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9 **RURAL DEVELOPMENT**

10 **SEC. 6001. ENHANCING RURAL INFRASTRUCTURE.**

11 (a) DEFINITION OF APPLICATION.—In this section, the term “application”
12 does not include an application for a loan or grant that, as of the date of enactment of this
13 Act, is in the preapplication phase of consideration under regulations of the Secretary of
14 Agriculture in effect on the date of enactment of this Act.

15 (b) USE OF FUNDS.—Subject to subsection (c), the Secretary of Agriculture
16 shall use funds made available under subsection (d) to provide funds for applications that
17 are pending on the date of enactment of this Act for—

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2 (1) water or waste disposal grants or direct loans under paragraph (1) or
3 (2) of section 306(a) of the Consolidated Farm and Rural Development Act (7
4 U.S.C. 1926(a));

5 (2) emergency community water assistance grants under section 306A of
6 that Act (7 U.S.C. 1926a);

7 (3) community facilities grants and direct loans under paragraphs (1), (19),
8 (20), (21) of section 306(a) of that Act (7 U.S.C. 1926(a)) that support projects
9 that assist rural first responders, as defined by the Secretary of Agriculture;

10 (4) broadband access loans under title VI of the Rural Electrification Act
11 (7 U.S.C. 950bb et seq.); and

12 (5) distance learning and telemedicine grants under chapter 1 of subtitle D
13 of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7
14 U.S.C. 950aaa et seq.).

15 (c) LIMITATIONS.—

16 (1) APPROPRIATED AMOUNTS.—Funds made available under this
17 section shall be available to the Secretary of Agriculture to provide funds for
18 applications for loans and grants described in subsection (b) that are pending on
19 the date of enactment of this Act only to the extent that funds for the loans and
20 grants appropriated in the annual appropriations Act for fiscal years 2008 and
21 2009, as appropriate, have been exhausted.

22 (2) PROGRAM REQUIREMENTS.—The Secretary of Agriculture may
23 use funds made available under this section to provide funds for a pending

1 application for a loan or grant described in subsection (b) only if the Secretary of
2 Agriculture processes, reviews, and approves the application in accordance with
3 regulations in effect on the date of enactment of this Act.

4 (d) FUNDING.-Of the funds of the Commodity Credit Corporation, the Secretary
5 of Agriculture shall make available to carry out this section \$500,000,000 which shall
6 remain available for fiscal years 2008 and 2009.

7 **SEC. 6002. ENERGY GRANTS PLATFORM.**

8 (a) DEPARTMENT OF AGRICULTURE AND DEPARTMENT OF ENERGY
9 GRANTS INITIATIVE.—Section 307 of the Biomass Research and Development Act of
10 2000 (7 U.S.C. 8606) is amended—

11 (1) by striking subsection (a) and inserting the following:

12 “(a) ESTABLISHMENT.—

13 “(1) RESEARCH AND DEVELOPMENT GRANTS.—The Secretary of
14 Agriculture and the Secretary of Energy, acting through their respective points of
15 contact and in consultation with the Board, shall establish and carry out a Biomass
16 Research and Development Initiative under which competitively awarded grants
17 and contracts are provided to, or entered into with, eligible entities described in
18 subsection (f)(1) to carry out research on, and development and demonstration of,
19 biobased fuels and other biobased products.

20 “(2) RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY
21 GRANTS.-The Secretary of Agriculture, in consultation with the Secretary of
22 Energy and the Board shall, in accordance with paragraph (3), competitively
23 awarded grants are made to eligible entities described in subsection (f)(2) to

1 finance the development of renewable energy systems and energy efficiency
2 improvements.

3 “(3) REQUIREMENTS FOR RENEWABLE ENERGY SYSTEMS AND
4 ENERGY EFFICIENCY IMPROVEMENT GRANTS.—

5 “(A) USE OF FUNDS.—A grant received under paragraph (2)
6 shall be used—

7 “(i) to develop or purchase renewable energy systems; or

8 “(ii) to make energy efficiency improvements.

9 “(B) COST SHARING.—The amount of a grant under paragraph
10 (2) shall not exceed 25 percent of the cost of the activity funded.

11 “(C) FACTORS.—In determining the amount of a grant under
12 paragraph (2), the Secretaries shall give consideration to, as applicable—

13 “(i) the type of renewable energy system to be developed or
14 purchased;

15 “(ii) the estimated quantity of energy to be generated by the
16 renewable energy system;

17 “(iii) the expected environmental benefits, including water
18 quality, of the renewable energy system;

19 “(iv) the extent to which the renewable energy system will
20 be replicable;

21 “(v) the quantity of energy savings expected to be derived
22 from the activity, as demonstrated by an energy audit or another
23 type of verification that is comparable to an energy audit;

1 “(2) RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY
2 IMPROVEMENTS.—To be eligible for a grant described in subsection (a)(2), an
3 applicant shall be a farmer, rancher, or rural small business that demonstrates
4 financial need, as determined by the Secretary.”.

5 (b) FUNDING.—Section 310(a) of the Biomass Research and Development Act
6 of 2000 (7 U.S.C. 8609(a)) is amended to read as follows:

7 “(a) MANDATORY FUNDING.-

8 “(1) BIOMASS RESEARCH AND DEVELOPMENT ACCOUNT.-The
9 Secretary of Agriculture and the Secretary of Energy shall establish and
10 administer the ‘Biomass Research and Development Account’ which shall fund
11 the activities authorized under this Act.

