

117TH CONGRESS  
1ST SESSION

# H. R. 1669

To amend the State Small Business Credit Initiative Act of 2010 to respond to the COVID–19 pandemic, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2021

Mr. GREEN of Texas (for himself and Ms. WATERS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the State Small Business Credit Initiative Act of 2010 to respond to the COVID–19 pandemic, and for other purposes.

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 “State Small Business  
5 Credit Initiative Renewal Act”.

6 **SEC. 2. REAUTHORIZATION OF THE STATE SMALL BUSI-**  
7 **NESS CREDIT INITIATIVE ACT OF 2010.**

8 (a) REAUTHORIZATION.—

1           (1) IN GENERAL.—The State Small Business  
2           Credit Initiative Act of 2010 (12 U.S.C. 5701 et  
3           seq.) is amended—

4                   (A) in section 3003—

5                           (i) in subsection (b)—

6                                   (I) by amending paragraph (1) to

7   read as follows:

8                   “(1) IN GENERAL.—Not later than 30 days  
9                   after the date of enactment of subsection (d), the  
10                  Secretary shall allocate Federal funds to partici-  
11                  pating States so that each State is eligible to receive  
12                  an amount equal to what the State would receive  
13                  under the 2021 allocation, as determined under  
14                  paragraph (2).”;

15                           (II) in paragraph (2)—

16                                   (aa) by striking “2009”  
17   each place such term appears  
18   and inserting “2021”;

19                                   (bb) by striking “2008”  
20   each place such term appears  
21   and inserting “2020”;

22                                   (cc) in subparagraph (A), by  
23   striking “The Secretary” and in-  
24   serting “With respect to States

1 other than Tribal governments,  
2 the Secretary”;

3 (dd) in subparagraph (C)(i),  
4 by striking “2007” and inserting  
5 “2019”; and

6 (ee) by adding at the end  
7 the following:

8 “(C) SEPARATE ALLOCATION FOR TRIBAL  
9 GOVERNMENTS.—

10 “(i) IN GENERAL.—With respect to  
11 States that are Tribal governments, the  
12 Secretary shall determine the 2021 alloca-  
13 tion by allocating \$500,000,000 among the  
14 Tribal governments in the proportion the  
15 Secretary determines appropriate, includ-  
16 ing with consideration to available employ-  
17 ment and economic data regarding each  
18 such Tribal government.

19 “(ii) NOTICE OF INTENT; TIMING OF  
20 ALLOCATION.—With respect to allocations  
21 to States that are Tribal governments, the  
22 Secretary may—

23 “(I) require Tribal governments  
24 that wish to participate in the Pro-  
25 gram to file a notice of intent with the

1 Secretary not later than 30 days after  
2 the date of enactment of subsection  
3 (d); and

4 “(II) notwithstanding paragraph  
5 (1), allocate Federal funds to partici-  
6 pating Tribal governments not later  
7 than 60 days after the date of enact-  
8 ment of subsection (d).

9 “(D) EMPLOYMENT DATA.—If the Sec-  
10 retary determines that employment data with  
11 respect to a State is unavailable from the Bu-  
12 reau of Labor Statistics of the Department of  
13 Labor, the Secretary shall consider such other  
14 economic and employment data that is other-  
15 wise available for purposes of determining the  
16 employment data of such State.”; and

17 (III) by striking paragraph (3);

18 and

19 (ii) in subsection (c)—

20 (I) in paragraph (1)(A)(iii), by  
21 inserting before the period the fol-  
22 lowing: “that have delivered loans or  
23 investments to eligible businesses”;  
24 and

1 (II) by amending paragraph (4)  
2 to read as follows:

3 “(4) TERMINATION OF AVAILABILITY OF  
4 AMOUNTS NOT TRANSFERRED.—

5 “(A) IN GENERAL.—Any portion of a par-  
6 ticipating State’s allocated amount that has not  
7 been transferred to the State under this section  
8 may be deemed by the Secretary to be no longer  
9 allocated to the State and no longer available to  
10 the State and shall be returned to the general  
11 fund of the Treasury or reallocated as described  
12 under subparagraph (B), if—

13 “(i) the second  $\frac{1}{3}$  of a State’s allo-  
14 cated amount has not been transferred to  
15 the State before the end of the end of the  
16 3-year period beginning on the date that  
17 the Secretary approves the State for par-  
18 ticipation; or

19 “(ii) the last  $\frac{1}{3}$  of a State’s allocated  
20 amount has not been transferred to the  
21 State before the end of the end of the 5-  
22 year period beginning on the date that the  
23 Secretary approves the State for partici-  
24 tion.

