

Subsec. (d), Pub. L. 98-169, § 4, substituted "Administrator" for "Director" in the provisions preceding par. (1) and in par. (7).

§ 6105. Oversight responsibility of Director

The Director shall have oversight responsibility for the exercise of all authorities and responsibilities in this chapter not specifically assigned to the Director.

(Added Pub. L. 98-169, § 5, Nov. 29, 1983, 97 Stat. 1115.)

PRIOR PROVISIONS

A prior section 6105, Pub. L. 97-258, Sept. 13, 1982, 96 Stat. 1002, relating to authorization of appropriations to carry out this chapter, was repealed by section 5 of Pub. L. 98-169. See section 6106 of this title.

§ 6106. Authorization of appropriations

After October 1, 1983, there may be appropriated to the Administrator such sums as may be necessary to carry out the responsibilities of this chapter.

(Added Pub. L. 98-169, § 5, Nov. 29, 1983, 97 Stat. 1115.)

CHAPTER 63—USING PROCUREMENT CONTRACTS AND GRANT AND COOPERATIVE AGREEMENTS

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in title 16 sections 670a, 670h; title 20 section 1221e; title 25 section 450e-1; title 30 section 1732; title 40 section 815.

§ 6302. Definitions

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 10 section 2411.

CHAPTER 65—INTERGOVERNMENTAL COOPERATION

§ 6501. Definitions

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 2 section 653.

§ 6503. Transfer and deposit requirements

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 42 sections 300w-2, 300x-2, 300y-4, 703, 706, 1397a, 1397e, 8626, 9873, 9907.

§ 6506. Development assistance

EX. ORD. NO. 12372. INTERGOVERNMENTAL REVIEW OF FEDERAL PROGRAMS

Ex. Ord. No. 12372, July 14, 1982, 47 F.R. 30959, as amended by Ex. Ord. No. 12416, Apr. 8, 1983, 48 F.R. 15587, provided:

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 401(a) of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4231(a)) [31 U.S.C. 6506(a) and (b)], Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334) and Section 301 of Title 3 of the United States Code, and in order to foster an intergovernmental partnership and a strengthened federalism by relying on State and local processes for the State and local government coordination and review of proposed Federal financial assistance and direct Federal development, it is hereby ordered as follows:

[See main edition for text of Secs. 1 to 4]

Sec. 5. [See main edition for text of (a)]

(b) The rules and regulations which result from the process indicated in Section 5(a) above shall replace any current rules and regulations and become effective September 30, 1983.

[See main edition for text of Secs. 6 and 7]

Sec. 8. The Director of the Office of Management and Budget shall report to the President by September 30, 1984 on Federal agency compliance with this Order. The views of State and local elected officials on their experiences with these policies, along with any suggestions for improvement, will be included in the Director's report.

RONALD REAGAN.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in title 16 sections 460u-21, 1456; title 40 section 601a; title 42 sections 300l-2, 3151a; title 43 section 1721.

CHAPTER 67—REVENUE SHARING

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 7502 of this title; title 2 section 651; title 12 section 1715z-13; title 42 sections 1315, 1471, 5302, 5318, 6101, 6727.

§ 6701. Definitions and application

(a) In this chapter—

(1) "entitlement period" means each one-year period beginning on October 1 of 1982, 1983, 1984, and 1985.

[See main edition for text of (2) to (7)]

(8) "adjusted taxes of a unit of general local government" means the taxes imposed by the unit of general local government for public purposes (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay) determined by the Secretary of Commerce for general statistical purposes and adjusted (under regulations of the Secretary of the Treasury) to exclude amounts properly allocated to education expenses.

(9) "urbanized population" has the meaning given to such term by the Secretary of Commerce for general statistical purposes.

