

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1269

To establish a comprehensive recovery program for communities, businesses, and workers adversely affected by the closure or realignment of military installations.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1993

Ms. SNOWE introduced the following bill; which was referred jointly to the Committees on Armed Services, Energy and Commerce, Ways and Means, Government Operations, Education and Labor, Banking, Finance and Urban Affairs, and Public Works and Transportation

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## A BILL

To establish a comprehensive recovery program for communities, businesses, and workers adversely affected by the closure or realignment of military installations.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Comprehensive Base Closure Reform and Recovery Act  
6 of 1993”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—ENVIRONMENTAL RESTORATION AT CERTAIN MILITARY INSTALLATIONS TO BE CLOSED

Sec. 101. Cleanup schedule for certain bases on Superfund National Priorities List.

TITLE II—TAX INCENTIVES RELATING TO FEDERAL MILITARY BASE CLOSURES AND REALIGNMENTS

- Sec. 201. Amendment of 1986 code.
- Sec. 202. Hiring and investment incentives.
- Sec. 203. Treatment of amounts paid on account of military base closings.

TITLE III—ECONOMIC ADJUSTMENT AND CONVERSION ASSISTANCE

- Sec. 301. Authorization of appropriations for community economic adjustment assistance and emphasis on providing such assistance to the most seriously affected communities.
- Sec. 302. Loan guaranty program.
- Sec. 303. Increase in average amount of economic planning grants provided by the Office of Economic Adjustment.
- Sec. 304. Adjustment assistance for employees.
- Sec. 305. Conveyance of closed bases to neighboring communities.
- Sec. 306. Preference for local and small businesses.
- Sec. 307. Expansion of homeowners assistance program to include employees of local educational agencies adversely affected by base closures.

1 **TITLE I—ENVIRONMENTAL RES-**  
 2 **TORATION AT MILITARY IN-**  
 3 **STALLATIONS TO BE CLOSED**

4 **SEC. 101. CLEANUP SCHEDULE FOR CERTAIN BASES ON**  
 5 **SUPERFUND NATIONAL PRIORITIES LIST.**

6 (a) CLEANUP SCHEDULE FOR CERTAIN BASES ON  
 7 NATIONAL PRIORITIES LIST.—(1) Before a military in-  
 8 stallation described in subsection (c) is closed or substan-  
 9 tial reductions in its operations have occurred, at least 75  
 10 percent of the remedial action required on the installation  
 11 pursuant to the Comprehensive Environmental Response,

1 Compensation, and Liability Act of 1980 (42 U.S.C. 9601  
2 et seq.) shall be completed.

3 (2) Not later than two years after a military installa-  
4 tion described in subsection (c) is closed or substantial re-  
5 ductions in its operations have occurred, all of the reme-  
6 dial action required on the installation pursuant to such  
7 Act shall be completed.

8 (b) MEANING OF SUBSTANTIAL REDUCTIONS.—For  
9 purposes of subsection (a), substantial reductions in the  
10 operations of a military installation shall be considered to  
11 have occurred if more than 50 percent of the personnel  
12 assigned to the installation, including employees and mem-  
13 bers of the Armed Forces, have been reassigned and  
14 moved to another installation.

15 (c) APPLICABILITY.—This section applies to each  
16 military installation—

17 (1) which is on the National Priorities List  
18 under the Comprehensive Environmental Response,  
19 Compensation, and Liability Act of 1980 (42 U.S.C.  
20 9601 et seq.); and

21 (2) which is to be closed pursuant to title II of  
22 the Defense Authorization Amendments and Base  
23 Closure and Realignment Act (Public Law 100–526;  
24 10 U.S.C. 2687 note), pursuant to the Defense Base  
25 Closure and Realignment Act of 1990 (part A of

1 title XXIX of Public Law 101–510; 10 U.S.C. 2687  
2 note), or otherwise by the Department of Defense.

3 (d) DEFINITION.—For purposes of this section, the  
4 term “remedial action” has the meaning given that term  
5 by section 101 of the Comprehensive Environmental Re-  
6 sponse, Compensation, and Liability Act of 1980 (42  
7 U.S.C. 9601 et seq.).

