

Office of the Secretary, USDA

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SOURCE: 63 FR 19114, Apr. 16, 1998, unless otherwise noted.

Subpart A—General Provisions

§ 25.1 Applicability and scope.

(a) *Applicability.* This part contains policies and procedures applicable to rural empowerment zones and enterprise communities, authorized under the Omnibus Budget Reconciliation Act of 1993, title XIII, subchapter C, part I (Round I), the Taxpayer Relief Act of 1997, title IX, subtitle F (Round II), the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277) (Round IIS), and the Community Renewal Tax Relief Act of 2000 (Public Law 106–554) (Round III).

(b) *Scope.* This part contains provisions relating to area requirements, the nomination process for rural Empowerment Zones and rural Enterprise Communities, and the designation of these Zones and Communities by the

Secretary of the U.S. Department of Agriculture (Secretary) (USDA). Provisions dealing with the nominations and designation of urban Empowerment Zones and Enterprise Communities are promulgated by the U.S. Department of Housing and Urban Development (HUD). This part also contains provisions relating to granting certain nominated areas status as Champion communities.

[63 FR 19114, Apr. 16, 1998, as amended at 67 FR 13556, Apr. 24, 2002]

§ 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 in order to facilitate the empowerment of the disadvantaged and long-term unemployed such that they may become economically self-sufficient, and to promote revitalization of economically distressed areas, primarily by facilitating:

(a) Coordination of economic, human services, health, transportation, education, community, and physical development plans, and other 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 comprehensive multi-sectoral strategic plan for any nominated rural Empowerment Zone or Enterprise Community;

(c) Tax incentives and credits; and

(d) Distribution of other federal resources including grants from USDA and other federal departments, including Empowerment Zone and Enterprise Community Social Services Block Grant (EZ/EC SSBG) funds as may be available from the U.S. Department of Health and Human Services (HHS).

§ 25.3 Definitions.

As used in this part—

Annual report means the report submitted to USDA by all rural Empowerment Zones and Enterprise Communities pursuant to § 25.400.

Applicant means the entity that is submitting the community's strategic plan for accomplishing comprehensive economic, human community, and physical development within the area; such an entity may include, but is not

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limited to, State governments, local governments, tribal governments, regional planning agencies, non-profit organizations, community-based organizations, or a partnership of community members and other entities. The applicant may be the same as or different from the lead managing entity.

Baseline condition means a measurable condition or problem at the time of designation for which benchmark goals have been established for improvement.

Benchmark activity means a program, project, task or combination thereof which is designed to achieve a benchmark goal.

Benchmark goal means a measurable goal targeted for achievement in the strategic plan.

Brownfield means a “qualified contaminated site” meeting the requirements of section 941 of the Taxpayer Relief Act of 1997, (26 U.S.C. 198(c)), where the site is located in an empowerment zone or enterprise community.

Census tract means a population census tract, or, if census tracts are not defined for the area, a block numbering area (BNA) as established by the Bureau of the Census, U.S. Department of Commerce. BNAs are areas delineated by state officials or (lacking state participation) by the Census Bureau, following Census Bureau guidelines, for the purpose of grouping and numbering decennial census blocks in counties or statistically equivalent entities in which census tracts have not been established. A BNA is equivalent to a census tract in the Census Bureau’s geographic hierarchy.

Champion Community means a rural area granted such status by the Secretary pursuant to this part from among those communities which applied for designation as either a rural Empowerment Zone or Enterprise Community and which were not so designated.

Designation means the process by which the Secretary designates rural areas as empowerment zones or enterprise communities pursuant to eligibility criteria established by subchapter U of the Internal Revenue Code (26 U.S.C. 1391 *et seq.*).

Designation date means December 21, 1994, in the case of Round I designations, December 24, 1998, in the case of Round II and Round IIS designations and January 11, 2002, in the case of Round III designations

Designation period means, in the case of empowerment zones, the lesser of such time as has elapsed from the designation date to December 31, 2009 or from the designation date to the effective date of an applicable notice of revocation pursuant to 7 CFR 25.405(e) and, in the case of enterprise communities, the lesser of ten years or such time as has elapsed from the designation date to the effective date of an applicable notice of revocation pursuant to 7 CFR 25.405(e).