12 “(2) FUNDING.-

13 “(A) TRANSFER.-In addition to other available funds, out of any
14 funds in the Treasury not otherwise appropriated, the Secretary of the
15 Treasury shall transfer to the Biomass Research and Development
16 Account described in paragraph (1)-

17 “(i) \$15,000,000, for each of fiscal years 2008 through
18 2012 for research grants, contracts, and financial assistance for
19 activities described in section 307(a)(1) giving priority for
20 activities associated with cellulosic ethanol production; and

21 “(ii) \$50,000,000 for each of fiscal years 2008 through
22 2012 for renewable energy systems and energy efficiency
23 improvement grants authorized under section 307(a)(2).

1 “(B) RECEIPT AND ACCEPTANCE.-The Secretaries shall be
2 entitled to receive, shall accept, and shall use to carry out this Act the
3 funds transferred under subparagraph (A), without further appropriation.”

4 **SEC. 6003. RURAL BUSINESS LOAN AND LOAN GUARANTEE PLATFORM.**

5 Sections 381E of the Consolidated Farm and Rural Development Act (7 U.S.C.
6 2009d) is amended to read as follows:

7 **“SEC. 381E RURAL BUSINESS PROGRAMS LOAN AND LOAN GUARANTEE**
8 **PROGRAMS.**

9 “(a) IN GENERAL.-The Secretary may make or guarantee loans to persons,
10 including federally recognized Indian tribes, to finance (including refinancing) businesses
11 in rural areas.

12 “(b) MAXIMUM AMOUNTS.-Except as otherwise provided in this section, no
13 loan made, or principal loan amount guaranteed under this section may exceed
14 \$25,000,000.

15 “(c) COOPERATIVE ORGANIZATIONS.-

16 “(1) OUTSIDE RURAL AREAS.-Notwithstanding subsection (a), the
17 Secretary may make or guarantee a business loan to a cooperative organization
18 that is headquartered outside a rural area if the loan is used to finance a business
19 operation that is located in a rural area.

20 “(2) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE
21 ORGANIZATIONS.—

22 “(A) IN GENERAL.—Notwithstanding subsection (b) and subject
23 to subparagraph (B), the Secretary may guarantee a business loan to a

1 cooperative organization under this subsection in excess of \$25,000,000,
2 but not more than \$40,000,000.

3 “(B) USE.—To be eligible for a loan guarantee under
4 subparagraph (A), the principal amount of the loan in excess of
5 \$25,000,000 shall be used to carry out a project that provides for the
6 value-added processing of agricultural commodities.

7 “(C) MAXIMUM AMOUNT.—The total amount of business
8 loans made or guaranteed to cooperative organizations for a fiscal year
9 under this paragraph with principal amounts that are in excess of
10 \$25,000,000 may not exceed 10 percent of the business loans guaranteed
11 for the fiscal year under this section.

12 “(3) LOAN GUARANTEES FOR THE PURCHASE OF
13 COOPERATIVE STOCK FOR FARMER OR RANCHER COOPERATIVES.-

14 “(A) IN GENERAL.-The Secretary may guarantee a business loan
15 to individual farmers or ranchers for the purpose of purchasing capital
16 stock of a farmer or rancher cooperative established for the purpose of
17 processing an agricultural commodity.

18 “(B) PROCESSING CONTRACTS DURING INITIAL
19 PERIOD.—A cooperative described in subparagraph (A) for which a
20 farmer or rancher receives a guarantee to purchase stock under
21 subparagraph (A) may contract for services to process agricultural
22 commodities, or otherwise process value-added agricultural products,
23 during the 5-year period beginning on the date of the startup of the

1 cooperative in order to provide adequate time for the planning and
2 construction of the processing facility of the cooperative.

3 “(C) FINANCIAL INFORMATION.—Financial information
4 required by the Secretary from a farmer or rancher as a condition of
5 making a business loan guarantee under this subparagraph shall be
6 provided in the manner generally required by commercial agricultural
7 lenders in the area.

8 “(d) ENERGY LOANS.-

9 “(1) 9006 PROGRAM.-

10 “(A) IN GENERAL.-The Secretary may make or guarantee
11 business loans in rural areas for-

12 “(i) renewable energy systems in rural areas; and

13 “(ii) energy efficiency improvements for farmers, ranchers
14 and rural small businesses.

15 “(B) INTEREST RATE.- Direct loans made by the Secretary
16 under this paragraph shall bear an interest rate that is equivalent to the rate
17 of interest charged on Treasury securities of comparable maturity as of the
18 date the loan is approved.

19 “(2) CELLULOSIC ETHANOL LOAN GUARANTEES.-

20 “(A) LOAN GUARANTEE LIMITS.-Notwithstanding subsection
21 (b), the Secretary may guarantee business loans for the construction of
22 cellulosic ethanol facilities and infrastructure the principal amount of
23 which is not more than \$100,000,000.

1 “(B) FEES.-Notwithstanding any other provision of this
2 subsection, the Secretary may establish different fees for cellulosic ethanol
3 loan guarantees than for other business loans guaranteed under this
4 section.

5 “(3) PRIORITY.-With respect to loan guarantees made under this section,
6 the list of priorities for projects funded shall be announced by the Secretary in the
7 annual notices of funds available.

8 “(e) INTERMEDIARY RELENDING LOANS.-The Secretary may make
9 business loans to persons, including federally recognized Indian tribes, for the purposes
10 of relending the funds for rural development projects in rural areas consistent with the
11 purposes of this Act, as determined by the Secretary.

12 “(f) ADMINISTRATIVE.-

13 “(1) LOAN APPRAISALS.—The Secretary may require that any
14 appraisal made in connection with a business loan made or guaranteed under this
15 section be conducted by a specialized appraiser that uses standards that are similar
16 to and consistent with standards used for similar purposes in the private sector, as
17 determined by the Secretary.

