

(2) the existing facility used by the veterans community in Pahrump, which was constructed in the 1960's, is too small and is inappropriate for the needs of the veterans community;

(3) the nearest veterans facility that can accommodate the veterans community in Pahrump is located more than 60 miles away in the city of Las Vegas;

(4) the tracts of land that are available for consideration as potential sites for the location of a new veterans facility are not suitable for the facility;

(5) conveyance of a suitable parcel of land for the facility, which consists of an odd, triangular tract of land bounded on 2 sides by private land and cut off from other public land by a major highway, conforms with the objective of the Bureau of Land Management, Las Vegas District 1998 Resource Management Plan by simplifying the land management responsibilities of the Bureau of Land Management; and

(6) because the intent of the American Legion is to make the facility available to other veterans organizations and the public for community activities and events at no cost, it would be in the best interests of the United States to convey the land to the Edward H. McDaniel American Legion Post No. 22.

SEC. 3. DEFINITIONS.

In this Act:

(1) **POST NO. 22.**— The term "Post No. 22" means the Edward H. McDaniel American Legion Post No. 22 in Pahrump, Nevada.

(2) **SECRETARY.**— The term "Secretary" means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

SEC. 4. CONVEYANCE OF LAND TO EDWARD H. MCDANIEL AMERICAN LEGION POST NO. 22.

(a) **CONVEYANCE ON CONDITION SUBSEQUENT.**— Not later than 120 days after the date of enactment of this Act, subject to valid existing rights and the condition stated in subsection (c) and in accordance with the Act of June 14, 1926 (commonly known as the "Recreation and Public Purposes Act") (43 U.S.C. 869 et seq.), the Secretary shall convey to Post No. 22, for no consideration, all right, title, and interest of the United States in and to the parcel of land described in subsection (b).

(b) **DESCRIPTION OF LAND.**— The parcel of land referred to in subsection (b) is the parcel of Bureau of Land Management land that—

(1) is bounded by Route 160, Bride Street, and Dandelion Road in Nye County, Nevada;

(2) consists of approximately 4.5 acres of land; and

(3) is more particularly described as a portion of the S ¼ of section 29, T. 20 S., R. 54 E., Mount Diablo and Base Meridian.

(c) **CONDITION ON USE OF LAND.**—

(1) **IN GENERAL.**— Post No. 22 and any successors of Post No. 22 shall use the parcel of land described in section (b) for the construction and operation of a post building and memorial park for use by Post No. 22, other veterans groups, and the local community for events and activities.

(2) **REVERSION.**— Except as provided in paragraph (3), if the Secretary, after notice to Post No. 22 and an opportunity for a hearing, makes a finding that Post No. 22 has used or permitted the use of the parcel for any purpose other than the purpose specified in paragraph (1) and Post No. 22 fails to discontinue that use, title to the parcel shall revert to the United States, to be administered by the Secretary.

(3) **WAIVER.**— The Secretary may waive the requirements of paragraph (2) if the Secretary determines that a waiver would be in the best interests of the United States.

By Mr. SMITH (for himself, Mr. JEFFORDS, and Mr. CONRAD):

S. 1523. A bill to amend part A of title IV of the Social Security Act to allow a State to treat an individual with a disability, including a substance abuse problem, who is participating in rehabilitation services and who is increasing participation in core work activities as being engaged in work for purposes of the temporary assistance for needy families program, and to allow a State to court as a work activity under that program care provided to a child with a physical or mental impairment or an adult dependent for care with a physical or mental impairment; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today to introduce the Pathways to Independence Act of 2003, along with Senators CONRAD and JEFFORDS. This bill includes two important provisions that we will work to include in the TANF reauthorization. These provisions will help both TANF recipients with disabilities, and the States as they work with people with disabilities in their respective programs.

In July 2002, the General Accounting Office reported that as many as 44 percent of TANF families have a parent or a child with a physical or mental impairment. This is almost three times as high as among the non-TANF population in the United States. In eight percent of TANF families, there is both a parent and a child with a disability; among non-TANF families, this figure is one percent. The GAO's work confirmed the findings of earlier studies, including work by the Urban Institute and the HHS Inspector General.

