

(F) balance resources through the sound management of physical development.

**(5) Report to Secretary**

Each State that receives assistance for the development of a plan under this subsection shall submit to the Secretary an annual report on the planning process assisted under this subsection.

(Pub. L. 89-136, title II, § 203, as added Pub. L. 105-393, title I, § 102(a), Nov. 13, 1998, 112 Stat. 3602; amended Pub. L. 108-373, title II, § 201, Oct. 27, 2004, 118 Stat. 1759.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 3143, Pub. L. 89-136, title II, § 203, Aug. 26, 1965, 79 Stat. 558; Pub. L. 94-273, § 2(25), Apr. 21, 1976, 90 Stat. 376, directed deposit of funds into Economic Development Revolving Fund, prior to repeal by Pub. L. 105-393, § 102(a).

**AMENDMENTS**

2004—Subsec. (d)(1). Pub. L. 108-373, § 201(1), inserted “, to the maximum extent practicable,” after “shall be developed”.

Subsec. (d)(3). Pub. L. 108-373, § 201(2), added par. (3) and struck out heading and text of former par. (3). Text read as follows: “On completion of a State plan developed with assistance under this section, the State shall—

“(A) certify to the Secretary that, in the development of the State plan, local and economic development district plans were considered and, to the maximum extent practicable, the State plan is consistent with the local and economic development district plans; and

“(B) identify any inconsistencies between the State plan and the local and economic development district plans and provide a justification for each inconsistency.”

Subsec. (d)(4)(D) to (F). Pub. L. 108-373, § 201(3), added subpars. (D) and (E) and redesignated former subpar. (D) as (F).

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective Feb. 11, 1999, see section 105 of Pub. L. 105-393, set out as a note under section 3121 of this title.

**§ 3144. Cost sharing**

**(a) Federal share**

Except as provided in subsection (c), the Federal share of the cost of any project carried out under this subchapter shall not exceed—

- (1) 50 percent; plus
- (2) an additional percent that—
  - (A) shall not exceed 30 percent; and
  - (B) is based on the relative needs of the area in which the project will be located, as determined in accordance with regulations promulgated by the Secretary.

**(b) Non-Federal share**

In determining the amount of the non-Federal share of the cost of a project, the Secretary may provide credit toward the non-Federal share for all contributions both in cash and in-kind, fairly evaluated, including contributions of space, equipment, assumptions of debt, and services.

**(c) Increase in Federal share**

**(1) Indian tribes**

In the case of a grant to an Indian tribe for a project under this subchapter, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.

**(2) Certain States, political subdivisions, and nonprofit organizations**

In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted the effective taxing and borrowing capacity of the State or political subdivision, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted the effective borrowing capacity of the nonprofit organization, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project.

**(3) Training, research, and technical assistance**

In the case of a grant provided under section 3147 of this title, the Secretary may increase the Federal share above the percentage specified in subsection (a) up to 100 percent of the cost of the project if the Secretary determines that the project funded by the grant merits, and is not feasible without, such an increase.

(Pub. L. 89-136, title II, § 204, as added Pub. L. 105-393, title I, § 102(a), Nov. 13, 1998, 112 Stat. 3603; amended Pub. L. 108-373, title II, § 202, Oct. 27, 2004, 118 Stat. 1759.)

**Editorial Notes**

**PRIOR PROVISIONS**

A prior section 3144, Pub. L. 89-136, title II, § 204, as added Pub. L. 94-487, title I, § 109, Oct. 12, 1976, 90 Stat. 2333; amended Pub. L. 96-470, title I, § 201(d), Oct. 19, 1980, 94 Stat. 2241; Pub. L. 96-506, § 1(4), Dec. 8, 1980, 94 Stat. 2745; Pub. L. 97-35, title XVIII, § 1821(a)(3), Aug. 13, 1981, 95 Stat. 766, authorized interest free loans to carry out approved redevelopment area plans, prior to repeal by Pub. L. 105-393, § 102(a).

**AMENDMENTS**

2004—Subsec. (a). Pub. L. 108-373, § 202(a), added subsec. (a) and struck out heading and text of former subsec. (a). Text read as follows: “Subject to section 3145 of this title, the amount of a grant for a project under this subchapter shall not exceed 50 percent of the cost of the project.”

Subsec. (b). Pub. L. 108-373, § 202(b), inserted “assumptions of debt,” after “equipment.”

Subsec. (c). Pub. L. 108-373, § 202(c), added subsec. (c).

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE**

Section effective Feb. 11, 1999, see section 105 of Pub. L. 105-393, set out as a note under section 3121 of this title.

**§ 3145. Supplementary grants**

**(a) Definition of designated Federal grant program**

In this section, the term “designated Federal grant program” means any Federal grant program that—

- (1) provides assistance in the construction or equipping of public works, public service, or development facilities;

(2) the Secretary designates as eligible for an allocation of funds under this section; and  
 (3) assists projects that are—

- (A) eligible for assistance under this subchapter; and
- (B) consistent with a comprehensive economic development strategy.