18 “(2) FEES.—The Secretary may assess for any guaranteed business loan-

19 “(A) a 1-time fee in an amount that does not exceed 2 percent of
20 the guaranteed principal portion of the loan; and

21 “(B) an annual renewal fee, as determined by the Secretary.

22 “(3) COOPERATION.-The Secretary may enter into agreements to allow
23 the Rural Development Mission Area to assist other Federal agencies in

1 conducting loan and loan guarantee programs conducted by such agencies,
2 including activities conducted by the North American Development Bank, as
3 authorized by Federal law.

4 “(4) CREDIT TESTS.-The provisions of paragraphs (1) and (4) of section
5 333 do not apply to loans and loan guarantees made under this section.

6 “(5) REVIEW.-The Secretary shall review the income demographics of
7 eligible communities in the programs authorized under this section and shall
8 establish only by regulation applicable limitations a rural area cannot exceed in
9 order to remain eligible for programs under this section.

10 “(6) INTANGIBLE ASSETS.—In determining whether a cooperative
11 organization is eligible for a guaranteed business loan, the Secretary may consider
12 the market value of a properly appraised brand name, patent, or trademark of the
13 cooperative.

14 “(7) SECURITY INTERESTS.-

15 “(A) IN GENERAL- For loans made or guaranteed under this
16 section, the Secretary shall ensure that sufficient security for the loan is
17 obtained to ensure repayment of the loan.

18 “(B) RELATION TO OTHER FEDERAL LOAN PROGRAMS.-

19 “(i) IN GENERAL.-In the case of a project subject to a
20 loan made or guaranteed by the Secretary under this section that is
21 also subject to a loan made or guaranteed by another Federal
22 agency, the Secretary shall determine the priority of the security

1 interests of the Secretary and any other Federal agency with
2 respect to such loan.

3 “(ii) EFFECT ON OTHER LAW.-Any determination by
4 the Secretary under clause (i) shall be deemed as being in
5 compliance with any other provision of law regarding the priority
6 of security interests, or superiority of rights with respect to any
7 property acquired, with respect to a loan described in clause (i).

8 “(g) FUNDING.-

9 “(1) COMMODITY CREDIT CORPORATION.-Of the funds of the
10 Commodity Credit Corporation, the Secretary shall make available \$21,000,000
11 for each of fiscal years 2008 through 2012 for the costs of the loan guarantees for
12 the purposes described in subsection (d)(2) to remain available until expended.

13 “(2) AUTHORIZATION OF APPROPRIATIONS.- There are authorized
14 to be appropriated such sums as may be necessary to carry out this section for
15 fiscal years 2008 through 2012, and such funds shall remain available until
16 expended.”.

17 **SEC. 6004 BUSINESS GRANTS PLATFORM.**

18 Section 381F of the Consolidated Farm and Rural Development Act (7 U.S.C.
19 2009e) is amended to read as follows:

20 **“SEC. 381F. BUSINESS GRANT PROGRAMS.**

21 “(a) RURAL BUSINESS ENTERPRISE GRANTS.-The Secretary may make
22 grants to public bodies and private non-profit entities to facilitate-

1 “(1) rural small and emerging private businesses, including non-profit
2 entities, for the purpose of conducting value-added processing in connection with
3 production agriculture;

4 “(2) rural distance educational systems and programs for job training for
5 adults, including training on infrastructure development in rural areas; or

6 “(3) technical assistance to assist communities in rural areas to improve
7 passenger transportation services or facilities.

8 “(b) RURAL BUSINESS OPPORTUNITY GRANTS.—

9 “(1) IN GENERAL.—The Secretary may make grants to public bodies,
10 private nonprofit community development corporations or entities, or such other
11 agencies as the Secretary may select to enable the recipients—

12 “(A) to identify and analyze business opportunities, including
13 opportunities in export markets, that will use local rural economic and
14 human resources;

15 “(B) to identify, train, and provide technical assistance to existing
16 or prospective rural entrepreneurs and managers;

17 “(C) to establish centers and otherwise assist in the creation of new
18 rural businesses, the development of methods of financing local
19 businesses, and the enhancement of the capacity of local individuals and
20 entities to engage in sound economic activities;

21 “(D) to conduct regional, community, and local economic
22 development planning and coordination, and leadership development in
23 rural areas; and

1 “(aa) the customer base for the agricultural
2 commodity or product is expanded; and

3 “(bb) a greater portion of the revenue
4 derived from the marketing, processing, or physical
5 segregation of the agricultural commodity or
6 product is available to the producer of the
7 agricultural commodity or product.

8 “(B) INCLUSION.—The term ‘value-added agricultural product’
9 includes farm- or ranch-based renewable energy.

10 “(2) GRANT PROGRAM.—From amounts made available under
11 subsection (i), the Secretary shall award competitive grants—

12 “(A) to an eligible independent producer (as determined by the
13 Secretary) of a value-added agricultural product to assist the producer—

14 “(i) in developing a business plan for viable marketing
15 opportunities for the value-added agricultural product; or

16 “(ii) in developing strategies that are intended to create
17 marketing opportunities for the producer; and

18 “(B) to an eligible agricultural producer group, farmer or rancher
19 cooperative, or majority-controlled producer based business venture (as
20 determined by the Secretary) to assist the entity—

21 “(i) in developing a business plan for viable marketing
22 opportunities in emerging markets for a value-added agricultural
23 product; or

1 “(ii) in developing strategies that are intended to create
2 marketing opportunities in emerging markets for the value-added
3 agricultural product.

4 “(3) PRIORITY.-The Secretary shall give priority for projects involving
5 specialty crops, as determined by the Secretary.

