
9 tribes 1 percent of the amount appropriated under
10 such section. The Attorney General shall provide for
11 distribution of amounts under this paragraph to In-
12 dian tribes on the basis of a competition conducted
13 pursuant to specific criteria for the selection of In-
14 dian tribes to receive such amounts. The criteria
15 shall be contained in a regulation promulgated by
16 the Attorney General after notice and public com-
17 ment.

18 (2) REMAINING ALLOCATION.—Of the amount
19 remaining after allocations pursuant to paragraph
20 (1), 70 percent shall be allocated by the Attorney
21 General to metropolitan cities and urban counties.
22 Except as otherwise specifically authorized, each
23 metropolitan city and urban county shall be entitled
24 to an annual grant, to the extent authorized beyond
25 fiscal year 2002, from such allocation in an amount

1 not exceeding its basic amount computed pursuant
2 to paragraph (1) or (2) of subsection (b).

3 (b) COMPUTATION OF AMOUNT ALLOCATED TO MET-
4 ROPOLITAN CITIES AND URBAN COUNTIES.—

5 (1) IN GENERAL.—The Attorney General shall
6 determine the amount to be allocated to each metro-
7 politan city based on the population of that metro-
8 politan city.

9 (2) URBAN COUNTIES.—The Attorney General
10 shall determine the amount to be allocated to each
11 urban county based on the population of that urban
12 county.

13 (3) EXCLUSIONS.—In computing amounts or
14 exclusions under this section with respect to any
15 urban county, there shall be excluded units of gen-
16 eral local government located in the county the pop-
17 ulations that are not counted in determining the eli-
18 gibility of the urban county to receive a grant under
19 this subsection, except that there shall be included
20 any independent city (as defined by the Bureau of
21 the Census) which—

22 (A) is not part of any county;

23 (B) is not eligible for a grant pursuant to
24 subsection (b)(1);

25 (C) is contiguous to the urban county;

1 (D) has entered into cooperation agree-
2 ments with the urban county which provide that
3 the urban county is to undertake or to assist in
4 the undertaking of essential community devel-
5 opment and housing assistance activities with
6 respect to such independent city; and

7 (E) is not included as a part of any other
8 unit of general local government for purposes of
9 this section.

10 Any independent city that is included in any fiscal year
11 for purposes of computing amounts pursuant to the pre-
12 ceding sentence shall not be eligible to receive assistance
13 under subsection (d) with respect to such fiscal year.

14 (4) INCLUSIONS.—In computing amounts under
15 this section with respect to any urban county, there
16 shall be included all of the area of any unit of local
17 government which is part of, but is not located en-
18 tirely within the boundaries of, such urban county if
19 the part of such unit of local government which is
20 within the boundaries of such urban county would
21 otherwise be included in computing the amount for
22 such urban county under this section, and if the
23 part of such unit of local government that is not
24 within the boundaries of such urban county is not
25 included as a part of any other unit of local govern-

1 ment for the purpose of this section. Any amount re-
2 ceived by such urban county under this section may
3 be used with respect to the part of such unit of local
4 government that is outside the boundaries of such
5 urban county.

6 (5) POPULATION.—(A) Where data are avail-
7 able, the amount determined under paragraph (1)
8 for a metropolitan city that has been formed by the
9 consolidation of one or more metropolitan cities with
10 an urban county shall be equal to the sum of the
11 amounts that would have been determined under
12 paragraph (1) for the metropolitan city or cities and
13 the balance of the consolidated government, if such
14 consolidation had not occurred. This paragraph shall
15 apply only to any consolidation that—

16 (i) included all metropolitan cities that re-
17 ceived grants under this section for the fiscal
18 year preceding such consolidation and that were
19 located within the urban county;

20 (ii) included the entire urban county that
21 received a grant under this section for the fiscal
22 year preceding such consolidation; and

23 (iii) took place on or after January 1,
24 2002.