8 **TITLE II—TAX INCENTIVES RE-**  
9 **LATING TO FEDERAL MILI-**  
10 **TARY BASE CLOSURES AND**  
11 **REALIGNMENTS**

12 **SEC. 201. AMENDMENT OF 1986 CODE.**

13 Except as otherwise expressly provided, whenever in  
14 this title an amendment or repeal is expressed in terms  
15 of an amendment to or repeal of a section or other provi-  
16 sion, such amendment or repeal shall be treated as made  
17 to a section or other provision of the Internal Revenue  
18 Code of 1986.

19 **SEC. 202. HIRING AND INVESTMENT INCENTIVES.**

20 (a) IN GENERAL.—Chapter 1 (relating to normal tax  
21 and surtax rules) is amended by inserting after subchapter  
22 T the following new subchapter:

23 **“Subchapter U—Tax Incentives Relating to**  
24 **Closed Federal Military Installations**

“Part I. Definitions.

“Part II. Hiring incentives.

“Part III. Investment incentives.

1                                   **“PART I—DEFINITIONS**

                                  “Sec. 1391. Definitions.

2   **“SEC. 1391. DEFINITIONS.**

3           “(a) APPLICABLE FEDERAL MILITARY INSTALLA-  
4   TION.—For purposes of this subchapter, the term ‘appli-  
5   cable Federal military installation’ means a Federal mili-  
6   tary installation or other facility which is closed or re-  
7   aligned under—

8                   “(1) the Defense Base Closure and Realign-  
9                   ment Act of 1990 (10 U.S.C. 2687 note),

10                   “(2) title II of the Defense Authorization  
11                   Amendments and Base Closure and Realignment  
12                   Act (10 U.S.C. 2687 note), or

13                   “(3) section 2687 of title 10, United States  
14                   Code.

15           “(b) TERMINATED EMPLOYEE.—For purposes of this  
16   subchapter—

17                   “(1) IN GENERAL.—The term ‘terminated em-  
18                   ployee’ means an individual who is certified, under  
19                   procedures similar to the procedures described in  
20                   section 51(d)(16), as being an individual (whether or  
21                   not a Federal employee)—

22                                   “(A) who was employed on an applicable  
23                   Federal military installation, and

1           “(B) whose job was terminated by reason  
2           of the closing or realignment of such installa-  
3           tion.

4           “(2) LIMITATION.—An individual shall not be  
5           treated as a terminated employee with respect to any  
6           job termination after the later of—

7                   “(A) the close of the 2nd calendar year fol-  
8                   lowing the calendar year in which the an-  
9                   nouncement of the job termination occurs, or

10                   “(B) the close of the 1-year period begin-  
11                   ning with the date on which the employee first  
12                   begins work for any employer after the job  
13                   termination.

14                   **“PART II—HIRING INCENTIVES**

                  “Sec. 1392. Targeted jobs credit.

15           **“SEC. 1392. TARGETED JOBS CREDIT.**

16           “For purposes of section 38, a terminated employee  
17           shall be treated as a member of a targeted group for pur-  
18           poses of determining the targeted jobs credit under section  
19           51.

20                   **“PART III—INVESTMENT INCENTIVES**

                  “Sec. 1393. Capital incentives.

1 **“SEC. 1393. CAPITAL INCENTIVES.**

2 “(a) REDUCTION IN RECOVERY PERIOD FOR  
3 NONRESIDENTIAL REAL AND RESIDENTIAL RENTAL  
4 PROPERTY.—

5 “(1) IN GENERAL.—For purposes of section  
6 168, the applicable recovery period—

7 “(A) for any qualified nonresidential real  
8 property shall be 21.5 years, and

9 “(B) for any qualified residential rental  
10 property shall be 17.5 years.

11 “(2) QUALIFIED PROPERTY.—For purposes of  
12 paragraph (1), the term ‘qualified nonresidential  
13 real property’ or ‘qualified residential rental prop-  
14 erty’ means nonresidential real property (as defined  
15 in section 168(e)(2)(B)) or residential rental prop-  
16 erty (as defined in section 168(e)(2)(A)), whichever  
17 is applicable, which—

18 “(A) is located on an applicable Federal  
19 military installation,

20 “(B) is used by the taxpayer predomi-  
21 nantly in the active conduct of a trade or busi-  
22 ness on such installation, and

23 “(C) is placed in service by the taxpayer  
24 during the 15-year period beginning on the date  
25 of the announcement of the closure or realign-  
26 ment of such installation.