These figures mean that we need to make sure that TANF reauthorization legislation give States the ability and incentives to help families meet their current needs, while also helping them to move from welfare to work. This is the lesson that Oregon and many other States have already learned as they developed and refined their TANF programs.

The first provision of my bill provides a pragmatic approach to helping parents with disabilities and substance abuse problems receive the treatment and other rehabilitative services they will need to succeed in a work setting. It is designed so that, over time, States can gradually increase the work activity requirements, while continuing to provide them with rehabilitative services. Under this proposal, much like in other proposals under consideration, a person participating in rehabilitation can be counted as engaged in work activity for three months. After the first three months, if a person continues to need rehabilitative services, the State can continue to count participation in those activities for another three months, so long as that person is engaged in some number of work hours, to be determined by the State.

The next step of my proposal builds on the concept of partial credit that is being considered in the Senate Finance

Committee. If, after six months, a State determines that a person has a continuing need for rehabilitative services, the State may create a package that combines work activity with these services. The State will receive credit for the individual's efforts so long as at least one-half of the hours in which the individual participates are in core work activities. For example, if a State receives full credit for a person who works 30 hours per week, and the State has determined that an individual needs rehabilitative services beyond six months, that individual would need to be engaged in core work activities for at least 15 hours per week to get full credit, with the remaining 15 hours spent in rehabilitative services. Similarly, if partial credit is available for a person who works 24 hours per week, then a State could receive that same partial credit if the person was engaged in core work activities for at least 12 hours per week, with the remaining 12 hours spent in rehabilitative services.

This approach is appealing for many reasons. First, it allows States to design a system in which a person can move progressively over time from rehabilitation toward work. Second, it gives States credit for the time and effort they will need to invest to help people move successfully from welfare to work by allowing States to use a range of strategies to help these families. Third, it creates a more realistic structure for individuals with disabilities and addictions who may otherwise fall out of the system either through sanction or discouragement, despite their need for financial support. Finally, this approach is appealing because it is designed to work within the structure of the final TANF reauthorization bill.

The second provision in the bill would allow States the option of counting as work activity the time that an adult in a TANF family spends caring for a child with a disability or an adult relative who is in need of care. The studies reflect that these people often cannot find care for their relative so they can work. They are often forced into the impossible choice of caring for their child with a disability, or leaving that child to go to work in order to continue receiving their TANF grant. This is not a choice a parent should ever have to make.

In order to be able to count the care provided by the TANF recipient as work activity, the State would first be required to determine that the child or adult with a disability is, in fact, truly disabled, and that the person needs substantial ongoing care. Then, the State must decide that the TANF recipient is the most appropriate means for providing the needed care. The State would also have to conduct regular periodic evaluations to determine that the child or adult with a disability continues to need the care provided by the TANF recipient. Nothing in the provision prevents a State from determining that the TANF recipient can

work outside the home or engage in other work-related training or other activities that will help the person eventually move to work on a full- or part-time basis.

I would like to submit for the record a letter from close to forty national organizations that are members of the Consortium for Citizens with Disabilities supporting this legislation, as well as a letter of support from my home State of Oregon. I look forward to working with my co-sponsors, Senators CONRAD and JEFFORDS, and with the Chairman of the Finance Committee on these important provisions in the upcoming months, and I urge my colleagues to join us in support of this legislation.

I ask unanimous consent that the text of the bill and letters of support be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows.

S. 1523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pathways to Independence Act of 2003".

SEC. 2. STATE OPTION TO COUNT REHABILITATION SERVICES FOR CERTAIN INDIVIDUALS AS WORK FOR PURPOSES OF THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.

(a) IN GENERAL.— Section 407(c)(2) of the Social Security Act (42 U.S.C. 607(c)(2)) is amended by adding at the end the following:

"(E) STATE OPTION TO TREAT AN INDIVIDUAL WITH A DISABILITY, INCLUDING A SUBSTANCE ABUSE PROBLEM, WHO IS PARTICIPATING IN REHABILITATION SERVICES AS BEING ENGAGED IN WORK.—

"(i) INITIAL 3-MONTH PERIOD.— Subject to clauses (ii) and (iii), for purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b), a State may deem an individual described in clause (iv) as being engaged in work for not more than 3 months in any 24-month period.

