

108TH CONGRESS  
2D SESSION

# H. R. 4310

To direct the Secretary of Commerce to make noninterest bearing loans to State and local governments solely for the purpose of funding capital projects, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 2004

Mr. LAHOOD (for himself, Mr. EMANUEL, Mr. HINCHEY, Mr. JEFFERSON, Mr. LATOURETTE, Mr. MANZULLO, Mr. SHIMKUS, and Mrs. JONES of Ohio) introduced the following bill; which was referred to the Committee on Government Reform

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## A BILL

To direct the Secretary of Commerce to make noninterest bearing loans to State and local governments solely for the purpose of funding capital projects, 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 “State and Local Gov-  
5 ernment Economic Empowerment Act”.

1 **SEC. 2. ELIGIBILITY OF STATE AND LOCAL GOVERNMENTS**  
2 **FOR INTEREST-FREE LOANS.**

3 (a) IN GENERAL.—Subject to subsection (b), each  
4 State, county, incorporated municipality, and Indian tribe  
5 shall be entitled to obtain a loan under section 3, unless  
6 such unit of government is delinquent in repaying a prior  
7 loan.

8 (b) MAXIMUM AMOUNT LIMITATION.—The total  
9 amount of money to which any entity described in sub-  
10 section (a) is entitled to borrow under this section shall  
11 not exceed the amount equal to the product of—

12 (1) the resident population, as determined by  
13 the Secretary on the basis of the 2000 census, of the  
14 geographic territory over which the entity has juris-  
15 diction; and

16 (2) the amount equal to—

17 (A) in the case of a State, \$200;

18 (B) in the case of a county (as defined in  
19 section 2 of title 1, United States Code), \$200;

20 (C) in the case of an incorporated munic-  
21 ipality, \$600; and

22 (D) in the case of an Indian tribe, \$1,000.

23 **SEC. 3. INTEREST-FREE LOANS.**

24 Subject to sections 2(b) and 4, the Secretary shall  
25 issue an interest-free loan to any government unit de-  
26 scribed in section 2(a) if the Secretary obtains such assur-

1 ances as the Secretary determines to be appropriate from  
2 the unit that the proceeds of such loan will be used solely  
3 for the purpose of funding capital projects of the govern-  
4 mental unit, including the construction of or improve-  
5 ments to—

- 6 (1) streets, highways, bridges, and tunnels;
- 7 (2) water and sewer systems;
- 8 (3) waste disposal systems; and
- 9 (4) public buildings and other public facilities.

10 **SEC. 4. ADMINISTRATIVE PROVISIONS.**

11 (a) **DISBURSEMENT REQUIREMENTS.**—Loans made  
12 under section 3 shall be disbursed by the Secretary—

13 (1) in a lump sum for the full amount of the  
14 loan; or

15 (2) if the Secretary determines that partial dis-  
16 bursements are appropriate in the case of loans for  
17 construction projects in order to accommodate a  
18 greater number of loan requests, over the construc-  
19 tion period of the project.

20 (b) **MINIMUM PHASE-IN PERIOD.**—Disbursements on  
21 all eligible loans made under section 3 shall begin before  
22 the end of the 5-year period beginning on the date of en-  
23 actment of this Act.

24 (c) **PERIOD TO MATURITY.**—The period to maturity  
25 of any loan made under section 3 shall be the estimated

1 number of years of the useful life of the infrastructure  
2 installation (if any) which is financed by the loan, but,  
3 in any case, shall be a minimum of 10 years and a max-  
4 imum of 30 years.

5 (d) APPLICABILITY OF STATE LAW.—The number or  
6 the principal amounts of interest-free loans made under  
7 section 3 to any governmental unit established by a State,  
8 or the period to maturity of any such loan, may not exceed  
9 the maximum number, amount, or period to maturity es-  
10 tablished under the law of such State, unless the State  
11 provides a waiver from any such limitation with respect  
12 to any such governmental unit.

