

PUBLIC LAW 107-171—MAY 13, 2002

FARM SECURITY AND RURAL INVESTMENT  
ACT OF 2002

## TITLE VI—RURAL DEVELOPMENT

### Subtitle A—Consolidated Farm and Rural Development Act

#### SEC. 6001. ELIGIBILITY OF RURAL EMPOWERMENT ZONES AND RURAL ENTERPRISE COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the first sentence the following: “The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, or as 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; 112 Stat. 2681, 2681-37), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.”

#### SEC. 6002. WATER OR WASTE DISPOSAL GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

(1) by striking “(2) The” and inserting the following:

“(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

“(A) AUTHORITY.—

“(i) IN GENERAL.—The”;

(2) by striking “aggregating not to exceed \$590,000,000 in any fiscal year”;

(3) by striking “The amount” and inserting the following:

“(ii) AMOUNT.—The amount”;

(4) by striking “paragraph” and inserting “subparagraph”;

(5) by striking “The Secretary shall” and inserting the following:

“(iii) GRANT RATE.—The Secretary shall”; and

(6) by adding at the end the following:

“(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

“(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing financing to eligible entities for—

“(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

“(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

“(ii) ELIGIBLE ENTITIES.—To be eligible to obtain financing from a revolving fund under clause (i), an

eligible entity must be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

“(iii) MAXIMUM AMOUNT OF FINANCING.—The amount of financing made to an eligible entity under this subparagraph shall not exceed—

“(I) \$100,000 for costs described in clause (i)(I);  
and

“(II) \$100,000 for costs described in clause (i)(II).

“(iv) TERM.—The term of financing provided to an eligible entity under this subparagraph shall not exceed 10 years.

“(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

“(vi) ANNUAL REPORT.—A nonprofit entity receiving a grant under this subparagraph shall submit to the Secretary an annual report that describes the number and size of communities served and the type of financing provided.

“(vii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subparagraph \$30,000,000 for each of fiscal years 2002 through 2007.”

**SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.**

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended—

(1) by striking “\$7,500,000” and inserting “\$15,000,000”;

and

(2) by striking “2002” and inserting “2007”.

**SEC. 6004. CHILD DAY CARE FACILITIES.**

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

“(C) RESERVATION OF FUNDS FOR CHILD DAY CARE FACILITIES.—

“(i) IN GENERAL.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

“(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.”

**SEC. 6005. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.**

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

“(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—



“(A) IN GENERAL.—The Secretary shall establish a national rural water and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of enactment of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

“(B) RELATIONSHIP TO EXISTING PROGRAM.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading “RURAL COMMUNITY ADVANCEMENT PROGRAM” in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (115 Stat. 719).

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$15,000,000 for fiscal year 2003 and each fiscal year thereafter.”.

**SEC. 6006. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.**

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6005) is amended by adding at the end the following:

“(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

“(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

“(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall give priority to an organization that—

“(i) serves a rural area that, during the most recent 5-year period—

“(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

“(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

“(ii) has a history of providing substantive assistance to local governments and economic development organizations.

“(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

“(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed \$100,000.

“(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$30,000,000 for each of fiscal years 2003 through 2007.”.



**SEC. 6007. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS.**

(a) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) (as amended by section 6006) is amended by adding at the end the following:

7 USC 1926.

“(24) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

“(A) IN GENERAL.—The Secretary may guarantee a loan made to finance a community facility or water or waste facility project in a rural area, including a loan financed by the net proceeds of a bond described in section 142(a) of the Internal Revenue Code of 1986.

“(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan shall demonstrate to the Secretary that the person has—

“(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

“(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.”.

(b) LOAN GUARANTEES FOR CERTAIN LOANS.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

“(h) LOAN GUARANTEES FOR CERTAIN LOANS.—The Secretary may guarantee loans made under subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(24).”.

**SEC. 6008. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.**

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6007(a)) is amended by adding at the end the following:

“(25) TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.—

“(A) IN GENERAL.—The Secretary may make grants to tribal colleges and universities (as defined in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c)) to provide the Federal share of the cost of developing specific tribal college or university essential community facilities in rural areas.

