

the nomination process for rural Empowerment Zones and rural Enterprise Communities, and the designation of these Zones and Communities by USDA. Provisions dealing with the nominations and designation of urban Empowerment Zones and Enterprise Communities are promulgated by the United States Department of Housing and Urban Development (HUD). USDA and HUD will consult in all cases in which nominated areas possess both rural and urban characteristics and will utilize a flexible approach in determining the appropriate designation.

**§25.2 Objective and purpose.**

The purpose of this part is to provide for the establishment of Empowerment Zones and Enterprise Communities in rural areas, to stimulate the creation of new jobs, particularly for the disadvantaged and long-term unemployed, and to promote revitalization of economically distressed areas, primarily by providing or encouraging:

- (a) Coordination of economic, human, community, and physical development plans and related activities at the local level;
- (b) Local partnerships fully involving affected communities and local institutions and organizations in developing and implementing a strategic plan for any nominated rural Empowerment Zone or Enterprise Community;
- (c) Tax incentives and credits; and
- (d) Empowerment Zone/Enterprise Community Social Service Block Grant (EZ/EC SSBG) funds.

**§25.3 Definitions.**

As used in this part—

*Applicant* means the lead entity that has prepared and will implement the community’s strategic plan, pursuant to the provisions of §25.200(c) of this part, for comprehensive economic, human, community, and physical development within the area; such an entity may include, but is not limited to, state governments, local governments, regional planning agencies, non-profit organizations, community-based organizations, or a partnership of community members and other entities.

*Designation* means the process by which the Secretary designates rural areas as Empowerment Zones or Enter-

prise Communities eligible for tax incentives and credits established by subchapter U of the Internal Revenue Code (26 U.S.C. 1391 et seq.), EZ/EC SSBGS as established by the Department of Health and Human Services (HHS), and for consideration for programs of Federal assistance.

*Empowerment Zone* means a rural area so designated by the Secretary pursuant to this part. Up to three such zones may be designated.

*Enterprise Community* means a rural area so designated by the Secretary pursuant to this part. Up to 30 such communities may be designated.

*EZ/EC SSBG Funds* means grants made by the Secretary of HHS to States containing Empowerment Zones and Enterprise Communities whose strategic plans are qualified plans as defined in section 13761 of the Omnibus Budget Reconciliation Act of 1993.

*Indian reservation* means a reservation as defined in section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)) or section 4(10) of the Indian Child Welfare Act of 1978 (25 U.S.C. 1903(10)).

*Local government* means any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and any combination of these political subdivisions which is recognized by the Secretary.

*Nominated area* means an area which is nominated by one or more local governments and the State or States in which it is located for designation pursuant to this part.

*Population census tract* means a census tract, or, if census tracts are not defined for the area, a block numbering area (BNA).

*Poverty* means the number of persons listed as being in poverty in the 1990 Census.

*Revocation of designation* means the process by which the Secretary may revoke the designation of an area as an Empowerment Zone or Enterprise Community pursuant to §25.403 of this part.

*Rural area* means any area defined pursuant to §25.504 of this part.

*Secretary* means the Secretary of Agriculture.

*State* means any State in the United States.