

(1) **REPAYMENT REQUIRED.**—A unit of general local government shall repay to the Secretary, by not later than 15 months after receipt from the Secretary, any amount that is—

(A) paid to the unit from amounts appropriated under the authority of this section; and

(B) not expended by the unit within one year after receipt from the Secretary.

(2) **PENALTY FOR FAILURE TO REPAY.**—If the amount required to be repaid is not repaid, the Secretary shall reduce payments in future payment periods accordingly.

(3) **DEPOSIT OF AMOUNTS REPAYED.**—Amounts received by the Secretary as repayments under this subsection shall be deposited in the Local Government Fiscal Assistance Fund for future payments to units of general local government.

(f) **EXPENDITURE WITH DISADVANTAGED BUSINESS ENTERPRISES.**—

(1) **GENERAL RULE.**—Of amounts paid to a unit of general local government under this chapter for a payment period, not less than 10 percent of the total combined amounts obligated by the unit for contracts and subcontracts shall be expended with—

(A) small business concerns controlled by socially and economically disadvantaged individuals and women;

(B) historically Black colleges and universities and colleges and universities having a student body in which more than 20 percent of the students are Hispanic Americans or Native Americans; and

(C) qualified HUBZone small business concerns.

(2) **EXCEPTION.**—Paragraph (1) shall not apply to amounts paid to a unit of general local government to the extent the unit determines that the paragraph does not apply through a process that provides for public participation.

(3) **DEFINITIONS.**—For purposes of this subsection—

(A) the term “small business concern” has the meaning such term has under section 3 of the Small Business Act;

(B) the term “socially and economically disadvantaged individuals” has the meaning such term has under section 8(d) of the Small Business Act and relevant subcontracting regulations promulgated pursuant to that section; and

(C) the term “qualified HUBZone small business concern” has the meaning given that term in section 3(p) of the Small Business Act (15 U.S.C. 632(o)¹).

(g) **NONSUPPLANTING REQUIREMENT.**—

(1) **IN GENERAL.**—Funds made available under this chapter to units of local government shall not be used to supplant State or local funds, but will be used to increase the amount of funds that would, in the absence of funds under this chapter, be made available from State or local sources.

(2) **BASE LEVEL AMOUNT.**—The total level of funding available to a unit of local govern-

ment for accounts serving eligible purposes under this chapter in the fiscal year immediately preceding receipt of a grant under this chapter shall be designated the “base level account” for the fiscal year in which a grant is received. Grants under this chapter in a given fiscal year shall be reduced on a dollar for dollar basis to the extent that a unit of local government reduces its base level account in that fiscal year.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1859; amended Pub. L. 105-135, title VI, §604(e)(2), Dec. 2, 1997, 111 Stat. 2633.)

REFERENCES IN TEXT

Sections 3 and 8(d) of the Small Business Act, referred to in subsec. (f)(3), are classified to sections 632 and 637(d), respectively, of Title 15, Commerce and Trade.

PRIOR PROVISIONS

A prior section 6701, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1010; Pub. L. 98-185, §§2, 9(a), Nov. 30, 1983, 97 Stat. 1309, 1311, related to definitions and application of chapter, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

AMENDMENTS

1997—Subsec. (f)(1)(C). Pub. L. 105-135, §604(e)(2)(A), added subpar. (C).

Subsec. (f)(3)(C). Pub. L. 105-135, §604(e)(2)(B), added subpar. (C).

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105-135 effective Oct. 1, 1997, see section 3 of Pub. L. 105-135, set out as a note under section 631 of Title 15, Commerce and Trade.

REGULATIONS

Section 31001(b) of Pub. L. 103-322 provided that: “Within 90 days of the date of enactment of this Act [Sept. 13, 1994] the Secretary shall issue regulations, which may be interim regulations, to implement subsection (a) [enacting this chapter], modifying the regulations for carrying into effect the Revenue Sharing Act [former chapter 67 of this title] that were in effect as of July 1, 1987, and that were published in 31 C.F.R. part 51. The Secretary need not hold a public hearing before issuing these regulations.”

§ 6702. Local Government Fiscal Assistance Fund

(a) **ADMINISTRATION OF FUND.**—The Department of the Treasury has a Local Government Fiscal Assistance Fund, which consists of amounts appropriated to the Fund.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Fund—

- (1) \$270,000,000 for fiscal year 1996;
- (2) \$283,500,000 for fiscal year 1997;
- (3) \$355,500,000 for fiscal year 1998;
- (4) \$355,500,000 for fiscal year 1999; and
- (5) \$355,500,000 for fiscal year 2000.

Such sums are to remain available until expended.

(c) **ADMINISTRATIVE COSTS.**—Up to 2.5 percent of the amount authorized to be appropriated under subsection (b) is authorized to be appropriated for the period fiscal year 1995 through fiscal year 2000 to be available for administrative costs by the Secretary in furtherance of the purposes of the program. Such sums are to remain available until expended.

