

SEC. 9002. CAPITAL GRANTS FOR RAIL LINE RELOCATION PROJECTS.

(a) Establishment of Program.--

(1) Program requirements.--Chapter 201 of title 49, United States Code, <<NOTE: 49 USC 20101.>> is amended by adding at the end of subchapter II the following:

Sec. 20154. Capital grants for rail line relocation projects

((a) Establishment of Program.--The Secretary of Transportation shall carry out a grant program to provide financial assistance for local rail line relocation and improvement projects.

((b) Eligibility.--A State is eligible for a grant under this section for any construction project for the improvement of the route or structure of a rail line that either--

((1) is carried out for the purpose of mitigating the adverse effects of rail traffic on safety, motor vehicle traffic flow, community quality of life, or economic development; or

((2) involves a lateral or vertical relocation of any portion of the rail line.

((c) Considerations for Approval of Grant Applications.--In determining whether to award a grant to an eligible State under this section, the Secretary shall consider the following factors:

((1) The capability of the State to fund the rail line relocation project without Federal grant funding.

((2) The requirement and limitation relating to allocation of grant funds provided in subsection (d).

((3) Equitable treatment of the various regions of the United States.

((4) The effects of the rail line, relocated or improved as proposed, on motor vehicle and pedestrian traffic, safety, community quality of life, and area commerce.

((5) The effects of the rail line, relocated as proposed, on the freight and passenger rail operations on the rail line.

((d) Allocation Requirements.--At least 50 percent of all grant funds awarded under this section out of funds appropriated for a fiscal year shall be provided as grant awards of not more than \$20,000,000 each. The \$20,000,000 amount shall be adjusted

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by the Secretary to reflect inflation for fiscal years beginning after fiscal year 2006.

((e) Non-Federal Share.--

((1) Percentage.--A State or other non-Federal entity shall pay at least 10 percent of the shared costs of a project that is funded in part by a grant awarded under this section.

((2) Forms of contributions.--The share required by paragraph (1) may be paid in cash or in kind.

((3) In-kind contributions.--The in-kind contributions that are permitted to be counted under paragraph (2) for a project for a State or other non-Federal entity are as follows:

((A) A contribution of real property or tangible personal property (whether provided by the State or a person for the State).

``(B) A contribution of the services of employees of the State or other non-Federal entity, calculated on the basis of costs incurred by the State or other non-Federal entity for the pay and benefits of the employees, but excluding overhead and general administrative costs.

``(C) A payment of any costs that were incurred for the project before the filing of an application for a grant for the project under this section, and any in-kind contributions that were made for the project before the filing of the application, if and to the extent that the costs were incurred or in-kind contributions were made, as the case may be, to comply with a provision of a statute required to be satisfied in order to carry out the project.

``(4) Financial contribution from private entities.--

``(A) <<NOTE: Reports.>> The Secretary shall require a State to submit a description of the anticipated public and private benefits associated with each rail line relocation or improvement project described in subsection (a). The determination of such benefits shall be developed in consultation with the owner and user of the rail line being relocated or improved or other private entity involved in the project.

``(B) The Secretary shall consider the feasibility of seeking financial contributions or commitments from private entities involved with the project in proportion to the expected benefits determined under subparagraph (A) that accrue to such entities from the project.

``(f) Agreements To Combine Amounts.--Two or more States (not including political subdivisions of States) may, pursuant to an agreement entered into by the States, combine any part of the amounts provided through grants for a project under this section if--

``(1) the project will benefit each of the States entering into the agreement; and

``(2) the agreement is not a violation of a law of any such State.

``(g) Regulations.--The Secretary shall prescribe regulations for carrying out this section.

``(h) Definitions.--In this section:

``(1) Construction.--The term 'construction' means the supervising, inspecting, actual building, and incurrence of all costs incidental to the construction or reconstruction of a project described under subsection (b)(1) of this section, including bond costs and other costs relating to the issuance of bonds or other

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debt financing instruments and costs incurred by the State in performing project related audits, and includes--

``(A) locating, surveying, and mapping;

``(B) track installation, restoration, and rehabilitation;

``(C) acquisition of rights-of-way;

``(D) relocation assistance, acquisition of replacement housing sites, and acquisition and rehabilitation, relocation, and construction of replacement housing;

``(E) elimination of obstacles and relocation of utilities; and

``(F) other activities defined by the Secretary.

``(2) Quality of life.--The term `quality of life' includes first responders' emergency response time, the environment, noise levels, and other factors as determined by the Secretary.

``(3) State.--The term `State' includes, except as otherwise specifically provided, a political subdivision of a State, and the District of Columbia.

``(i) Authorization of Appropriations.--There are authorized to be appropriated to the Secretary for use in carrying out this section \$350,000,000 for each of the fiscal years 2006 through 2009.''.

(2) Clerical amendment.--The chapter analysis for such chapter <<NOTE: 49 USC 20101.>> is amended by adding at the end the following:

``20154. Capital grants for rail line relocation projects.''.

(b) <<NOTE: Deadlines. 49 USC 21054 note.>> Regulations.--

(1) Temporary regulations.--Not later than April 1, 2006, the Secretary of Transportation shall issue temporary regulations to implement the grant program under section 20154 of title 49, United States Code, as added by subsection (a). Subchapter II of chapter 5 of title 5, United States Code, shall not apply to the issuance of a temporary regulation under this subsection or of any amendment of such a temporary regulation.

(2) Final regulations.--Not later than October 1, 2006, the Secretary shall issue final regulations implementing the program.