“(B) FEDERAL SHARE.—

“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the Secretary shall, by regulation, establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph.

Regulation.

“(ii) MAXIMUM AMOUNT.—The amount of a grant provided under this paragraph for a facility shall not exceed 75 percent of the cost of developing the facility.

“(iii) GRADUATED SCALE.—The Secretary shall provide for a graduated scale of the percentages of the cost covered by a grant made under this paragraph that provides higher percentages for facilities in

communities that have lower community population and income levels, as determined by the Secretary.  
“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$10,000,000 for each of fiscal years 2003 through 2007.”.

**SEC. 6009. EMERGENCY AND IMMEDIATE COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) is amended—

(1) in the section heading, by inserting “AND IMMEDIATE” after “EMERGENCY”;

(2) in subsection (a)—

(A) in paragraph (1), by inserting “, or when such a decline is imminent” before the semicolon at the end; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “acute” and inserting “acute, or imminent,”; and

(ii) in subparagraph (B), by striking “decline” and inserting “decline, or imminent decline,”;

(3) in subsection (c)(2), by striking “occurred” and inserting “occurred, or will occur,”;

(4) in subsection (d), by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Grants made under this section may be used—

“(A) for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, and hook and tap fees;

“(B) for any other appropriate purpose associated with developing sources of, treating, storing, or distributing water;

“(C) to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

“(D) to provide potable water to communities through other means.”;

(5) in subsection (f)(2), by striking “\$75,000” and inserting “\$150,000”;

(6) in subsection (h)—

(A) in the second sentence of paragraph (1), by striking “decline” and inserting “decline, or imminent decline,”; and

(B) by striking paragraph (2) and inserting the following:

“(2) TIMING OF REVIEW OF APPLICATIONS.—

“(A) SIMPLIFIED APPLICATION.—The application process developed by the Secretary under paragraph (1) shall include a simplified application form that will permit expedited consideration of an application for a grant filed under this section.

“(B) PRIORITY REVIEW.—In processing applications for any water or waste grant or loan authorized under this title, the Secretary shall afford priority processing to an application for a grant under this section to the extent



funds will be available for an award on the application at the conclusion of priority processing.

“(C) TIMING.—The Secretary shall, to the maximum extent practicable, review and act on an application under this section within 60 days after the date on which the application is submitted to the Secretary.”; and

(7) by striking subsection (i) and inserting the following:

“(i) FUNDING.—

“(1) RESERVATION.—

“(A) IN GENERAL.—For each fiscal year, not less than 3 nor more than 5 percent of the total amount made available to carry out section 306(a)(2) for the fiscal year shall be reserved for grants under this section.

“(B) RELEASE.—Funds reserved under subparagraph (A) for a fiscal year shall be reserved only until July 1 of the fiscal year.

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds made available under paragraph (1), there is authorized to be appropriated to carry out this section \$35,000,000 for each of fiscal years 2003 through 2007.”.

**SEC. 6010. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.**

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c) is amended by striking subsection (e) and inserting the following:

“(e) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—Subject to paragraph (2), there are authorized to be appropriated—

“(A) for grants under this section, \$30,000,000 for each fiscal year;

“(B) for loans under this section, \$30,000,000 for each fiscal year; and

“(C) in addition to grants provided under subparagraph (A), for grants under this section to benefit Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), \$20,000,000 for each fiscal year.

“(2) EXCEPTION.—An entity eligible to receive funding through a grant made under section 306D shall not be eligible for a grant from funds made available under paragraph (1)(C).”.

**SEC. 6011. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.**

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking “and 2002” and inserting “through 2007”.

**SEC. 6012. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act is amended by inserting after section 306D (7 U.S.C. 1926d) the following:



7 USC 1926e.

**“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

“(a) **DEFINITION OF ELIGIBLE INDIVIDUAL.**—In this section, the term ‘eligible individual’ means an individual who is a member of a household the members of which have a combined income (for the most recent 12-month period for which the information is available) that is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

“(b) **GRANTS.**—

“(1) **IN GENERAL.**—The Secretary may make grants to private nonprofit organizations for the purpose of providing loans to eligible individuals for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are or will be owned by the eligible individuals.

