AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

114TH CONGRESS
1ST SESSION

S. 1901

To help small businesses access capital and create jobs by reauthorizing the successful State Small Business Credit Initiative.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2015

Ms. STABENOW (for herself, Mrs. SHAHEEN, and Mr. PETERS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To help small businesses access capital and create jobs by reauthorizing the successful State Small Business Credit Initiative.

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 ''Small Business Access to Capital Act of 2015''.

SEC. 2. NEW TRANCHES OF CAPITAL FOR SUCCESSFUL STATE PROGRAMS.

Section 3003 of the Small Business Jobs Act of 2010 (12 U.S.C. 5702) is amended by adding at the end the following:

"(d) ADDITIONAL ALLOCATION AND COMPETITIVE AWARDS.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'eligible participating State' means a participating State that has certified to the Secretary that the State has expended, transferred, or obligated not less than 80 percent of the second ⅓ of the 2010 allocation transferred to the State under subsection (c)(1)(A)(iii); and

"(B) the term 'unused funds' means—

"(i) amounts made available to the Secretary under clause (i)(II) or (ii)(II) of paragraph (2)(E); and

"(ii) amounts made available to the Secretary under paragraph (4)(B)(ii).

"(2) ALLOCATION FOR 2010 PARTICIPATING STATES.—

"(A) ALLOCATION.—Of the amount made available under paragraph (6)(D), the Secretary shall allocate a total of $500,000,000 among el-

igible participating States in the same ratio as funds were allocated under the 2010 allocation under subsection (b)(1) among participating States.

"(B) APPLICATION.—An eligible participating State desiring to receive funds allocated under this paragraph shall submit an application—

"(i) not later than the date that is 6 months after the date of enactment of the Small Business Access to Capital Act of 2015; and

"(ii) in such manner and containing such information as the Secretary may require.

"(C) AVAILABILITY OF ALLOCATED AMOUNT.—

"(i) IN GENERAL.—Notwithstanding subsection (c)(1), after an eligible participating State approved by the Secretary to receive an allocation under this paragraph has certified to the Secretary that the eligible participating State has expended, transferred, or obligated not less than 80 percent of the last ⅓ of the 2010 alloca-

tion to the eligible participating State, the Secretary shall transfer to the eligible participating State the funds allocated to the eligible participating State under this paragraph.

"(ii) EFFECT ON AGREEMENTS.—The allocation or transfer of funds under this paragraph to an eligible participating State shall not be construed to—

"(I) amend or modify the terms of the Allocation Agreement entered into by the eligible participating State relating to the 2010 allocation; or

"(II) modify or extend the Allocation Time Period, as defined under such Allocation Agreement.

"(D) USE OF TRANSFERRED FUNDS.—An eligible participating State may use funds transferred under this paragraph for any purpose authorized under subparagraph (A) or (B) of subsection (c)(3).

"(E) TERMINATION OF AVAILABILITY OF AMOUNTS.—

"(i) IN GENERAL.—If an eligible participating State has not certified to the

Secretary that the State has expended, transferred, or obligated not less than 80 percent of the last ⅓ of the 2010 allocation as of the date that is 2 years after the date on which the Secretary approves the eligible participating State to receive an allocation under this paragraph, any amounts allocated to the eligible participating State under this paragraph—

"(I) may not be transferred to the eligible participating State under this paragraph; and

"(II) shall be available to the Secretary to make awards under paragraph (4).

"(ii) OTHER AMOUNTS.—Effective on the date that is 2 years after the date of enactment of the Small Business Access to Capital Act of 2015, any amounts allocated under this paragraph to a participating State that, as of such date, is not an eligible participating State or to an eligible participating State that did not submit an application under subparagraph (B) or was not approved by the Secretary to

receive an allocation under this paragraph—

"(I) may not be transferred to an eligible participating State under this paragraph; and

"(II) shall be available to the Secretary to make awards under paragraph (4).

"(3) COMPETITIVE FUNDING.—

"(A) IN GENERAL.—Of the amount made available under paragraph (6)(D), the Secretary may award, on a competitive basis, not more than a total of $1,000,000,000 to participating States and consortiums of participating States for use for any purpose authorized under subparagraph (A) or (B) of subsection (c)(3).

"(B) APPLICATION.—

"(i) IN GENERAL.—A participating State or consortium of participating States desiring to receive an award under this paragraph shall submit an application—

"(I) not later than the date established by the Secretary, which shall be not later than the date that is 1 year after the date of enactment of

the Small Business Access to Capital Act of 2015; and

"(II) in such manner and containing such information as the Secretary may require.

"(ii) NUMBER OF APPLICATIONS.—A participating State may submit not more than 1 application on behalf of the participating State and not more than 1 application as part of a consortium of participating States.