1           “(B) REALLOCATION.—Any amount  
2 deemed by the Secretary to be no longer allo-  
3 cated to a State and no longer available to such  
4 State under subparagraph (A) may be reallo-  
5 cated by the Secretary to other participating  
6 States. In making such a reallocation, the Sec-  
7 retary shall not take into account the minimum  
8 allocation requirements under subsection  
9 (b)(2)(B) or the specific allocation for Tribal  
10 governments described under subsection  
11 (b)(2)(C).”;

12           (B) in section 3004(d), by striking “date  
13 of enactment of this Act” each place it appears  
14 and inserting “date of the enactment of section  
15 3003(d)”;

16           (C) in section 3005(b), by striking “date of  
17 enactment of this Act” each place it appears  
18 and inserting “date of the enactment of section  
19 3003(d)”;

20           (D) in section 3006(b)(4), by striking  
21 “date of enactment of this Act” and inserting  
22 “date of the enactment of section 3003(d)”;

23           (E) in section 3007(b), by striking “March  
24 31, 2011” and inserting “March 31, 2022”;

1 (F) in section 3009, by striking “date of  
2 enactment of this Act” each place it appears  
3 and inserting “date of the enactment of section  
4 3003(d)”; and

5 (G) in section 3011(b), by striking “date  
6 of the enactment of this Act” each place it ap-  
7 pears and inserting “date of the enactment of  
8 section 3003(d)”.

9 (2) APPROPRIATION.—

10 (A) IN GENERAL.—There is hereby appro-  
11 priated to the Secretary of the Treasury, out of  
12 funds in the Treasury not otherwise appro-  
13 priated, \$10,000,000,000 to carry out the State  
14 Small Business Credit Initiative established  
15 under the State Small Business Credit Initia-  
16 tive Act of 2010, including to pay reasonable  
17 costs of administering such Initiative.

18 (B) RESCISSION.—With respect to  
19 amounts appropriated under subparagraph  
20 (A)—

21 (i) the Secretary of the Treasury shall  
22 complete all disbursements and remaining  
23 obligations before September 30, 2030;  
24 and

1                   (ii) any amounts that remain unex-  
2                   pended (whether obligated or unobligated)  
3                   on September 30, 2030, shall be rescinded  
4                   and deposited into the general fund of the  
5                   Treasury.

6           (b) ADDITIONAL ALLOCATIONS TO SUPPORT BUSI-  
7   NESS ENTERPRISES OWNED AND CONTROLLED BY SO-  
8   CIALLY AND ECONOMICALLY DISADVANTAGED INDIVID-  
9   UALS.—Section 3003 of the State Small Business Credit  
10 Initiative Act of 2010 (12 U.S.C. 5702) is amended by  
11 adding at the end the following:

12           “(d) ADDITIONAL ALLOCATIONS TO SUPPORT BUSI-  
13   NESS ENTERPRISES OWNED AND CONTROLLED BY SO-  
14   CIALLY AND ECONOMICALLY DISADVANTAGED INDIVID-  
15   UALS.—Of the amounts appropriated to carry out the Pro-  
16   gram, the Secretary shall—

17                   “(1) ensure that \$1,500,000,000 from funds al-  
18                   located under this section shall be expended for busi-  
19                   ness enterprises owned and controlled by socially  
20                   and economically disadvantaged individuals; and

21                   “(2) allocate such amounts to States based on  
22                   the needs of business enterprises owned and con-  
23                   trolled by socially and economically disadvantaged  
24                   individuals, as determined by the Secretary, in each



1 State, and not subject to the allocation formula de-  
2 scribed under subsection (b).

3 “(e) SUPPORTING BUSINESS ENTERPRISES OWNED  
4 AND CONTROLLED BY SOCIALLY AND ECONOMICALLY  
5 DISADVANTAGED INDIVIDUALS.—In allocating funds to  
6 participating States under this section, the Secretary shall  
7 establish a minimum amount of support that a State shall  
8 provide to business enterprises owned and controlled by  
9 socially and economically disadvantaged individuals.

