

*Allyson* S.L. *Full*

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To amend title VI of the Social Security Act to allow States and local governments to use coronavirus relief funds provided under the American Rescue Plan Act for infrastructure projects, improve the Local Assistance and Tribal Consistency Fund, provide Tribal governments with more time to use Coronavirus Relief Fund payments, and for other purposes.

**IN THE SENATE OF THE UNITED STATES—117th Cong., 2d Sess.**

**H. R. 2617**

To amend section 1115 of title 31, United States Code, to amend the description of how performance goals are achieved, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by *+ Cornyn*  
*Padilla* to the amendment (No. \_\_\_\_\_)  
( ) proposed by \_\_\_\_\_

Viz:

- 1 At the appropriate place add the following:

**AMENDMENT NO 6588**  
By *Padilla*  
To: \_\_\_\_\_  
*H.R. 2617*  
\_\_\_\_\_ *27*  
Page(s)  
GPO: 2008 45-603 (mac)

1 **DIVISION \_\_\_\_\_—STATE, LOCAL,**  
2 **TRIBAL, AND TERRITORIAL**  
3 **FISCAL RECOVERY, INFRA-**  
4 **STRUCTURE, AND DISASTER**  
5 **RELIEF FLEXIBILITY**

6 **SEC. 101. SHORT TITLE.**

7 This division may be cited as the “State, Local, Trib-  
8 al, and Territorial Fiscal Recovery, Infrastructure, and  
9 Disaster Relief Flexibility Act”.

10 **SEC. 102. AUTHORITY TO USE CORONAVIRUS RELIEF**  
11 **FUNDS FOR INFRASTRUCTURE PROJECTS.**

12 (a) IN GENERAL.—Title VI of the Social Security Act  
13 (42 U.S.C. 801 et seq.), as amended by section 40909 of  
14 the Infrastructure Investment and Jobs Act, is amended—

15 (1) in section 602—

16 (A) in subsection (a)(1), by inserting “(ex-  
17 cept as provided in subsection (c)(5))” after  
18 “December 31, 2024”; and

19 (B) in subsection (c)—

20 (i) in paragraph (1)—

21 (I) in the matter preceding sub-  
22 paragraph (A), by striking “para-  
23 graph (3)” and inserting “paragraphs  
24 (3), (4), and (5)”;

1 (II) by amending subparagraph  
2 (C) to read as follows:

3 “(C) for the provision of government serv-  
4 ices up to an amount equal to the greater of—

5 “(i) the amount of the reduction in  
6 revenue of such State, territory, or Tribal  
7 government due to the COVID-19 public  
8 health emergency relative to revenues col-  
9 lected in the most recent full fiscal year of  
10 the State, territory, or Tribal government  
11 prior to the emergency; or

12 “(ii) \$10,000,000;”;

13 (III) in subparagraph (D), by  
14 striking the period at the end and in-  
15 sserting “; or”; and

16 (IV) by adding at the end the fol-  
17 lowing new subparagraph:

18 “(E) to provide emergency relief from nat-  
19 ural disasters or the negative economic impacts  
20 of natural disasters, including temporary emer-  
21 gency housing, food assistance, financial assist-  
22 ance for lost wages, or other immediate needs.”;  
23 and

24 (ii) by adding at the end the following  
25 new paragraph:

1           “(5) AUTHORITY TO USE FUNDS FOR CERTAIN  
2           INFRASTRUCTURE PROJECTS.—

3           “(A) IN GENERAL.—Subject to subpara-  
4           graph (C), notwithstanding any other provision  
5           of law, a State, territory, or Tribal government  
6           receiving a payment under this section may use  
7           funds provided under such payment for projects  
8           described in subparagraph (B), including, to the  
9           extent consistent with guidance or rules issued  
10          by the Secretary or the head of a Federal agen-  
11          cy to which the Secretary has delegated author-  
12          ity pursuant to subparagraph (C)(iv)—

13                   “(i) in the case of a project eligible  
14                   under section 117 of title 23, United  
15                   States Code, or section 5309 or 6701 of  
16                   title 49, United States Code, to satisfy a  
17                   non-Federal share requirement applicable  
18                   to such a project; and

19                   “(ii) in the case of a project eligible  
20                   for credit assistance under the TIFIA pro-  
21                   gram under chapter 6 of title 23, United  
22                   States Code—

23                           “(I) to satisfy a non-Federal  
24                           share requirement applicable to such a  
25                           project; and

1                   “(II) to repay a loan provided  
2                   under such program.

