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

SOURCE: 63 FR 19155, Apr. 16, 1998, unless otherwise noted.

Subpart A—General Provisions

§ 598.1 Applicability and scope.

(a) This part establishes policies and procedures applicable to the second round of designations of urban Empowerment Zones, authorized under Subchapter U of the Internal Revenue Code of 1986 (26 U.S.C. 1391, *et seq.*), as amended by sections 952 and 954 of the Taxpayer Relief Act of 1997.

(b) This part contains provisions relating to area requirements, the nomination process for urban Empowerment Zones, and the designation and evaluation of these Zones by HUD. Provisions dealing with the nomination and designation of rural Empowerment Zones

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are issued by the Department of Agriculture.

§ 598.2 Objective and purpose.

The purpose of this part is to provide for the establishment of Empowerment Zones in urban areas, to stimulate the creation of new jobs—empowering low-income persons and families receiving public assistance to become economically self-sufficient—and to promote revitalization of economically distressed areas.

§ 598.3 Definitions.

In addition to the definitions of “HUD” and “Secretary” found in 24 CFR 5.100, the following definitions apply to this part.

Census tract means a census tract, as the term is used by the Bureau of the Census, or, if census tracts are not defined for the area, a block numbering area.

Designation means the process by which the Secretary designates urban areas as Empowerment Zones eligible for tax incentives and credits established by Subchapter U of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1391, *et seq.*) and for special consideration for programs of Federal assistance.

Developable site means a parcel of land in a nominated area that may be developed for commercial or industrial purposes.

Empowerment Zone means an urban area so designated by the Secretary in accordance with this part.

EZ/EC SSBG funds means any funds that may be provided to States or Tribes by HHS in accordance with section 2007(a) of the Social Security Act (42 U.S.C. 1397f), for use by the designated Round II Empowerment Zone.

HHS means the U.S. Department of Health and Human Services.

Local government means any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and any combination of these political subdivisions that is recognized by the Secretary.

Nominated area means an area nominated by one or more local governments and the State or States in which it is located for designation in accordance with this part.