10 “(f) INCENTIVE ALLOCATIONS TO SUPPORT BUSI-  
11 NESS ENTERPRISES OWNED AND CONTROLLED BY SO-  
12 CIALY AND ECONOMICALLY DISADVANTAGED INDIVID-  
13 UALS.—Of the amounts appropriated to carry out the Pro-  
14 gram, the Secretary shall set aside \$1,000,000,000 for an  
15 incentive program under which the Secretary shall in-  
16 crease the second  $\frac{1}{3}$  and last  $\frac{1}{3}$  allocations for States that  
17 demonstrate robust support, as determined by the Sec-  
18 retary, for business concerns owned and controlled by so-  
19 cially and economically disadvantaged individuals in the  
20 deployment of prior allocation amounts.”.

21 (c) CDFI AND MDI PARTICIPATION PLAN.—Section  
22 3004 of the State Small Business Credit Initiative Act of  
23 2010 (12 U.S.C. 5703) is amended by adding at the end  
24 the following:

1       “(e) CDFI AND MDI PARTICIPATION PLAN.—The  
2 Secretary may not approve a State to be a participating  
3 State unless the State has provided the Secretary with a  
4 plan detailing how minority depository institutions and  
5 community development financial institutions will be en-  
6 couraged to participate in State programs.”.

7       (d) PANDEMIC RESPONSE PLAN.—Section 3004 of  
8 the State Small Business Credit Initiative Act of 2010 (12  
9 U.S.C. 5703), as amended by subsection (c), is further  
10 amended by adding at the end the following:

11       “(f) PANDEMIC RESPONSE PLAN.—The Secretary  
12 may not approve a State to be a participating State unless  
13 the State has provided the Secretary with a description  
14 of how the State will expeditiously utilize funds to support  
15 small businesses, including business enterprises owned and  
16 controlled by socially and economically disadvantaged indi-  
17 viduals, in responding to and recovering from the eco-  
18 nomic effects of the COVID–19 pandemic.”.

19       (e) TECHNICAL ASSISTANCE.—

20           (1) STATE TECHNICAL ASSISTANCE PLAN.—  
21 Section 3004 of the State Small Business Credit Ini-  
22 tiative Act of 2010 (12 U.S.C. 5703), as amended  
23 by subsection (d), is further amended by adding at  
24 the end the following:

25       “(g) STATE TECHNICAL ASSISTANCE PLAN.—

1           “(1) IN GENERAL.—The Secretary may not ap-  
2           prove a State to be a participating State unless the  
3           State has provided the Secretary with a technical as-  
4           sistance plan under which the State will use a por-  
5           tion of the funds received under the Program to pro-  
6           vide legal, accounting, and financial advisory services  
7           to very small businesses and business enterprises  
8           owned and controlled by socially and economically  
9           disadvantaged individuals applying for—

10                   “(A) State programs under the Program;

11                   and

12                   “(B) other State or Federal programs that  
13                   support small businesses.

14           “(2) CONTRACTING.—Services described under  
15           paragraph (1) may be contracted with legal, ac-  
16           counting, and financial advisory firms, with priority  
17           given to business enterprises owned and controlled  
18           by socially and economically disadvantaged individ-  
19           uals.”.

20           (2) FUNDING.—Section 3009 of the State  
21           Small Business Credit Initiative Act of 2010 (12  
22           U.S.C. 5708) is amended by adding at the end the  
23           following:

1       “(e) TECHNICAL ASSISTANCE.—Of the amounts ap-  
2       propriated to carry out the Program, \$500,000,000 may  
3       be used by the Secretary to—

4               “(1) provide funds to States to carry out tech-  
5       nical assistance plans described under section  
6       3004(g);

7               “(2) transfer amounts to the Minority Business  
8       Development Agency, so that the Agency may use  
9       such amounts in a manner the Agency determines  
10      appropriate, including through contracting with  
11      third parties, to provide technical assistance to busi-  
12      ness enterprises owned and controlled by socially  
13      and economically disadvantaged individuals applying  
14      to—

15               “(A) State programs under the Program;  
16               and

17               “(B) other State or Federal programs that  
18               support small businesses; and

19               “(3) contract with legal, accounting, and finan-  
20      cial advisory firms (with priority given to business  
21      enterprises owned and controlled by socially and eco-  
22      nomically disadvantaged individuals), to provide  
23      technical assistance to business enterprises owned  
24      and controlled by socially and economically disadvan-  
25      taged individuals applying to—

1                   “(A) State programs under the Program;  
2                   and  
3                   “(B) other State or Federal programs that  
4                   support small businesses.”.