3                   “(B) PROJECTS DESCRIBED.—A project  
4                   referred to in subparagraph (A) is any of the  
5                   following:

6                   “(i) A project eligible under section  
7                   117 of title 23, United States Code.

8                   “(ii) A project eligible under section  
9                   119 of title 23, United States Code.

10                  “(iii) A project eligible under section  
11                  124 of title 23, United States Code, as  
12                  added by the Infrastructure Investment  
13                  and Jobs Act.

14                  “(iv) A project eligible under section  
15                  133 of title 23, United States Code.

16                  “(v) An activity to carry out section  
17                  134 of title 23, United States Code.

18                  “(vi) A project eligible under section  
19                  148 of title 23, United States Code.

20                  “(vii) A project eligible under section  
21                  149 of title 23, United States Code.

22                  “(viii) A project eligible under section  
23                  151(f) of title 23, United States Code, as  
24                  added by the Infrastructure Investment  
25                  and Jobs Act.

1                   “(ix) A project eligible under section  
2                   165 of title 23, United States Code.

3                   “(x) A project eligible under section  
4                   167 of title 23, United States Code.

5                   “(xi) A project eligible under section  
6                   173 of title 23, United States Code, as  
7                   added by the Infrastructure Investment  
8                   and Jobs Act.

9                   “(xii) A project eligible under section  
10                  175 of title 23, United States Code, as  
11                  added by the Infrastructure Investment  
12                  and Jobs Act.

13                  “(xiii) A project eligible under section  
14                  176 of title 23, United States Code, as  
15                  added by the Infrastructure Investment  
16                  and Jobs Act.

17                  “(xiv) A project eligible under section  
18                  202 of title 23, United States Code.

19                  “(xv) A project eligible under section  
20                  203 of title 23, United States Code.

21                  “(xvi) A project eligible under section  
22                  204 of title 23, United States Code.

23                  “(xvii) A project eligible under the  
24                  program for national infrastructure invest-  
25                  ments (commonly known as the ‘Rebuild-

1 ing American Infrastructure with Sustain-  
2 ability and Equity (RAISE) grant pro-  
3 gram’).

4 “(xviii) A project eligible for credit as-  
5 sistance under the TIFIA program under  
6 chapter 6 of title 23, United States Code.

7 “(xix) A project that furthers the  
8 completion of a designated route of the Ap-  
9 palachian Development Highway System  
10 under section 14501 of title 40, United  
11 States Code.

12 “(xx) A project eligible under section  
13 5307 of title 49, United States Code.

14 “(xxi) A project eligible under section  
15 5309 of title 49, United States Code.

16 “(xxii) A project eligible under section  
17 5311 of title 49, United States Code.

18 “(xxiii) A project eligible under sec-  
19 tion 5337 of title 49, United States Code.

20 “(xxiv) A project eligible under section  
21 5339 of title 49, United States Code.

22 “(xxv) A project eligible under section  
23 6703 of title 49, United States Code, as  
24 added by the Infrastructure Investment  
25 and Jobs Act.

1           “(xxvi) A project eligible under title I  
2 of the Housing and Community Develop-  
3 ment Act of 1974 (42 U.S.C. 5301 et  
4 seq.).

