

A BILL

To extend and revise the State and Local Fiscal Assistance Act of 1972.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1221) is amended by adding a final sentence to read as follows: "The Secretary may reserve such percentage of the total entitlement payment for any entitlement period as he deems necessary to ensure that there will be sufficient funds available to pay adjustments due after the final allocation of funds among the State governments and units of local government."

SEC. 2. Section 105 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1224) is amended by--

(1) striking the word "and" at the end of subsection (b)(1)(F), striking subparagraph (G) and adding to subsection (b) subparagraphs (G) through (M) to read as follows:

"(G) for the period beginning July 1, 1976, and ending September 30, 1976, \$1,625,000,000;

(H) for the fiscal year beginning October 1, 1976, \$6,537,500,000;

(I) for the fiscal year beginning October 1, 1977, \$6,687,500,000;

(J) for the fiscal year beginning October 1, 1978, \$6,837,500,000;

(K) for the fiscal year beginning October 1, 1979, \$6,987,500,000;

(L) for the fiscal year beginning October 1, 1980, \$7,137,500,000; and

(M) for the fiscal year beginning October 1, 1981, \$7,287,500,000.""

(2) striking the word "and" at the end of subsection (b)(2)(D) and by striking subparagraph (E) and adding to subsection (b)(2) subparagraphs (E) and (F) to read as follows:

(E) for the period beginning July 1, 1976 and ending September 30, 1976, \$1,195,000;

(F) for each of the fiscal years beginning October 1, 1976, October 1, 1977, October 1, 1978, October 1, 1979, October 1, 1980, and October 1, 1981, \$4,780,000."; and

(3) adding subsections (d) and (e) to read as follows:

(d) NEW SPENDING AUTHORITY EXEMPTION.--

Funds appropriated pursuant to subsection (b)(1) and (2) are exempt from the provisions of sections 401(a) and (b) of the Congressional Budget Act of 1974."

"(e) SECRETARY'S REPORT ON EXTENSION.--

No later than September 30, 1980, the Secretary shall submit a report with appropriate recommendations concerning the extension of this title to the Congress.

SEC. 3. Section 107(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1226(b)) is amended by striking paragraph (5) and redesignating paragraphs (6) and (7) as (5) and (6) respectively.

SEC. 4(a). Section 108(b)(4) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1227(b)(4)) is amended by revising the last sentence thereof to read as follows: "If the entitlement of any such tribe or village is waived for any entitlement period by the governing body of that tribe or village, then the amount of such entitlement shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement of the county government of the county area in which such unit is located."

(b) Section 108(b)(6)(B) of the Act (31 U.S.C. Supp. 1227(b)(6)(B)) is amended by adding a new sentence to the end thereof to read as follows: "Beginning with the entitlement period that begins July 1, 1976, the maximum constraint shall increase at a rate of 6 percentage points per entitlement period until it reaches 175 percent."

(c) Section 108(c)(1) of the Act (31 U.S.C. Supp. 1227(c)(1)) is amended by striking "December 31, 1976" from subparagraph (C) and inserting in lieu thereof "September 30, 1982."

SEC. 5. Section 109(c)(2)(B) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1228(c)(2)(B)) is amended to read as follows:

"(B) MOST RECENT REPORTING YEAR. --

The most recent reporting year with respect to any entitlement period consists of the years taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the beginning of such period."

SEC. 6(a). Section 121(a) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1241(a)) is amended by revising the first sentence to read as follows: "Each State government and unit of local government which receives funds under subtitle A shall, after the close of each entitlement period, submit a report to the Secretary on the use of the funds received during such period."

(b) Section 121(b) of the Act (31 U.S.C. Supp. 1241(b)) is amended by revising the first sentence to read as follows: "Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1973, shall submit a report to the Secretary on how it plans to use the funds it expects to receive during such period."

(c) Section 121(c) of the Act (31 U.S.C. Supp. 1241(c)) is amended by inserting a new sentence after the first sentence to read as follows: "Where the newspaper publication cost of such report is excessive in relation to the amount of the entitlement of a unit of local government or where other means of publicizing the reports are more appropriate, then such reports shall be publicized pursuant to regulations prescribed by the Secretary."

SEC. 7 Section 122(b)(2) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242(b)(2)) is amended to read as follows:

"(2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and to withhold all or a portion of the entitlement funds due such State government or unit of local government, to terminate the eligibility of such State government or unit of local government to receive one or more payments under subtitle A, and to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a);".

SEC. 8. Section 123 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1243) is amended by --

(1) striking the word "and" at the end of subsection (a)(5)(B), by striking the semicolon at the end of subsection (a)(5)(C), and inserting in lieu of the latter a comma and the word "and", and by adding a new subsection (a)(5)(D) to read as follows:

"(D) notwithstanding paragraph 4, provide notice and opportunity to the residents so that they may give recommendations and views on the proposed expenditures of all funds made available under subtitle A in a public hearing or in such other manner as the Secretary may prescribe by regulation;"

(2) striking paragraph (8) of subsection (a).

SEC. 9. Section 141(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1261) is amended by striking paragraph (5) and substituting in lieu thereof the following:

"(5) The period beginning July 1, 1976, and ending September 30, 1977.

(6) The one-year periods beginning on October 1 of 1977, 1978, 1979, 1980, and 1981."