[See main edition for text of (b)]

(c) When the entire geographic area of a unit of general local government is located in a larger entity, the unit of general local government is deemed to be located in the larger entity. When only part of the geographic area of a unit is located in a larger entity, each part is deemed to be located in the larger entity and to be a separate unit of general local government in determining allocations under this chapter. Except as provided in regulations prescribed by the Secretary of the Treasury, the Secretary shall make all data computations based on the ratio of the estimated population of the part to the population of the entire unit of general local government.

(d) When a boundary line change, a State statutory or constitutional change, annexation, a governmental reorganization, or other cir-

cumstance results in the application of subsections (a)(5) and (7), (b), and (c) of this section and sections 6708-6712 of this title in a way that does not carry out the purposes of this section and sections 6702, 6703, and 6705-6713(c)(1) of this title, the Secretary shall apply subsections (a)(5) and (7), (b), and (c) and sections 6708-6712 under regulations of the Secretary in a way that is consistent with those purposes.

(e) In this chapter, the District of Columbia is deemed to be—

(1) a State; and

(2) a county area and the sale unit of general local government in the area.

(As amended Pub. L. 98-185, §§ 2, 9(a), Nov. 30, 1983, 97 Stat. 1309, 1311.)

AMENDMENTS

1983—Subsec. (a)(1), Pub. L. 98-185, § 2, amended par. (1) generally, substituting “October 1 of 1982, 1983, 1984, and 1985” for “October 1, 1981, and October 1, 1982”.

Subsec. (a)(8), (9), Pub. L. 98-185, § 9(a)(1), added pars. (8) and (9).

Subsec. (c), Pub. L. 98-185, § 9(a)(2), substituted in the last sentence “prescribed by the Secretary of the Treasury, the Secretary shall make all data computations” for “of the Secretary of the Treasury, the Secretary shall allocate amounts” and “the entire unit” for “the unit”.

Subsec. (d), Pub. L. 98-185, § 9(a)(3), inserted “annexation.” after “constitutional change.”.

Subsec. (e)(2), Pub. L. 98-185, § 9(a)(4), substituted “and the sole unit of general local government in the area” for “having one unit of general local government”.

EFFECTIVE DATE OF 1983 AMENDMENT

Section 12 of Pub. L. 98-185 provided that:

“(a) Except as provided in subsection (b), the amendments made by this Act [amending sections 6701, 6703, 6704, 6707, 6709, 6711, 6713, 6714, 6716, 6717, 6718, and 6723 of this title and enacting provisions set out as notes under this section] shall apply to entitlement periods (as such term is defined in section 6701(a)(1) of title 31, United States Code) beginning on or after October 1, 1983.

“(b) The amendments made by section 8 [amending section 6723 of this title] shall apply with respect to any fiscal year (or period) of any State government or unit of general local government beginning on or after October 1, 1983.”

SHORT TITLE OF 1983 AMENDMENT

Section 1 of Pub. L. 98-185 provided that: “This Act [amending sections 6701, 6703, 6704, 6707, 6709, 6711, 6713, 6714, 6716, 6717, 6718, and 6723 of this title and enacting provisions set out as notes under this section] may be cited as the ‘Local Government Fiscal Assistance Amendments of 1983.’”

STUDY OF FISCAL RELATIONSHIPS AMONG FEDERAL, STATE, AND LOCAL GOVERNMENTS

Section 10 of Pub. L. 98-185 provided that:

“(a) The Secretary of the Treasury shall undertake a study of the following issues:

“(1) The various factors used in the current allocation formulas under chapter 67 of title 31, United States Code, and possible alternatives to such formulas and factors (such as State gross domestic product, the representative tax system, and the inclusion of user fees in factors based on tax collections), including an analysis of the strengths and weaknesses of such formulas and factors.

“(2) The long-term outlook for the fiscal condition and fiscal capacity of Federal, State, and local governments.

“(3) The concept of returning revenue sources to State and local governments along with responsibility for programs and activities for which financial assistance is now provided by the Federal Government.