6 “(4) MATCHING FUNDS. - A recipient of funds under this subsection
7 shall contribute an amount of non-Federal funds that is at least equal to the
8 amount of Federal funds received.

9 “(5) LIMITATION. - Funds provided under this subsection may not be
10 used for –

11 “(1) planning, repair, rehabilitation, acquisition, or construction of
12 a building or facility (including a processing facility); or

13 “(2) the purchase, rental, or installation of fixed equipment.

14 “(d) RURAL DEVELOPMENT LOAN AND GRANTS.—

15 “(1) IN GENERAL.—From the funds of the Rural Economic
16 Development Subaccount authorized by the Rural Electrification Act of 1936 (7
17 U.S.C. 901 et seq.) the Secretary may provide grants or zero interest loans to
18 borrowers under such Act for the purpose of promoting rural economic
19 development and job creation projects, including funding for project feasibility
20 studies, start-up costs, incubator projects, and other reasonable expenses for the
21 purpose of fostering economic development in rural areas.

1 “(2) REPAYMENTS.—In the case of zero interest loans, the Secretary
2 shall establish such reasonable repayment terms as will ensure borrower
3 participation.

4 “(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

5 “(1) IN GENERAL.—The Secretary may make grants to nonprofit
6 institutions for the establishment and operation of centers for rural cooperative
7 development to facilitate the creation of jobs in rural areas through the
8 development of new rural cooperatives, value added processing, and rural
9 businesses.

10 “(2) AWARDING GRANTS.—Grants made under this subsection shall
11 be made on a competitive basis and the Secretary shall give preference to grant
12 applications providing for the establishment of centers for rural cooperative
13 development that—

14 “(A) demonstrate a proven track record in administering a
15 nationally coordinated, regionally or State-wide operated project;

16 “(B) demonstrate previous expertise in providing technical
17 assistance in rural areas;

18 “(C) demonstrate the ability to assist in the retention of businesses,
19 facilitate the establishment of cooperatives and new cooperative
20 approaches, and generate employment opportunities that will improve the
21 economic conditions of a rural area;

1 “(D) demonstrate the ability to create horizontal linkages among
2 businesses within and among various sectors in rural areas of the United
3 States and vertical linkages to domestic and international markets;

4 “(E) commit to providing technical assistance and other services to
5 underserved and economically distressed areas in rural areas of the United
6 States; and

7 “(F) commit to providing greater than a 25 percent matching
8 contribution with private funds and in-kind contributions, except that the
9 Secretary shall not require non-Federal financial support in an amount that
10 is greater than 5 percent in the case of a 1994 institution (as defined in
11 section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7
12 U.S.C. 301 note; Public Law 103–382)).

13 “(3) TERM OF GRANT.—Subject to subparagraph (B), grants under this
14 subsection shall be for a term of 1 year.

15 “(4) TECHNICAL ASSISTANCE.—In carrying out this subsection, the
16 Secretary may provide technical assistance (including in the areas of planning,
17 management, and evaluation of potential projects) to alleviate or prevent
18 conditions of excessive unemployment, underemployment, outmigration, or low
19 employment growth in economically distressed rural areas that the Secretary
20 determines have a substantial need for the assistance.

21 “(5) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The
22 Secretary may make grants to defray not more than 75 percent of the costs

1 incurred by organizations and public bodies to carry out projects for which grants
2 or loans are made under this subsection.

3 “(f) PASSENGER TRANSPORTATION SERVICES OR FACILITIES.-

4 “(1) IN GENERAL.-The Secretary may award grants on a competitive
5 basis to qualified nonprofit organizations for the provision of technical assistance
6 and training to rural communities for the purpose of improving passenger
7 transportation services or facilities.

8 “(2) ASSISTANCE.-Assistance provided under this subsection may
9 include-

10 “(A) on-site technical assistance to local and regional
11 governments, public transit agencies, and related nonprofit and for-profit
12 organizations in rural areas;

13 “(B) the development of training materials; and

14 “(C) the provision of necessary training assistance to local officials
15 and agencies in rural areas.

16 “(g) REVIEW.- The Secretary shall review the income demographics of eligible
17 communities in the programs authorized under this section and shall establish only by
18 regulation applicable limitations a rural area cannot exceed in order to remain eligible for
19 programs under this section.

20 “(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be
21 appropriated such sums as are necessary to carry out this section (other than for activities
22 described in subsection (d)) for fiscal years 2008 through 2012 and such funds shall
23 remain available until expended.”.

1 **SEC. 6005. COMMUNITY PROGRAMS PLATFORM.**

2 Sections 381G through 381N of the Consolidated Farm and Rural Development
3 Act (7 U.S.C. 2009f et seq.) are amended to read as follows:

4 **“SEC. 381G COMMUNITY PROGRAMS.**

5 “(a) DEFINITIONS

6 “(1) ASSOCIATION.-In this section, the term ‘association’ means-

7 “(A) for the purposes of subsection (b), a rural public or quasi-
8 public agency, nonprofit corporation, cooperative, or federally recognized
9 Indian tribe, as determined by the Secretary; and

10 “(B) for the purposes of subsection (c), a rural public or quasi-
11 public agency, nonprofit corporation, rural empowerment zone or
12 enterprise community designated pursuant to part I of subchapter U of
13 chapter 1 of the Internal Revenue Code of 1986, rural enterprise
14 community designated pursuant to section 766 of the Agriculture, Rural
15 Development, Food and Drug Administration and Related Agencies
16 Appropriations Act, 1999 (Public Law 105-277), or federally recognized
17 Indian tribe, as determined by the Secretary.

18 “(2) DEVELOPMENT COSTS.-In this section, the term ‘development
19 cost’ means the cost of construction of a facility and the land, easements, rights-
20 of-way, and water rights necessary for the construction and operation of the
21 facility.