5           “(xxvii) A project eligible under the  
6 bridge replacement, rehabilitation, preser-  
7 vation, protection, and construction pro-  
8 gram under paragraph (1) under the head-  
9 ing ‘HIGHWAY INFRASTRUCTURE PROGRAM’  
10 under the heading ‘FEDERAL HIGHWAY  
11 ADMINISTRATION’ under the heading ‘DE-  
12 PARTMENT OF TRANSPORTATION’  
13 under title VIII of division J of the Infra-  
14 structure Investment and Jobs Act.

15           “(C) LIMITATIONS; APPLICATION OF RE-  
16 QUIREMENTS.—

17           “(i) LIMITATION ON AMOUNTS TO BE  
18 USED FOR INFRASTRUCTURE PROJECTS.—

19           “(I) IN GENERAL.—The total  
20 amount that a State, territory, or  
21 Tribal government may use from a  
22 payment made under this section for  
23 uses described in subparagraph (A)  
24 shall not exceed the greater of—

25                           “(aa) \$10,000,000; and





1 under this section that are used pur-  
2 suant to subparagraph (A) for a  
3 project described in clause (xxvi) of  
4 subparagraph (B) that relates to  
5 broadband infrastructure;

6 “(II) the requirements of titles  
7 23, 40, and 49 of the United States  
8 Code, title I of the Housing and Com-  
9 munity Development Act of 1974 (42  
10 U.S.C. 5301 et seq.), and the Na-  
11 tional Environmental Policy Act of  
12 1969 (42 U.S.C. 4321 et. seq) shall  
13 apply to funds provided under a pay-  
14 ment made under this section that are  
15 used for projects described in sub-  
16 paragraph (B); and

17 “(III) a State government receiv-  
18 ing a payment under this section may  
19 use funds provided under such pay-  
20 ment for projects described in clauses  
21 (i) through (xxvii) of subparagraph  
22 (B), as applicable, that—

23 “(aa) demonstrate progress  
24 in achieving a state of good re-  
25 pair as required by the State’s

1           asset management plan under  
2           section 119(e) of title 23, United  
3           States Code; and

4                   “(bb) support the achieve-  
5                   ment of 1 or more performance  
6                   targets of the State established  
7                   under section 150 of title 23,  
8                   United States Code.

9                   “(iv) OVERSIGHT.—The Secretary  
10                  may delegate oversight and administration  
11                  of the requirements described in clause (iii)  
12                  to the appropriate Federal agency.

13                  “(v) SUPPLEMENT, NOT SUPPLANT.—  
14                  Amounts from a payment made under this  
15                  section that are used by a State, territory,  
16                  or Tribal government for uses described in  
17                  subparagraph (A) shall supplement, and  
18                  not supplant, other Federal, State, terri-  
19                  torial, Tribal, and local government funds  
20                  (as applicable) otherwise available for such  
21                  uses.

22                  “(D) REPORTS.—The Secretary, in con-  
23                  sultation with the Secretary of Transportation,  
24                  shall provide periodic reports on the use of

1 funds by States, territories, and Tribal govern-  
2 ments under subparagraph (A).

3 “(E) AVAILABILITY.—Funds provided  
4 under a payment made under this section to a  
5 State, territory, or Tribal government shall re-  
6 main available for obligation for a use described  
7 in subparagraph (A) through December 31,  
8 2024, except that no amount of such funds may  
9 be expended after September 30, 2026.”; and  
10 (2) in subsection 603—

11 (A) in subsection (a), by inserting “(except  
12 as provided in subsection (c)(6))” after “De-  
13 cember 31, 2024”; and

14 (B) in subsection (c)—

15 (i) in paragraph (1)—

16 (I) in the matter preceding sub-  
17 paragraph (A), by striking “para-  
18 graphs (3) and (4)” and inserting  
19 “paragraphs (3), (4), (5), and (6)”;

20 (II) by amending subparagraph

21 (C) to read as follows:

22 “(C) for the provision of government serv-  
23 ices up to an amount equal to the greater of—

24 “(i) the amount of the reduction in  
25 revenue of such metropolitan city, non-

