

118TH CONGRESS
2D SESSION

H. R. 10216

To end preferences for disadvantaged individuals and businesses in
Government contracts, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2024

Mr. GROTHMAN (for himself, Mrs. LUNA, Mr. OWENS, Mr. TIFFANY, Mr. CRENSHAW, Mr. WEBER of Texas, Mrs. LESKO, Mr. NORMAN, and Mr. GOOD of Virginia) introduced the following bill; which was referred to the Committee on Oversight and Accountability, and in addition to the Committees on Small Business, Transportation and Infrastructure, and Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To end preferences for disadvantaged individuals and
businesses in Government contracts, 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 “Ending Racism in Gov-
5 ernment Contracting Act”.

1 **SEC. 2. ENDING PREFERENCES FOR DISADVANTAGED INDIVIDUALS AND BUSINESSES IN GOVERNMENT**
2
3 **CONTRACTS.**

4 (a) SMALL BUSINESS ACT.—The Small Business Act
5 (15 U.S.C. 631 et seq.) is amended—

6 (1) in section 2 (15 U.S.C. 631)—

7 (A) by repealing subsection (f); and

8 (B) in subsection (h)(1)(H), by striking
9 “while not adversely affecting the rights of so-
10 cially and economically disadvantaged individ-
11 uals”;

12 (2) in section 7 (15 U.S.C. 636)—

13 (A) in subsection (a)—

14 (i) in paragraph (15)(E)—

15 (I) in clause (i), by striking “in-
16 cluding the number of loans” and all
17 that follows through the end of the
18 clause and inserting the following:
19 “including the number of loans made
20 to cooperatives;”; and

21 (II) in clause (ii), by striking “in-
22 cluding the number of financings”
23 and all that follows through the end
24 of the clause and inserting the fol-
25 lowing: “including the number of

1 financings made to cooperatives;
2 and”; and

3 (ii) in paragraph (36)(P)(iv), by strik-
4 ing “small business concerns owned and
5 controlled by socially and economically dis-
6 advantaged individuals (as defined in sec-
7 tion 8(d)(3)(C)),”; and
8 (B) in subsection (j)—

9 (i) in paragraph (11)(I)(iii), by strik-
10 ing “and a distribution of concerns across
11 all industry” and all that follows through
12 “has been limited” in the second sentence;
13 and

14 (ii) in paragraph (16)(B)(iii), by
15 striking “owned and controlled by other
16 than socially and economically disadvan-
17 tagged individuals”;

18 (3) in section 8 (15 U.S.C. 637)—

19 (A) in subsection (a)—

20 (i) in paragraph (1)—

21 (I) in subparagraph (A), by in-
22 serting “and” after the semicolon at
23 the end;

24 (II) by striking subparagraphs
25 (B) and (C); and

1 (III) by redesignating subpara-
2 graph (D) as subparagraph (B);

3 (ii) by repealing paragraphs (4)
4 through (8);

5 (iii) in paragraph (9)(B)—

6 (I) by striking clause (i); and

7 (II) by redesignating clauses (ii),
8 (iii), and (iv) as clauses (i), (ii), and
9 (iii), respectively;

10 (iv) in paragraph (10), in the second
11 sentence, by striking “and from small dis-
12 advantaged business concerns in industry
13 categories that have not substantially par-
14 ticipated in the award of contracts let
15 under the authority of this subsection”;
16 and

17 (v) in paragraph (12)—

18 (I) in subparagraph (A), by strik-
19 ing “and Disadvantaged”;

20 (II) in subparagraph (C), in the
21 first sentence, by striking “, including
22 those owned and controlled by socially
23 and economically disadvantaged indi-
24 viduals,”; and

1 (III) in subparagraph (D)(i), by
2 striking “and Disadvantaged”;

3 (B) in subsection (d)—

4 (i) in paragraph (1), by striking
5 “small business concerns owned and con-
6 trolled by socially and economically dis-
7 advantaged individuals,” each place that
8 term appears;

9 (ii) in paragraph (3)—

10 (I) in subparagraph (A), by strik-
11 ing “small business concerns owned
12 and controlled by socially and eco-
13 nomically disadvantaged individuals,”
14 each place that term appears;

15 (II) by amending subparagraph
16 (C) to read as follows:

17 “(C) As used in this contract, the term
18 ‘small business concern’ shall mean a small
19 business as defined pursuant to section 3 of the
20 Small Business Act and relevant regulations
21 promulgated pursuant thereto.”; and

22 (III) in subparagraph (F), by
23 striking “a small business concern
24 owned and controlled by socially and

1 economically disadvantaged individ-
2 uals,”;