“(2) **TERMS OF LOANS.**—A loan made with grant funds under this section—

“(A) shall have an interest rate of 1 percent;

“(B) shall have a term not to exceed 20 years; and

“(C) shall not exceed \$8,000 for each water well system described in paragraph (1).

“(3) **ADMINISTRATIVE EXPENSES.**—A recipient of a grant made under this section may use grant funds to pay administrative expenses associated with providing the assistance described in paragraph (1), as determined by the Secretary.

“(c) **PRIORITY IN AWARDING GRANTS.**—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.

“(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2003 through 2007.”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) takes effect on October 1, 2002.

7 USC 1926e  
note.

**SEC. 6013. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.**

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting “and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation)” after “solar energy systems”.

**SEC. 6014. RURAL BUSINESS ENTERPRISE GRANTS.**

Section 310B(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c)(1)) is amended—

(1) by striking “(1) **IN GENERAL.**—The Secretary” and inserting the following:

“(1) **GRANTS.**—

“(A) **IN GENERAL.**—The Secretary”; and

(2) by adding at the end the following:

“(B) SMALL AND EMERGING PRIVATE BUSINESS ENTERPRISES.—

“(i) IN GENERAL.—For the purpose of subparagraph (A), a small and emerging private business enterprise shall include (regardless of the number of employees or operating capital of the enterprise) an eligible nonprofit entity, or other tax-exempt organization, with a principal office in an area that is located—

“(I) on land of an existing or former Native American reservation; and

“(II) in a city, town, or unincorporated area that has a population of not more than 5,000 inhabitants.

“(ii) USE OF GRANT.—An eligible nonprofit entity, or other tax exempt organization, described in clause (i) may use assistance provided under this paragraph to create, expand, or operate value-added processing in an area described in clause (i) in connection with production agriculture.

“(iii) PRIORITY.—In making grants under this paragraph, the Secretary shall give priority to grants that will be used to provide assistance to eligible nonprofit entities and other tax exempt organizations described in clause (i).”

**SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended—

(1) in paragraph (5)(F), before the period at the end the following: “, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382))”; and

(2) in paragraph (9), by striking “2002” and inserting “2007”.

**SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.**

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following:

“(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2002 through 2007.”

**SEC. 6017. BUSINESS AND INDUSTRY LOAN MODIFICATIONS.**

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (g) and inserting the following:

“(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

“(1) DEFINITION OF BUSINESS AND INDUSTRY LOAN.—In this subsection, the term ‘business and industry loan’ means a business and industry direct or guaranteed loan that is made or guaranteed by the Secretary under subsection (a)(1).

“(2) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—



“(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to individual farmers or ranchers for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.

“(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) for which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

“(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

“(3) LOANS TO COOPERATIVES.—

“(A) IN GENERAL.—The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area or a loan guarantee that meets the requirements of paragraph (6).

“(B) REFINANCING.—A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

“(i) the cooperative organization—

“(I) is current and performing with respect to the existing loan; and

“(II) is not, and has not been, in payment default, or the collateral of which has not been converted, with respect to the existing loan; and

“(ii) there is adequate security or full collateral for the refinanced loan.

“(4) LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

“(5) FEES.—The Secretary may assess a 1-time fee for any guaranteed business and industry loan in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.

“(6) LOAN GUARANTEES IN NONRURAL AREAS.—

“(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

“(i) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;



“(ii) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

“(iii) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(1).

“(B) PRINCIPAL AMOUNTS.—The principal amount of a business and industry loan guaranteed under this paragraph may not exceed \$25,000,000.

“(7) INTANGIBLE ASSETS.—In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

“(8) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE ORGANIZATIONS.—

“(A) PRINCIPAL AMOUNT.—

“(i) IN GENERAL.—Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed \$40,000,000.