“(4) The impacts of the cyclical nature of the economy and other factors, such as unemployment, on the expenditures, needs, and fiscal capacities of Federal, State, and local governments, and the responsiveness of the distribution of Federal financial assistance to the cyclical nature of the economy and such other factors.

“(5) The responsiveness of the distribution of Federal assistance to the fiscal capacities of State and local governments, and the responsiveness of the distribution of Federal assistance to the need for services of State and local governments and to cost-of-living and cost-of-government differentials.

“(6) The mathematical forms, data, and administration of Federal grant formulas, including the formulas examined under paragraph (1).

“(7) The impact on State and local governments of—

“(A) modification of the provisions of the Internal Revenue Code of 1954 [26 U.S.C. 1 et seq.] with respect to—

“(i) the deductibility of State and local government taxes, and

“(ii) the tax exempt status of State and local securities used for purposes other than the financing of public facilities and cash management, and

“(B) increases in allocations under chapter 67 of title 31, United States Code, made to compensate for the modifications described in clause (A).

“(b) The Secretary of the Treasury, in consultation with the Secretary of Commerce, the Comptroller General of the United States, the Advisory Commission on Intergovernmental Relations, and recognized organizations of elected officials of State and local governments, including regional organizations of such officials and officials of States that may receive substantially reduced funding under alternative methods of allocating Federal grants-in-aid, shall develop a plan for the completion of the study required by subsection (a). Such plan may provide for the participation of such individuals and organizations in the conduct of the study.

“(c) Upon completion of the study required by subsection (a), the Secretary shall solicit the views of the persons and organizations with whom he was required to consult by subsection (b) and shall append such views to a final report to the President and the Congress. Such report shall be submitted no later than June 30, 1985.

“(d) There are authorized to be appropriated for each of the fiscal years 1984 and 1985 such sums as may be necessary to carry out this section, not to exceed for each such fiscal year an amount equal to 3 percent of the cost of administering chapter 67 of title 31, United States Code, for the preceding fiscal year.”

§ 6703. State and Local Government Fiscal Assistance Trust Fund

[See main edition for text of (a)]

(b) The Trust Fund consists of amounts appropriated to the Trust Fund. The following amounts may be appropriated to the Trust Fund:

(1) \$2,300,000,000 for each entitlement period beginning before October 1, 1983, to pay amounts allocated to State governments for that period under section 6705 of this title.

[See main edition for text of (2); (c)]

(As amended Pub. L. 98-185, § 3, Nov. 30, 1983, 97 Stat. 1309.)

AMENDMENTS

1983—Subsec. (b)(1). Pub. L. 98-185 inserted "beginning before October 1, 1983," after "each entitlement period".

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6704. Qualifications

(a) Under regulations of the Secretary of the Treasury, a State government or unit of general local government qualifies for payment under this chapter for an entitlement period only after establishing to the satisfaction of the Secretary that—

(1) the government will establish a trust fund in which the government will deposit all payments received under this chapter;

[See main edition for text of (2)]

(3) the government will expend the payments so received in accordance with laws and procedures applicable to the expenditure of revenues of the government;

[See main edition for text of (4)]

(5) if at least 25 percent of the costs of a construction project are paid out of the trust fund, laborers and mechanics employed by contractors or subcontractors on the project will receive pay at least equal to the prevailing rate of pay for similar construction in the locality as determined by the Secretary of Labor under the Act of March 3, 1931 (known as the Davis-Bacon Act) (40 U.S.C. 276a et seq.), and the Secretary of Labor shall act on labor standards under this clause in a way that is in accordance with Reorganization Plan No. 14 of 1950 (64 Stat. 1267) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

[See main edition for text of (6)]

(7) after reasonable notice to the government, the government will make available to the Secretary of the Treasury and the Comptroller General, with the right to inspect, records the Secretary reasonably requires to review compliance with this chapter or the Comptroller General reasonably requires to review compliance and operations under section 6723(g) of this title;

(8) the government will make reports the Secretary of the Treasury reasonably requires, in addition to the annual reports required under section 6724(b) of this title; and

(9) the government will comply with the requirements of sections 6714 and 6723.

