

111TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Public Works and Economic Development Act of 1965 to modify the period used to calculate certain unemployment rates, to encourage the development of business incubators, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. BROWN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Public Works and Economic Development Act of 1965 to modify the period used to calculate certain unemployment rates, to encourage the development of business incubators, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Business Incubator  
5 Promotion Act”.

1 **SEC. 2. DEVELOPMENT OF BUSINESS INCUBATORS.**

2 Section 2(b) of the Public Works and Economic De-  
3 velopment Act (42 U.S.C. 3121(b)) is amended by striking  
4 paragraph (3) and inserting the following:

5 “(3) whether suffering from long-term distress  
6 or a sudden economic dislocation, distressed commu-  
7 nities should be encouraged to support the formation  
8 of business incubators to promote innovation and en-  
9 trepreneurship in economically distressed areas and  
10 to take other actions to support entrepreneurship, so  
11 as to help regions to create higher-skill, higher-wage  
12 jobs and foster the participation of those regions in  
13 the global marketplace; and”.

14 **SEC. 3. DEFINITIONS.**

15 Section 3 of the Public Works and Economic Devel-  
16 opment Act (42 U.S.C. 3122) is amended—

17 (1) by redesignating paragraphs (1) through  
18 (12) as paragraphs (2) through (13), respectively;  
19 and

20 (2) by inserting before paragraph (2) (as redesi-  
21 gnated by paragraph (1)) the following:

22 “(1) BUSINESS INCUBATOR.—

23 “(A) IN GENERAL.—The term ‘business in-  
24 cubator’ means an organization or entity estab-  
25 lished to foster the start-up of businesses or ac-  
26 celerate the growth of fledgling companies by

1 providing entrepreneurs with resources and  
2 services to produce viable businesses that can  
3 help create jobs and restore vitality to dis-  
4 tressed areas.

5 “(B) EXCLUSION.—The term ‘business in-  
6 cubator’ does not include an organization or en-  
7 tity that is organized primarily as a for-profit  
8 venture.”.

9 **SEC. 4. UNEMPLOYMENT RATE.**

10 Section 301(a)(2) of the Public Works and Economic  
11 Development Act of 1965 (42 U.S.C. 3161(a)(2)) is  
12 amended by striking “24-month period” and inserting  
13 “12-month period”.

14 **SEC. 5. INCREASE IN FEDERAL SHARE; SPECIAL NEED**  
15 **AREAS.**

16 Section 204(c) of the Public Works and Economic  
17 Development Act of 1965 (42 U.S.C. 3144(c)) is amend-  
18 ed—

19 (1) by redesignating paragraphs (1) through  
20 (3) as paragraphs (2) through (4), respectively;

21 (2) by inserting before paragraph (2) (as redес-  
22 igned by paragraph (1)) the following:

23 “(1) RELATIVE NEEDS OF AN AREA.—

24 “(A) 175-PERCENT HIGHER UNEMPLOY-  
25 MENT RATE.—In the case of a grant made in

1 an area for which the 12-month unemployment  
2 rate is at least 175 percent of the national aver-  
3 age or the per capita income is not more than  
4 60 percent of the national average, the Sec-  
5 retary may increase the Federal share above the  
6 percentage specified in subsection (a) up to 80  
7 percent of the cost of the project.

8 “(B) 150-PERCENT HIGHER UNEMPLOY-  
9 MENT RATE.—In the case of a grant made in  
10 an area for which the 12-month unemployment  
11 rate is at least 150 percent of the national aver-  
12 age or the per capita income is not more than  
13 65 percent of the national average, the Sec-  
14 retary may increase the Federal share above the  
15 percentage specified in subsection (a) up to 70  
16 percent of the cost of the project.

17 “(C) 125-PERCENT HIGHER UNEMPLOY-  
18 MENT RATE.—In the case of a grant made in  
19 an area for which the 12-month unemployment  
20 rate is at least 125 percent of the national aver-  
21 age or the per capita income is not more than  
22 70 percent of the national average, the Sec-  
23 retary may increase the Federal share above the  
24 percentage specified in subsection (a) up to 60  
25 percent of the cost of the project.