“(ii) USE.—To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the any such loan in excess of \$25,000,000 shall be used to carry out a project—

“(I) in a rural area; and

“(II) that provides for the value-added processing of agricultural commodities.

“(B) APPLICATIONS.—If a cooperative organization submits an application for a guarantee under this subsection of a business and industry loan with a principal amount that is in excess of \$25,000,000, the Secretary—

“(i) shall review and, if appropriate, approve the application; and

“(ii) may not delegate the approval authority.

“(C) MAXIMUM AMOUNT.—The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of \$25,000,000 may not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(1).”.

**SEC. 6018. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.**

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 5006) is amended by adding at the end the following:

**“SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.** 7 USC 1936a.

“If, after making a loan or a grant described in section 381E(d), the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available

no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

“(1) will be carried out in the same area as the original project or activity;

“(2) meets the criteria for a loan or a grant described in section 381E(d); and

“(3) satisfies such additional requirements as are established by the Secretary.”.

**SEC. 6019. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.**

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) (as amended by section 5307) is amended by striking subsection (g) and inserting the following:

“(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

“(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

“(A) farmer program loans the principal amount of which is \$125,000 or less; and

“(B) business and industry guaranteed loans under section 310B(a)(1) the principal amount of which is—

“(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, \$400,000 or less; and

“(ii) in the case of a loan guarantee made during any subsequent fiscal year—

“(I) \$400,000 or less; or

“(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, \$600,000 or less.

“(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—

The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) the grant award amount or principal loan amount, respectively, of which is \$300,000 or less.

“(3) ADMINISTRATION.—In developing an application under this subsection, the Secretary shall—

“(A) consult with commercial and cooperative lenders;

and

“(B) ensure that—

“(i) the form can be completed manually or electronically, at the option of the lender;

“(ii) the form minimizes the documentation required to accompany the form;

“(iii) the cost of completing and processing the form is minimal; and

“(iv) the form can be completed and processed in an expeditious manner.”.

**SEC. 6020. DEFINITION OF RURAL AND RURAL AREA.**

(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:



## “(13) RURAL AND RURAL AREA.—

“(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms ‘rural’ and ‘rural area’ mean any area other than—

“(i) a city or town that has a population of greater than 50,000 inhabitants; and

“(ii) the urbanized area contiguous and adjacent to such a city or town.

“(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms ‘rural’ and ‘rural area’ mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

“(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms ‘rural’ and ‘rural area’ mean a city, town, or unincorporated area that has a population of not more than 20,000 inhabitants.

“(D) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 378, the term ‘rural area’ means—

“(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

“(ii) all territory within any standard metropolitan statistical area within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

“(E) RURAL BUSINESS INVESTMENT PROGRAM.—In subtitle H, the term ‘rural area’ means an area that is located—

“(i) outside a standard metropolitan statistical area; or

“(ii) within a community that has a population of 50,000 inhabitants or less.”.

## (b) CONFORMING AMENDMENTS.—

(1) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (7).

(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(3) Section 735 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (112 Stat. 2681-29) is repealed.

7 USC 2009 note.

**SEC. 6021. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 5321) is amended by adding at the end the following:



7 USC 2008m.

**“SEC. 378. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.****“(a) DEFINITIONS.—**In this section:

**“(1) AGENCY WITH RURAL RESPONSIBILITIES.—**The term ‘agency with rural responsibilities’ means any executive agency (as defined in section 105 of title 5, United States Code) that implements a Federal law, or administers a program, targeted at or having a significant impact on rural areas.

**“(2) COORDINATING COMMITTEE.—**The term ‘Coordinating Committee’ means the National Rural Development Coordinating Committee established by subsection (c).

**“(3) PARTNERSHIP.—**The term ‘Partnership’ means the National Rural Development Partnership continued by subsection (b).

**“(4) STATE RURAL DEVELOPMENT COUNCIL.—**The term ‘State rural development council’ means a State rural development council that meets the requirements of subsection (d).

