

S. — Smith — Ist. Degree — 10

AMENDMENT NO. _____ Calendar No. _____

Purpose: To requirement certain treatment of previously obligated projects under the Rural Energy for America Program.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

S. _____

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2031, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Ms. SMITH

Viz:

1 At the end of title IX, add the following:

2 **SEC. 9 ____ . TREATMENT OF CERTAIN PREVIOUSLY OBLI-**
3 **GATED PROJECTS.**

4 (a) DEFINITIONS.—In this section:

5 (1) COVERED AWARD.—The term “covered
6 award” means an award of a grant, including the
7 grant component of combined grant and guaranteed
8 loan assistance, under section 9007(c) of the Farm
9 Security and Rural Investment Act of 2002 (7
10 U.S.C. 8107(c)) for which—

1 (A) before April 15, 2026, the Secretary
2 selected the application for funding;

3 (B) before April 15, 2026, an Agency ap-
4 proval official executed—

5 (i) Form RD 1940–1, Request for Ob-
6 ligation of Funds; or

7 (ii) a comparable written obligation or
8 award instrument, signed by an Agency
9 approval official, that identifies the recipi-
10 ent, the project, and the amount of assist-
11 ance approved; and

12 (C) as of April 15, 2026, the recipient and
13 the Secretary had not both executed a Financial
14 Assistance Agreement with respect to the
15 award.

16 (2) COVERED RECIPIENT.—The term “covered
17 recipient” means the recipient of a covered award.

18 (b) PRESERVATION OF COVERED AWARDS.—Not-
19 withstanding the Notice of Rescission of Funding Oppor-
20 tunity for the Rural Energy for America Program pub-
21 lished by the Rural Business-Cooperative Service on April
22 15, 2026 (91 Fed. Reg. 20090), or any regulation, notice,
23 guidance, policy, or procedure implementing or based on
24 that notice, the Secretary shall—

1 (1) treat each covered award as a valid and
2 continuing obligation as of the date on which the in-
3 strument described in subsection (a)(1)(A) was exe-
4 cuted;

5 (2) administer the covered award in accordance
6 with the statutes, regulations, funding notice, terms,
7 conditions, cost-share requirements, and other re-
8 quirements applicable to the award on that date;
9 and

10 (3) not require a covered recipient to reapply
11 for, or subject a covered award to a new evaluation,
12 score, ranking, competition, or selection process.

13 (c) COMPLETION OF AWARD AGREEMENTS.—

14 (1) PROVISION OF AGREEMENT.—Not later
15 than 60 days after the date of enactment of this
16 Act, the Secretary shall provide each covered recipi-
17 ent with a Financial Assistance Agreement, or other
18 appropriate award instrument, that is consistent
19 with the amount, Federal cost-share, project scope,
20 and other terms of the covered award.

21 (2) OUTSTANDING REQUIREMENTS.—The Sec-
22 retary shall provide a covered recipient not less than
23 90 days to satisfy or cure any administrative, docu-
24 mentary, or other condition—

1 (A) that was applicable to the covered
2 award on the date described in subsection
3 (b)(1); and

4 (B) that is required to be satisfied before
5 execution of the Financial Assistance Agree-
6 ment.

7 (3) EXECUTION.—Not later than 30 days after
8 a covered recipient executes the agreement and sat-
9 isfies the requirements described in subparagraph,
10 the Secretary shall execute the agreement.

11 (4) FAILURE OF SECRETARY TO EXECUTE.—If
12 the Secretary fails to execute an agreement within
13 the period required under paragraph (3), the exe-
14 cuted instrument described in subsection (a)(1)(B),
15 the applicable Letter of Conditions, and the ap-
16 proved application shall be treated as having the
17 same force and effect as a fully executed Financial
18 Assistance Agreement for purposes of administering
19 and disbursing the covered award.

