

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

# H. R. 203

To prohibit States and localities from receiving certain Federal economic development assistance if the State or locality provides improper incentives for location of businesses or organizations within the State or locality.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. JACOBS introduced the following bill; which was referred jointly to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation

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## A BILL

To prohibit States and localities from receiving certain Federal economic development assistance if the State or locality provides improper incentives for location of businesses or organizations within the State or locality.

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. PROHIBITION OF ASSISTANCE.**

4       No State or political subdivision of a State may be  
5       provided assistance under title I of the Housing and Com-  
6       munity Development Act of 1974 or the Public Works and  
7       Economic Development Act of 1965 if such State or politi-

1 cal subdivision (or any instrumentality thereof) offers, per-  
2 mits, or grants any tax abatement, money payment, or  
3 payment of property (real or chattel) to any commercial  
4 or nonprofit organization or governmental entity in order  
5 to induce the location, retention, or expansion of such or-  
6 ganization or entity within the State or political subdivi-  
7 sion.

8 **SEC. 2. EXCEPTION FOR ENTERPRISE ZONES.**

9       The prohibition under section 1 shall not apply to any  
10 abatement or payment offered, permitted, or granted  
11 under State law in connection with any tax enterprise zone  
12 established under State law.

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