**“(b) PARTNERSHIP.—**

**“(1) IN GENERAL.—**The Secretary shall continue the National Rural Development Partnership composed of—

**“(A) the Coordinating Committee; and**

**“(B) State rural development councils.**

**“(2) PURPOSES.—**The purposes of the Partnership are to empower and build the capacity of States and rural communities to design flexible and innovative responses to their own special rural development needs, with local determinations of progress and selection of projects and activities.

**“(3) GOVERNING PANEL.—**

**“(A) IN GENERAL.—**A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

**“(B) ANNUAL REPORTS.—**In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

**“(4) ROLE OF FEDERAL GOVERNMENT.—**The role of the Federal Government in the Partnership may be that of a partner and facilitator, with Federal agencies authorized—

**“(A) to cooperate with States to implement the Partnership;**

**“(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;**

**“(C) to ensure that the head of each agency with rural responsibilities designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and**

**“(D) to enter into cooperative agreements with, and to provide grants and other assistance to, the Coordinating Committee and State rural development councils.**

**“(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—**

Establishment.

“(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee within the Department of Agriculture.

“(2) COMPOSITION.—The Coordinating Committee shall be composed of—

“(A) 1 representative of each agency with rural responsibilities; and

“(B) representatives, approved by the Secretary, of—

“(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

“(ii) national public interest groups;

“(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

“(iv) the private sector.

“(3) DUTIES.—The Coordinating Committee shall—

“(A) support the work of the State rural development councils;

“(B) facilitate coordination of rural development policies, programs, and activities among Federal agencies and with those of State, local, and tribal governments, the private sector, and nonprofit organizations;

“(C) review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas and gather and provide related information;

“(D) develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

“(E) require each State rural development council receiving funds under this section to submit an annual report on the use of the funds, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

“(4) FEDERAL PARTICIPATION IN COORDINATING COMMITTEE.—

“(A) IN GENERAL.—A Federal employee shall fully participate in the governance and operations of the Coordinating Committee, including activities related to grants, contracts, and other agreements, in accordance with this section.

“(B) CONFLICTS.—Participation by a Federal employee in the Coordinating Committee in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.

“(5) ADMINISTRATIVE SUPPORT.—The Secretary may provide such administrative support for the Coordinating Committee as the Secretary determines is necessary to carry out the duties of the Coordinating Committee.

“(6) PROCEDURES.—The Secretary may prescribe such regulations, bylaws, or other procedures as are necessary for the operation of the Coordinating Committee.

“(d) STATE RURAL DEVELOPMENT COUNCILS.—

“(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to recognize a State rural development council.



“(2) COMPOSITION.—A State rural development council shall—

“(A) be composed of representatives of Federal, State, local, and tribal governments, nonprofit organizations, regional organizations, the private sector, and other entities committed to rural advancement; and

“(B) have a nonpartisan and nondiscriminatory membership that—

“(i) is broad and representative of the economic, social, and political diversity of the State; and

“(ii) shall be responsible for the governance and operations of the State rural development council.

“(3) DUTIES.—A State rural development council shall—

“(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that have an impact on rural areas of the State;

“(B) monitor, report, and comment on policies and programs that address, or fail to address, the needs of the rural areas of the State;

“(C) as part of the Partnership, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments; and

“(D)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

“(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

“(4) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

“(A) IN GENERAL.—A State Director for Rural Development of the Department of Agriculture, other employees of the Department, and employees of other Federal agencies with rural responsibilities shall fully participate as voting members in the governance and operations of State rural development councils (including activities related to grants, contracts, and other agreements in accordance with this section) on an equal basis with other members of the State rural development councils.

“(B) CONFLICTS.—Participation by a Federal employee in a State rural development council in accordance with this paragraph shall not constitute a violation of section 205 or 208 of title 18, United States Code.

“(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

“(1) DETAIL OF EMPLOYEES.—

“(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail to the Secretary for the support of the Partnership 1 or more employees of the agency with rural responsibilities without reimbursement for a period of up to 1 year.

“(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.