22 “(b) WATER AND WASTE DISPOSAL ASSISTANCE PROGRAMS.

23 “(1) LOAN AND LOAN GUARANTEE PROGRAM.-

1 “(A) IN GENERAL.-The Secretary may make or guarantee loans
2 to associations to finance the installation or improvement of public water
3 systems and waste disposal systems in a rural area.

4 “(B) FEES.-The Secretary may assess fees for loan guarantees
5 issued under this subsection.

6 “(2) GRANTS AND COMBINATION LOANS AND GRANTS
7 PROGRAMS.-

8 “(A) PROJECT GRANTS.-

9 “(i) DEFINITION OF PROJECT.-In this subparagraph, the
10 term ‘project’ includes-

11 “(I) facilities providing central service; and

12 “(II) facilities serving individual properties.

13 “(ii) AUTHORITY.-The Secretary may make grants to
14 associations to finance specific projects for works for the
15 development, storage, treatment, purification, or distribution of
16 water or the collection, treatment, or disposal of waste in rural
17 areas.

18 “(iii) AMOUNT.—The amount of any grant made under
19 this subparagraph shall not exceed 75 percent of the development
20 cost of the project to serve the area that the association determines
21 can be feasibly served by the facility and to adequately serve the
22 reasonably foreseeable growth of the rural area.

1 “(iv) GRANT RATE.—The Secretary shall establish the
2 grant rate under this subparagraph in a manner that provides higher
3 rates for projects in communities that have lower community
4 population and income levels.

5 “(B) REVOLVING FUNDS FOR FINANCING WATER AND
6 WASTEWATER PROJECTS.—

7 “(i) IN GENERAL.—The Secretary may make grants to
8 private, nonprofit entities to capitalize revolving funds for the
9 purpose of providing financing to an association for—

10 “(I) predevelopment costs associated with proposed
11 water and wastewater projects or with existing water and
12 wastewater systems in rural areas; and

13 “(II) short-term costs incurred for replacement
14 equipment, small-scale extension services, or other small
15 capital projects that are not part of the regular operations
16 and maintenance activities of existing water and
17 wastewater systems in rural areas.

18 “(ii) MAXIMUM AMOUNT OF FINANCING.—The
19 amount of financing that can be received by an association under
20 this subparagraph shall not exceed—

21 “(I) \$100,000 for costs described in clause (i)(I);

22 and

23 “(II) \$100,000 for costs described in clause (i)(II).

1 “(iii) TERM.—The term of financing provided by an
2 association under this subparagraph shall not exceed 10 years.

3 “(C) RURAL WATER AND WASTEWATER TECHNICAL
4 ASSISTANCE AND TRAINING PROGRAMS.—

5 “(i) IN GENERAL.—The Secretary may make grants to
6 private nonprofit organizations for the purpose of enabling the
7 organization to provide to associations technical assistance and
8 training to—

9 “(I) identify and evaluate alternative solutions to
10 problems relating to the obtaining, storage, treatment,
11 purification, or distribution of water or the collection,
12 treatment, or disposal of waste in rural areas;

13 “(II) prepare applications to receive financial
14 assistance for any purpose specified in subparagraph (A)(ii)
15 from any public or private source; and

16 “(III) improve the operation and maintenance
17 practices at any existing works for the storage, treatment,
18 purification, or distribution of water or the collection,
19 treatment, or disposal of waste in rural areas.

20 “(ii) SELECTION PRIORITY.—In selecting recipients of
21 grants to be made under this subparagraph, the Secretary shall give
22 priority to private nonprofit organizations that have experience in
23 providing the technical assistance and training described in clause

1 (i) to associations serving rural areas in which residents have low
2 income and in which water supply systems or waste facilities are
3 unhealthful.

4 “(iii) CIRCUIT RIDER.—The Secretary may implement the
5 authorities under this subparagraph, in whole or in part, through a
6 national rural water and wastewater circuit rider program based on
7 the rural water circuit rider program of the National Rural Water
8 Association.

9 “(D) EMERGENCY AND IMMINENT COMMUNITY WATER
10 ASSISTANCE PROGRAM.

11 “(i) IN GENERAL.—The Secretary may provide grants to
12 public or private non-profit entities to assist the residents of rural
13 areas to secure adequate quantities of safe water—

14 “(I) after a significant decline in the quantity or
15 quality of water available from the water supplies or when
16 such a decline is imminent; or

17 “(II) when repairs, partial replacement, or
18 significant maintenance efforts on established water
19 systems would remedy—

20 “(aa) an acute, or imminent shortage of
21 quality water; or

1 “(II) COMMUNITY PRIORITIES.-In carrying out
2 this subparagraph, the Secretary shall give priority for
3 assistance for a rural area other than a city or town that
4 has—

5 (aa) a population in excess of 10,000
6 inhabitants according to the most recent decennial
7 census of the United States; or

8 (bb) a median household income in excess
9 of the State nonmetropolitan median household
10 income according to the most recent decennial
11 census of the United States.

12 “(III) EMPHASIS FOR SMALLER
13 COMMUNITIES.—In carrying out subclause (II), the
14 Secretary shall give highest priority for projects for rural
15 communities with populations that do not exceed 3,000
16 inhabitants.

17 “(iv) FUNDING.—

18 “(I) IN GENERAL.-For each fiscal year, not less
19 than 3 nor more than 5 percent of the total amount made
20 available to carry out grants under this paragraph for the
21 fiscal year shall be reserved for grants under this
22 subparagraph.

1 “(II) RELEASE.—Funds reserved under subclause
2 (I) for a fiscal year shall be reserved only until July 1 of the
3 fiscal year.