3 (iii) in paragraph (4)—

4 (I) in subparagraph (D), by
5 striking “small business concerns
6 owned and controlled by socially and
7 economically disadvantaged individ-
8 uals,”; and

9 (II) in subparagraph (E), by
10 striking “small business concerns
11 owned and controlled by the socially
12 and economically disadvantaged indi-
13 viduals as defined in paragraph (3) of
14 this subsection and for”;

15 (iv) in paragraph (6), by striking
16 “small business concerns owned and con-
17 trolled by socially and economically dis-
18 advantaged individuals,” each place that
19 term appears;

20 (v) in paragraph (11)(B), by striking
21 “small business concerns owned and con-
22 trolled by socially and economically dis-
23 advantaged individuals,”; and

24 (vi) in paragraph (13)(E)(i), by strik-
25 ing “and Disadvantaged”; and

1 (C) in subsection (m), by striking para-
2 graphs (7) and (8);

3 (4) in section 9(j)(2)(F) (15 U.S.C.
4 638(j)(2)(F)), by striking “socially and economically
5 disadvantaged small business concerns, as defined in
6 section 8(a)(4), and the participation of”;

7 (5) in section 15 (15 U.S.C. 644)—

8 (A) in subsection (e)(1)(B), by striking
9 “and Disadvantaged”;

10 (B) in subsection (g)—

11 (i) in paragraph (1)(A)—

12 (I) in the matter preceding clause
13 (i), by striking “small business con-
14 cerns owned and controlled by socially
15 and economically disadvantaged indi-
16 viduals,”;

17 (II) by striking clause (iv); and

18 (III) by redesignating clause (v)
19 as clause (iv); and

20 (ii) in paragraph (2)—

21 (I) in subparagraph (A), by strik-
22 ing “by small business concerns
23 owned and controlled by socially and
24 economically disadvantaged individ-
25 uals,”;

1 (II) in subparagraph (B), by
2 striking “small business concerns
3 owned and controlled by socially and
4 economically disadvantaged individ-
5 uals,”;

6 (III) in subparagraph (D), by
7 striking “small business concerns
8 owned and controlled by socially and
9 economically disadvantaged individ-
10 uals,”; and

11 (IV) in subparagraph (F)(ii), by
12 striking “and Disadvantaged”;

13 (C) in subsection (h)(2)(E)—

14 (i) by striking clause (iv); and

15 (ii) by redesignating clauses (v)
16 through (viii) as clauses (iv) through (vii),
17 respectively;

18 (D) in subsection (k)—

19 (i) in the matter preceding paragraph
20 (1), by striking “and Disadvantaged”;

21 (ii) in paragraph (1), by striking “and
22 Disadvantaged”; and

23 (iii) in paragraph (2), by striking
24 “and Disadvantaged”;

1 (E) in subsection (l)(2)(G), by striking
2 “and Disadvantaged”;

3 (F) in subsection (s)(2)(A), by striking
4 “and Disadvantaged”; and

5 (G) in subsection (y)—

6 (i) in paragraph (2), by striking
7 “small business concerns owned and con-
8 trolled by socially and economically dis-
9 advantaged individuals,” each place that
10 term appears;

11 (ii) in paragraph (3)(B), by striking
12 “small business concerns owned and con-
13 trolled by socially and economically dis-
14 advantaged individuals,”; and

15 (iii) in paragraph (4), by striking sub-
16 paragraph (D);

17 (6) in section 16 (15 U.S.C. 645)—

18 (A) in subsection (d)(1), in the matter pre-
19 ceding subparagraph (A), by striking “a ‘small
20 business concern owned and controlled by so-
21 cially and economically disadvantaged individ-
22 uals’,”;

23 (B) in subsection (e), by striking “a ‘small
24 business concern owned and controlled by so-

1 cially and economically disadvantaged individ-
 2 uals’,”; and

3 (C) in subsection (g)(2), by striking “and
 4 Disadvantaged”;

5 (7) in section 21(a)(5)(D) (15 U.S.C.
 6 648(a)(5)(D)), by striking “small business, woman-
 7 owned business, or socially and economically dis-
 8 advantaged business” and inserting “small business
 9 or woman-owned business”;

10 (8) in section 22(l) (15 U.S.C. 649(l))—

11 (A) in paragraph (1)—

12 (i) in subparagraph (C), by inserting
 13 “and” at the end;

14 (ii) by striking subparagraph (D); and

15 (iii) by redesignating subparagraph
 16 (E) as subparagraph (D); and

17 (B) in paragraph (3)(B)(ii)—

18 (i) by striking subclause (I); and

19 (ii) by redesignating subclauses (II)
 20 and (III) as subclauses (I) and (II), re-
 21 spectively; and

22 (9) in section 45(c)(1)(B) (15 U.S.C.
 23 657r(c)(1)(B))—

24 (A) in clause (iii), by inserting “or” after
 25 the semicolon at the end;

1 (B) by striking clause (iv); and

2 (C) by redesignating clause (v) as clause
3 (iv).