1           “(D) UNEMPLOYMENT RATE GREATER  
2           THAN NATIONAL AVERAGE.—In the case of a  
3           grant made in an area for which the 12-month  
4           unemployment rate is at least 1 percentage  
5           point greater than the national 12-month unem-  
6           ployment rate or the per capita income is not  
7           more than 80 percent of the national average,  
8           the Secretary may increase the Federal share  
9           above the percentage specified in subsection (a)  
10          up to 50 percent of the cost of the project.”;  
11          and

12          (3) by adding at the end the following:

13          “(5) SPECIAL NEED AREAS.—In any case of se-  
14          vere economic distress during which grant rates  
15          based on relative need as required under subsection  
16          (a) result in a level for the non-Federal share that  
17          prevents eligible recipients in a particular area from  
18          participating in grant assistance under this Act, the  
19          Secretary may—

20                 “(A) deem the area to be experiencing a  
21                 special need under section 301(a)(3);

22                 “(B) reduce the non-Federal share to 20  
23                 percent of the cost of a project; and

24                 “(C) waive the local share below that  
25                 amount, or entirely, if the unemployment rate

1 exceeds 12 percent or otherwise meets the re-  
2 quirements of paragraph (3).”.

3 **SEC. 6. BUSINESS INCUBATORS.**

4 Title II of the Public Works and Economic Develop-  
5 ment Act of 1965 is amended by inserting after section  
6 207 (42 U.S.C. 3147) the following:

7 **“SEC. 208. BUSINESS INCUBATORS.**

8 “(a) DEVELOPMENT OF PLANS FOR CREATION OR  
9 EXPANSION OF BUSINESS INCUBATORS.—On receipt of  
10 an application from an eligible recipient (as determined  
11 by the Secretary in accordance with subsection (c)), the  
12 Secretary may provide grants to the eligible recipient  
13 for—

14 “(1) the development of feasibility studies and  
15 plans for the creation of new, or expansion of exist-  
16 ing, business incubators;

17 “(2) the implementation of those studies and  
18 plans by supporting the creation of new or expansion  
19 of existing business incubators and related pro-  
20 grammatic and technical assistance; and

21 “(3) the support of operations of business incu-  
22 bators, to the extent that the Secretary determines  
23 that the support is essential to assist a business in-  
24 cubator in becoming self-sustainable.

1       “(b) LIMITATION ON AMOUNT OF GRANTS.—The  
2 amount of a grant provided to an eligible recipient under  
3 this section may not exceed—

4               “(1) \$750,000, if the grant is to be used for  
5 feasibility studies and plans; or

6               “(2) \$3,000,000, if the grant is to be used for  
7 implementation of those studies and plans.

8       “(c) PROCEDURE FOR PROVIDING GRANTS.—

9               “(1) COMPETITIVE PROCESS REQUIRED.—The  
10 Secretary shall provide each grant under this section  
11 to an eligible recipient selected pursuant to a com-  
12 petitive process.

13               “(2) SELECTION CRITERIA.—The Secretary  
14 shall publish the criteria to be used in any competi-  
15 tion under this paragraph for the selection of eligible  
16 recipients of grants under this section, including re-  
17 quirements relating to—

18                       “(A) the projected number of jobs required  
19 to be created at a new or expanded business in-  
20 cubator for each of the first 6 years after the  
21 date of receipt of the grant;

22                       “(B) the funding to be required to create  
23 or expand a business incubator during the first  
24 5 years after the date of receipt of the grant;

1           “(C) the types of businesses and research  
2 entities expected in the business incubator and  
3 surrounding community;

4           “(D) letters of intent by businesses and re-  
5 search entities to establish a location in the  
6 business incubator;

7           “(E) the capability to attract a well-  
8 trained workforce to the business incubator;

9           “(F) the management of the business incu-  
10 bator; and

11           “(G) such other factors as the Secretary  
12 determines to be appropriate.

13           “(d) AUTHORIZATION OF APPROPRIATIONS.—

14           “(1) IN GENERAL.—There are authorized to be  
15 appropriated to carry out this section such sums as  
16 are necessary for fiscal year 2010 and each fiscal  
17 year thereafter.

18           “(2) AVAILABILITY.—Amounts made available  
19 pursuant to paragraph (1) for a fiscal year shall re-  
20 main available until the end of the second fiscal year  
21 following the fiscal year in which the amounts were  
22 first made available.”.