1 (B) The population growth rate of all metro-
2 politan cities referred to in section 3 shall be based
3 on the population of—

4 (i) metropolitan cities other than consoli-
5 dated governments the grant for which is deter-
6 mined under this paragraph; and

7 (ii) cities that were metropolitan cities be-
8 fore their incorporation into consolidated gov-
9 ernments. For purposes of calculating the enti-
10 tlement share for the balance of the consoli-
11 dated government under this paragraph, the en-
12 tire balance shall be considered to have been an
13 urban county.

14 (c) REALLOCATION.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), any amounts allocated to a metropolitan
17 city or an urban county pursuant to the preceding
18 provisions of this section that are not received by the
19 city or county for a fiscal year because of failure to
20 meet the requirements of subsections (a) and (b) of
21 section 5, or that otherwise became available, shall
22 be reallocated in the succeeding fiscal year to the
23 other metropolitan cities and urban counties in the
24 same metropolitan area that certify to the satisfac-
25 tion of the Attorney General that they would be ad-

1 versely affected by the loss of such amounts from
2 the metropolitan area. The amount of the share of
3 funds reallocated under this paragraph for any met-
4 ropolitan city or urban county shall bear the same
5 ratio to the total of such reallocated funds in the
6 metropolitan area as the amount of funds awarded
7 to the city or county for the fiscal year in which the
8 reallocated funds become available bears to the total
9 amount of funds awarded to all metropolitan cities
10 and urban counties in the same metropolitan area
11 for that fiscal year.

12 (2) TRANSFER.—Notwithstanding the provi-
13 sions of paragraph (1), the Attorney General may
14 upon request transfer responsibility to any metro-
15 politan city for the administration of any amounts
16 received, but not obligated, by the urban county in
17 which such city is located if—

18 (A) such city was an included unit of gen-
19 eral local government in such county prior to
20 the qualification of such city as a metropolitan
21 city;

22 (B) such amounts were designated and re-
23 ceived by such county for use in such city prior
24 to the qualification of such city as a metropoli-
25 tan city; and

1 (C) such city and county agree to such
2 transfer of responsibility for the administration
3 of such amounts.

4 (d) ALLOCATION TO STATES ON BEHALF OF NON-
5 QUALIFYING COMMUNITIES.—

6 (1) IN GENERAL.—Of the amount approved in
7 an appropriation Act under section 4 that remains
8 after allocations pursuant to paragraphs (1) and (2)
9 of subsection (a), 30 percent shall be allocated
10 among the States for use in nonqualifying areas.
11 The allocation for each State shall be based on the
12 population of that State, factoring in the population
13 of qualifying communities in that State, and the
14 population of qualifying communities of all States.
15 The Attorney General shall, in order to compensate
16 for the discrepancy between the total of the amounts
17 to be allocated under this paragraph and the total
18 of the amounts available under such paragraph,
19 make a pro rata reduction of each amount allocated
20 to the nonqualifying communities in each State
21 under such paragraph so that the nonqualifying
22 communities in each State will receive an amount
23 that represents the same percentage of the total
24 amount available under such paragraph as the per-
25 centage which the nonqualifying areas of the same

1 State would have received under such paragraph if
2 the total amount available under such paragraph
3 had equaled the total amount which was allocated
4 under such paragraph.

5 (2) DISTRIBUTION.—(A) Amounts allocated
6 under paragraph (1) shall be distributed to units of
7 general local government located in nonqualifying
8 areas of the State to carry out activities in accord-
9 ance with the provisions of this Act—

10 (i) by a State that has elected, in such
11 manner and at such time as the Attorney Gen-
12 eral shall prescribe, to distribute such amounts
13 consistent with the statement submitted under
14 section 5(a); or

15 (ii) by the Attorney General, in any case
16 described in subparagraph (B), for use by units
17 of general local government in accordance with
18 paragraph (3)(B).

19 (B) The Attorney General shall distribute
20 amounts allocated under paragraph (1) if the State
21 has not elected to distribute such amounts.