4 (b) AMENDMENTS TO OTHER ACTS.—

5 (1) AMERICAN RESCUE PLAN ACT OF 2021.—

6 The American Rescue Plan Act of 2021 (Public Law
7 117–2) is amended—

8 (A) in section 5003(c)(3)(A) (15 U.S.C.
9 9009c(c)(3)(A)), in the first sentence, by strik-
10 ing “, small business concerns owned and con-
11 trolled by veterans” and all that follows through
12 the period at the end and inserting the fol-
13 lowing: “or small business concerns owned and
14 controlled by veterans (as defined in section
15 3(q) of that Act (15 U.S.C. 632(q))).”; and

16 (B) in section 5004(a) (15 U.S.C.
17 9013(a)), by amending paragraph (5) to read
18 as follows:

19 “(5) ELIGIBLE BUSINESS.—The term ‘eligible
20 business’ means any small business concern, with
21 priority for small business concerns owned and con-
22 trolled by women (as defined in section 3(n) of the
23 Small Business Act (15 U.S.C. 632(n))) and small
24 business concerns owned and controlled by veterans

(as defined in section 3(q) of that Act (15 U.S.C. 632(q))).”.

(2) SMALL BUSINESS REAUTHORIZATION AND MANUFACTURING ASSISTANCE ACT OF 2004.—Section 155 of the Small Business Reauthorization and Manufacturing Assistance Act of 2004 (15 U.S.C. 657g) is repealed.

(3) FEDERAL ACQUISITION STREAMLINING ACT OF 1994.—Section 7104 of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644a) is amended—

(A) in subsection (b)(3), by striking “and Disadvantaged”; and

(B) in subsection (c)(3), by striking “and Disadvantaged”.

(4) MINORITY BUSINESS DEVELOPMENT ACT OF 2021.—The Minority Business Development Act of 2021 (15 U.S.C. 9521 et seq.) is repealed.

(5) SMALL BUSINESS ECONOMIC POLICY ACT OF 1980.—Section 303(e) of the Small Business Economic Policy Act of 1980 (15 U.S.C. 631b(e)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraph (2), the first paragraph (3) (relating to qualified

1 HUBZone small business concerns), and the
2 second paragraph (3) (relating to small busi-
3 ness concerns owned and controlled by vet-
4 erans) as paragraphs (1), (2), and (3), respec-
5 tively.

6 (6) SMALL BUSINESS INVESTMENT ACT OF
7 1958.—Section 411(c)(3)(B) of the Small Business
8 Investment Act of 1958 (15 U.S.C. 694b(c)(3)(B))
9 is amended by striking “a small business concern
10 owned and controlled by socially and economically
11 disadvantaged individuals as defined by section 8(d)
12 of the Small Business Act, or to”.

13 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

14 (1) AMERICAN RECOVERY AND REINVESTMENT
15 ACT OF 2009.—Section 6001(h) of the American Re-
16 covery and Reinvestment Act of 2009 (47 U.S.C.
17 1305(h)) is amended—

18 (A) in paragraph (1), by inserting “and”
19 after the semicolon;

20 (B) in paragraph (2)(D), by striking “;
21 and” and inserting a period; and

22 (C) by striking paragraph (3).

23 (2) CARES ACT.—Title I of the CARES Act
24 (15 U.S.C. 9001 et seq.) is amended—

1 (A) in section 1107(a) (15 U.S.C.
2 9006(a)), by repealing paragraph (5); and

3 (B) by repealing section 1108 (15 U.S.C.
4 9007).

5 (3) ENERGY POLICY ACT OF 1992.—Section
6 3021 of the Energy Policy Act of 1992 (42 U.S.C.
7 13556) is amended—

8 (A) in subsection (a)—

9 (i) by striking paragraph (1); and

10 (ii) by redesignating paragraphs (2),
11 (3), and (4) as paragraphs (1), (2), and
12 (3), respectively; and

13 (B) in subsection (b)—

14 (i) by striking paragraph (2); and

15 (ii) by redesignating paragraph (3) as
16 paragraph (2).

17 (4) ENERGY POLICY ACT OF 2005.—Section
18 1003(a)(1) of the Energy Policy Act of 2005 (42
19 U.S.C. 16393(a)(1)) is amended by striking “, in-
20 cluding socially and economically disadvantaged
21 small business concerns (as defined in section
22 8(a)(4) of the Small Business Act (15 U.S.C.
23 637(a)(4))),”.