20 (d) TREATMENT OF PROJECT COSTS.—

21 (1) IN GENERAL.—A project cost that is other-
22 wise eligible under the requirements described in
23 subsection (b)(2) shall not be determined to be ineli-
24 gible solely because the cost was incurred—

1 (A) on or after the date on which the in-
2 strument described in subsection (a)(1)(A) was
3 executed; and

4 (B) before the execution of a Financial As-
5 sistance Agreement or the date of enactment of
6 this Act.

7 (2) REIMBURSEMENT.—Subject to the Federal
8 cost-share and maximum amount of assistance speci-
9 fied in the covered award, the Secretary shall reim-
10 burse a covered recipient for documented eligible
11 project costs described in paragraph (1).

12 (e) TOLLING OF DEADLINES.—In calculating any
13 deadline applicable to a covered award, including a dead-
14 line for execution of an award agreement, completion of
15 a project, expenditure of funds, or submission of a request
16 for reimbursement, the Secretary shall exclude the period
17 beginning on April 15, 2026, and ending on the date on
18 which the Secretary executes the agreement described in
19 subsection (c), or the agreement is treated as executed
20 under subsection (c)(4).

21 (f) FUNDING.—

22 (1) IN GENERAL.—The Secretary shall carry
23 out this subsection using amounts obligated for the
24 covered awards before April 15, 2026.

1 (2) DEOBLIGATED AMOUNTS.—If an amount
2 described in paragraph (1) was deobligated, can-
3 celled, or otherwise made unavailable as a result of
4 the notice described in subsection (b) or a subse-
5 quent policy implementing that notice, the Secretary
6 shall obligate an equivalent amount from amounts
7 otherwise made available to carry out section 9007
8 of the Farm Security and Rural Investment Act of
9 2002 (7 U.S.C. 8107).

10 (3) LIMITATION.—Nothing in this section au-
11 thorizes assistance for a covered award in excess of
12 the amount or Federal cost-share approved before
13 April 15, 2026.

14 (g) ADVERSE DETERMINATIONS.—

15 (1) GROUNDS.—The Secretary may deny, re-
16 duce, or terminate a covered award only on the basis
17 of—

18 (A) a material misrepresentation by the
19 covered recipient;

20 (B) the failure of the covered recipient to
21 satisfy an eligibility or award requirement ap-
22 plicable under subsection (b)(2); or

23 (C) a material failure to comply with the
24 terms and conditions of the covered award that

1 is independent of the notice described in sub-
2 section (b).

3 (2) NOTICE AND OPPORTUNITY TO CURE.—Be-
4 fore taking an action described in paragraph (1), the
5 Secretary shall provide the covered recipient—

6 (A) a written statement of the specific fac-
7 tual and legal basis for the proposed action;
8 and

9 (B) not less than 90 days to cure the iden-
10 tified deficiency, if the deficiency is capable of
11 being cured.

12 (h) IDENTIFICATION AND REPORTING.—

13 (1) NOTICE TO RECIPIENTS.—Not later than
14 30 days after the date of enactment of this Act, the
15 Secretary shall identify and provide written notice to
16 each covered recipient.

17 (2) REQUEST FOR DETERMINATION.—An appli-
18 cant that is not identified under paragraph (1) may
19 submit the documentation described in subsection
20 (a)(1) to the Secretary. Not later than 30 days after
21 receiving the documentation, the Secretary shall
22 make a written determination as to whether the ap-
23 plicant is a covered recipient.

24 (3) REPORTS.—Not later than 60 days after
25 the date of enactment of this Act, and quarterly

1 thereafter until each covered award has been closed
2 out, the Secretary shall submit to and the Com-
3 mittee on Agriculture, Nutrition, and Forestry of
4 the Senate and the Committee on Agriculture of the
5 House of Representatives a report describing—

6 (A) the number and total value of covered
7 awards, disaggregated by State and congres-
8 sional district;

9 (B) the status of each covered award;

10 (C) the amount reimbursed under sub-
11 section (d); and

12 (D) each covered award denied, reduced, or
13 terminated, and the basis for that action.