13 (e) ADMINISTRATIVE FEES.—The Secretary shall im-  
14 pose an administrative fee on each recipient of a loan  
15 under section 3 in an amount not to exceed the lesser of—

16 (1) 0.25 percent of the total amount of the  
17 loan; or

18 (2) an amount sufficient to cover all adminis-  
19 trative costs incurred by the Secretary, including  
20 overhead, for making and administering the loan.

21 (f) TERMS OF REPAYMENT.—The repayment terms  
22 of any loan made under section 3 shall require quarterly  
23 payments by the recipient in equal amounts determined  
24 by dividing—

1           (1) the sum of the principal and the adminis-  
2           trative fees applicable with respect to such loan; by

3           (2) the number of calendar quarters any por-  
4           tion of which falls within the period to maturity of  
5           the loan.

6           (g) COLLECTIONS OF PAST DUE AMOUNTS AND COL-  
7           LECTION FEES.—

8           (1) ENFORCED COLLECTIONS.—The Secretary  
9           shall take action to enforce collection of past due  
10          amounts of any loan on which 4 or more quarterly  
11          payments are due and payable.

12          (2) IMPOUNDMENT OF DELINQUENT  
13          AMOUNT.—In the case of any delinquent loan de-  
14          scribed in paragraph (1), the Secretary may seek an  
15          order from a district court of the United States of  
16          appropriate jurisdiction directing a United States  
17          Marshall to impound, under authority of this sub-  
18          section, any available funds of the debtor in an  
19          amount equal to the amount currently due as of the  
20          date of such action to reduce or eliminate the delin-  
21          quency.

22          (3) WAIVER OF DEBTOR'S RIGHT TO DEFEND  
23          AGAINST COLLECTION.—As a condition for receiving  
24          any loan under section 3, the recipient shall waive  
25          any right to take any legal action to prevent or de-

1        fend against the collection by the Secretary of any  
2        amount which the parties agree is past due.

3            (4) COST OF COLLECTION.—The costs incurred  
4        by the Secretary in collecting any amount under this  
5        subsection with respect to any loan shall be added  
6        to and treated as a part of the principal amount of  
7        the loan.

8            (5) BALANCE OF LOAN PRINCIPAL AND FEES  
9        PAYABLE IN ACCORDANCE WITH TERMS OF LOAN.—  
10       A debtor who is subject to collection proceedings  
11       under this subsection for any delinquent portion of  
12       a loan under section 3 shall continue to meet the re-  
13       payment schedule applicable to such loan for the re-  
14       maining amount of principal and fees.

15       (h) REPAYMENT OF LOANS.—Loans made under sec-  
16       tion 3 shall be repaid to the Secretary in accordance with  
17       the terms established under this Act and shall be deposited  
18       into the Treasury of the United States.

19       **SEC. 5. DEFINITIONS.**

20       For purposes of this Act, the following definitions  
21       apply:

22            (1) SECRETARY.—The term “Secretary” means  
23        the Secretary of Commerce.

24            (2) INDIAN TRIBE.—The term “Indian tribe”  
25        means any Indian tribe, band, pueblo, nation, or

1 other organized group or community, including any  
2 Alaska Native village or regional or village corpora-  
3 tion as defined in or established pursuant to the  
4 Alaska Native Claims Settlement Act, which is rec-  
5 ognized as eligible for the special programs and serv-  
6 ices provided by the United States to Indians be-  
7 cause of their status as Indians.

8 (3) STATE.—The term “State” includes the  
9 District of Columbia, the Commonwealth of Puerto  
10 Rico, Guam, American Samoa, the United States  
11 Virgin Islands, and the Northern Mariana Islands.

12 **SEC. 6. PROGRAM AUTHORITY.**

13 In accordance with the provisions of this Act, there  
14 are hereby made available, out of any money in the Treas-  
15 ury not otherwise appropriated, such sums as may be nec-  
16 essary to make loans to all entities described in section  
17 2(a).

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