Developable site means a parcel of land in a nominated area which may be developed for commercial or industrial purposes.

Empowerment Zone means a rural area so designated by the Secretary pursuant to this part.

Enterprise Community means a rural area so designated by the Secretary pursuant to this part.

EZ/EC SSBG funds or *EZ/EC Social Services Block Grant funds* means any funds that may be provided to states or tribal governments by HHS in accordance with section 2007(a) of the Social Security Act (42 U.S.C. 1397f), for use by designated Empowerment Zones or Enterprise Communities.

Funding official means the state director in the state where the designated rural area is located, or if the designated rural area is located in more than one state, the state where the headquarters office of the lead managing entity is located.

HHS means the U.S. Department of Health and Human Services.

HUD means the U.S. Department of Housing and Urban Development.

Indian reservation means a reservation as defined in section 168(j)(6) of the Internal Revenue Code, 26 U.S.C. 168(j)(6).

Lead managing entity means the entity that will administer and be responsible for the implementation of the strategic plan.

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 that 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 in accordance with this part.

Office of Community Development or OCD means the office of the Deputy Administrator, Community Development, as identified in 7 CFR 2003.26(b)(4).

Outmigration means the negative percentage change reported by the Bureau of the Census, U.S. Department of Commerce, for the sum of:

- (1) Net Domestic Migration;
- (2) Net Federal Movement; and
- (3) Net International Migration, as such terms are defined for purposes of the 1990 Census.

Poverty rate means, for a given Census tract, the poverty rate reported in Table 19 of the Bureau of the Census CPH-3 series of publications from the 1990 Census of Population and Housing: Population and Housing Characteristics for Census Tracts and Block Numbering Areas.

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 § 25.405.

Round I identifies designations of rural Empowerment Zones and Enterprise Communities pursuant to subchapter C, part I (Empowerment Zones, Enterprise Communities and Rural Development Investment Areas) of Title XIII of the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103-66).

Round II identifies designations of rural Empowerment Zones pursuant to subtitle F (Empowerment Zones, Enterprise Communities, Brownfields, and Community Development Financial Institutions) of Title IX of the Taxpayer Relief Act of 1997 (Pub. L. 105-34).

Round IIS identifies designations of rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277).

Round III identifies designations of empowerment zones pursuant to sec-

tion 111 of the Community Renewal Tax Relief Act of 2000 (Public Law 106-554).

Rural area means any area defined pursuant to § 25.503.

Secretary means the Secretary of the U.S. Department of Agriculture.

State means any state in the United States.

State director means the state director for the Rural Development mission area within USDA, as identified in 7 CFR 2003.10.

Strategic plan means a plan for achieving benchmark goals evidencing improvement over identified baseline conditions, developed with the participation and commitment of local governments, tribal governments, state governments, private sector, community members and others, pursuant to the provisions of § 25.202.

USDA means the U.S. Department of Agriculture.

USDA EZ/EC grant program means the grant program authorized by section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277).

[63 FR 19114, Apr. 16, 1998, as amended at 67 FR 13556, Apr. 24, 2002; 68 FR 16170, Apr. 3, 2003]

§ 25.4 Secretarial review and designation.

(a) *Designation.* The Secretary will review applications for the designation of nominated rural areas to determine the effectiveness of the strategic plans submitted by applicants; such designations of rural empowerment zones and enterprise communities as are made shall be from the applications submitted in response to the notice inviting applications or other applicable notice published in the FEDERAL REGISTER. The Secretary may elect to designate as champion communities those nominated areas which are not designated as either a rural empowerment zone or enterprise community and whose applications meet the criteria contained in § 25.301.

(b) *Number of rural empowerment zones, enterprise communities and champion communities*—(1) *Round I.* The Secretary may designate up to three rural Empowerment Zones and up to thirty