1       “(b) INCREASE IN AMOUNT WHICH MAY BE EX-  
2 PENSED.—

3           “(1) IN GENERAL.—In the case of qualified sec-  
4 tion 179 property—

5           “(A) the limitation under subsection (b)(1)  
6 of section 179 with respect to such property  
7 shall be equal to the amount determined under  
8 paragraph (2), and

9           “(B) subsection (b)(2) of section 179 shall  
10 not apply with respect to such property.

11       “(2) AMOUNT WHICH MAY BE EXPENSED.—For  
12 purposes of paragraph (1)(A), the amount under  
13 this paragraph shall be equal to the excess (if any)  
14 of—

15           “(A) the lesser of—

16           “(i) 25 percent of the cost of the  
17 qualified section 179 property (or, if great-  
18 er, \$10,000), or

19           “(ii) \$200,000, over

20           “(B) the cost of section 179 property for  
21 the taxable year which is not qualified section  
22 179 property.

23       “(3) QUALIFIED PROPERTY.—For purposes of  
24 this subsection—

1           “(A) IN GENERAL.—The term ‘qualified  
2 section 179 property’ means section 179 prop-  
3 erty which is used by the taxpayer predomi-  
4 nantly in the active conduct of a trade or busi-  
5 ness on an applicable Federal military installa-  
6 tion.

7           “(B) EXCEPTIONS.—The term ‘qualified  
8 section 179 property’ does not include—

9                   “(i) property which is used or located  
10 outside of an applicable Federal military  
11 installation on any regular basis, or

12                   “(ii) property the original use of  
13 which commences with the taxpayer after  
14 the close of the 15-year period beginning  
15 on the date of the announcement of the  
16 closing or realignment of such installation.

17           “(C) OTHER TERMS.—The terms ‘cost’  
18 and ‘section 179 property’ have the meanings  
19 given such terms by section 179.

20           “(c) RELATED PARTIES.—

21                   “(1) IN GENERAL.—No property shall be treat-  
22 ed as qualified nonresidential real property, qualified  
23 residential rental property, or qualified section 179  
24 property if it is acquired (directly or indirectly) by

1 the taxpayer from a person who is related to the tax-  
2 payer as of the time of the acquisition.

3 “(2) RELATED PERSON.—For purposes of para-  
4 graph (1), a person (hereafter in this subparagraph  
5 referred to as the ‘related person’) is related to any  
6 other person if—

7 “(A) the related person bears a relation-  
8 ship to such other person specified in section  
9 267(b) or 707(b)(1), or

10 “(B) the related person and such other  
11 person are engaged in trades or businesses  
12 under common control (within the meaning of  
13 subsections (a) and (b) of section 52).

14 For purposes of subparagraph (A), ‘10 percent’ shall  
15 be substituted for ‘50 percent’ in applying sections  
16 267(b)(1) and 707(b)(1). In the case of the acquisi-  
17 tion of any property by any partnership which re-  
18 sults from the termination of another partnership  
19 under section 708(b)(1)(B), the determination under  
20 this paragraph of whether the acquiring partnership  
21 is related to the other partnership shall be made im-  
22 mediately before the event resulting in such termi-  
23 nation.

24 “(d) SPECIAL RULES FOR RECAPTURE IN CASE OF  
25 DISPOSITIONS, ETC.—

1           “(1) IN GENERAL.—If, during any taxable year,  
2           property which is qualified nonresidential real prop-  
3           erty, qualified residential rental property, or quali-  
4           fied section 179 property—

5                   “(A) is disposed of other than to a person  
6                   who is to continue the use of such property as  
7                   qualified property, or

8                   “(B) in the case of qualified section 179  
9                   property, is removed from the applicable Fed-  
10                  eral military installation, or otherwise ceases to  
11                  be used in the active conduct of a trade or busi-  
12                  ness on such installation,

13           the tax under this chapter for such taxable year  
14           shall be increased by the amount described in para-  
15           graph (2).

16           “(2) AMOUNT OF INCREASE.—The increase in  
17           tax under paragraph (1) shall equal the amount  
18           which bears the same ratio to the aggregate decrease  
19           in the tax for all prior taxable years which resulted  
20           solely from the application of this section to the  
21           property as the number of taxable years that the  
22           property was held by the taxpayer bears to the appli-  
23           cable recovery period for such property under section  
24           312(k).”

