

this title. For complete classification of this Act to the Code, see Short Title note set out under section 2000a of this title and Tables.

#### § 6710. Authorization of appropriations

There is authorized to be appropriated not to exceed \$6,000,000,000 for the period ending December 31, 1978, to carry out this chapter.

(Pub. L. 94-369, title I, §111, July 22, 1976, 90 Stat. 1002; Pub. L. 95-28, title I, §109, May 13, 1977, 91 Stat. 119.)

#### AMENDMENTS

1977—Pub. L. 95-28 substituted “\$6,000,000,000 for the period ending December 31, 1978” for “\$2,000,000,000 for the period ending September 30, 1977”.

#### IMMEDIATE INITIATION OF CONSTRUCTION ON CERTAIN PROJECTS

Pub. L. 95-28, title I, §111, May 13, 1977, 91 Stat. 120, directed Secretary of Agriculture and Secretary of the Interior to immediately initiate construction of those Federal public works projects which are responsibility of their respective departments, which have been authorized, and which can be commenced within 60 days of May 13, 1977, and completed no later than 180th day after commencement of construction, with no funds authorized by this section used to carry out such works.

#### SUBCHAPTER II—ANTIRECESSION PROVISIONS

#### § 6721. Congressional findings of fact and declaration of policy

The Congress finds—

(1) that State and local governments represent a significant segment of the national economy whose economic health is essential to national economic prosperity;

(2) that present national economic problems have imposed considerable hardships on State and local government budgets;

(3) that those governments, because of their own fiscal difficulties, are being forced to take budget-related actions which tend to undermine Federal Government efforts to stimulate the economy;

(4) that efforts to stimulate the economy through reductions in Federal Government tax obligations are weakened when State and local governments are forced to increase taxes;

(5) that the net effect of Federal Government efforts to reduce unemployment through public service jobs is substantially limited if State and local governments use federally financed public service employees to replace regular employees that they have been forced to lay off;

(6) that efforts to stimulate the construction industry and reduce unemployment are substantially undermined when State and local governments are forced to cancel or delay the construction of essential capital projects; and

(7) that efforts by the Federal Government to stimulate the economic recovery will be substantially enhanced by a program of emergency Federal Government assistance to State and local governments to help prevent those governments from taking budget-related actions which undermine the Federal Government efforts to stimulate economic recovery.

(Pub. L. 94-369, title II, §201, July 22, 1976, 90 Stat. 1002.)

#### § 6722. Financial assistance

##### (a) Payments to State and local governments

The Secretary of the Treasury (hereafter in this subchapter referred to as the “Secretary”) shall, in accordance with the provisions of this subchapter, make payments to States and to local governments to coordinate budget-related actions by such governments with Federal Government efforts to stimulate economic recovery.

##### (b) Authorization of appropriations

Subject to the provisions of subsections (c) and (d), there are authorized to be appropriated for each of the five succeeding calendar quarters (beginning with the calendar quarter which begins on July 1, 1977) for the purpose of payments under this subchapter—

(1) \$125,000,000, plus

(2) \$30,000,000 multiplied by the number of whole one-tenth percentage points by which the rate of seasonally adjusted national unemployment for the most recent calendar quarter which ended three months before the beginning of such quarter exceeded 6 per centum.

##### (c) Aggregate authorization

In no case shall the aggregate amount authorized to be appropriated under the provisions of subsection (b) for the five successive calendar quarters beginning with the calendar quarter which begins July 1, 1977, exceed \$2,250,000,000.

##### (d) Termination

No amount is authorized to be appropriated under the provisions of subsection (b) for any calendar quarter if—

(1) the average rate of national unemployment during the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent, or

(2) the rate of national unemployment for the last month of the most recent calendar quarter which ended three months before the beginning of such calendar quarter did not exceed 6 percent.

(Pub. L. 94-369, title II, §202, July 22, 1976, 90 Stat. 1002; Pub. L. 94-447, title II, §201(1), Oct. 1, 1976, 90 Stat. 1498; Pub. L. 95-30, title VI, §602, May 23, 1977, 91 Stat. 164.)

#### AMENDMENTS

1977—Subsec. (b). Pub. L. 95-30, §602(a), substituted “July 1, 1977” for “July 1, 1976” in introductory provisions preceding par. (1) and in par. (2) substituted “\$30,000,000 multiplied by the number of whole one-tenth” for “\$62,500,000 multiplied by the number of one-half” and “such quarter exceeded 6 per centum” for “such calendar quarter exceeded 6 percent”.

Subsec. (c). Pub. L. 95-30, §602(b), substituted “five successive calendar quarters beginning with the calendar quarter which begins July 1, 1977, exceed \$2,250,000,000” for “five calendar quarters beginning with the calendar quarter which begins July 1, 1976, exceed \$1,250,000,000”.

1976—Subsec. (d)(1). Pub. L. 94-447 substituted “6 percent, or” for “6 percent, and”.

