

108TH CONGRESS  
1ST SESSION

# S. 822

To create a 3-year pilot program that makes small, non-profit child care businesses eligible for SBA 504 loans.

---

## IN THE SENATE OF THE UNITED STATES

APRIL 8, 2003

Mr. KERRY (for himself, Mr. HARKIN, Ms. LANDRIEU, Mr. PRYOR, Mr. LIEBERMAN, Mr. DASCHLE, Mr. BINGAMAN, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

---

## A BILL

To create a 3-year pilot program that makes small, non-profit child care businesses eligible for SBA 504 loans.

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. SHORT TITLE.**

4 This Act may be cited as the “Child Care Lending  
5 Pilot Act of 2003”.

6 **SEC. 2. CHILD CARE BUSINESS LOAN PROGRAM.**

7 (a) LOANS AUTHORIZED.—Section 502 of the Small  
8 Business Investment Act of 1958 (15 U.S.C. 696) is  
9 amended—

1 (1) in the matter preceding paragraph (1)—

2 (A) by striking “The Administration” and  
3 inserting the following:

4 “(a) AUTHORIZATION.—The Administration”;

5 (B) by striking “and such loans” and in-  
6 serting “. Such loans”;

7 (C) by striking “: *Provided, however,* That  
8 the foregoing powers shall be subject to the fol-  
9 lowing restrictions and limitations:” and insert-  
10 ing a period; and

11 (D) by adding at the end the following:

12 “(b) RESTRICTIONS AND LIMITATIONS.—The author-  
13 ity under subsection (a) shall be subject to the following  
14 restrictions and limitations:”; and

15 (2) in paragraph (1)—

16 (A) by inserting after “USE OF PRO-  
17 CEEDS.—” the following:

18 “(A) IN GENERAL.—”; and

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

20 “(B) LOANS TO SMALL, NON-PROFIT  
21 CHILD CARE BUSINESSES.—The proceeds of  
22 any loan described in subsection (a) may be  
23 used by the borrower to assist, in addition to  
24 other eligible small business concerns, small,

non-profit child care businesses, provided  
that—

“(i) the loan will be used for a sound  
business purpose that has been approved  
by the Administration; and

“(ii) each such business receiving fi-  
nancial assistance meets all of the same  
eligibility requirements applicable to for-  
profit businesses under this title, except  
for status as a for-profit business.”.

(b) REPORTS.—

(1) SMALL BUSINESS ADMINISTRATION.—

(A) IN GENERAL.—Not later than 6  
months after the date of enactment of this Act,  
and every 6 months thereafter until September  
30, 2006, the Administrator of the Small Busi-  
ness Administration shall submit a report on  
the implementation of the program under sub-  
section (a) to—

(i) the Committee on Small Business  
and Entrepreneurship of the Senate; and

(ii) the Committee on Small Business  
of the House of Representatives.

(B) CONTENTS.—The report under sub-  
paragraph (A) shall contain—

1 (i) the date on which the program is  
2 implemented;

3 (ii) the date on which the rules are  
4 issued pursuant to subsection (c); and

5 (iii) the number and dollar amount of  
6 loans under the program applied for, ap-  
7 proved, and disbursed during the previous  
8 6 months.

9 (2) GENERAL ACCOUNTING OFFICE.—

10 (A) IN GENERAL.—Not later than March  
11 31, 2006, the Comptroller General of the  
12 United States shall submit a report on the child  
13 care small business loans authorized by section  
14 502(b)(1)(B) of the Small Business Investment  
15 Act of 1958, as added by this Act, to—

16 (i) the Committee on Small Business  
17 and Entrepreneurship of the Senate; and

18 (ii) the Committee on Small Business  
19 of the House of Representatives.

20 (B) CONTENTS.—The report under sub-  
21 paragraph (A) shall contain information gath-  
22 ered during the first 2 years of the loan pro-  
23 gram, including—

24 (i) an evaluation of the timeliness of  
25 the implementation of the loan program;

1 (ii) a description of the effectiveness  
2 and ease with which Certified Development  
3 Companies, lenders, and small businesses  
4 have participated in the loan program;

5 (iii) a description and assessment of  
6 how the loan program was marketed;

7 (iv) the number of child care small  
8 businesses, categorized by status as a for-  
9 profit or non-profit business and a new  
10 business or an expanded business, that—

11 (I) applied for loans under the  
12 program;

13 (II) were approved for loans  
14 under the program; and

15 (III) received loan disbursements  
16 under the program.

17 (v) of the businesses under clause  
18 (iv)(III)—

19 (I) the number of such busi-  
20 nesses in each State;

21 (II) the total amount loaned to  
22 such businesses under the program;  
23 and

24 (III) the average loan amount  
25 and term.

1       (c) RULEMAKING AUTHORITY.—Not later than 120  
2 days after the date of enactment of this Act, the Adminis-  
3 trator of the Small Business Administration shall issue  
4 final rules to carry out the loan program authorized by  
5 section 502(b)(1)(B) of the Small Business Investment  
6 Act of 1958, as added by this Act.

7       (d) SUNSET PROVISION.—The amendments made by  
8 this section shall remain in effect until September 30,  
9 2006, and shall apply to all loans authorized by section  
10 502(b)(1)(B) of the Small Business Investment Act of  
11 1958, as added by this Act, that are made during the pe-  
12 riod beginning on the date of enactment of this Act and  
13 ending on September 30, 2006.

○