"(ii) ADDITIONAL 3-MONTH PERIOD.— A State may extend the 3-month period under clause (i) for an additional 3 months only if, during such additional 3-month period, the individual engages in a work activity described in subsection (d) for such number of hours per month as the State determines appropriate.

"(iii) SUCCEEDING MONTHS.—

"(II) CREDIT FOR INDIVIDUALS PARTICIPATING IN WORK ACTIVITIES AND REHABILITATION SERVICES.— If a State has deemed an individual described in clause (iv) as being engaged in work for 6 months in accordance with clauses (i) and (ii), and the State determines that the individual is unable to satisfy the work requirement under the State program funded under this part that applies to the individual without regard to this subparagraph because of the individual's disability, including a substance abuse problem, the State shall receive the credit determined under subclause (II) toward the monthly participation rate for the State.

"(II) DETERMINATION OF CREDIT.— For purposes of subclause (I), the credit the State shall receive under that subclause is, with respect to a month, the lesser of—

"(aa) the sum of the number of hours the individual participates in an activity described in paragraph (1), (2), (3), (4), (5), (6),

(7), (8), or (12) of subsection (d) for the month and the number of hours that the individual participates in rehabilitation services under this subparagraph for the month; or

"(bb) twice the number of hours the individual participates in an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d) for the month.

"(iv) INDIVIDUAL DESCRIBED.— For purposes of this subparagraph, an individual described in this clause is an individual who the State has determined has a disability, including a substance abuse problem, and would benefit from participating in rehabilitative services.

"(v) DEFINITION OF DISABILITY.— In this subparagraph, the term 'disability' means—

"(I) a physical or mental impairment that constitutes or results in a substantial impediment to employment; or

"(II) a physical or mental impairment that substantially limits 1 or more major life activities."

(b) EFFECTIVE DATE.— The amendment made by subsection (a) takes effect on October 1, 2003.

SEC. 3. STATE OPTION TO COUNT CARING FOR A CHILD OR ADULT DEPENDENT FOR CARE WITH A PHYSICAL OR MENTAL IMPAIRMENT AS MEETING ALL OR PART OF THE WORK REQUIREMENT.

(a) IN GENERAL.— Section 407(c)(2) of the Social Security Act (42 U.S.C. 607(c)(2)), as amended by section 2, is amended by adding at the end the following:

"(F) RECIPIENT CARING FOR A CHILD OR ADULT DEPENDENT FOR CARE WITH A PHYSICAL OR MENTAL IMPAIRMENT DEEMED TO BE MEETING ALL OR PART OF A FAMILY'S WORK PARTICIPATION REQUIREMENTS FOR A MONTH.—

"(i) IN GENERAL.— Subject to clause (ii), for purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b), a State may count the number of hours per week that a recipient engages in providing substantial ongoing care for a child or adult dependent for care with a physical or mental impairment if the State determines that—

"(I) the child or adult dependent for care has been verified through a medically acceptable clinical or laboratory diagnostic technique as having a significant physical or mental impairment or combination of impairments and as a result of that impairment, it is necessary that the child or adult dependent for care have substantial ongoing care;

"(II) the recipient providing such care is the most appropriate means, as determined by the State, by which the care can be provided to the child or adult dependent for care;

"(III) for each month in which this subparagraph applies to the recipient, the recipient is in compliance with the requirements of the recipient's self-sufficiency plan; and

"(IV) the recipient is unable to participate fully in work activities, after consideration of whether there are supports accessible and available to the family for the care of the child or adult dependent for care.

"(ii) TOTAL NUMBER OF HOURS LIMITED TO BEING COUNTED AS 1 FAMILY.— In no event may a family that includes a recipient to which clause (i) applies be counted as more than 1 family for purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b).