22 (C) To receive and distribute amounts allocated
23 under paragraph (1), the State must certify that it,
24 with respect to units of general local government in
25 nonqualifying areas—

1 (i) provides or will provide technical assist-
2 ance to units of general local government in
3 connection with homeland security initiatives;

4 (ii) will not refuse to distribute such
5 amounts to any unit of general local govern-
6 ment on the basis of the particular eligible ac-
7 tivity selected by such unit of general local gov-
8 ernment to meet its homeland security objec-
9 tives, except that this clause may not be consid-
10 ered to prevent a State from establishing prior-
11 ities in distributing such amounts on the basis
12 of the activities selected; and

13 (iii) has consulted with local elected offi-
14 cials from among units of general local govern-
15 ment located in nonqualifying areas of that
16 State in determining the method of distribution
17 of funds required by subparagraph (A).

18 (D) To receive and distribute amounts allocated
19 under paragraph (1), the State shall certify that
20 each unit of general local government to be distrib-
21 uted funds will be required to identify its homeland
22 security objectives, and the activities to be under-
23 taken to meet such objectives.

24 (3) ADMINISTRATION.—(A) If the State re-
25 ceives and distributes such amounts, it shall be re-

1 sponsible for the administration of funds so distrib-
2 uted. The State shall pay from its own resources all
3 administrative expenses incurred by the State in car-
4 rying out its responsibilities under this Act, except
5 that from the amounts received for distribution in
6 nonqualifying areas, the State may deduct an
7 amount to cover such expenses and its administra-
8 tive expenses not to exceed the sum of \$150,000
9 plus 50 percent of any such expenses under this Act
10 in excess of \$150,000. Amounts deducted in excess
11 of \$150,000 shall not exceed 2 percent of the
12 amount so received.

13 (B) If the Attorney General distributes such
14 amounts, the distribution shall be made in accord-
15 ance with determinations of the Attorney General
16 pursuant to statements submitted and the other re-
17 quirements of section 5 (other than subsection (e))
18 and in accordance with regulations and procedures
19 prescribed by the Attorney General.

20 (C) Any amounts allocated for use in a State
21 under paragraph (1) that are not received by the
22 State for any fiscal year because of failure to meet
23 the requirements of subsection (a) or (b) of section
24 5 shall be added to amounts allocated to all States
25 under paragraph (1) for the succeeding fiscal year.

1 (D) Any amounts allocated for use in a State
2 under paragraph (1) that become available as a re-
3 sult of the closeout of a grant made by the Attorney
4 General under this section in nonqualifying areas of
5 the State shall be added to amounts allocated to the
6 State under paragraph (1) for the fiscal year in
7 which the amounts become so available.

8 (4) SINGLE UNIT.—Any combination of units of
9 general local governments may not be required to
10 obtain recognition by the Attorney General pursuant
11 to section 3(2) to be treated as a single unit of gen-
12 eral local government for purposes of this sub-
13 section.

14 (5) DEDUCTION.—From the amounts received
15 under paragraph (1) for distribution in nonquali-
16 fying areas, the State may deduct an amount, not to
17 exceed 1 percent of the amount so received, to pro-
18 vide technical assistance to local governments.

19 (6) APPLICABILITY.—Any activities conducted
20 with amounts received by a unit of general local gov-
21 ernment under this subsection shall be subject to the
22 applicable provisions of this Act and other Federal
23 law in the same manner and to the same extent as
24 activities conducted with amounts received by a unit
25 of general local government under subsection (a).

1 (e) QUALIFICATIONS AND DETERMINATIONS.—The
2 Attorney General may fix such qualification or submission
3 dates as he determines are necessary to permit the com-
4 putations and determinations required by this section to
5 be made in a timely manner, and all such computations
6 and determinations shall be final and conclusive.