5           (f) MULTI-STATE PARTICIPATION PROGRAM.—Sec-  
6 tion 3009 of the State Small Business Credit Initiative  
7 Act of 2010 (12 U.S.C. 5708), as amended by subsection  
8 (d)(2), is further amended by adding at the end the fol-  
9 lowing:

10           “(f) MULTI-STATE PARTICIPATION PROGRAM.—The  
11 Secretary may establish a multi-State participation pro-  
12 gram under which—

13                   “(1) the Secretary determines which State pro-  
14 grams are similar to each other, with respect to eli-  
15 gibility criteria and such other criteria as the Sec-  
16 retary determines appropriate; and

17                   “(2) a State may elect to automatically deem a  
18 person eligible for a State program if the person is  
19 already participating in another State’s State pro-  
20 gram that the Secretary has determined is similar  
21 under paragraph (1).”.

22           (g) APPLICATION OF THE MILITARY LENDING  
23 ACT.—Section 3004 of the State Small Business Credit  
24 Initiative Act of 2010 (15 U.S.C. 5702), as amended by

1 subsection (d)(1), is further amended by adding at the end  
2 the following:

3       “(h) APPLICATION OF THE MILITARY LENDING  
4 ACT.—The Secretary may not approve a State to be a par-  
5 ticipating State unless the State has agreed that no lend-  
6 ing activity supported by amounts received by the State  
7 under the Program would result in interest rates being  
8 charged at an annualized percentage rate above 36 per-  
9 cent, as determined in accordance with section 987(b) of  
10 title 10, United States Code (commonly known as the  
11 ‘Military Lending Act’).”.

12       (h) INCLUSION OF TRIBAL GOVERNMENTS.—Section  
13 3002(10) of the State Small Business Credit Initiative Act  
14 of 2010 (12 U.S.C. 5701(10)) is amended—

15           (1) in subparagraph (C), by striking “and” at  
16 the end;

17           (2) in subparagraph (D), by striking the period  
18 at the end and inserting “; and”; and

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

20                   “(E) a Tribal government.”.

21       (i) DEFINITIONS.—Section 3002 of the State Small  
22 Business Credit Initiative Act of 2010 (12 U.S.C. 5701)  
23 is amended by adding at the end the following:

24           “(15) BUSINESS ENTERPRISE OWNED AND CON-  
25 TROLLED BY SOCIALLY AND ECONOMICALLY DIS-

1       ADVANTAGED INDIVIDUALS.—The term ‘business en-  
2       terprise owned and controlled by socially and eco-  
3       nomicallly disadvantaged individuals’ means a busi-  
4       ness that—

5               “(A) if privately owned, 51 percent is  
6               owned by one or more socially and economically  
7               disadvantaged individuals;

8               “(B) if publicly owned, 51 percent of the  
9               stock is owned by one or more socially and eco-  
10              nomicallly disadvantaged individuals; and

11              “(C) in the case of a mutual institution, a  
12              majority of the Board of Directors, account  
13              holders, and the community which the institu-  
14              tion services is predominantly comprised of so-  
15              cially and economically disadvantaged individ-  
16              uals.

17              “(16) COMMUNITY DEVELOPMENT FINANCIAL  
18              INSTITUTION.—The term ‘community development  
19              financial institution’ has the meaning given that  
20              term under section 103 of the Riegle Community  
21              Development and Regulatory Improvement Act of  
22              1994.

23              “(17) MINORITY DEPOSITORY INSTITUTION.—  
24              The term ‘minority depository institution’ has the  
25              meaning given that term under section 308(b) of the

1 Financial Institutions Reform, Recovery, and En-  
2 forcement Act of 1989.

3 “(18) SOCIALLY AND ECONOMICALLY DIS-  
4 ADVANTAGED INDIVIDUAL.—The term ‘socially and  
5 economically disadvantaged individual’ means an in-  
6 dividual who is a socially disadvantaged individual or  
7 an economically disadvantaged individual, as such  
8 terms are defined, respectively, under section 8 of  
9 the Small Business Act (15 U.S.C. 637) and the  
10 regulations thereunder.

11 “(19) TRIBAL GOVERNMENT.—The term ‘Tribal  
12 government’ means a government of an Indian Tribe  
13 listed on the list of recognized Tribes published by  
14 the Secretary of the Interior under section 104 of  
15 the Federally Recognized Indian Tribe List Act of  
16 1994 (25 U.S.C. 5131).”.

17 (j) RULE OF APPLICATION.—The amendments made  
18 by this section shall apply with respect to funds appro-  
19 priated under this section and funds appropriated on and  
20 after the date of enactment of this section.

○