"(iii) STATE REQUIREMENTS.— In the case of a recipient to which clause (i) applies, the State shall—

"(I) conduct regular, periodic evaluations of the recipient's family; and

"(II) include as part of the recipient's self-sufficiency plan, regular updates on what special needs of the child or the adult dependent for care, including substantial ongoing

care, could be accommodated either by individuals other than the recipient or outside of the home.

"(iv) 2-PARENT FAMILIES.—

"(I) IN GENERAL.— If a parent in a 2-parent family is caring for a child or adult dependent for care with a physical or mental impairment—

"(aa) the State may treat the family as a 1-parent family for purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B) of subsection (b); and

"(bb) the State may not count any hours of care for the child or adult dependent for care for purposes of determining such rates.

"(II) SPECIAL RULE.— If the adult dependent for care in a 2-parent family is 1 of the parents and the State has complied with the requirements of clause (iii), the State may count the number of hours per week that a recipient engages in providing substantial ongoing care for that adult dependent for care.

"(v) RULE OF CONSTRUCTION.— Nothing in this subparagraph shall be construed as prohibiting a State from including in a recipient's self-sufficiency plan a requirement to engage in work activities described in subsection (d)."

(b) EFFECTIVE DATE.— The amendment made by subsection (a) takes effect on October 1, 2003.

CONSORTIUM FOR CITIZENS
WITH DISABILITIES,
July 31, 2003.

Hon. GORDON SMITH,
U.S. Senate,
Washington, DC.

Hon. JAMES M. JEFFORDS,
U.S. Senate,
Washington, DC.

Hon. KENT CONRAD,
U.S. Senate,
Washington, DC.

DEAR SENATORS SMITH, CONRAD AND JEFFORDS: We are writing to thank you for introducing legislation that addresses two key problems facing TANF families with a parent or child with a disability. We believe that these provisions, if included in a larger TANF reauthorization bill, will significantly improve the ability of states to help families successfully move from welfare toward work while also ensuring that the needs of family members with disabilities are met. We enthusiastically support this legislation.

The Consortium for Citizens with Disabilities (CCD) is a coalition of national consumer, advocacy, provider and professional organizations headquartered in Washington, DC. We work together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society. The CCD TANF Task Force seeks to ensure that families that include persons with disabilities are afforded equal opportunities and appropriate accommodations under the Temporary Assistance for Needy Families (TANF) block grant.

The research is clear that many TANF families include a parent or a child with a disability, and in some families, there is both a child and a parent with a disability. The numbers are high—GAO has found that as many as 44 percent of TANF families have a child or a parent with a disability—and need to be addressed in the policy choices that Congress makes in TANF reauthorization. We believe that, by designing policies that take into account the needs of families with a member with a disability, Congress can help the states move greater numbers of these families off of welfare and toward greater independence. Without reasonable

without reasonable

supports, however, and through no fault of their own, these families sometimes fail at work activity and are often subject to inappropriate sanctioning and the crises that flow from abrupt- and often prolonged- loss of income.

Your bill could provide low-income families with members with disabilities real opportunities to achieve self-sufficiency in two significant ways, if included in larger TANF reauthorization legislation.

Allow states to count individuals participating in rehabilitative services beyond three months, while the individual progressively engages in work activity.

Under current law, states have the flexibility- either through a waiver such as Oregon has or as a result of the caseload reduction credit- to ensure that a parent with a disability, including a substance abuse problem, receives the rehabilitative services she needs in order to move towards work. In recent years, increasing numbers of states have used this flexibility as they realized that some parents would need more specialized help if they were going to successfully leave TANF. Some of the current reauthorization proposals, however- including the House-passed bill, H.R. 4- limit states to counting three months of rehabilitative services as work activity. An arbitrary limit of three months of rehabilitation services would be inadequate to help many families with members with disabilities find and sustain employment, and, in light of proposed increases in state participation rates, would discourage states from designing programs and requirements that work for people with the most severe barriers.