[See main edition for text of (b) and (c)]

(As amended Pub. L. 98-185, § 9(b), Nov. 30, 1983, 97 Stat. 1311.)

AMENDMENTS

1983—Subsec. (a)(1). Pub. L. 98-185, § 9(b)(1), inserted "under this chapter" after "received".

Subsec. (a)(3). Pub. L. 98-185, § 9(b)(2), substituted "so received in accordance with" for "received under".

Subsec. (a)(5). Pub. L. 98-185, § 9(b)(3), substituted "in accordance" for "consistent" before "with Reorganization Plan".

Subsec. (a)(7). Pub. L. 98-185, § 9(b)(4), substituted "section 6723(g)" for "section 6723(b)".

Subsec. (a)(9). Pub. L. 98-185, § 9(b)(5)-(7), added par. (9).

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6707. State allocations for units of general local government

[See main edition for text of (a) and (b)]

(c) The amount allocated to a State under this subsection for an entitlement period is the amount the State would receive if—

[See main edition for text of (1) to (4)]

(5) \$1,166,666,667 were allocated among the States on the basis of urbanized population by allocating to each State an amount bearing the same ratio to the total amount to be allocated as the urbanized population of the State bears to the urbanized population of all States.

[See main edition for text of (d)]

(As amended Pub. L. 98-185, § 9(c), Nov. 30, 1983, 97 Stat. 1312.)

AMENDMENTS

1983—Subsec. (c)(5). Pub. L. 98-185 struck out provision defining "urbanized population".

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6708. County area and county government allocations

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 6701, 6703, 6707, 6709, 6711, 6713 of this title; title 42 section 6723.

§ 6709. Other local government allocations

(a) [See main edition for text of (1)]

(2) The general tax effort factor of a unit of general local government for an entitlement period is—

(A) the adjusted taxes of the unit of general local government, divided by

(B) the total income attributed to the unit of general local government.

[See main edition for text of (3) to (5); (b) and (c)]

(As amended Pub. L. 98-185, § 9(d), Nov. 30, 1983, 97 Stat. 1312.)

AMENDMENTS

1983—Subsec. (a)(2)(A). Pub. L. 98-185 substituted "the adjusted taxes of the unit of general local government, divided by" for "the taxes imposed by the unit of general local government for public purposes (except employee and employer assessments and contributions to finance retirement and social insurance systems and other special assessments for capital outlay) determined by the Secretary of Commerce for general statistical purposes and adjusted (under regulations of the Secretary of the Treasury) to exclude amounts properly allocated to education expenses; divided by".

EFFECTIVE DATE OF 1983 AMENDMENTS

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 6701, 6703, 6707, 6711, 6713 of this title; title 42 section 6723.

§ 6711. State variation of local government allocations

(a) A State government may provide by law for the allocation of amounts among county areas or units of general local government (except county governments) in the State on the basis of population multiplied by the general tax effort factors or relative income factors of the county areas or units of general local government (determined under sections 6708(a) and 6709(a) and (b) of this title), or a combination of those factors. A State government providing for a variation on an allocation formula provided under section 6708(a) or 6709(a) or (b) shall notify the Secretary of the Treasury of the variation by the 30th day before the beginning of the first entitlement period in which the variation applies. A variation shall—

- (1) provide for allocating the total amount allocated under section 6708(a) or 6709(a) or (b) of this title; and
- (2) apply uniformly in the State.

[See main edition for text of (b)]

(As amended Pub. L. 98-185, § 4, Nov. 30, 1983, 97 Stat. 1309.)

AMENDMENTS

1983—Subsec. (a)(3). Pub. L. 98-185 struck out par. (3) which provided that a variation under this section would apply only to entitlement periods beginning before October 1, 1983.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6712. Adjustments of local government allocations

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 6701, 6713 of this title; title 42 section 6723.