4 “(III) FULL FUNDING.—Grants under this
5 subparagraph shall be made in an amount equal to 100
6 percent of the costs of the projects conducted under this
7 subparagraph.

8 “(E) WATER AND WASTE FACILITY GRANTS AND LOANS
9 TO ALLEVIATE HEALTH RISKS

10 “(i) IN GENERAL.—The Secretary may make grants and
11 loans to associations or individuals for water and waste facilities
12 and services in communities in rural areas in which residents face
13 significant health risks, as determined by the Secretary, due to the
14 fact that a significant proportion of the residents of the community
15 do not have access to, or are not served by, adequate affordable
16 water supply systems or waste disposal facilities.

17 “(ii) PRIORITIES.—Priority shall be given to grants and
18 loans for communities in-

19 “(I) counties-

20 “(aa) with per capita income that is not more
21 than 70 percent of the national average, as
22 determined by the Secretary of Commerce; and

1 who is a member of a household the members of which have a
2 combined income (during the most recent 12-month period for
3 which the information is available) that is not more than 100
4 percent of the median nonmetropolitan household income for the
5 State or territory in which the individual resides, according to the
6 most recent decennial census of the United States.

7 “(ii) GRANTS.—The Secretary may make grants to private
8 nonprofit organizations for the purpose of providing loans to
9 eligible individuals for the construction, refurbishing, and
10 servicing of individual household water well systems in rural areas
11 that are or will be owned by the eligible individuals.

12 “(iii) TERMS OF LOANS.—A loan made with grant funds
13 under this subparagraph—

14 “(I) shall have an interest rate of 1 percent;

15 “(II) shall have a term not to exceed 20 years; and

16 “(III) shall not exceed \$8,000 for each water well
17 system.

18 “(iv) ADMINISTRATIVE EXPENSES.—A recipient of a
19 grant made under this subparagraph may use grant funds to pay
20 administrative expenses associated with providing the assistance,
21 as determined by the Secretary.

22 “(v) PRIORITY IN AWARDING GRANTS.—In awarding
23 grants under this subparagraph, the Secretary shall give priority to

1 an applicant that has substantial expertise and experience in
2 promoting the safe and productive use of individually-owned
3 household water well systems and ground water.

4 “(G) SOLID WASTE MANAGEMENT GRANTS.—

5 “(i) IN GENERAL.-The Secretary may make grants to
6 nonprofit organizations for the provision of regional technical
7 assistance to local and regional governments and related agencies
8 for the purpose of reducing or eliminating pollution of water
9 resources and improving the planning and management of solid
10 waste disposal facilities in rural areas.

11 “(ii) AMOUNT.-Grants made under this subparagraph for
12 the provision of technical assistance shall be made in an amount to
13 100 percent of the cost of the assistance.

14 “(H) SERVICE AREA ADJUSTMENTS.-

15 “(i) IN GENERAL.-The service provided or made available
16 through any association shall not be curtailed or limited by-

17 “(I) inclusion of the area served by the association
18 within the boundaries of any municipal corporation or other
19 public body; or

20 “(II) the granting of any private franchise for similar
21 service within the area during the term of the loan.

22 “(ii) FRANCHISE, LICENSE, OR PERMIT.-An event
23 described in clause (i) shall not be the basis for requiring the

1 association to secure any franchise, license, or permit as a
2 condition to continuing to serve the area served by the association
3 at the time of the occurrence of the event.

4 “(I) FEDERAL COST ELIGIBILITY.- Grants made under this
5 paragraph may be used to pay the local share requirements of another
6 Federal grant program to the extent permitted under the law providing for
7 the other Federal grant program.

8 “(3) PRIORITIES –Except as otherwise provided in this subsection, in
9 making of loans and grants for community waste disposal and water facilities
10 under this subsection, the Secretary shall give the highest priority to an
11 application made for a rural community that has a population of not more than
12 5,500 and that-

13 “(A) in the case of a water facility loan, has a community water
14 supply system if the Secretary determines that due to unanticipated
15 diminution or deterioration of the water supply of the community,
16 immediate action is needed; and

17 “(B) in the case of a waste disposal grant or loan, has a community
18 waste disposal system, if the Secretary determines that due to
19 unanticipated occurrences the system is not adequate to the needs of the
20 community.

21 “(4) APPLICATION REQUIREMENTS.—

22 “(A) PUBLICATION OF NOTICE OF APPLICATION.-Not
23 earlier than 60 days before a preliminary application is filed for a loan or a

1 grant under this subsection, a notice of the intent of the applicant to apply
2 for the loan or grant shall be published in a general circulation newspaper.

3 “(B) SELECTION OF ENGINEERS.-The selection of engineers
4 for a project design shall be done by a request for proposals by the
5 applicant.

6 “(5) CONFORMITY WITH STATE DRINKING WATER
7 STANDARDS.— No Federal funds shall be made available under this subsection
8 for a water system unless the Secretary determines that the water system will
9 make significant progress toward meeting the standards established under title
10 XIV of the Public Health Service Act (commonly known as the “Safe Drinking
11 Water Act”) (42 U.S.C. 300f et seq.).

12 “(c) COMMUNITY FACILITIES PROGRAMS.-

13 “(1) LOAN AND LOAN GUARANTEE PROGRAMS.-

14 “(A) IN GENERAL.-The Secretary may make or guarantee loans
15 to associations to finance the installation or improvement of essential
16 community facilities in rural areas.

17 “(B) FEES.-The Secretary may assess fees for loan guarantees
18 issued under this paragraph.