1 (b) CONFORMING AMENDMENT.—The table of sub-  
2 chapters for chapter 1 is amended by inserting after the  
3 item relating to subchapter T the following new item:

“SUBCHAPTER U. Tax incentives relating to closed Federal mili-  
tary installations.”

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 the date of the enactment of this Act.

7 **SEC. 203. TREATMENT OF AMOUNTS PAID ON ACCOUNT OF**  
8 **MILITARY BASE CLOSINGS.**

9 (a) IN GENERAL.—Section 1034 (relating to rollover  
10 of gain on sale of principal residence) is amended by redес-  
11 ignating subsection (l) as subsection (m) and by inserting  
12 after subsection (k) the following new subsection:

13 “(l) TREATMENT OF AMOUNTS PAID ON ACCOUNT  
14 OF MILITARY BASE CLOSINGS.—Amounts received under  
15 section 1013(c)(1) of the Demonstration Cities and Metro-  
16 politan Development Act of 1966 (42 U.S.C.  
17 3374(c)(1))—

18 “(1) shall be treated for purposes of this chap-  
19 ter as part of the amount realized on the sale of the  
20 residence, and

21 “(2) shall not be treated for purposes of this  
22 title as compensation for services.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to amounts received in taxable  
3 years beginning after December 31, 1993.

4 **TITLE III—ECONOMIC ADJUST-**  
5 **MENT AND CONVERSION AS-**  
6 **SISTANCE**

7 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS FOR COM-**  
8 **MUNITY ECONOMIC ADJUSTMENT ASSIST-**  
9 **ANCE AND EMPHASIS ON PROVIDING SUCH**  
10 **ASSISTANCE TO THE MOST SERIOUSLY AF-**  
11 **FECTED COMMUNITIES.**

12 (a) PRIORITY FOR THE MOST SERIOUSLY AFFECTED  
13 COMMUNITIES.—Subsection (a) of section 4103 of the De-  
14 fense Economic Adjustment, Diversification, Conversion,  
15 and Stabilization Act of 1990 (division D of Public Law  
16 101–510; 104 Stat. 1851) is amended by adding at the  
17 end the following new sentences: “In making economic ad-  
18 justment assistance available under this section, the Eco-  
19 nomic Development Administration shall ensure that  
20 funds are reserved for communities identified as the most  
21 substantially and seriously affected by the closure or re-  
22 alignment of a military installation or the curtailment,  
23 completion, elimination, or realignment of a major defense  
24 contract or subcontract. The Administration shall identify

1 such communities through the use of objective evidence,  
2 such as increasing unemployment.”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Sub-  
4 section (b) of such section is amended by striking out the  
5 first sentence and inserting in lieu thereof the following:  
6 “There are authorized to be appropriated to the Secretary  
7 of Defense to carry out subsection (a) \$200,000,000 for  
8 each of the fiscal years 1994 through 1996.”.

9 **SEC. 302. LOAN GUARANTY PROGRAM.**

10 (a) ESTABLISHMENT.—The Secretary of Defense  
11 shall establish a program to guarantee loans made by ap-  
12 proved lenders to civilian employees of the Department of  
13 Defense employed at or in connection with a military in-  
14 stallation in the United States to be closed or realigned  
15 pursuant to the Defense Base Closure and Realignment  
16 Act of 1990 (part A of title XXIX of Public Law 101-  
17 510; 10 U.S.C. 2687 note) or title II of the Defense Au-  
18 thorization Amendments and Base Closure and Realign-  
19 ment Act (Public Law 100-526; 10 U.S.C. 2687 note).

20 (b) AMOUNT OF GUARANTY.—The total amount of  
21 loans guaranteed under subsection (a) for an employee re-  
22 ferred to in that subsection may not exceed \$10,000.

23 (c) APPLICATION FOR GUARANTY.—An employee re-  
24 ferred to subsection (a) shall submit an application to the  
25 Secretary, in such form and manner as the Secretary may

1 require, to receive a loan guaranty under that subsection.  
2 Subject to the approval of the Secretary, the employee  
3 may designate the loan to which the guaranty shall apply.  
4 The designation of a loan may not be changed after a cer-  
5 tificate of guaranty is issued for the loan until the loan  
6 is completely paid.