**(b) Supplementary grants**

Subject to subsection (c), in order to assist eligible recipients in taking advantage of designated Federal grant programs, on the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the recipient is eligible but for which the recipient cannot provide the required non-Federal share because of the economic situation of the recipient.

**(c) Requirements applicable to supplementary grants**

**(1) Amount of supplementary grants**

The share of the project cost supported by a supplementary grant under this section may not exceed the applicable Federal share under section 3144 of this title.

**(2) Form of supplementary grants**

The Secretary shall make supplementary grants by—

- (A) the payment of funds made available under this chapter to the heads of the Federal agencies responsible for carrying out the applicable Federal programs; or
- (B) the award of funds under this chapter, which will be combined with funds transferred from other Federal agencies in projects administered by the Secretary.

**(3) Federal share limitations specified in other laws**

Notwithstanding any requirement as to the amount or source of non-Federal funds that may be applicable to a Federal program, funds provided under this section may be used to increase the Federal share for specific projects under the program that are carried out in areas described in section 3161(a) of this title above the Federal share of the cost of the project authorized by the law governing the program.

(Pub. L. 89-136, title II, §205, as added Pub. L. 105-393, title I, §102(a), Nov. 13, 1998, 112 Stat. 3603; amended Pub. L. 108-373, title II, §203, Oct. 27, 2004, 118 Stat. 1760.)

**Editorial Notes**

AMENDMENTS

2004—Subsec. (b). Pub. L. 108-373, §203(a), added subsec. (b) and struck out heading and text of former subsec. (b). Text read as follows:

“(1) IN GENERAL.—On the application of an eligible recipient, the Secretary may make a supplementary grant for a project for which the eligible recipient is eligible but, because of the eligible recipient’s economic situation, for which the eligible recipient cannot provide the required non-Federal share.

“(2) PURPOSES OF GRANTS.—Supplementary grants under paragraph (1) may be made for purposes that shall include enabling eligible recipients to use—

- “(A) designated Federal grant programs; and
- “(B) direct grants authorized under this subchapter.”

Subsec. (c)(1), (2). Pub. L. 108-373, §203(b)(1), added pars. (1) and (2) and struck out former pars. (1) and (2), which read as follows:

“(1) AMOUNT OF SUPPLEMENTARY GRANTS.—Subject to paragraph (4), the amount of a supplementary grant under this subchapter for a project shall not exceed the applicable percentage of the cost of the project established by regulations promulgated by the Secretary, except that the non-Federal share of the cost of a project (including assumptions of debt) shall not be less than 20 percent.

“(2) FORM OF SUPPLEMENTARY GRANTS.—In accordance with such regulations as the Secretary may promulgate, the Secretary shall make supplementary grants by increasing the amounts of grants authorized under this subchapter or by the payment of funds made available under this chapter to the heads of the Federal agencies responsible for carrying out the applicable Federal programs.”

Subsec. (c)(4). Pub. L. 108-373, §203(b)(2), struck out heading and text of par. (4). Text read as follows:

“(A) INDIAN TRIBES.—In the case of a grant to an Indian tribe, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1) or may waive the non-Federal share.

“(B) CERTAIN STATES, POLITICAL SUBDIVISIONS, AND NONPROFIT ORGANIZATIONS.—In the case of a grant to a State, or a political subdivision of a State, that the Secretary determines has exhausted its effective taxing and borrowing capacity, or in the case of a grant to a nonprofit organization that the Secretary determines has exhausted its effective borrowing capacity, the Secretary may reduce the non-Federal share below the percentage specified in paragraph (1).”

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE

Section effective Feb. 11, 1999, see section 105 of Pub. L. 105-393, set out as a note under section 3121 of this title.

**§3146. Regulations on relative needs and allocations**

In promulgating rules, regulations, and procedures for assistance under this subchapter, the Secretary shall ensure that—

(1) the relative needs of eligible areas are given adequate consideration by the Secretary, as determined based on, among other relevant factors—

(A) the severity of the rates of unemployment in the eligible areas and the duration of the unemployment;

(B) the income levels and the extent of underemployment in eligible areas; and

(C) the outmigration of population from eligible areas and the extent to which the outmigration is causing economic injury in the eligible areas;

(2) allocations of assistance under this subchapter are prioritized to ensure that the level of economic distress of an area, rather than a preference for a geographic area or a specific type of economic distress, is the primary factor in allocating the assistance;

(3)(A) rural and urban economically distressed areas are not harmed by the establishment or implementation by the Secretary of a private sector leveraging goal for a project under this subchapter;

(B) any private sector leveraging goal established by the Secretary does not prohibit or discourage grant applicants under this sub-