§ 6713. Information used in allocation formulas

(a) Except as provided in this section, the Secretary of the Treasury shall use the most

recent available information provided by the Secretary of Commerce before the beginning of the entitlement period to determine an allocation under this chapter. When the Secretary of the Treasury decides that the information is not current or complete enough to provide for a fair allocation, the Secretary of the Treasury may use additional information (including information based on estimates) as provided under regulations of the Secretary of the Treasury.

[See main edition for text of (b)]

(c) The Secretary of the Treasury may not—

(1) in determining an allocation for an entitlement period, use information on tax collections for years more recent than the years used by the Secretary of Commerce in the most recent Bureau of the Census general determination of State and local taxes made before the beginning of that period;

(2) consider a change in information used to determine an allocation for a period of 60 months when the change—

(A) results from a major disaster declared by the President under section 301 of the Disaster Relief Act of 1974 (42 U.S.C. 5141); and

(B) reduces the amount of an allocation; and

(3) for purposes of intrastate allocations under sections 6708, 6709, and 6712, consider any reduction in the amount of adjusted taxes of any unit of general local government if such reduction—

(A) results from a specific economic dislocation which causes—

- (i) the closing of places of employment,
- (ii) declines in assessed values of, or receipt of taxes from, real property, or
- (iii) declines in sales or income tax collections of such government, and

(B) would reduce the allocation of the unit of local government for an entitlement period by an amount equal to or greater than 20 percent of such allocation for the preceding entitlement period.

(As amended Pub. L. 98-185, §§ 5, 9(e), Nov. 30, 1983, 97 Stat. 1309, 1312.)

AMENDMENTS

1983—Subsec. (a). Pub. L. 98-185, § 9(e), inserted "before the beginning of the entitlement period" after "Secretary of Commerce".

Subsec. (c)(3). Pub. L. 98-185, § 5, added par. (3).

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6714. Public hearings

(a)(1) A State government or unit of general local government expending payments under this chapter shall hold at least one public hearing on the proposed use of the payment in relation to its entire budget. At the hearing, per-

sons shall be given an opportunity to provide written and oral views to the governmental authority responsible for enacting the budget and to ask questions about the entire budget and the relation of the payment to the entire budget. The government shall hold the hearing at a time and a place that allows and encourages public attendance and participation.

(2) A State government or unit of general local government holding a hearing required under this subsection or by the budget process of the government shall try to provide senior citizens and senior citizen organizations with an opportunity to present views at the hearing before the government makes a final decision on the use of the payment.

(b)(1) By the 10th day before a hearing required under subsection (a)(1) of this section is held, a State government or unit of general local government shall—

[See main edition for text of (A) and (B), (2)]

(c) Under regulations of the Secretary of the Treasury, a requirement—

(1) under subsection (a)(1) of this section may be waived if the budget process required under the applicable State or local law or charter provisions—

(A) ensures the opportunity for public attendance and participation contemplated by subsection (a) of this section; and

(B) includes a hearing on the proposed use of a payment received under this chapter in relation to the entire budget of the government; and

(2) under subsection (b)(1)(B) and (2)(B) of this section may be waived if the cost of publishing the information would be unreasonably burdensome in relation to the amount allocated to the government to amounts available for payment under this chapter, or when publication is otherwise impracticable.

[See main edition for text of (d) and (e)]

(As amended Pub. L. 98-185, § 6, Nov. 30, 1983, 97 Stat. 1310.)

AMENDMENTS

1983—Subsec. (a). Pub. L. 98-185, § 6(1), (2), struck out par. (1) and redesignated pars. (2) and (3) as (1) and (2), respectively. Former par. (1) had provided that a State government or unit of general local government expending payments received under this chapter was required to hold at least one public hearing for each fiscal period of the government at which persons were given an opportunity to present written and oral views on the possible uses of the payments, and that the government had to give adequate notice of the hearing and hold the hearing at least 7 calendar days before presenting its budget to the governmental authority responsible for enacting the budget.