7 (d) CERTIFICATE OF GUARANTY.—When a loan is  
8 guaranteed under this section, the Secretary shall provide  
9 the lender with a loan guaranty certificate or other evi-  
10 dence of the guaranty. The lender may require the certifi-  
11 cate as a condition of making the loan.

12 (e) APPROVED LENDERS.—A loan may be guaran-  
13 teed under this section only if made—

14 (1) by a Federal land bank, national bank,  
15 State bank, private bank, building and loan associa-  
16 tion, insurance company, credit union, or mortgage  
17 and loan company, that is subject to examination  
18 and supervision by an agency of the United States  
19 or of a State; or

20 (2) by any other lender approved by the Sec-  
21 retary under standards established by the Secretary.

22 (f) DEFAULT.—In the event of default in the pay-  
23 ment of a loan guaranteed under this section, the holder  
24 of the obligation shall notify the Secretary. Upon receipt  
25 of that notice, the Secretary shall pay to the holder an

1 amount equal to the amount of the loan in default or the  
2 amount of originally guaranteed, whichever is less. The  
3 Secretary shall be subrogated to the rights of the holder  
4 to the extent of the amount paid by the Secretary.

5 **SEC. 303. INCREASE IN AVERAGE AMOUNT OF ECONOMIC**  
6 **PLANNING GRANTS PROVIDED BY THE OF-**  
7 **FICE OF ECONOMIC ADJUSTMENT.**

8 Section 2391(b) of title 10, United States Code, is  
9 amended by adding at the end the following new para-  
10 graph:

11 “(6) In the case of a State or local government di-  
12 rectly and adversely affected by the closure of a military  
13 installation, the average amount of assistance made avail-  
14 able under paragraph (1) to that State or local govern-  
15 ment for planning community adjustments and economic  
16 diversification in consequence of that closure shall not be  
17 less than \$250,000 per year during the course of that clo-  
18 sure.”.

19 **SEC. 304. ADJUSTMENT ASSISTANCE FOR EMPLOYEES.**

20 Section 4203(a) of the Defense Economic Adjust-  
21 ment, Diversification, Conversion, and Stabilization Act of  
22 1990 (division D of Public Law 101-510; 104 Stat. 1853)  
23 is amended by inserting after “fiscal year 1991” the fol-  
24 lowing: “and \$250,000,000 for each of the fiscal years  
25 1994 through 1996.”.

1 **SEC. 305. CONVEYANCE OF CLOSED BASES TO NEIGHBOR-**  
2 **ING COMMUNITIES.**

3 (a) FINDINGS AND PURPOSES.—(1) The Congress  
4 finds the following:

5 (A) The Department of Defense has been di-  
6 rected to reduce the size and cost of the military and  
7 this can only be accomplished by closing military  
8 installations.

9 (B) A military installation is a part of the in-  
10 frastructure of the community in which it is located  
11 and there is a long standing symbiotic relationship  
12 between a military installation and the community.

13 (C) The people in an impacted community have  
14 made substantial, long term investments of time,  
15 training, and wealth to support the military installa-  
16 tion.

17 (D) The loss to an impacted community when  
18 a military installation is closed may be substantial  
19 and in such cases the Congress wishes to mitigate  
20 the damage to the impacted community.

21 (E) An impacted community knows best the  
22 needs of the community and the best way to use  
23 available resources to meet these needs consistent  
24 with existing national priorities.

25 (F) Unfettered ownership of the real property  
26 associated with a closed military installation at the

1 earliest possible time can partially offset the loss to  
2 a community which results when a military installa-  
3 tion is closed.

4 (2) The purposes of this section are as follows:

5 (A) To benefit communities impacted signifi-  
6 cantly when a military installation located in such  
7 communities is closed by authorizing the real and  
8 excess related personal property on which the mili-  
9 tary installations are located to be conveyed to the  
10 impacted community as soon as possible after a deci-  
11 sion to close the military installation is made but no  
12 later than 180 days after closure.

13 (B) To provide significantly impacted commu-  
14 nities a resource which will aid in mitigating the loss  
15 incurred by the community following a decision to  
16 close a military installation and which may be used  
17 by the impacted community, as the community  
18 deems appropriate, for industrial, commercial, resi-  
19 dential, recreational, or public uses.