1 entitlement unit of local government, or  
2 county due to the COVID-19 public health  
3 emergency relative to revenues collected in  
4 the most recent full fiscal year of the met-  
5 ropolitan city, nonentitlement unit of local  
6 government, or county to the emergency;  
7 or

8 “(ii) \$10,000,000;”;

9 (III) in subparagraph (D), by  
10 striking the period at the end and in-  
11 sserting “; or”; and

12 (IV) by adding at the end the fol-  
13 lowing new subparagraph:

14 “(E) to provide emergency relief from nat-  
15 ural disasters or the negative economic impacts  
16 of natural disasters, including temporary emer-  
17 gency housing, food assistance, financial assist-  
18 ance for lost wages, or other immediate needs.”;  
19 and

20 (ii) by adding at the end the following  
21 new paragraph:

22 “(6) AUTHORITY TO USE FUNDS FOR CERTAIN  
23 INFRASTRUCTURE PROJECTS.—

24 “(A) IN GENERAL.—Subject to subpara-  
25 graph (B), notwithstanding any other provision

1 of law, a metropolitan city, nonentitlement unit  
2 of local government, or county receiving a pay-  
3 ment under this section may use funds provided  
4 under such payment for projects described in  
5 subparagraph (B) of section 602(c)(5), includ-  
6 ing, to the extent consistent with guidance or  
7 rules issued by the Secretary or the head of a  
8 Federal agency to which the Secretary has dele-  
9 gated authority pursuant to subparagraph  
10 (B)(iv)—

11 “(i) in the case of a project eligible  
12 under section 117 of title 23, United  
13 States Code, or section 5309 or 6701 of  
14 title 49, United States Code, to satisfy a  
15 non-Federal share requirement applicable  
16 to such a project; and

17 “(ii) in the case of a project eligible  
18 for credit assistance under the TIFIA pro-  
19 gram under chapter 6 of title 23, United  
20 States Code—

21 “(I) to satisfy a non-Federal  
22 share requirement applicable to such a  
23 project; and

24 “(II) to repay a loan provided  
25 under such program.



1 described in clauses (xx) through (xxiv) of  
2 section 602(c)(5)(B).

3 “(iii) APPLICATION OF REQUIRE-  
4 MENTS.—Except as otherwise determined  
5 by the Secretary or the head of a Federal  
6 agency to which the Secretary has dele-  
7 gated authority pursuant to clause (iv) or  
8 provided in this section—

9 “(I) the requirements of section  
10 60102 of the Infrastructure Invest-  
11 ment and Jobs Act shall apply to  
12 funds provided under a payment made  
13 under this section that are used pur-  
14 suant to subparagraph (A) for a  
15 project described in clause (xxvi) of  
16 section 602(c)(5)(B) that relates to  
17 broadband infrastructure; and

18 “(II) the requirements of titles  
19 23, 40, and 49 of the United States  
20 Code, title I of the Housing and Com-  
21 munity Development Act of 1974 (42  
22 U.S.C. 5301 et seq.), and the Na-  
23 tional Environmental Policy Act of  
24 1969 (42 U.S.C. 4321 et. seq) shall  
25 apply to funds provided under a pay-



1                   ment made under this section that are  
2                   used for projects described in section  
3                   602(c)(5)(B).

4                   “(iv) OVERSIGHT.—The Secretary  
5                   may delegate oversight and administration  
6                   of the requirements described in clause (iii)  
7                   to the appropriate Federal agency.

8                   “(v) SUPPLEMENT, NOT SUPPLANT.—  
9                   Amounts from a payment made under this  
10                  section that are used by a metropolitan  
11                  city, nonentitlement unit of local govern-  
12                  ment, or county for uses described in sub-  
13                  paragraph (A) shall supplement, and not  
14                  supplant, other Federal, State, territorial,  
15                  Tribal, and local government funds (as ap-  
16                  plicable) otherwise available for such uses.

17                  “(C) REPORTS.—The Secretary, in con-  
18                  sultation with the Secretary of Transportation,  
19                  shall provide periodic reports on the use of  
20                  funds by metropolitan cities, nonentitlement  
21                  units of local government, or counties under  
22                  subparagraph (A).