Subsec. (b)(1). Pub. L. 98-185, § 6(3), substituted "subsection (a)(1)" for "subsection (a)(2)".

Subsec. (c). Pub. L. 98-185, § 6(4)-(6), struck out par. (1), redesignated pars. (2) and (3) as (1) and (2), respectively, and in par. (1), as so redesignated, substituted "subsection (a)(1)" for "subsection (a)(2)". Former par. (1) had provided that under regulations of the Secretary of the Treasury, a requirement under subsection (a)(1) of this section could be waived when the cost of the requirement would have been unreasonably burdensome in relation to the amount allocated to the State government or unit of general local government to amounts available for payment under this chapter.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 6704 of this title.

§ 6716. Prohibited discrimination

(a) No person in the United States shall be excluded from participating in, be denied the benefits of, or be subject to discrimination under, a program or activity of a State government or unit of general local government because of race, color, national origin, or sex if the government receives a payment under this chapter.

(b) The following prohibitions and exemptions also apply to a program or activity of a State government or unit of general local government if the government receives a payment under this chapter:

[See main edition for text of (1) to (3)]

(c)(1) Subsections (a) and (b) of this section do not apply when the government shows, by clear and convincing evidence, that a payment received under this chapter is not used to pay for any part of the program or activity with respect to which the allegation of discrimination is made.

[See main edition for text of (2); (d)]

(As amended Pub. L. 98-185, § 9(f), (g), Nov. 30, 1983, 97 Stat. 1312; Pub. L. 98-216, § 1(8), Feb. 14, 1984, 98 Stat. 4.)

HISTORICAL AND REVISION NOTES

1984 ACT

This is necessary to correct a mistake in section 6716(c)(1) as codified by section 1 of the Act of September 13, 1982 (Pub. L. 97-258, 96 Stat. 1025.)

AMENDMENTS

1984—Subsec. (c)(1). Pub. L. 98-216 substituted "Subsections" for "Subsection".

1983—Subsecs. (a), (b). Pub. L. 98-185, § 9(f), substituted "if the government" for "when the government".

Subsec. (c)(1). Pub. L. 98-185, § 9(g), added "with respect to which the allegation of discrimination is made" after "activity".

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6717. Discrimination proceedings

[See main edition for text of (a)]

(b) The State government or unit of general local government may present evidence informally to the Secretary within 30 days after the government receives a notice of noncompliance from the Secretary of the Treasury. Except as

provided in subsection (e) of this section, the government may present evidence on whether—

[See main edition for text of (1) and (2)]

(3) any part of that program or activity has been paid for with a payment received under this chapter.

(c) By the end of the 30-day period under subsection (b) of this section, the Secretary shall decide whether the State government or unit of general local government has not complied with section 6716(a) or (b) of this title, unless the government has made a compliance agreement under section 6719 of this title. If the Secretary decides that the government has not complied, the Secretary shall notify the government of the decision and shall suspend payments to the government under this chapter unless, within 10 days after the government receives notice of the decision, the government—

[See main edition for text of (1) and (2); (d)]

(e) In a proceeding under subsections (b)-(d) of this section on a program or activity of a State government or unit of general local government about which a holding of discrimination has been made, the Secretary or administrative law judge may consider only whether a payment under this chapter was used to pay for any part of the program or activity. The holding of discrimination is conclusive. If the holding is reversed by an appellate court, the Secretary or judge shall end the proceeding.

(As amended Pub. L. 98-185, §§ 7, 9(h), Nov. 30, 1983, 97 Stat. 1310, 1312.)

AMENDMENTS

1983—Subsec. (b). Pub. L. 98-185, § 7(1), substituted "after the government receives a notice of noncompliance from the Secretary of the Treasury" for "after the Secretary submits a notice of noncompliance to the government".