¹ So in original. Probably should be “632(p)”.

(Added Pub. L. 103-322, title III, §31001(a), Sept. 13, 1994, 108 Stat. 1861.)

PRIOR PROVISIONS

A prior section 6702, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1012, related to payments to governments, prior to repeal by Pub. L. 99-272, title XIV, §14001(a)(1), (e), Apr. 7, 1986, 100 Stat. 327, 329, eff. Oct. 18, 1986.

DEFICIT NEUTRALITY

Section 31001(c) of title III of Pub. L. 103-322 provided that: "Any appropriation to carry out the amendment made by this subtitle [subtitle J (§§31001, 31002) of title III of Pub. L. 103-322, enacting this chapter] to title 31, United States Code, for fiscal year 1995 or 1996 shall be offset by cuts elsewhere in appropriations for that fiscal year."

§ 6703. Qualification for payment

(a) IN GENERAL.—The Secretary shall issue regulations establishing procedures under which eligible units of general local government are required to provide notice to the Secretary of the units' proposed use of assistance under this chapter. Subject to subsection (c), the assistance provided shall be used, in amounts determined by the unit, for activities under, or for activities that are substantially similar to an activity under, 1 or more of the following programs and the notice shall identify 1 or more of the following programs for each such use:

(1) The Drug Abuse Resistance Education Program under section 5122 of the Elementary and Secondary Education Act of 1965.

(2) The National Youth Sports Program under section 682 of the Community Services Block Grant Act (Public Law 97-35) as amended by section 205, Public Law 103-252.

(3) The Gang Resistance Education and Training Program under the Act entitled "An Act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes", approved November 5, 1990 (Public Law 101-509).

(4) Programs under title I of the Workforce Investment Act of 1998.

(5) Programs under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.), as amended.

(6) Programs under the School to Work Opportunities Act (Public Law 103-239).

(7) Substance Abuse Treatment and Prevention programs authorized under title V or XIX of the Public Health Services Act (43 U.S.C. 201 et seq.).¹

(8) Programs under the Head Start Act (42 U.S.C. 9831 et seq.).

(9) Programs under part A or B of chapter 1 of title I of the Elementary and Secondary Education Act of 1965.

(10) The TRIO programs under part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(11) Programs under the National Literacy Act of 1991.

(12) Programs under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.).

(13) The demonstration partnership programs including the community initiative targeted to minority youth under section 203¹ of the Human Services Reauthorization Act of 1994 (Public Law 103-252).

(14) The runaway and homeless youth program and the transitional living program for homeless youth under title III of the Juvenile Justice and Delinquency Prevention Act (Public Law 102-586).

(15) After-school activities for school aged children under the Child Care and Development Block Grant Act (42 U.S.C. 9858 et seq.).

(16) The community-based family resource programs under section 401¹ of the Human Services Reauthorization Act of 1994 (Public Law 103-252).

(17) The family violence programs under the Child Abuse Prevention and Treatment Act Amendments of 1984.

(18) Job training programs administered by the Department of Agriculture, the Department of Defense, or the Department of Housing and Urban Development.

(b) NOTICE TO AGENCY.—Upon receipt of notice under subsection (a) from an eligible unit of general local government, the Secretary shall notify the head of the appropriate Federal agency for each program listed in subsection (a) that is identified in the notice as a program under which an activity will be conducted with assistance under this chapter. The notification shall state that the unit has elected to use some or all of its assistance under this chapter for activities under that program. The head of a Federal agency that receives such a notification shall ensure that such use is in compliance with the laws and regulations applicable to that program, except that any requirement to provide matching funds shall not apply to that use.

(c) ALTERNATIVE USES OF FUNDS.—

(1) ALTERNATIVE USES AUTHORIZED.—In lieu of, or in addition to, use for an activity described in subsection (a) and notice for that use under subsection (a), an eligible unit of general local government may use assistance under this chapter, and shall provide notice of that use to the Secretary under subsection (a), for any other activity that is consistent with 1 or more of the purposes described in section 6701(a)(2).

(2) NOTICE DEEMED TO DESCRIBE CONSISTENT USE.—Notice by a unit of general local government that it intends to use assistance under this chapter for an activity other than an activity described in subsection (a) is deemed to describe an activity that is consistent with 1 or more of the purposes described in section 6701(a)(2) unless the Secretary provides to the unit, within 30 days after receipt of that notice of intent from the unit, written notice (including an explanation) that the use is not consistent with those purposes.

(d) GENERAL REQUIREMENTS FOR QUALIFICATION.—A unit of general local government qualifies for a payment under this chapter for a payment period only after establishing to the satisfaction of the Secretary that—

(1) the government will establish a trust fund in which the government will deposit all payments received under this chapter;

¹ See References in Text note below.