#### § 6723. Allocation of amounts

##### (a) Reservations for eligible States and units of local government

(1) The Secretary shall reserve one-third of the amounts appropriated pursuant to authorization

under section 6722 of this title for each calendar quarter for the purpose of making payments to eligible State governments under subsection (b).

(2) The Secretary shall reserve two-thirds of such amounts for the purpose of making payments to eligible units of local government under subsection (c).

**(b) State allocation; percentage; definitions**

(1) The Secretary shall allocate from amounts reserved under subsection (a)(1) an amount for the purpose of making payments to each State equal to the total amount reserved under subsection (a)(1) for the calendar quarter multiplied by the applicable State percentage.

(2) For purposes of this subsection, the applicable State percentage is equal to the quotient resulting from the division of the product of—

(A) the State excess unemployment percentage, multiplied by

(B) the State revenue sharing amount by the sum of such products for all the States.

(3) For the purposes of this section—

(A) the term “State” means each State of the United States;

(B) the State excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the State unemployment rate for that State but shall not be less than zero;

(C) the State unemployment rate is equal to the rate of unemployment in the State during the appropriate calendar quarter, as determined by the Secretary of Labor and reported to the Secretary; and

(D) the State revenue sharing amount is the amount determined under sections 6705–6707(a) of title 31<sup>1</sup> for the most recently completed entitlement period, as defined under section 6701(a)(1) of title 31.

**(c) Local government allocation; percentage; definitions; special limitation**

(1) The Secretary shall allocate from amounts reserved under subsection (a)(2) an amount for the purpose of making payments to each local government, subject to the provisions of paragraph (4), equal to the total amount reserved under such subsection for calendar quarter multiplied by the local government percentage.

(2) For purposes of this subsection, the local government percentage is equal to the quotient resulting from the division of the product of—

(A) the local excess unemployment percentage, multiplied by

(B) the local revenue sharing amount, by the sum of such products for all local governments.

(3) For purposes of this subsection—

(A) the local excess unemployment percentage is equal to the difference resulting from the subtraction of 4.5 percentage points from the local unemployment rate, but shall not be less than zero;

(B) the local unemployment rate is equal to the rate of unemployment in the jurisdiction of the local government during the appropriated calendar quarter, as determined or assigned by the Secretary of Labor and reported

to the Secretary (in the case of a local government for which the Secretary of Labor cannot determine a local unemployment rate, he shall assign such local government the local unemployment rate of the smallest unit or subunit of local government for which he has determined a local unemployment rate and within the jurisdiction of which such local government is located, unless—

(i) the Governor of the State in which such local government is located has provided the Secretary of Labor with a local unemployment rate for such local government, and

(ii) the Secretary of Labor finds that such local unemployment rate provided by the Governor has been determined in a manner consistent with the procedures and methodologies used by the Secretary of Labor in determining local unemployment rates,

in which case the Secretary of Labor shall assign such local government the local unemployment rate provided by such Governor);

(C) the local revenue sharing amount is the amount determined under sections 6701(a)(5), (7), (b)–(d), and 6708–6712 of title 31<sup>1</sup> for the most recently completed entitlement period, as defined under section 6701(a)(1) of title 31;<sup>1</sup>

(D) the term “local government” means the government of a county, municipality, township, or other unit of government below the State which—

(i) is a unit of general government (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes), and

(ii) performs substantial governmental functions. Such term includes the District of Columbia and also includes the recognized governing body of an Indian tribe or Alaskan Native village which performs substantial governmental functions. Such term does not include the government of a township area unless such government performs substantial governmental functions.

(4) If the amount which would be allocated to any unit of local government under this subsection is less than \$100, then no amount shall be allocated for such unit of local government under this subsection.

(Pub. L. 94–369, title II, §203, July 22, 1976, 90 Stat. 1003; Pub. L. 94–447, title II, §201(2), (3), Oct. 1, 1976, 90 Stat. 1498; Pub. L. 95–30, title VI, §603(a)–(h), May 23, 1977, 91 Stat. 165, 166.)

REFERENCES IN TEXT

Chapter 67 of title 31, including sections 6701 and 6705 to 6712, referred to in subsecs. (b)(3)(D) and (c)(3)(C), was repealed by Pub. L. 99–272, title XIV, §14001(a)(1), Apr. 7, 1986, 100 Stat. 327. See, also, Codification note below.

CODIFICATION

In subsecs. (b)(3)(D) and (c)(3)(C), “sections 6705–6707(a) of title 31” substituted for “section 107 of the State and Local Fiscal Assistance Act of 1972 [31 U.S.C. 1226]”, “sections 6701(a)(5), (7), (b)–(d), and 6708–6712 of title 31” substituted for “section 108 of the State and Local Fiscal Assistance Act of 1972 [31 U.S.C. 1227], and “section 6701(a)(1) of title 31” substituted for “section 141(b) of such Act [31 U.S.C. 1261(b)]”, respectively, on authority of Pub. L. 97–258, §4(b), Sept. 13,

<sup>1</sup> See References in Text note below.