19 “(2) GRANT PROGRAMS.-

20 “(A) GENERAL PROJECT GRANTS.—The Secretary may make
21 grants to associations to support the installation or improvement of
22 essential community facilities under this paragraph in rural areas.

23 “(B) FEDERAL SHARE.—

1 “(i) IN GENERAL.—Except as provided in clauses (ii) and
2 (iii), the Secretary shall establish the amount of the Federal share
3 of the cost of an essential community facility under this paragraph.

4 “(ii) MAXIMUM AMOUNT.—The amount of a grant
5 provided under this paragraph for a facility shall not exceed 75
6 percent of the cost of developing the facility.

7 “(iii) GRADUATED SCALE.—The Secretary shall
8 provide for a graduated scale for the amount of the Federal share
9 provided under this paragraph, with higher Federal shares for
10 facilities in communities that have lower community population
11 and income levels, as determined by the Secretary.

12 “(C) RESERVATION OF FUNDS FOR CHILD DAY CARE
13 FACILITIES.—

14 “(i) IN GENERAL.—For each fiscal year, not less than 10
15 percent of the funds made available to carry out this paragraph
16 shall be reserved for grants to pay the Federal share of the cost of
17 developing and constructing day care facilities for children in rural
18 areas.

19 “(ii) RELEASE.—Funds reserved under clause (i) for a
20 fiscal year shall be reserved only until April 1 of the fiscal year.

21 “(D) TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL
22 COMMUNITY FACILITIES.—The Secretary may make grants to tribal
23 colleges and universities (as defined in section 316(b) of the Higher

1 Education Act of 1965 (20 U.S.C. 1059c(b)) to provide the Federal share
2 of the cost of developing specific tribal college or university essential
3 community facilities in rural areas.

4 “(E) RURAL COMMUNITY DEVELOPMENT INITIATIVE
5 GRANT PROGRAM.-

6 “(i) IN GENERAL.-The Secretary may make grants for
7 technical assistance to assist associations in rural communities to
8 carry out rural development projects.

9 “(ii) COMPETITION.-The Secretary shall make available
10 grants under this subparagraph on a competitive basis.

11 “(F) ECONOMIC IMPACT INITIATIVE GRANTS PROGRAM.-

12 The Secretary may make grants to an association or unit of local
13 government, as determined by the Secretary to provide the Federal share
14 of the cost of development of specific essential community facilities in
15 rural areas in that, as determined by the Secretary-

16 “(i) have high unemployment;

17 “(ii) have outmigration; or

18 “(iii) have a median household income that is less than the
19 nonmetropolitan median household income of the United States.

20 . “(G) ENERGY GENERATION, TRANSMISSION, AND
21 DISTRIBUTION FACILITIES EFFICIENCY GRANTS AND LOANS
22 IN RURAL COMMUNITIES WITH EXTREMELY HIGH ENERGY
23 COSTS.-The Secretary may—

1 “(i) in coordination with State rural development initiatives,
2 make grants and loans to persons, States, political subdivisions of
3 States, and other entities organized under the laws of States and the
4 Federal government (including entities chartered by the Federal
5 government, a State government, or a Tribal government) to
6 acquire, construct, extend, upgrade, or otherwise improve energy
7 generation, transmission, or distribution facilities serving
8 communities in which the average residential expenditure for home
9 energy is at least 275 percent of the national average residential
10 expenditure for home energy (as determined by the Energy
11 Information Agency using the most recent data available); and

12 (ii) make grants to State entities, in existence as of
13 November 9, 2000, to establish and support a revolving fund to
14 provide a more cost-effective means of purchasing fuel if the fuel
15 cannot be shipped by means of surface transportation.

16 “(d) ADMINISTRATION.-

17 “(1) PRIORITIES.-Except as otherwise provided in this section, the
18 Secretary shall give the highest priority to loan and grant applications made under
19 this subsection that are located in cities, towns or unincorporated areas with
20 populations of 20,000 inhabitants or less.

21 “(2) BONDS.-The Secretary may guarantee loans to finance the issuance
22 of bonds (including loans financed by the net proceeds of a bond described in

1 section 142(a) of the Internal Revenue Code of 1986) for projects eligible for
2 assistance under this section.

3 “(3) REVIEW.-The Secretary shall review the income demographics of
4 eligible communities in the programs authorized under this section and shall
5 establish only by regulation applicable limitations a rural area cannot exceed in
6 order to remain eligible for programs under this section.

7 “(e) FUNDING.-

8 “(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized
9 to be appropriated such sums as are necessary to carry out this section for fiscal
10 years 2008 through 2012 and such funds shall remain available until expended.

11 “(2) SUPPLEMENTARY FUNDING FOR RURAL CRITICAL ACCESS
12 HOSPITALS.- Of the funds of the Commodity Credit Corporation, the Secretary
13 shall make available-

14 “(A) for the costs of community facilities loans and loan
15 guarantees to improve, reconstruct, and rehabilitate rural critical access
16 hospitals, as designated by the Secretary of Health and Human Services-

17 “(i) \$5,000,000 for fiscal year 2008;

18 “(ii) \$10,000,000 for fiscal year 2009;

19 “(iii) \$5,000,000 for fiscal year 2010;

20 “(iv) \$25,000,000 for fiscal year 2011; and

21 “(v) \$35,000,000 for fiscal year 2012.

22 “(B) for grants to improve, reconstruct, and rehabilitate these
23 hospitals-

- 1 “(i) \$500,000 for fiscal year 2008;
- 2 “(ii) \$1,000,000 for fiscal year 2009;
- 3 “(iii) \$500,000 for fiscal year 2010;
- 4 “(iv) \$1,000,000 for fiscal year 2011; and
- 5 “(v) \$2,000,000 for fiscal year 2012.