20 (b) IN GENERAL.—Notwithstanding any other provi-  
21 sion of law, the Secretary of Defense shall convey to an  
22 eligible political subdivision or subdivisions of a State or  
23 to the State in accordance with this section all right, title,  
24 and interest of the United States in the military installa-  
25 tion closed pursuant to a base closure law.

1           (c) ADVANCE NOTICE TO ELIGIBLE STATES AND PO-  
2 LITICAL SUBDIVISIONS.—As soon as practicable after a  
3 military installation has been identified for closure, but in  
4 any event not later than the date on which the installation  
5 is closed, the Secretary shall transmit to the appropriate  
6 State, and political subdivisions, communities, and coun-  
7 ties of the State to which property at such installation may  
8 be conveyed pursuant to this section, advance notification  
9 of the Secretary's intention to make a conveyance of the  
10 property of the installation.

11           (d) ELIGIBLE STATES AND POLITICAL SUBDIVI-  
12 SIONS.—Property at a military installation that is to be  
13 conveyed under subsection (b) shall be conveyed to a polit-  
14 ical subdivision or subdivisions or State in the following  
15 order of priority:

16           (1) The Secretary shall convey the property to  
17 a political subdivision of a State that is designated  
18 in State law to receive the conveyance of such prop-  
19 erty and accepts the conveyance.

20           (2) If there is no political subdivision des-  
21 igned to receive the property pursuant to para-  
22 graph (1), the Secretary shall convey the property to  
23 the State in which the property is located if the law  
24 of that State designates the State to receive the con-

1 conveyance of such property and the State accepts the  
2 conveyance.

3 (3) In the case of any real property for which  
4 neither a State nor a political subdivision of a State  
5 is designated pursuant to paragraph (1) or (2), the  
6 Secretary shall consult with appropriate State and  
7 local officials to determine the distribution of the  
8 property that would best serve the interests of the  
9 residents of the State and affected political subdivi-  
10 sions of the State. The Secretary shall convey the  
11 property in accordance with the determination made  
12 under this paragraph if the selected political subdivi-  
13 sion or subdivisions agree to accept the property.

14 (4) In the case of any real property that is not  
15 accepted under the preceding paragraphs, the Sec-  
16 retary shall offer the property to other departments  
17 and agencies of the Federal Government.

18 (e) PROPERTY TO BE CONVEYED.—In addition to  
19 the conveyance of real property to a State or political sub-  
20 division pursuant to this section, the Secretary shall con-  
21 vey any related personal property that the Secretary deter-  
22 mines is appropriate for use by the recipient in connection  
23 with the recipient's use of the real property. Pending such  
24 conveyance, the Secretary shall maintain the real property

1 and personal property to prevent the deterioration of the  
2 property.

3 (f) CONSIDERATION NOT TO BE REQUIRED.—No  
4 consideration may be required for a conveyance of prop-  
5 erty pursuant to this section.

6 (g) WAIVER AUTHORITY.—(1) Subject to paragraph  
7 (3), the President may waive in whole or in part the re-  
8 quirement to convey property at a military installation  
9 under subsection (b) if the President—

10 (A) determines that the continuation of the  
11 United States interest in such property—

12 (i) is vital to national security interests; or

13 (ii) the value of the installation is so high  
14 that a conveyance to the political subdivision or  
15 State would constitute an undue windfall to the  
16 community and would not be necessary for the  
17 economic recovery of the region; and

18 (B) transmits to Congress a certification of  
19 such determinations together with the reasons for  
20 such determinations.

21 (2) The total number of waivers made under para-  
22 graph (1) may not exceed five military installations for  
23 each package of closures approved by Defense Base Clo-  
24 sure And Realignment Commission under a base closure  
25 Law, except that a waiver in part shall not count against

1 this total if the value of the property reserved does not  
2 exceed 25 percent of the total value of such installation  
3 or if the appropriate political subdivision or State agrees  
4 with the reservation.

5 (3) A determination and certification in the case of  
6 the closure of any military installation shall be effective  
7 only if made before the earlier of—

8 (A) the date on which the installation is closed;  
9 or

10 (B) December 31 of the year following the year  
11 in which the closure of that installation is approved  
12 by the President.