1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance. See, also, References in Text note above.

#### AMENDMENTS

1977—Subsec. (b)(3)(D). Pub. L. 95-30, §603(a), substituted “for the most recently completed entitlement period, as defined under section 1261(b) of title 31” for “for the one-year period beginning on July 1, 1975”.

Subsec. (c)(1). Pub. L. 95-30, §603(b), substituted “paragraph (4)” for “paragraphs (3) and (5)”.

Subsec. (c)(3). Pub. L. 95-30, §603(c)-(h), struck out par. (3) which set out special rules for local governments other than identifiable local governments, redesignated par. (4) as (3), substituted “determined or assigned” for “determined” in subpar. (B), substituted provisions covering local governments for which the Secretary of Labor cannot determine a local unemployment rate for provisions covering local governments treated as one local government in subpar. (B), substituted “for the most recently completed entitlement period, as defined under section 1261(b) of title 31” for “for the one-year period beginning July 1, 1975” in subpar. (C), struck out parenthetical provisions covering local governments treated as one local government in subpar. (C), struck out subpar. (D) which had defined “identifiable local government”, redesignated former subpar. (E) as (D), substituted “Bureau of the Census” for “Social and Economic Statistics Administration” in cl. (i) of subpar. (D) as so redesignated, and struck out provisions which had directed the Secretary of Labor to make determinations with respect to rates of unemployment for the purposes of title VI of the Comprehensive Employment and Training Act of 1973.

Subsec. (c)(4), (5). Pub. L. 95-30, §603(c), redesignated pars. (4) and (5) as (3) and (4), respectively.

1976—Subsec. (c)(3)(C)(ii). Pub. L. 94-447, §201(2), substituted “90 days” for “thirty days”.

Subsec. (c)(4)(E)(ii). Pub. L. 94-447, §201(3), substituted “or Alaskan Native village” for “of Alaskan Native village”.

#### § 6724. Uses of payments

Each State and local government shall use payments made under this subchapter for the maintenance of basic services customarily provided to persons in that State or in the area under the jurisdiction of that local government, as the case may be. State and local governments may not use emergency support payments made under this subchapter for the acquisition of supplies and materials or for construction, except for normal supplies or repairs necessary to maintain basic services.

(Pub. L. 94-369, title II, §204, July 22, 1976, 90 Stat. 1006; Pub. L. 94-447, title II, §201(4), Oct. 1, 1976, 90 Stat. 1498; Pub. L. 95-30, title VI, §604, May 23, 1977, 91 Stat. 166.)

#### AMENDMENTS

1977—Pub. L. 95-30 substituted “or for construction, except for normal supplies or repairs necessary to maintain basic services” for “and for construction, unless such supplies and materials or construction are to maintain basic services”.

1976—Pub. L. 94-447 substituted “support payments” for “support grants”.

#### § 6725. Statement of assurances as prerequisite for payments; rules governing time and manner of filing; contents of statement

Each State and unit of local government may receive payments under this subchapter only upon filing with the Secretary, at such time and in such manner as the Secretary prescribes by

rule, a statement of assurances. Such rules shall be prescribed by the Secretary not later than ninety days after July 22, 1976. The Secretary may not require any State or local government to file more than one such statement during each fiscal year. Each such statement shall contain—

(1) an assurance that payments made under this subchapter to the State or local government will be used for the maintenance, to the extent practical, of levels of public employment and of basic services customarily provided to persons in that State or in the area under the jurisdiction of that unit of local government which is consistent with the provisions of section 6724 of this title;

(2) an assurance that the State or unit of local government will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States), and

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this subchapter;

(3) an assurance that reasonable reports will be furnished to the Secretary in such form and containing such information as the Secretary may reasonably require to carry out the purposes of this subchapter and that such report shall be published in a newspaper of general circulation in the jurisdiction of such government unless the cost of such publication is excessive in relation to the amount of the payments received by such government under this subchapter or other means of publicizing such report is more appropriate, in which case such report shall be publicized pursuant to rules prescribed by the Secretary;

(4) an assurance that the requirements of section 6727 of this title will be complied with;

(5) an assurance that the requirements of section 6728 of this title will be complied with;

(6) an assurance that the requirements of section 6729 of this title will be complied with;

(7) an assurance that the State or unit of local government will spend any payment it receives under this subchapter before the end of the six-calendar-month period which begins on the day after the date on which such State or local government receives such payment; and

(8) an assurance that the State or unit of local government will spend amounts received under this subchapter only in accordance with the laws and procedures applicable to the expenditure of its own revenues.

(Pub. L. 94-369, title II, §205, July 22, 1976, 90 Stat. 1006.)

#### § 6726. Repealed. Pub. L. 95-30, title VI, § 603(i), May 23, 1977, 91 Stat 166

Section, Pub. L. 94-369, title II, §206, July 22, 1976, 90 Stat. 1007, provided for the filing of optional State allocation plans.