Subsec. (b)(3). Pub. L. 98-185, § 9(h)(1), substituted "any part" for "a part".

Subsec. (c). Pub. L. 98-185, §§ 7(2), 9(h)(2), (3), substituted "shall notify the government of the decision and shall suspend payments to the government under this chapter unless, within 10 days after the government receives notice of the decision," for "shall suspend payments to the government under this chapter unless by the 10th day after the decision", "unless the government" for "except when the government", and "If the Secretary" for "When the Secretary".

Subsec. (e). Pub. L. 98-185, § 9(h)(4), substituted "The holding of discrimination" for "The holding".

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6718. Suspension and termination of payments in discrimination proceedings

[See main edition for text of (a)]

(b) When a holding of discrimination is reversed by an appellate court, a suspension or termination of payments in a proceeding based on the holding shall be discontinued.

[See main edition for text of (c) to (e)]

(As amended Pub. L. 98-185, § 9(i), Nov. 30, 1983, 97 Stat. 1312.)

AMENDMENTS

1983—Subsec. (b). Pub. L. 98-185 substituted "based on the holding" for "about the holding".

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable to entitlement periods (as defined in section 6701(a)(1) of this title) beginning on or after Oct. 1, 1983, see section 12(a) of Pub. L. 98-185, set out as a note under section 6701 of this title.

§ 6723. Audits, investigations, and reviews

(a)(1) Except as provided in this section, a State government or unit of general local government which receives a payment under this chapter shall have an independent audit made of the financial statements of the government at least as often as is required by paragraph (2) to determine compliance with this chapter. The audit shall be carried out under generally accepted government auditing standards issued by the Comptroller General of the United States.

(2) Paragraph (1) of this subsection does not apply to a government for a fiscal year in which the government receives less than \$25,000 under this chapter. A government which receives at least \$25,000 but not more than \$100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) at least once every 3 years. A government which receives more than \$100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) for such fiscal year, except that, if the government operates on a biennial fiscal period, such audit may be made biennially but shall cover the financial statement or statements for, and compliance with the requirements of this chapter during, both years within such period.

[See main edition for text of (3)]

(b)(1) A State government or unit of general local government may elect to waive application of subsection (a)(1) of this section when—

(A) the financial statements of the government are audited by independent auditors under State or local law at least as often as would be required by subsection (a)(2);

(B) the government certifies that the audit is carried out under generally accepted government auditing standards issued by the Comptroller General of the United States; and

(C) the auditing provisions of the State or local law are applicable to the entitlement period to which the waiver applies.

[See main edition for text of (2)]

(c) Under regulations of the Secretary of the Treasury, the Secretary may waive a requirement of subsections (a)(1) and (b) of this section for a State government or unit of general local government for a fiscal year when the Secretary decides that the financial statements of the government for the year—

(1) cannot be audited, and the government shows substantial progress in making the statements auditable; or

(2) have been audited by a State agency that does not follow generally accepted government auditing standards issued by the Comptroller General of the United States or that is not independent, and the State agency shows progress in meeting such auditing standards or in becoming independent.

[See main edition for text of (d)]

(e) An opinion on an audit carried out under this section shall be provided to the Secretary in the form and at times required by the Secretary. No later than 30 days following completion of the audit, the audit report shall be made available for public inspection by the State government or unit of local government.

[See main edition for text of (f) and (g)]

(As amended Pub. L. 98-185, § 8, Nov. 30, 1983, 97 Stat. 1310.)

AMENDMENTS

1983—Subsec. (a)(1). Pub. L. 98-185, § 8(a)(1), which directed the striking out of "expecting to receive" and "which receives", was executed by striking out "expecting to receive" and inserting in lieu thereof "which receives" to reflect the probable intent of Congress.