7 (f) PRO RATA REDUCTION AND INCREASE.—If the
8 total amount available for distribution in any fiscal year
9 to metropolitan cities and urban counties under this sec-
10 tion is insufficient to provide the amounts to which metro-
11 politan cities and urban counties would be entitled under
12 subsection (b), and funds are not otherwise appropriated
13 to meet the deficiency, the Attorney General shall meet
14 the deficiency through a pro rata reduction of all amounts
15 determined under subsection (b). If the total amount
16 available for distribution in any fiscal year to metropolitan
17 cities and urban counties under this section exceeds the
18 amounts to which metropolitan cities and urban counties
19 would be entitled under subsection (b), the Attorney Gen-
20 eral shall distribute the excess through a pro rata increase
21 of all amounts determined under subsection (b).

22 **SEC. 8. NONDISCRIMINATION IN PROGRAMS AND ACTIVI-**
23 **TIES.**

24 No person in the United States shall on the ground
25 of race, color, national origin, religion, or sex be excluded

1 from participation in, be denied the benefits of, or be sub-
2 jected to discrimination under any program or activity
3 funded in whole or in part with funds made available
4 under this Act. Any prohibition against discrimination on
5 the basis of age under the Age Discrimination Act of 1975
6 (42 U.S.C. 6101 et seq.) or with respect to an otherwise
7 qualified handicapped individual as provided in section
8 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)
9 shall also apply to any such program or activity.

10 **SEC. 9. REMEDIES FOR NONCOMPLIANCE WITH REQUIRE-**
11 **MENTS.**

12 If the Attorney General finds after reasonable notice
13 and opportunity for hearing that a recipient of assistance
14 under this Act has failed to comply substantially with any
15 provision of this Act, the Attorney General, until he is sat-
16 isfied that there is no longer any such failure to comply,
17 shall—

18 (1) terminate payments to the recipient under
19 this Act;

20 (2) reduce payments to the recipient under this
21 Act by an amount equal to the amount of such pay-
22 ments which were not expended in accordance with
23 this Act; or

1 (3) limit the availability of payments under this
2 Act to programs, projects, or activities not affected
3 by such failure to comply.

4 **SEC. 10. REPORTING REQUIREMENTS.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 close of each fiscal year in which assistance under this Act
7 is furnished, the Attorney General shall submit to Con-
8 gress a report which shall contain—

9 (1) a description of the progress made in ac-
10 omplishing the objectives of this Act;

11 (2) a summary of the use of such funds during
12 the preceding fiscal year; and

13 (3) a description of the activities carried out
14 under section 7.

15 (b) REPORTS TO THE ATTORNEY GENERAL.—The
16 Attorney General is authorized to require recipients of as-
17 sistance under this Act to submit to him such reports and
18 other information as may be necessary in order for the
19 Attorney General to make the report required by sub-
20 section (a).

21 **SEC. 11. CONSULTATION BY ATTORNEY GENERAL.**

22 In carrying out the provisions of this Act including
23 the issuance of regulations, the Attorney General shall
24 consult with the Office of Homeland Security and other

1 Federal departments and agencies administering Federal
2 grant-in-aid programs.

3 **SEC. 12. INTERSTATE AGREEMENTS OR COMPACTS; PUR-**
4 **POSES.**

5 The consent of the Congress is hereby given to any
6 two or more States to enter into agreements or compacts,
7 not in conflict with any law of the United States, for coop-
8 erative effort and mutual assistance in support of home-
9 land security planning and programs carried out under
10 this Act as they pertain to interstate areas and to localities
11 within such States, and to establish such agencies, joint
12 or otherwise, as they may deem desirable for making such
13 agreements and compacts effective.

14 **SEC. 13. MATCHING REQUIREMENTS; SUSPENSION OF RE-**
15 **QUIREMENTS FOR ECONOMICALLY DIS-**
16 **TRESSED AREAS.**

17 (a) REQUIREMENT.—Grant recipients shall con-
18 tribute from funds, other than those received under this
19 Act, 10 percent of the total funds received under this Act.
20 Such funds shall be used in accordance with the grantee's
21 statement of homeland security objectives.

22 (b) ECONOMIC DISTRESS.—Grant recipients that are
23 deemed economically distressed shall be waived from the
24 matching requirement set forth in this section.

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