23                  “(D) AVAILABILITY.—Funds provided  
24                  under a payment made under this section to a  
25                  metropolitan city, nonentitlement unit of local

1 government, or county shall remain available  
2 for obligation for a use described in subpara-  
3 graph (A) through December 31, 2024, except  
4 that no amount of such funds may be expended  
5 after September 30, 2026.”.

6 (b) TECHNICAL AMENDMENTS.—Sections 602(c)(3)  
7 and 603(c)(3) of title VI of the Social Security Act (42  
8 U.S.C. 802(c)(3), 803(c)(3)) are each amended by striking  
9 “paragraph (17) of”.

10 (c) GUIDANCE AND EFFECTIVE DATE.—

11 (1) GUIDANCE OR RULE.—Within 60 days of  
12 the date of enactment of this Act, the Secretary of  
13 the Treasury, in consultation with the Secretary of  
14 Transportation, shall issue guidance or promulgate a  
15 rule to carry out the amendments made by this sec-  
16 tion, including updating reporting requirements on  
17 the use of funds under this section.

18 (2) EFFECTIVE DATE.—The amendments made  
19 by this section shall take effect upon the issuance of  
20 guidance or the promulgation of a rule described in  
21 paragraph (1).

22 (d) DEPARTMENT OF THE TREASURY ADMINISTRA-  
23 TIVE EXPENSES.—

24 (1) REDUCTION OF FUNDS AVAILABLE FOR AD-  
25 MINISTRATIVE EXPENSES.—Title IV of division A of

1 the Coronavirus Aid, Relief, and Economic Security  
2 Act (Public Law 116–136) is amended—

3 (A) in section 4003(f), by striking  
4 “\$100,000,000” and inserting “61,000,000”;  
5 and

6 (B) in section 4112(b), by striking  
7 “\$100,000,000” and inserting “\$67,000,000”.

8 (2) AUTHORITY.—Notwithstanding any other  
9 provision of law, the unobligated balances from  
10 amounts made available to the Secretary of the  
11 Treasury (referred to in this subsection as the “Sec-  
12 retary”) for administrative expenses pursuant to the  
13 provisions specified in paragraph (3) shall be avail-  
14 able to the Secretary (in addition to any other ap-  
15 propriations provided for such purpose) for the pur-  
16 pose described in paragraph (4) (subject to the limi-  
17 tation in such paragraph) and for administrative ex-  
18 penses of the Department of the Treasury, except  
19 for the Internal Revenue Service, determined by the  
20 Secretary to be necessary to respond to the  
21 coronavirus emergency, including any expenses nec-  
22 essary to implement any provision of—

23 (A) the Coronavirus Aid, Relief, and Eco-  
24 nomic Security Act (Public Law 116–136);

1 (B) division N of the Consolidated Appro-  
2 priations Act, 2021 (Public Law 116–260);

3 (C) the American Rescue Plan Act (Public  
4 Law 117–2); or

5 (D) title VI of the Social Security Act (42  
6 U.S.C. 801 et seq.).

7 (3) PROVISIONS SPECIFIED.—The provisions  
8 specified in this paragraph are the following:

9 (A) Amounts made available under section  
10 4027(a) of the Coronavirus Aid, Relief, and  
11 Economic Security Act (15 U.S.C. 9061(a)) to  
12 pay costs and administrative expenses under  
13 section 4003(f) of such Act (15 U.S.C.  
14 9042(f)) and amounts made available by sec-  
15 tion 4120(a) of the Coronavirus Aid, Relief,  
16 and Economic Security Act (15 U.S.C. 9080) to  
17 pay costs and administrative expenses under  
18 section 4112(b) of such Act (15 U.S.C.  
19 9072(b)) (after application of the amendments  
20 made by paragraph (1) of this subsection).

21 (B) Section 421(f)(2) of division N of the  
22 Consolidated Appropriations Act, 2021 (Public  
23 Law 116–260).

