(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) of this section, 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 2009aa–5(b) of this title); and

(2) shall use amounts made available to carry out this subchapter 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) of this section) 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 2009aa–8 of this title—

(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.

(Pub. L. 87–128, title III, § 382D, as added Pub. L. 106–554, § 1(a)(4) [div. B, title V, § 503], Dec. 21, 2000, 114 Stat. 2763, 2763A–275; amended Pub. L. 107–171, title VI, § 6027(d), May 13, 2002, 116 Stat. 373.)

<div style="text-align:center">REFERENCES IN TEXT</div>

This Act, referred to in subsec. (c)(2)(A), refers to the Agricultural Act of 1961, Pub. L. 87–128, Aug. 8, 1961, 75 Stat. 294, as amended. For classification of this Act to the Code, see Short Title note set out under section 1911 of this title and Tables. However, the reference was probably intended to be ''this title'' meaning the Consolidated Farm and Rural Development Act, title III of Pub. L. 87–128, as amended, which is classified principally to this chapter. For classification of this title to the Code, see Short Title note set out under section 1921 of this title and Tables.

<div style="text-align:center">AMENDMENTS</div>

2002—Pub. L. 107–171 reenacted section catchline without change and amended text generally to clarify provisions relating to supplements to Federal grant programs.

§ 2009aa–4. Local development districts; certification and administrative expenses

(a) Definition of local development district

In this section, the term ''local development district'' means an entity that—

(1) is—

(A) a planning district in existence on December 21, 2000, that is recognized by the Economic Development Administration of the Department of Commerce; or

(B) where an entity described in subparagraph (A) does not exist—

(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

(ii) governed by a policy board with at least a simple majority of members consisting of elected officials or employees of a general purpose unit of local government who have been appointed to represent the government;

(iii) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region—

(I) by the Governor of each State in which the entity is located; or

(II) by the State officer designated by the appropriate State law to make the certification; and

(iv)(I) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

(II) a nonprofit agency or instrumentality of a State or local government;

(III) a public organization established before December 21, 2000, under State law for creation of multi-jurisdictional, area-wide planning organizations; or

(IV) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subclauses (I) through (III); and

(2) has not, as certified by the Federal cochairperson—

(A) inappropriately used Federal grant funds from any Federal source; or

(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

(b) Grants to local development districts

(1) In general

The Authority shall make grants for administrative expenses under this section.

(2) Conditions for grants

(A) Maximum amount

The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

(B) Maximum period

No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.

(C) Local share

The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

(c) Duties of local development districts

A local development district shall—

(1) operate as a lead organization serving multicounty areas in the region at the local level; and

(2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

(A) are involved in multijurisdictional planning;

(B) provide technical assistance to local jurisdictions and potential grantees; and

(C) provide leadership and civic development assistance.

(Pub. L. 87–128, title III, §382E, as added Pub. L. 106–554, §1(a)(4) [div. B, title V, §503], Dec. 21, 2000, 114 Stat. 2763, 2763A–276; amended Pub. L. 107–171, title VI, §6027(e), May 13, 2002, 116 Stat. 374.)

<div align="center">AMENDMENTS</div>

2002—Subsec. (b)(1). Pub. L. 107–171 substituted ''Authority shall'' for ''Authority may''.

§ 2009aa–5. Distressed counties and areas and nondistressed counties

(a) Designations

Not later than 90 days after December 21, 2000, and annually thereafter, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty or unemployment;

(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty or unemployment.

(b) Distressed counties

(1) In general

The Authority shall allocate at least 75 percent of the appropriations made available under section 2009aa–12 of this title for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

(2) Funding limitations

The funding limitations under section 2009aa–3(b) of this title shall not apply to a project providing transportation or basic public services to residents of one or more distressed counties or isolated areas of distress in the region.

(c) Nondistressed counties

(1) In general

Except as provided in this subsection, no funds shall be provided under this subchapter for a project located in a county designated as a nondistressed county under subsection (a)(2) of this section.

(2) Exceptions

(A) In general

The funding prohibition under paragraph (1) shall not apply to grants to fund the administrative expenses of local development districts under section 2009aa–4(b) of this title.

(B) Multicounty projects

The Authority may waive the application of the funding prohibition under paragraph (1) to—

(i) a multicounty project that includes participation by a nondistressed county; or

(ii) any other type of project;

if the Authority determines that the project could bring significant benefits to areas of the region outside a nondistressed county.

(C) Isolated areas of distress

For a designation of an isolated area of distress for assistance to be effective, the designation shall be supported—

(i) by the most recent Federal data available; or

(ii) if no recent Federal data are available, by the most recent data available through the government of the State in which the isolated area of distress is located.

(d) Transportation and basic public infrastructure

The Authority shall allocate at least 50 percent of any funds made available under section 2009aa–12 of this title for transportation and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 2009aa–2(a) of this title.

(Pub. L. 87–128, title III, §382F, as added Pub. L. 106–554, §1(a)(4) [div. B, title V, §503], Dec. 21, 2000, 114 Stat. 2763, 2763A–277.)

§ 2009aa–6. Development planning process

(a) State development plan

In accordance with policies established by the Authority, each State member shall submit a development plan for the area of the region represented by the State member.

(b) Content of plan

A State development plan submitted under subsection (a) of this section shall reflect the