Your bill will allow states to count rehabilitative services as work activity beyond three months as long as the rehabilitative services are mixed with work activity. We believe this mix of activities and supports will help an individual with severe barriers move toward greater independence. First, the provision would extend the period of time during which rehabilitative services, including substance abuse treatment, can count toward the work participation requirements from three months to six months. However, during the second three months, the state would require a small amount of work activity in addition to rehabilitative services. Further, the provision would allow states to count individuals participating in rehabilitative services after this six month period as long as at least one-half of the hours in which the individual participates are in core work activities. This will allow states to create a progression of work activity hours combined with rehabilitative services over time that will assist in moving the family from welfare to work at a pace that is designed to lead to success for that family.

CCD is not asking Congress to exempt individuals, or family members, with disabilities from participation in the TANF program. On the contrary, we are looking for the essential assistance and supports that will help families move off of welfare toward greater independence. Your bill does not create any exemptions from participation requirements, and in fact, provides the necessary assistance and supports that can come with participation in the TANF program. Under the bill, states would have to engage the same number of recipients in welfare-to-work activities as under the standard set in a new reauthorization law. The provision simply allows states to utilize a broader range of activities to help recipients with barriers move to work. In short, this is a way to make the TANF program work for parents with disabilities and substance abuse problems. The provision would give states credit when recipients with barriers are engaged in activities and, thus, will encourage states to assist

families with barriers to progress toward work in a manner and at a pace that is more tailored to their needs and disabilities.

Allow states to count as work activity the time that the adult in the TANF family spends caring for a child with a disability or an adult relative with a disability.

It is very difficult to find safe, accessible, and appropriate child care for a child with a disability. This is often the case regardless of the family's income. In addition, the nature of some children's disabilities and health conditions means that parents are called from work regularly to assist a school with the child or to take the child to medical appointments. At the same time, many parents would like to work as much as possible or receive the training they will need to secure a good job when they are no longer needed in the home to care for their children with disabilities.

Your bill will allow states to receive work credit for the time that a parent spends caring for a child with a disability, if the state has determined that this is the best way to secure the child's care. The provision also would apply to providing care for an adult relative with a disability. This would help to address the bind that some TANF recipients face when they are told they must work away from home, but leave an elderly parent or other relative with a disability without the care they need to continue to live in the community. Nothing in the provision would prevent a state from designing a plan with the parent that combines some amount of in-home care as work activity with other activities that will help the parent prepare to enter the workforce at a time that is appropriate in meeting the needs of the child or adult relative with a disability.

Thank you again for introducing this legislation and your leadership on these very important issues. We look forward to working with you and your staffs to ensure that these provisions become law.

Sincerely,

American Association of People with Disabilities, American Association on Mental Retardation, American Congress of Community Supports and Employment Services, American Counseling Association, American Music Therapy Association, American Network of Community Options And Resources, Association of Maternal and Child Health Programs, Association of University Centers on Disability, Bazelon Center for Mental Health Law, Community Legal Services, Council for Exceptional Children, Council for Learning Disabilities, Council of State Administrators of Vocational Rehabilitation, Disability Service Providers of America, Division for Early Childhood of the Council for Exceptional Children, Easter Seals, Epilepsy Foundation, Goodwill Industries International,

Helen Keller National Center, Learning Disabilities Association, National Alliance to End Homelessness, National Association of County Behavioral Health Directors, National Association of Protection and Advocacy Systems, National Association of Social Workers, National Association of State Directors of Special Education, National Association of State Mental Health Program Directors, National Coalition of Parent Center, National Coalition on Deaf-Blindness, National Council for Community Behavioral Healthcare, National Mental Health Association, National Rehabilitation Association, National Organization of Social Security Claimants' Representatives, PACER Center, Spina Bifida Association of America, TASH, The Arc of the United States, United Cerebral Palsy.

OREGON LAW CENTER,

Portland, OR, July 31, 2003.

Hon. GORDON SMITH,
U.S. Senate, Washington, DC.
Hon. JAMES M. JEFFORDS,
U.S. Senate, Washington, DC.
Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATORS SMITH, CONRAD AND JEFFORDS: I am writing on behalf of the clients of the Oregon Law Center to express our enthusiastic support for the Work and Treatment Act of 2003 which you are sponsoring. The Oregon Law Center is a nonprofit law firm with offices throughout Oregon, that advocates on behalf of low income families on a variety of issues including the Temporary Assistance to Needy Families program. The Work and Treatment Act addresses a critical shortcoming in the current TANF law: that is, the failure to address the needs of recipients with disabilities.