Pub. L. 98-185, § 8(a)(2), (3), substituted "at least as often as is required by paragraph (2)" for "at least once every 3 years, and "government auditing standards issued by the Comptroller General of the United States" for "auditing standards".

Subsec. (a)(2). Pub. L. 98-185, § 8(b), substituted provisions that a government which receives at least \$25,000 but not more than \$100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) at least once every 3 years, and that a government which receives more than \$100,000 under this chapter for a fiscal year shall have an audit made in accordance with paragraph (1) for such fiscal year, except that, if the government operates on a biennial fiscal period, such audit may be made biennially but shall cover the financial statement or statements for, and compliance with the requirements of this chapter during both years within such period for provisions that an audit required under State or local law for financial statements of a government for a fiscal year in which the government received less than \$25,000 under this chapter was deemed to be in compliance with par. (1).

Subsec. (b)(1)(A). Pub. L. 98-185, § 8(c)(1), substituted "at least as often as would be required by subsection (a)(2)" for "at least once every 3 years".

Subsec. (b)(1)(B). Pub. L. 98-185, § 8(c)(2), substituted "government auditing standards issued by the Comptroller General of the United States" for "auditing standards".

Subsec. (c)(2). Pub. L. 98-185, § 8(d)(1), (2), substituted "generally accepted government auditing standards issued by the Comptroller General of the United States" for "generally accepted auditing standards", and "meeting such auditing standards" for "meeting generally accepted auditing standards".

Subsec. (e). Pub. L. 98-185, § 8(e), added provisions that the audit report shall be made available for public inspection by the State government or unit of local government no later than 30 days following completion of the audit.

EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-185 applicable with respect to any fiscal year (or period) of any State gov-

ernment or unit of general local government beginning on or after Oct. 1, 1983, see section 12(b) of Pub. L. 98-185, set out as a note under section 6701 of this title.

CHAPTER 69—PAYMENT FOR ENTITLEMENT LAND

Sec.

6907. State legislation requiring reallocation or redistribution of payments to smaller units of general purpose government.¹

§ 6901. Definitions

In this chapter—

[See main edition for text of (1)]

(2) "unit of general local government" means:

(A) a county (or parish), township, borough existing in Alaska on October 20, 1976, or city where the city is independent of any other unit of general local government, that: (i) is within the class or classes of such political subdivisions in a State that the Secretary of the Interior, in his discretion, determines to be the principal provider or providers of governmental services within the State; and (ii) is a unit of general government as determined by the Secretary of the Interior on the basis of the same principles as were used on January 1, 1983, by the Secretary of Commerce for general statistical purposes. The term "governmental services" includes, but is not limited to, those services that relate to public safety, environment, housing, social services, transportation, and governmental administration;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) Guam; and

(E) the Virgin Islands.

(As amended Pub. L. 98-63, title I, § 101(1), July 30, 1983, 97 Stat. 323.)

AMENDMENTS

1983—Par. (2). Pub. L. 98-63 amended par. (2) generally, substituting in subpar. (A) "a county (or parish), township, borough existing in Alaska on October 20, 1976, or city where the city is independent of any other unit of general local government, that: (i) is within the class or classes of such political subdivisions in a State that the Secretary of the Interior, in his discretion, determines to be the principal provider or providers of governmental services within the State; and (ii) is a unit of general government as determined by the Secretary of the Interior on the basis of the same principles as were used on January 1, 1983, by the Secretary of Commerce for general statistical purposes. The term 'governmental services' includes, but is not limited to, those services that relate to public safety, environment, housing, social services, transportation, and governmental administration" for "a county, city, township, borough existing in Alaska on October 20, 1976, or other political subdivision of a State that the Secretary of the Interior, on the same basis that the Secretary of Commerce uses for general statistical purposes, decides is a general purpose political subdivision of a State"; including the District of

¹Editorially supplied. Section 6907 added by Pub. L. 98-63 without enactment of section catchline or amendment of chapter analysis.