

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 598

[Docket No. FR-4281-F-07]

RIN 2506-AB97

Empowerment Zones: Rule for Second Round Designations

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Final rule.

SUMMARY: This rule adopts as final the interim rule published on this subject on April 16, 1998, without substantive change. The only change at the final rule is to include the OMB approval number for the rule's information collection requirements. The August 16, 1998 interim rule increased the scope of HUD's Empowerment Zones Program by providing authorization for the designation of 15 new urban zones.

EFFECTIVE DATE: November 2, 1998.

FOR FURTHER INFORMATION CONTACT: Elaine Braverman, Empowerment Zone/Enterprise Community Initiative, Department of Housing and Urban Development, Room 7130, 451 Seventh Street, SW., Washington, DC 20410, telephone (202) 708-6339. (This telephone number is not toll-free.) For hearing and speech-impaired persons, this telephone number may be accessed via TTY (text telephone) by calling the Federal Information Relay Service at 1-800-877-8339 (toll-free).

SUPPLEMENTARY INFORMATION:

I. Background

On April 16, 1998 (63 FR 19151), HUD published an interim rule to implement an August 1997 enactment authorizing HUD to increase the scope of its Empowerment Zones program by designating 15 new urban empowerment zones. This second round of designations increased the size of the program beyond the six urban empowerment zones designated in 1995 under prior legislation. The interim rule specified the eligibility criteria, which the statute had changed somewhat from those used in making the first round of designations. The rule also specified the nomination procedure to be followed by local and State (or tribal) governments and the selection factors to be used by HUD.

The rule was made effective on May 18, 1998, so that governments, businesses, and non-profit organizations would be able to work together to develop proposals in time for the

announced October 9, 1998 deadline for nominations.

II. This Final Rule

The Department received no public comments on the interim rule. This final rule adopts the interim rule as final without substantive change. The publication of the final rule assures the affected parties that the provisions of the interim rule are permanent, continuing in effect without change throughout this period of preparation of nominations and selection of designated zones.

In addition, this final rule inserts in the rule text the statement of the information collection approval number approved by OMB for the sections that contain information collections.

III. Findings and Certifications

A. Public Reporting Burden

The information collections contained in the interim rule and implementing documents were approved by the Office of Management and Budget (OMB) and assigned OMB control number 2506-0148, effective through August 31, 1998. Comments were solicited on the information collections in that interim rule, but none were received. Since publication of the interim rule, HUD submitted a request to OMB for an extension of the approval for the information collections. OMB granted that approval, extending its approval through September, 2001. In this final rule, the approval number is being inserted after the sections to which it applies. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

B. Impact on Small Entities

In the interim rule, HUD stated its determination that, after review for compliance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), the rule would not have a significant economic impact on a substantial number of small entities. The rule merely authorizes entities of all sizes to seek designation as Empowerment Zones, as authorized by statute. The rule's preamble invited comment on this determination, however, on any of the requirements for seeking designation that could be tailored in a way that might be less burdensome to small entities. No comments were received. Consequently, the Department reiterates its conclusion that the rule does not impose a

significant economic impact on a substantial number of small entities.

C. Environmental Impact

A Finding of No Significant Impact with respect to the environment was made with respect to the interim rule, in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969. That Finding is applicable to this rule, as well, and it is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Regulations Division of the Office of the General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, SW, Washington, DC 20410.

D. Regulatory Review

The Office of Management and Budget (OMB) reviewed this rule under Executive Order 12866, *Regulatory Planning and Review*. OMB determined that this rule is a "significant regulatory action," as defined in section 3(f) of the Order (although not economically significant, as provided in section 3(f)(1) of the Order). Any changes made to the final rule after its submission to OMB are identified in the docket file, which is available for public inspection in the Regulations Division of the Office of General Counsel at the address stated above, under *Environmental Impact*.

E. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance Program number assigned to this program is 14.244.

Accordingly, the interim rule amending part 598 of title 24 of the Code of Federal Regulations, as published in the **Federal Register** at 63 FR 19151 on April 16, 1998, is adopted as final with the following change:

PART 598—URBAN EMPOWERMENT ZONES: ROUND TWO DESIGNATIONS

1. The authority citation continues to read as follows:

Authority: 26 U.S.C. 1391; 42 U.S.C. 3535(d).

§§ 598.200, 598.205, 598.210, 598.215, 598.415, 598.430 [Amended]

2. Sections 598.200, 598.205, 598.210, 598.215, 598.415, and 598.430 are amended by adding at the end of each of the sections the following language:

(Approved by the Office of Management and Budget under Control Number 2506-0148)

Dated: September 25, 1998.

Saul N. Ramirez, Jr.,

*Assistant Secretary for Community Planning
and Development.*

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