“(2) ADDITIONAL SUPPORT.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

“(3) INTERMEDIARIES.—The Secretary may enter into a contract with a qualified intermediary under which the intermediary shall be responsible for providing administrative and technical assistance to a State rural development council, including administering the financial assistance available to the State rural development council.

“(f) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received from a Federal agency under subsection (g)(2).

“(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

“(A) to support 1 or more specific program or project activities; or

“(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

“(3) DEPARTMENT'S SHARE.—The Secretary shall develop a plan to decrease, over time, the share of the Department of Agriculture of the cost of the core operations of State rural development councils.

“(g) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2003 through 2007.

“(2) FEDERAL AGENCIES.—

“(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency, along with other agencies, to provide funds to the Coordinating Committee or a State rural development council in order to carry out the purposes of this section, a Federal agency may make grants, gifts, or contributions to, provide technical assistance to, or enter into contracts or cooperative agreements with, the Coordinating Committee or a State rural development council.

“(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that have an impact on rural areas to provide assistance to, and enter into contracts with, the Coordinating Committee or a State rural development council, as described in subparagraph (A).

“(3) CONTRIBUTIONS.—The Coordinating Committee and a State rural development council may accept private contributions.

“(h) TERMINATION.—The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.”

**SEC. 6022. RURAL TELEWORK.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6021) is amended by adding at the end the following:

7 USC 2008n.

**“SEC. 379. RURAL TELEWORK.**

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE ORGANIZATION.—The term ‘eligible organization’ means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization, in a rural area (except for the institute), that meets the requirements of this section and such other requirements as are established by the Secretary.

“(2) INSTITUTE.—The term ‘institute’ means a rural telework institute established using a grant under subsection (b).

“(3) TELEWORK.—The term ‘telework’ means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

“(b) RURAL TELEWORK INSTITUTE.—

Grants.

“(1) IN GENERAL.—The Secretary shall make 1 or more grants to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (2).

“(2) PROJECTS.—The institute shall use grant funds received under this subsection to carry out a 5-year project—

“(A) to serve as a clearinghouse for telework research and development;

“(B) to conduct outreach to rural communities and rural workers;

“(C) to develop and share best practices in rural telework throughout the United States;

“(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

“(E) to share information about the design and implementation of telework arrangements;

“(F) to support private sector businesses that are transitioning to telework;

“(G) to support and assist telework projects and individuals at the State and local level; and

“(H) to perform such other functions as the Secretary considers appropriate.

“(3) NON-FEDERAL SHARE.—

“(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization



has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

“(i) during each of the first, second, and third years of a project, 30 percent of the amount of the grant; and

“(ii) during each of the fourth and fifth years of the project, 50 percent of the amount of the grant.

“(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use any Federal funds made available to the Indian tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

“(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services.

“(c) TELEWORK GRANTS.—

“(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible organizations to pay the Federal share of the cost of—

“(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

“(B) operating telework locations in rural areas.

“(2) APPLICATIONS.—To be eligible to receive a grant under this subsection, an eligible organization shall submit to the Secretary, and receive the approval of the Secretary of, an application for the grant that demonstrates that the eligible organization has adequate resources and capabilities to establish or expand a telework location in a rural area.

“(3) NON-FEDERAL SHARE.—

“(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

“(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

“(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

“(i) may be in the form of in-kind contributions, including office equipment, office space, computer software, consultant services, computer networking equipment, and related services; and

“(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

“(4) DURATION.—The Secretary may not provide a grant under this subsection to expand or operate a telework location in a rural area after the date that is 3 years after the establishment of the telework location.



“(5) AMOUNT.—The amount of a grant provided to an eligible organization under this subsection shall be not less than \$1,000,000 and not more than \$2,000,000.

“(d) APPLICABILITY OF CERTAIN FEDERAL LAW.—An eligible organization that receives funds under this section shall be subject to the provisions of Federal law (including regulations) administered by the Secretary of Labor or the Equal Employment Opportunity Commission that govern the responsibilities of employers to employees.

Deadline.

“(e) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

“(f) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2002 through 2007, of which \$5,000,000 shall be provided to establish and support an institute under subsection (b).”.