13 (4) The President may extend the deadline for mak-  
14 ing a determination and certification under paragraph (3)  
15 for not more than two successive periods of 90 days by  
16 transmitting to Congress a notification of the extension  
17 before the end of the deadline or extended deadline, as  
18 the case may be.

19 (5) The President may withdraw a waiver under  
20 paragraph (1) in the case of any military installation. Not  
21 later than 180 days after the withdrawal of the waiver,  
22 the Secretary of Defense shall make the conveyance re-  
23 quired by subsection (b) in accordance with this section.

24 (h) CONTINUING RESPONSIBILITY OF THE DEPART-  
25 MENT OF DEFENSE.—Prior to and after any conveyance

1 of real property of a closed military installation pursuant  
2 to this section, the Secretary of Defense, in consultation  
3 with the appropriate political subdivision or State, shall  
4 be responsible for providing economic adjustment and  
5 community planning assistance (including assistance in  
6 conducting public hearings to decide the appropriate use  
7 of a closed military installation) to communities near the  
8 closed military installation until such time as the economic  
9 stability of such communities is achieved, as determined  
10 by the Secretary.

11 (i) SOURCES OF FUNDING.—The Secretary may ex-  
12 pend any funds in a base closure account to carry out the  
13 responsibilities referred to in subsection (h). The Sec-  
14 retary shall notify Congress in advance of the obligation  
15 of funds for such purpose.

16 (j) IMPROVEMENT OF PROPERTY PENDING CONVEY-  
17 ANCE.—(1) Notwithstanding any other provision of law,  
18 the Secretary of Defense and the head of any other de-  
19 partment or agency of the Federal Government may con-  
20 tinue, on and after the applicable date referred to in para-  
21 graph (2), to obligate funds (to the extent available) for  
22 making improvements to the property that has not been  
23 conveyed that will facilitate the conveyance of the property  
24 and are consistent with the use to be made of the property  
25 by the recipient of the conveyance.

1       (2) Paragraph (1) applies in the case of property at  
2 a military installation on and after the date on which the  
3 closure of that installation is approved by the President.

4       (k) DEFINITIONS.—For purposes of the section:

5           (1) The term “military installation” has the  
6 meaning given such term in section 2687(e)(1) of  
7 title 10, United States Code.

8           (2) The term “base closure law” means the  
9 following:

10           (A) The Defense Base Closure and Re-  
11 alignment Act of 1990 (part A of title XXIX of  
12 Public Law 101–510; 10 U.S.C. 2687 note).

13           (B) Title II of the Defense Authorization  
14 Amendments and Base Closure and Realign-  
15 ment Act (Public Law 100–526; 10 U.S.C.  
16 2687 note).

17           (C) Section 2687 of title 10, United States  
18 Code.

19           (3) The term “base closure account” means the  
20 following:

21           (A) The Department of Defense Base Clo-  
22 sure Account, as established by section 207(a)  
23 of the Defense Authorization Amendments and  
24 Base Closure and Realignment Act (Public Law  
25 100–526; 10 U.S.C. 2687 note).

1 (B) The Department of Defense Base Clo-  
2 sure Account 1990, as established by section  
3 2906 of the Defense Base Closure and Realign-  
4 ment Act of 1990 (part A of title XXIX of  
5 Public Law 101–510; 10 U.S.C. 2687 note).

6 **SEC. 306. PREFERENCE FOR LOCAL AND SMALL BUSI-**  
7 **NESSES.**

8 (a) PREFERENCE REQUIRED.—In entering into con-  
9 tracts with private entities as part of the closure or re-  
10 alignment of a military installation under a base closure  
11 law, the Secretary of Defense shall give preference, to the  
12 greatest extent practicable, to businesses located in the vi-  
13 cinity of the installation and small business concerns. Con-  
14 tracts for which this preference shall be given shall include  
15 contracts to carry out activities for the environmental res-  
16 toration and mitigation at a military installation to be  
17 closed or realigned.

18 (b) DEFINITIONS.—For purposes of this section:

19 (1) The term “small business concern” has the  
20 meaning given such term in section 3 of the Small  
21 Business Act (15 U.S.C. 632).