1 (C) Sections 3201(a)(2)(B),  
2 3206(d)(1)(A), and 7301(b)(5) of the American  
3 Rescue Plan Act of 2021 (Public Law 117-2).

4 (D) Section 602(a)(2) of the Social Secu-  
5 rity Act (42 U.S.C. 802(a)(2)).

6 (4) PAYMENTS TO ELIGIBLE REVENUE SHARING  
7 CONSOLIDATED GOVERNMENTS.—Of amounts made  
8 available under paragraph (2), up to \$10,600,000  
9 shall be available to the Secretary (in addition to  
10 any other appropriations provided for such purpose)  
11 for making payments to eligible revenue sharing con-  
12 solidated governments under subsection (g) of sec-  
13 tion 605 of the Social Security Act (42 U.S.C. 805),  
14 as added by section 103 of this Act.

15 **SEC. 103. ALLOWING PAYMENTS TO ELIGIBLE REVENUE**  
16 **SHARING CONSOLIDATED GOVERNMENTS**  
17 **FROM LOCAL ASSISTANCE AND TRIBAL CON-**  
18 **SISTENCY FUND.**

19 (a) IN GENERAL.—Section 605 of the Social Security  
20 Act (42 U.S.C. 805) is amended by adding at the end the  
21 following new subsection:

22 “(g) PAYMENTS TO ELIGIBLE REVENUE SHARING  
23 CONSOLIDATED GOVERNMENTS.—

24 “(1) PAYMENTS TO ELIGIBLE REVENUE SHAR-  
25 ING CONSOLIDATED GOVERNMENTS FOR FISCAL

1 YEARS 2023 AND 2024.—The Secretary shall allocate  
2 and pay to each eligible revenue sharing consolidated  
3 government for each of fiscal years 2023 and 2024  
4 an amount equal to the amount that the Secretary  
5 would have allocated to such eligible revenue sharing  
6 consolidated government for fiscal year 2022 if all  
7 eligible revenue sharing consolidated governments  
8 had been treated as eligible revenue sharing counties  
9 for purposes of being eligible for payments under  
10 subsection (b)(1) for such fiscal year using the allo-  
11 cation methodology adopted by the Department of  
12 the Treasury for such eligible revenue sharing coun-  
13 ties as of the date of enactment of this subsection.

14 “(2) FUNDING FOR PAYMENTS.—

15 “(A) IN GENERAL.—The Secretary shall  
16 make the allocations and payments described in  
17 paragraph (1) from the amounts described in  
18 subparagraph (B), which shall be available to  
19 the Secretary for such purpose notwithstanding  
20 any other provision of law.

21 “(B) AMOUNTS DESCRIBED.—The  
22 amounts described in this subparagraph are the  
23 following:

24 “(i) Any amount allocated to an eligi-  
25 ble revenue sharing county under sub-

1 section (b)(1) for fiscal year 2022 or 2023  
2 that, as of January 31, 2023, has not been  
3 requested by such county.

4 “(ii) Amounts made available to the  
5 Secretary under section 102(d)(4) of the  
6 State, Local, Tribal, and Territorial Fiscal  
7 Recovery, Infrastructure, and Disaster Re-  
8 lief Flexibility Act.”.

9 (b) CONFORMING AMENDMENTS.—Section 605 of the  
10 Social Security Act (42 U.S.C. 805), as amended by sub-  
11 section (a), is further amended—

12 (1) in subsection (a), by inserting “, subject to  
13 subsection (g),” after “obligated”;

14 (2) in subsection (c), by striking “or an eligible  
15 Tribal government” and inserting “, an eligible  
16 Tribal government, or an eligible revenue sharing  
17 consolidated government”;

18 (3) in subsections (d) and (e), by inserting “or  
19 eligible revenue sharing consolidated government”  
20 after “eligible revenue sharing county” each place it  
21 appears; and