**SEC. 6023. HISTORIC BARN PRESERVATION.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6022) is amended by adding at the end the following:

7 USC 2008o.

**“SEC. 379A. HISTORIC BARN PRESERVATION.**

“(a) DEFINITIONS.—In this section:

“(1) BARN.—The term ‘barn’ means a building (other than a dwelling) on a farm, ranch, or other agricultural operation for—

“(A) housing animals;

“(B) storing or processing crops;

“(C) storing and maintaining agricultural equipment;

or

“(D) serving an essential or useful purpose related to agricultural activities conducted on the adjacent land.

“(2) ELIGIBLE APPLICANT.—The term ‘eligible applicant’ means—

“(A) a State department of agriculture (or a designee);

“(B) a national or State nonprofit organization that—

“(i) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; and

“(ii) has experience or expertise, as determined by the Secretary, in the identification, evaluation, rehabilitation, preservation, or protection of historic barns; and

“(C) a State historic preservation office.

“(3) HISTORIC BARN.—The term ‘historic barn’ means a barn that—

“(A) is at least 50 years old;

“(B) retains sufficient integrity of design, materials, and construction to clearly identify the barn as an agricultural building; and

“(C) meets the criteria for listing on National, State, or local registers or inventories of historic structures.

“(4) SECRETARY.—The term ‘Secretary’ means the Secretary, acting through the Under Secretary of Rural Development.

“(b) PROGRAM.—The Secretary shall establish a historic barn preservation program—

“(1) to assist States in developing a list of historic barns;

“(2) to collect and disseminate information on historic barns;

“(3) to foster educational programs relating to the history, construction techniques, rehabilitation, and contribution to society of historic barns; and

“(4) to sponsor and conduct research on—

“(A) the history of barns; and

“(B) best practices to protect and rehabilitate historic barns from the effects of decay, fire, arson, and natural disasters.

“(c) GRANTS.—

“(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts or cooperative agreements with, eligible applicants to carry out an eligible project under paragraph (2).

“(2) ELIGIBLE PROJECTS.—A grant under this subsection may be made to an eligible applicant for a project—

“(A) to rehabilitate or repair a historic barn;

“(B) to preserve a historic barn through—

“(i) the installation of a fire protection system, including fireproofing or fire detection system and sprinklers; and

“(ii) the installation of a system to prevent vandalism; and

“(C) to identify, document, and conduct research on a historic barn to develop and evaluate appropriate techniques or best practices for protecting historic barns.

“(3) REQUIREMENTS.—An eligible applicant that receives a grant for a project under this subsection shall comply with any standards established by the Secretary of the Interior for historic preservation projects.

“(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.”

**SEC. 6024. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6023)) is amended by adding at the end the following:

**“SEC. 379B. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.**

7 USC 2008p.

“(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities, and borrowers of loans made by the Rural Utilities Service, for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the all hazards weather radio broadcast system of the National Oceanic and Atmospheric Administration.

“(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

“(1) a binding commitment from a tower owner to place the transmitter on a tower; and

“(2) a description of how the tower placement will increase coverage of a rural area by the all hazards weather radio



broadcast system of the National Oceanic and Atmospheric Administration.

“(c) FEDERAL SHARE.—A grant provided under this section shall be not more than 75 percent of the total cost of acquiring a radio transmitter, as described in subsection (a).

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2007.”.

**SEC. 6025. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6024) is amended by adding at the end the following:

7 USC 2008q.

**“SEC. 379C. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.**

“(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, agribusinesses, State and local governments, agricultural labor organizations, farmer or rancher cooperatives, and community-based organizations with the capacity to train farm workers.

“(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2007.”.

**SEC. 6026. RURAL COMMUNITY ADVANCEMENT PROGRAM.**

(a) NATIONAL RESERVE PROGRAM.—Section 381E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d) is amended—

(1) in subsection (b)—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4);

(2) by striking subsection (e);

(3) by redesignating subsections (f) through (h) as subsections (e) through (g), respectively; and

(4) in subsection (g) (as so redesignated), by striking “subsection (g) of this section” and inserting “subsection (f)”.

