

108TH CONGRESS
1ST SESSION

S. 318

AN ACT

To provide emergency assistance to nonfarm-related small business concerns that have suffered substantial economic harm from drought.

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. LOANS TO SMALL BUSINESS CONCERNS DAM-**
4 **AGED BY DROUGHT.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Small Business Drought Relief Act of 2003”.

1 (b) FINDINGS.—Congress finds that—

2 (1) as of July 2002, more than 36 States (in-
3 cluding Massachusetts, South Carolina, and Lou-
4 isiana) have suffered from continuing drought condi-
5 tions;

6 (2) droughts have a negative effect on State
7 and regional economies;

8 (3) many small businesses in the United States
9 sell, distribute, market, or otherwise engage in com-
10 merce related to water and water sources, such as
11 lakes, rivers, and streams;

12 (4) many small businesses in the United States
13 suffer economic injury from drought conditions,
14 leading to revenue losses, job layoffs, and bank-
15 ruptcies;

16 (5) these small businesses need access to low-
17 interest loans for business-related purposes, includ-
18 ing paying their bills and making payroll until busi-
19 ness returns to normal;

20 (6) absent a legislative change, the practice of
21 the Small Business Administration of permitting
22 only agriculture and agriculture-related businesses to
23 be eligible for Federal disaster loan assistance as a
24 result of drought conditions would likely continue;

1 (7) during the past several years small busi-
2 nesses that rely on the Great Lakes have suffered
3 economic injury as a result of lower than average
4 water levels, resulting from low precipitation and in-
5 creased evaporation, and there are concerns that
6 small businesses in other regions could suffer similar
7 hardships beyond their control and that they should
8 also be eligible for assistance; and

9 (8) it is necessary to amend the Small Business
10 Act to clarify that nonfarm-related small businesses
11 that have suffered economic injury from drought are
12 eligible to receive financial assistance through Small
13 Business Administration Economic Injury Disaster
14 Loans.

15 (c) DROUGHT DISASTER AUTHORITY.—

16 (1) DEFINITION OF DISASTER.—Section 3(k) of
17 the Small Business Act (15 U.S.C. 632(k)) is
18 amended—

19 (A) by inserting “(1)” after “(k)”; and

20 (B) by adding at the end the following:

21 “(2) For purposes of section 7(b)(2), the term ‘dis-
22 aster’ includes—

23 “(A) drought; and

24 “(B) below average water levels in the Great
25 Lakes, or on any body of water in the United States

1 that supports commerce by small business con-
2 cerns.”.

3 (2) DROUGHT DISASTER RELIEF AUTHORITY.—
4 Section 7(b)(2) of the Small Business Act (15
5 U.S.C. 636(b)(2)) is amended—

6 (A) by inserting “including drought, with
7 respect to both farm-related and nonfarm-re-
8 lated small business concerns affected by
9 drought,” before “if the Administration”; and

10 (B) in subparagraph (B), by striking “the
11 Consolidated Farmers Home Administration
12 Act of 1961 (7 U.S.C. 1961)” and inserting the
13 following: “section 321 of the Consolidated
14 Farm and Rural Development Act (7 U.S.C.
15 1961), in which case, assistance under this
16 paragraph may be provided to farm-related and
17 nonfarm-related small business concerns, sub-
18 ject to the other applicable requirements of this
19 paragraph”.

20 (d) PROMPT RESPONSE TO DISASTER REQUESTS.—
21 Section 7(b)(2)(D) of the Small Business Act (15 U.S.C.
22 636(b)(2)(D)) is amended by striking “Upon receipt of
23 such certification, the Administration may” and inserting
24 “Not later than 30 days after the date of receipt of such
25 certification by a Governor of a State, the Administration

1 shall respond in writing to that Governor on its determina-
2 tion and the reasons therefore, and may”.

3 (e) LIMITATION ON LOANS.—From funds otherwise
4 appropriated for loans under section 7(b) of the Small
5 Business Act (15 U.S.C. 636(b)), not more than
6 \$9,000,000 may be used during fiscal year 2003 to pro-
7 vide drought disaster loans to non-farm related small busi-
8 ness concerns.

9 (f) RULEMAKING.—Not later than 45 days after the
10 date of enactment of this Act, the Administrator of the
11 Small Business Administration shall promulgate final
12 rules to carry out this Act and the amendments made by
13 this Act.

Passed the Senate March 31, 2003.

Attest:

Secretary.

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