22 (2) The term “base closure law” means the  
23 following:

24 (A) The Defense Base Closure and Re-  
25 alignment Act of 1990 (part A of title XXIX of

1 Public Law 101–510; 104 Stat. 1808; 10  
2 U.S.C. 2687 note).

3 (B) Title II of the Defense Authorization  
4 Amendments and Base Closure and Realign-  
5 ment Act (Public Law 100–526; 10 U.S.C.  
6 2687 note).

7 (C) Section 2687 of title 10, United States  
8 Code.

9 **SEC. 307. EXPANSION OF HOMEOWNERS ASSISTANCE PRO-**  
10 **GRAM TO INCLUDE EMPLOYEES OF LOCAL**  
11 **EDUCATIONAL AGENCIES ADVERSELY AF-**  
12 **FECTED BY BASE CLOSURES.**

13 (a) AVAILABILITY OF HOMEOWNERS ASSISTANCE.—  
14 The Secretary of Defense shall make available assistance  
15 under section 1013(c) of the Demonstration Cities and  
16 Metropolitan Development Act of 1966 (42 U.S.C.  
17 3374(c)) to eligible school employees of a local educational  
18 agency that operates schools in which—

19 (1) students are enrolled who are dependent  
20 children of members of the Armed Forces or of civil-  
21 ian employees of the Department of Defense;

22 (2) enrollments of such students will decline as  
23 a result of the closure of a military installation at  
24 which the parents of such students are stationed or  
25 employed; and

1           (3) at the time of the public announcement of  
2           the closure of the military installation, such students  
3           account for not less than 80 percent of the entire  
4           student population of such schools.

5           (b) ELIGIBILITY CRITERIA FOR SCHOOL EMPLOY-  
6           EES.—A school employee of a local educational agency de-  
7           scribed in subsection (a) shall be eligible for the benefits  
8           of section 1013(c) of the Demonstration Cities and Metro-  
9           politan Development Act of 1966 if the school employee—

10           (1) at the time of the public announcement of  
11           the closure of the military installation—

12                   (A) is the owner-occupant of a dwelling  
13                   that is situated near the military installation;  
14                   and

15                   (B) is employed by the local educational  
16                   agency; and

17           (2) after such announcement—

18                   (A) is terminated or voluntarily released  
19                   from employment with the local educational  
20                   agency as a result of actual or anticipated en-  
21                   rollment reductions caused by the closure of the  
22                   military installation, as determined by the Sec-  
23                   retary; and

24                   (B) relocates beyond normal commuting  
25                   distance of the owned dwelling or is unemployed

1 (not as a matter of personal choice) and able to  
2 demonstrate to the Secretary such financial  
3 hardship as to be unable to meet mortgage pay-  
4 ments and related expenses as a result of that  
5 unemployment.

6 (c) APPLICATION.—The Secretary shall establish by  
7 rule an application procedure by which school employees  
8 of a local educational agency described in subsection (a)  
9 may apply for benefits under section 1013(c) of the Dem-  
10 onstration Cities and Metropolitan Development Act of  
11 1966. The rules shall include the time period after the  
12 public announcement of the closure of a military installa-  
13 tion within which such applications must be submitted.

14 (d) DEFINITIONS.—For purposes of this section:

15 (1) The term “local educational agency” has  
16 the meaning given that term in section 1471(12) of  
17 the Elementary and Secondary Education Act of  
18 1965 (20 U.S.C. 2891(12)).

19 (2) The term “military installation” has the  
20 meaning given that term in section 2687 of title 10,  
21 United States Code.

22 (3) The term “school employee” includes a su-  
23 perintendent, administrator, teacher, or custodial  
24 and other support person employed by a local edu-  
25 cational agency.

1           (4) The term “Secretary” means the Secretary  
2           of Defense.

3           (e) EFFECTIVE DATE.—This section shall apply with  
4           respect to closures of military installations under the De-  
5           fense Base Closure and Realignment Act of 1990 (part  
6           A of title XXIX of Public Law 101–510; 104 Stat. 1808;  
7           10 U.S.C. 2687 note) and title II of Defense Authoriza-  
8           tion Amendments and Base Closure and Realignment Act  
9           (Public Law 100–526; 102 Stat. 2627; 10 U.S.C. 2687  
10          note) announced before, on, or after the date of the enact-  
11          ment of this Act.

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