Oregon's TANF waiver, which expired on July 1, 2003, allowed the state to address the treatment needs of adults and children with disabilities in the family's self-sufficiency plan. Oregon found, as has substantial national research, that the TANF population contains a high percentage of families who are unemployed or underemployed due to the disability of the head of the household, or due to the need to provide care to household dependents with disabilities. This bill would allow Oregon to continue its work with these families to help them achieve their highest levels of self-sufficiency.

Thanks to all of you and particularly to Senator Smith who has demonstrated great leadership in the TANF debates and great understanding of the desperate needs of low income families in Oregon.

Respectfully submitted,

LOREY H. FREEMAN,

Attorney at Law.

Mr. JEFFORDS. Mr. President, it is a pleasure for me to introduce today, along with my colleagues Senator SMITH of Oregon and Senator CONRAD of North Dakota, the Pathways to Independence Act of 2003.

Let me begin by describing why this legislation is necessary. Currently, States have to meet a certain level of work participation in order to avoid penalties against their welfare funding. This level of work participation can be lowered through the "caseload reduction credit." This means that States receive credit for moving people off of their welfare caseload. The caseload reduction credit has proven to be very successful since welfare reform was enacted in 1996. In fact, most States have received so much credit for moving people off of their caseloads, that their effective work participation rate is 0 percent.

While this approach has been widely regarded as very successful, it has one major flaw. States are rewarded only for removing people from welfare, there is no consideration given to where those people end up. States get the same credit for training someone to be a nurse, electrician, or carpenter as they do for sending that person to live on the streets.

This perverse incentive has been particularly difficult for the many welfare recipients who suffer from a disability or struggle with a substance abuse problem. In many States it is easier to write these people off than to give

them the support necessary to become truly independent.

In Vermont, approximately 15 percent of the welfare caseload is diagnosed with a disability and receives services through the Department of Vocational Rehabilitation. However, that treatment is not included in the "core activities" allowed under welfare reform. So the State receives no credit for moving these individuals to independence. This is wrong.

If we truly want welfare to be an initiative that helps people to become independent and self-sufficient, then we must be willing to take the steps necessary to get them there. This legislation would give States the tools necessary to assist them in that effort.

Here is how it would work. The bill will allow States to count people with disabilities or substance abuse problems as working, provided that they are meeting certain criteria. First, a State can count someone as working for three months if they are involved in a treatment program. At the end of this three month period, the State can re-evaluate the status of the individual and decide to continue treatment for another 3 months. Now, the individual must be engaged in work or work-preparation activities in addition to their continuing treatment program. At the end of 6 months, the State can continue treatment with the individual as long as the individual is meeting half of the regular work requirement and following their treatment program for the remaining hours.

This is a common sense proposal. It is consistent with what we know about providing effective support programs to people with disabilities and effective treatment programs for people struggling with substance abuse. Allowing States to count these people in the "working" category provides the States with the necessary incentives to engage their welfare recipients in meaningful interventions. It will allow the States to truly place people with disabilities and substance abuse problems on a pathway to independence.

In addition, this bill includes a provision first put forward by Senator CONRAD that will allow States to exempt people who need to care for a child or family member with a disability. This is a proposal that was part of last year's Senate Finance Committee Work, Opportunity and Responsibility for Kids (WORK) bill, and I applaud Senator CONRAD for his consistent support of that proposal.

It is unclear when a full reauthorization of welfare will occur. It is clear however, that The Pathways to Independence Act of 2003 should be a part of any welfare reform package. I would like to thank the Consortium for Citizens with Disabilities for their help in developing this legislation and their strong letter in support. I especially want to thank my colleague from Oregon, Senator SMITH, and my colleague from North Dakota, Senator CONRAD and their staff for all of the hard work

that has gone into producing this proposal.