(b) RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.—Section 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n) is repealed.

(c) CONFORMING AMENDMENTS.—Section 381G of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f(a)) is amended—

(1) in subsection (a), by striking “section 381E(g)” each place it appears and inserting “section 381E(f)”; and

(2) in subsection (b)(1), by striking “section 381E(h)” and inserting “section 381E(g)”.



**SEC. 6027. DELTA REGIONAL AUTHORITY.**

(a) VOTING.—Section 382B(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-1(c)) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—

“(A) TEMPORARY METHOD.—During the period beginning on the date of enactment of this subparagraph and ending on December 31, 2004, a decision by the Authority shall require the affirmative vote of the Federal cochairperson and a majority of the State members (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.

Effective date.  
Termination  
date.

“(B) PERMANENT METHOD.—Effective beginning on January 1, 2005, a decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.”

Effective date.

(b) AUTHORITY TO ISSUE REGULATIONS.—Section 382B(e)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-1(e)(4)) is amended by striking “and rules” and inserting “, rules, and regulations”.

(c) ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.—Section 382C(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-2(b)) is amended by striking paragraph (3).

(d) SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.—Section 382D of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-3) is amended to read as follows:

**“SEC. 382D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.**

“(a) FINDING.—Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

“(1) the States or communities lack the economic resources to provide the required matching share; or

“(2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region.

“(b) FEDERAL GRANT PROGRAM FUNDING.—Notwithstanding any provision of law limiting the Federal share, the areas eligible for assistance, or the authorizations of appropriations of any Federal grant program, and in accordance with subsection (c), the Authority, with the approval of the Federal cochairperson and with respect to a project to be carried out in the region—

“(1) may increase the Federal share of the costs of a project under the Federal grant program to not more than 90 percent (except as provided in section 382F(b)); and

“(2) shall use amounts made available to carry out this subtitle to pay the increased Federal share.

“(c) CERTIFICATIONS.—

“(1) IN GENERAL.—In the case of any project for which all or any portion of the basic Federal share of the costs of the project is proposed to be paid under this section, no Federal contribution shall be made until the Federal official administering the Federal law that authorizes the Federal grant program certifies that the project—

“(A) meets (except as provided in subsection (b)) the applicable requirements of the applicable Federal grant program; and

“(B) could be approved for Federal contribution under the Federal grant program if funds were available under the law for the project.

“(2) CERTIFICATION BY AUTHORITY.—

“(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this Act in accordance with section 382I—

“(i) shall be controlling; and

“(ii) shall be accepted by the Federal agencies.

“(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—In the case of any project described in paragraph (1), any finding, report, certification, or documentation required to be submitted with respect to the project to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of the Federal grant program under which the project is carried out shall be accepted by the Federal cochairperson.”

(e) GRANTS TO LOCAL DEVELOPMENT AGENCIES.—Section 382E(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-4(b)(1)) is amended by striking “may” and inserting “shall”.

(f) APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.—Section 382I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-8) is amended—

(1) in subsection (a), by inserting “and approved” after “reviewed”; and

(2) in subsection (d), by striking “VOTES FOR DECISIONS.—” and inserting “APPROVAL OF GRANT APPLICATIONS.—”.

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-12(a)) is amended by striking “2002” and inserting “2007”.

(h) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-13) is amended by striking “2002” and inserting “2007”.

(i) DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6025) is amended by adding at the end the following:

7 USC 2008r.

**“SEC. 379D. DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.**

“(a) IN GENERAL.—The Secretary may make grants to assist in the development of state-of-the-art technology in animal nutrition (including research and development of the technology) and value-added manufacturing to promote an economic platform for the Delta region (as defined in section 382A) to relieve severe economic conditions.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$7,000,000 for each of fiscal years 2002 through 2007.”

(j) DEFINITION OF LOWER MISSISSIPPI.—Section 4(2)(I) of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100-460) is amended by inserting “Butler, Conecuh, Escambia, Monroe,” after “Russell.”