

104TH CONGRESS
1ST SESSION

H. R. 1907

To permit State and local governments to transfer—by sale or lease—Federal-aid facilities to the private sector without repayment of Federal grants, provided the facility continues to be used for its original purpose, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 21, 1995

Mr. MCINTOSH (for himself and Mr. HORN) introduced the following bill; which was referred to the Committee on Government Reform and Oversight, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To permit State and local governments to transfer—by sale or lease—Federal-aid facilities to the private sector without repayment of Federal grants, provided the facility continues to be used for its original purpose, and for other purposes.

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.**

4 This Act may be cited as the “Federal-aid Facility
5 Privatization Act of 1995”.

1 **SEC. 2. DEFINITIONS.**

2 For purposes of this title:

3 (a) “Privatization” means the disposition or
4 transfer of an infrastructure asset, whether by sale,
5 lease, or similar arrangement, from a State or local
6 government to a private party.

7 (b) “Infrastructure asset” means any asset fi-
8 nanced in whole or in part by the Federal Govern-
9 ment and needed for the functioning of the economy.
10 Examples of such assets include, but are not limited
11 to: roads, tunnels, bridges, electricity supply facili-
12 ties, mass transit, rail transportation, airports,
13 ports, waterways, water supply and delivery facili-
14 ties, recycling and wastewater treatment facilities,
15 solid waste disposal facilities, housing, schools, pris-
16 ons, and hospitals.

17 (c) “Originally authorized purposes” means the
18 general objectives of the original grant program;
19 however, the term is not intended to include every
20 condition required for a grantee to have obtained the
21 original grant.

22 (d) “State and local governments” means the
23 government of any State of the United States, the
24 District of Columbia, any commonwealth, territory
25 or possession of the United States, and any county,
26 municipality, city, town, township, local public au-

1 (b) the private party purchasing or leasing the
2 infrastructure asset agrees to comply with all appli-
3 cable grant assurances.

4 **SEC. 5. NO OBLIGATION TO REPAY FEDERAL GRANT**
5 **MONIES.**

6 A State or local government shall have no obligation
7 to repay to any agency of the Federal government any fed-
8 eral grant monies received by the State or local govern-
9 ment in connection with the infrastructure asset that is
10 being privatized.

11 **SEC. 6. USE OF PROCEEDS.**

12 A State or local government may use proceeds from
13 the privatization of an infrastructure asset to the extent
14 permitted under applicable grant assurances and provi-
15 sions. Notwithstanding any other provision of law, the
16 State or local government shall be permitted to recover
17 its capital investment, an amount equal to its unreim-
18 bursed operating expenses in any infrastructure asset, and
19 a reasonable rate of return.

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