By Mr. SANTORUM (for himself, Mr. ALLEN, Mr. BUNNING, Mrs. DOLE, and Mr. KYL):

S. 1524. A bill to amend the Internal Revenue Code of 1986 to allow a 7-year applicable recovery period for depreciation of motorsports entertainment complexes; to the Committee on Finance.

Mr. SANTORUM. Mr. President, today I am introducing the Motorsports Facilities Fairness Act. This bill would clarify the tax treatment of a large and growing industry that contributes to the economies of communities across the country.

The Motorsports Facilities Fairness Act would provide certainty to track and speedway operators regarding the depreciation of their properties. The Internal Revenue Service has just recently raised questions regarding the depreciation treatment used by facility owners. For decades, motorsports facilities were classified as "theme and amusement facilities" for depreciation. This long-standing treatment was widely applied and accepted, until now. Over the years, relying on this understanding of the tax law, facility owners and operators invested hundreds of millions of dollars in building and upgrading these properties.

Pennsylvania is home to many of these facilities, including Pocono Raceway, Nazareth Speedway, Lake Erie Speedway, Jennertown Speedway, Big Diamond Raceway and Motordrome Speedway. These tracks and others boost their local economies. Larger races can draw tens of thousands of fans, some from hundreds of miles away. These facilities are an important part of the fabric of our national economy. As motorsports continues to grow as a national pastime, we must ensure that Federal policy does not unnecessarily impede its contribution to the economy.

To that end I have introduced the Motorsports Facilities Fairness Act. This legislation would simply codify the well-understood, long-standing and widely-accepted treatment of motorsports facilities for depreciation purposes. While modest in scope, it will provide needed clarity to the hundreds of tracks throughout the United States.

I urge my colleagues to join me in supporting the Motorsports Facilities Fairness Act.

By Mr. CAMPBELL (for himself and Mr. INOUE):

S. 1526. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of Indian tribal governments as State governments for purposes of issuing tax-exempt governmental bonds, and for other purposes; to the Committee on Finance.

Mr. CAMPBELL. Mr. President, I am pleased to be join by Senator INOUE in introducing the Tribal Government Tax Exempt Bond Fairness Act of 2003.

This bill will assist Indian tribes raise capital in the private markets for purposes of job creation and economic development. The bill complements the other economic development initiative I am introducing today to discipline Federal programs aimed to help tribes strengthen their economies.

While making modest adjustments in current law, this bill will have far-reaching and positive effects for tribal governments and their members around the Nation.

The fact is that like State governments, tribal governments are responsible for a host of services not only to their members but to non-members who live on or hear their lands. These services include fire, police and ambulance service, road and bridge maintenance, and a host of social services.

Unlike State governments, however, tribal governments face severe restrictions in their ability to finance development through debt instruments.

The law forbids tribes from issuing tax-exempt bonds for any project unless it can meet the so-called "essential government function" test.

That is, in order for the holder of a tribal bond issue to receive income from that bond exempt from Federal tax, it must be issued for activities that are "governmental" in nature.

Examples of the kinds of projects that have been ruled by the Internal Revenue Service as falling outside this test are tribal convention centers, hotels, and golf courses.

State governments are not limited by the "essential government function" test when they issue tax-exempt debt. The bill I am introducing today will eliminate the disparate treatment tribes now receive.

Armed with this bonding authority, tribal governments will strengthen their economies, provide for their members and others, and lessen their reliance on Federal programs and services.

These are all worthy goals and I urge my colleagues to join me in supporting this bill.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act maybe cited as the "Tribal Government Tax-Exempt Bond Fairness Act of 2003".

SEC. 2. DECLARATIONS AND AFFIRMATIONS.

Congress declares and affirms that—

(1) The United States Constitution, United States Federal court decisions, and United States statutes recognize that Indian tribes are governments, retaining sovereign authority over their lands.

(2) Through treaties, statutes, and Executive orders, the United States set aside Indian reservations to be used as "permanent homelands" for Indian tribes.

(3) As governments, Indian tribes have the responsibility and authority to provide governmental services, develop tribal economies, and build community infrastructure to