22 (4) in subsection (f)—

23 (A) by redesignating paragraphs (1)  
24 through (4) as paragraphs (2) through (5), re-  
25 spectively; and

1 (B) by inserting before paragraph (2) (as  
2 so redesignated) the following new paragraph:

3 “(1) ELIGIBLE REVENUE SHARING CONSOLI-  
4 DATED GOVERNMENT.—The term ‘eligible revenue  
5 sharing consolidated government’ means a county,  
6 parish, or borough—

7 “(A) that has been classified by the Bu-  
8 reau of the Census as an active government  
9 consolidated with another government; and

10 “(B) for which, as determined by the Sec-  
11 retary, there is a negative revenue impact due  
12 to implementation of a Federal program or  
13 changes to such program.”.

14 **SEC. 104. EXTENSION OF AVAILABILITY OF CORONAVIRUS**  
15 **RELIEF FUND PAYMENTS TO TRIBAL GOV-**  
16 **ERNMENTS.**

17 Section 601(d)(3) of the Social Security Act (42  
18 U.S.C. 801(d)(3)) is amended by inserting “(or, in the  
19 case of costs incurred by a Tribal government, during the  
20 period that begins on March 1, 2020, and ends on Decem-  
21 ber 31, 2022)” before the period.



1 **SEC. 105. RESCISSION OF CORONAVIRUS RELIEF AND RE-**  
2 **COVERY FUNDS DECLINED BY STATES, TER-**  
3 **RITORIES, OR OTHER GOVERNMENTAL ENTI-**  
4 **TIES.**

5 Title VI of the Social Security Act (42 U.S.C. 801  
6 et seq.) is amended by adding at the end the following  
7 new section:

8 **“SEC. 606. RESCISSION OF FUNDS DECLINED BY STATES,**  
9 **TERRITORIES, OR OTHER GOVERNMENTAL**  
10 **ENTITIES.**

11 **“(a) RESCISSION.—**

12 **“(1) IN GENERAL.—**Subject to paragraphs (2)  
13 and (3), if a State, territory, or other governmental  
14 entity provides notice to the Secretary of the Treas-  
15 ury in the manner provided by the Secretary of the  
16 Treasury that the State, territory, or other govern-  
17 mental entity intends to decline all or a portion of  
18 the amounts that are to be awarded to the State,  
19 territory, or other governmental entity from funds  
20 appropriated under this title, an amount equal to  
21 the unaccepted amounts or portion of such amounts  
22 allocated by the Secretary of the Treasury as of the  
23 date of such notice that would have been awarded to  
24 the State, territory, or other governmental entity  
25 shall be rescinded from the applicable appropriation  
26 account.

1           “(2) EXCLUSION.—Paragraph (1) shall not  
2 apply with respect to funds that are to be paid to  
3 a State under section 603 for distribution to non-  
4 entitlement units of local government.

5           “(3) RULES OF CONSTRUCTION.—Paragraph  
6 (1) shall not be construed as—

7           “(A) preventing a sub-State governmental  
8 entity, including a nonentitlement unit of local  
9 government, from notifying the Secretary of the  
10 Treasury that the sub-State governmental enti-  
11 ty intends to decline all or a portion of the  
12 amounts that a State may distribute to the en-  
13 tity from funds appropriated under this title; or

14           “(B) allowing a State to prohibit or other-  
15 wise prevent a sub-State governmental entity  
16 from providing such a notice.

17           “(b) USE FOR DEFICIT REDUCTION.—Amounts re-  
18 scinded under subsection (a) shall be deposited in the gen-  
19 eral fund of the Treasury for the sole purpose of deficit  
20 reduction.

21           “(c) STATE OR OTHER GOVERNMENTAL ENTITY DE-  
22 FINED.—In this section, the term ‘State, territory, or  
23 other governmental entity’ means any entity to which a  
24 payment may be made directly to the entity under this  
25 title other than a Tribal government, as defined in sections

1 601(g), 602(g), and 604(d), and an eligible Tribal govern-  
2 ment, as defined in section 605(f).”