"(iii) STATES THAT DID NOT PARTICIPATE.—A State that is not a participating State may apply to the Secretary for approval to be a participating State for purposes of this paragraph and paragraph (4), in accordance with section 3004.

"(C) FACTORS.—In determining whether to make an award to a participating State or consortium of participating States under this paragraph, the Secretary shall consider—

"(i) how the participating State or consortium of participating States plan to use amounts provided under the award under the approved State program to—

"(I) leverage private sector capital;

"(II) create and retain jobs during the 2-year period beginning on the date of the award;

"(III) serve businesses that have been incorporated or in operation for not more than 5 years; and

"(IV) serve low- or moderate-income communities;

"(ii) the extent to which the participating State or consortium of participating States will establish or continue a robust self-evaluation of the activities of the participating State or consortium of participating States using amounts made available under this title;

"(iii) the extent to which the participating State or consortium of participating States will provide non-Federal funds in excess of the amount required under subparagraph (E); and

"(iv) the extent to which the participating State expended, obligated, or transferred the 2010 allocation to the State.

"(D) AWARD OF FUNDS.—

"(i) FIRST TRANCHE.—Notwithstanding subsection (c)(1), and not later than 30 days after making an award under this paragraph to a participating State or consortium of participating States, the Secretary shall transfer 50 percent of the amount of the award to the participating State or consortium of participating States.

"(ii) SECOND TRANCHE.—After a participating State or consortium of participating States has certified to the Secretary that the participating State or consortium of participating States has expended, transferred, or obligated not less than 80 percent of the amount transferred under clause (i), the Secretary shall transfer to the participating State or consortium of participating States the remaining amount of the award.

"(E) STATE SHARE.—The State share of the cost of the activities, excluding administrative expenses, carried out using an award under this paragraph shall be not less than 10 per-

cent. The Secretary may determine what contributions by a State qualify as part of the State share of the cost for purposes of this subparagraph.

"(4) AWARD OF UNUSED FUNDS.—

"(A) IN GENERAL.—The Secretary may award, on a competitive basis, unused funds to participating States for use for any purpose authorized under subparagraph (A) or (B) of subsection (c)(3).

"(B) UNUSED 2010 FUNDS.—

"(i) IN GENERAL.—The Secretary shall determine whether any amounts allocated to a participating State under subsection (b) shall be deemed no longer allocated and no longer available if a participating State has not certified to the Secretary that the State has expended, transferred, or obligated 80 percent of the second ⅓ of the 2010 allocation by December 31, 2016.

"(ii) AVAILABILITY.—Effective on the date of the determination under clause (i), any amounts identified in the determination that were deemed no longer allocated

and no longer available to the participating State shall be available to the Secretary to make awards under this paragraph.

"(C) APPLICATION.—A participating State desiring to receive an award under this paragraph shall submit an application—

"(i) not later than 3 months after the date on which funds are deemed no longer allocated and no longer available to any participating State; and

"(ii) in such manner and containing such information as the Secretary may require.

"(D) FACTORS.—In determining whether to make an award to a participating State under this paragraph, the Secretary shall consider the factors described in paragraph (3)(C).

"(E) MINIMUM AMOUNT.—The Secretary may not make an award of less than $5,000,000 under this paragraph.

"(5) COMPLIANCE AND REPORTING REQUIREMENTS.—During the period beginning on the date on which a participating State first receives funds under paragraph (2), (3), or (4) and ending on the date that is 8 years after the date of enactment of

the Small Business Access to Capital Act of 2015, the participating State shall submit quarterly and annual reports containing the information described in, and in accordance with the deadlines established under, section 3007.

"(6) ADMINISTRATION AND IMPLEMENTATION.—

"(A) ADMINISTRATIVE EXPENSES FOR PARTICIPATING STATES.—A participating State may use not more than 3 percent of the amount made available to the participating State under paragraph (2), (3), or (4) for administrative expenses incurred by the participating State in implementing an approved State program.

"(B) CONTRACTING.—During the 1-year period beginning on the date of enactment of the Small Business Access to Capital Act of 2015, and notwithstanding any other provision of law relating to public contracting, the Secretary may enter into contracts to carry out this subsection.

"(C) AMOUNTS NOT ASSISTANCE.—Any amounts transferred to a participating State under paragraph (2), (3), or (4) shall not be

considered assistance for purposes of subtitle V of title 31, United States Code.

"(D) APPROPRIATION.—There are appropriated to the Secretary, out of any funds in the Treasury not otherwise appropriated, $1,500,000,000 to carry out this subsection, including to pay reasonable costs of administering the programs under this subsection, to remain available until expended.

"(E) TERMINATION OF SECRETARY'S PROGRAM ADMINISTRATION FUNCTIONS.—The authorities and duties of the Secretary to implement and administer the program under this subsection shall terminate at the end of the 8-year period beginning on the date of enactment of the Small Business Access to Capital Act of 2015.".

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