6 (d) ADMINISTRATIVE PROVISIONS.-Subtitle D of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 1981 et seq.) is amended by inserting after section 364
8 the following:

9 **“SEC. 365. STATE APPROVAL.**

10 No grant or loan authorized to be made under this title shall require or be subject
11 to the prior approval of any officer, employee or agency of any state.

12 **“SEC. 366. CERTIFICATES OF BENEFICIAL OWNERSHIP.**

13 “(a) IN GENERAL.-No provision of law shall prohibit the issuance by the
14 Secretary of certificates evidencing beneficial ownership in a block of notes guaranteed
15 or insured under this title or Title V of the Housing Act of 1949; any sale by the Secretary
16 of such certificates shall be treated as a sale of assets for the purposes of the Budget and
17 Accounting Act of 1921.

18 “(b) SECURITIES LAW EXEMPTIONS.-Any security representing beneficial
19 ownership in a block of notes guaranteed or insured under this title or Title V of the
20 Housing Act of 1949 issued by a private entity shall be exempt from laws administered
21 by the Securities and Exchange Commission, except sections 17, 22, and 24, of the
22 Securities Act of 1933, as amended; however, the Secretary shall require-

1 “(1) that the issuer place such notes in the custody of an institution
2 chartered by a Federal or State agency to act as trustee; and

3 “(2) that the issuer provide such periodic reports of sales as the Secretary
4 deems necessary.

5 **“SEC. 367. COOPERATION**

6 “(a) IN GENERAL.-The Secretary shall cooperate, for the purposes described in
7 subsection (b), with-

8 “(1) institutions eligible to receive funds under-

9 “(A) the Act of July 2, 1862 (12 Stat. 503–505, as amended (7
10 U.S.C. 301–305, 307, and 308));

11 “(B) the Act of August 30, 1890 (26 Stat. 417–419, as amended (7
12 U.S.C. 321–326 and 328)), including the Tuskegee Institute; or

13 “(C) the Equity in Educational Land Grant Status Act of 1994 (7
14 U.S.C. 301 note);

15 “(2) Hispanic serving institutions; and

16 “(3) State, substate, and regional planning bodies.

17 “(b) PURPOSE. The Secretary shall cooperate with the organizations described in
18 subsection (a) for the purpose of establishing a system for the dissemination of
19 information and technical assistance on federally sponsored or funded programs that may
20 be used by such organizations and other persons concerned with rural development.

21 (e) CONFORMING AMENDMENTS.-

1 (1) CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.-

2 The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is
3 amended-

4 (A) by repealing sections 306, 306A, 306C, 306D, and 310B (7
5 U.S.C. 1926, 1926a, 1926c, 1926d, 1932)

6 (B) in section 310G (7 U.S.C. 1936a) by striking “as described in
7 section 381E(d)” each place it appears and inserting “made under sections
8 381E through 381G”;

9 (C) in section 333(2) by striking “306, 310B, or” and inserting “,
10 381E, or 381G”after “314”;

11 (D) in section 343(a)(13) (7 U.S.C. 1991(a)(13) by-

12 (i) striking “(A) IN GENERAL.-Except as otherwise
13 provided in this subparagraph, the terms” and insert “The terms”;
14 and

15 (ii) striking subparagraphs (B) through (E); and

16 (E) by repealing section 384S.

17 (2) FARM SECURITY AND RURAL INVESTMENT ACT OF 2002.-

18 Sections 6402 and 9006 of the Farm Security and Rural Investment Act of 2002
19 are repealed (7 U.S.C. 1621 note and 8106).

20 (3) AGRICULTURAL RISK PROTECTION ACT OF 2000.-Section 231
21 of the Agricultural Risk Protection Act of 2000 is repealed (7 U.S.C. 1621 note).

22 (4) RURAL ELECTRIFICATION ACT OF 1936.-The Rural
23 Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended-

1 (A) by repealing section 19 (7 U.S.C. 918a));

2 (B) in section 313(b)(2) (7 U.S.C. 940c(b)(2)) by striking-

3 (i) “(A) MAINTENCE OF ACCOUNT-“; and

4 (ii) subparagraphs (B), (C), (D), and (E).

5

6 (5) FOOD SECURITY ACT OF 1985.-Section 1323 of the Food Security

7 Act of 1985 (7 U.S.C. 1281 note) is amended in subsection (b)(2)-

8 (A) in subparagraph (B), by striking the semicolon at the end and

9 inserting “; and”; and

10 (B) by striking subparagraph (C)

11 **SEC. 6006 EXTENSIONS.**

12 (a) ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL

13 AREAS.-Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is

14 amended—

15 (1) in subsection (j)(3), by striking “2007” and inserting “2012”; and

16 (2) in subsection (k), by striking “2007” and inserting “2012”.

17 (b) TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL

18 AREAS.-

19 (1) IN GENERAL.—Section 2335A of the Food, Agriculture,

20 Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking

21 “2007” and inserting “2012”.

22 (2) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–

23 551 (7 U.S.C. 950aaa note; Public Law 102–551) is repealed.

1 **SEC 6007 REPEALS**

2 (a) RURAL ELECTRIFICATION ACT OF 1936.-The Rural Electrification Act
3 of 1936 (7 U.S.C. 901 et seq.) is amended by repealing Title IV (7 USC 941-950b).

4 (b) RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN
5 GUARANTEES. – The Launching Our Communities’ Access to Local Television Act of
6 2000 is repealed (47 USC 1101-1110).

7 (c) RURAL STRATEGIC INVESTMENT PROGRAM- Section 385 of the
8 Consolidated Farm and Rural Development Act is repealed (7 U.S.C. 2009dd)

9