1 (5) EXPORT-IMPORT BANK ACT OF 1945.—The
2 Export-Import Bank Act of 1945 (12 U.S.C. 635 et
3 seq.) is amended—

4 (A) in section 2(b)(1)(E)(iii)(II) (12
5 U.S.C. 635(b)(1)(E)(iii)(II)), by striking “to
6 socially and economically disadvantaged small
7 business concerns (as defined in section 8(a)(4)
8 of the Small Business Act), small business con-
9 cerns (as defined in section 3(a) of the Small
10 Business Act) owned by women, and” and in-
11 serting the following: “to small business con-
12 cerns (as defined in section 3(a) of the Small
13 Business Act (15 U.S.C. 632(a))) owned by
14 women and”;

15 (B) in section 3(i)(1) (12 U.S.C.
16 635a(i)(1)), by striking “socially and economi-
17 cally disadvantaged small business concerns (as
18 defined in section 8(a)(4) of the Small Business
19 Act) and”; and

20 (C) in section 8 (12 U.S.C. 635g)—

21 (i) in subsection (e), by striking “so-
22 cially and economically disadvantaged
23 small business concerns (as defined in sec-
24 tion 8(a)(4) of the Small Business Act),
25 small business concerns (as defined in sec-

tion 3(a) of the Small Business Act) owned by women, and” and inserting “small business concerns small business concerns (as defined in section 3(a) of the Small Business Act (15 U.S.C. 632(a))) owned by women and”; and

(ii) in subsection (f)(4), by striking “socially and economically disadvantaged small business concerns (defined in section 8(a)(4) of the Small Business Act) and”.

(6) FEDERAL ACQUISITION STREAMLINING ACT OF 1994.—Section 7104(c) of the Federal Acquisition Streamlining Act of 1994 (15 U.S.C. 644a(c)) is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraph (3) as paragraph (2).

(7) SMALL BUSINESS ACT.—Section 7(j) of the Small Business Act (15 U.S.C. 636(j)) is amended—

(A) in paragraph (10)(D)(i), by striking “and shall be designed to result in the Program Participant eliminating the conditions or circumstances upon which the Administration de-

1 terminated eligibility pursuant to section
2 8(a)(6)”; and

3 (B) in paragraph (11)—

4 (i) by striking subparagraph (B);

5 (ii) by redesignating subparagraphs

6 (C) through (I) as subparagraphs (B)

7 through (H), respectively;

8 (iii) in subparagraph (C), as so redes-

9 ignated, by striking “(as defined pursuant
10 to section 8(a)(4))”; and

11 (iv) in subparagraph (E), as so redes-
12 ignated—

13 (I) by striking clause (i); and

14 (II) by redesignating clauses (ii)

15 through (viii) as clauses (i) through

16 (vii), respectively.

17 (8) SMALL BUSINESS JOBS ACT OF 2010.—Title

18 III of the Small Business Jobs Act of 2010 (12

19 U.S.C. 5701 et seq.) is amended—

20 (A) in section 3002 (12 U.S.C. 5701)—

21 (i) by striking paragraph (18); and

22 (ii) by redesignating paragraph (19)

23 as paragraph (18);

24 (B) in section 3003 (12 U.S.C. 5702), by

25 repealing subsections (d) and (e); and

1 (C) in section 3009(e) (12 U.S.C.
2 5708(e))—

3 (i) in paragraph (1)—

4 (I) in the matter preceding sub-
5 paragraph (A), by striking “business
6 enterprises owned and controlled by
7 socially and economically disadvan-
8 taged individuals, to very small busi-
9 nesses and business enterprises owned
10 and controlled by socially and eco-
11 nomically disadvantaged individuals”
12 and inserting “very small businesses”;
13 and

14 (II) in subparagraph (B), by add-
15 ing “and” after the semicolon at the
16 end;

17 (ii) by striking paragraph (2);

18 (iii) by redesignating paragraph (3) as
19 paragraph (2); and

20 (iv) in paragraph (2), as so redesign-
21 nated—

22 (I) by striking “(with priority
23 given to business enterprises owned
24 and controlled by socially and eco-

1 nominally disadvantaged individ-
2 uals),”; and

3 (II) by striking “to provide tech-
4 nical assistance to business enter-
5 prises owned and controlled by so-
6 cially and economically disadvantaged
7 individuals” and inserting “to provide
8 technical assistance to business enter-
9 prises”.

10 (9) TITLE 51, UNITED STATES CODE.—Section
11 30304 of title 51, United States Code, is repealed.

12 **SEC. 3. ENDING RACIAL AND ETHNIC PARTICIPATION**
13 **GOALS FOR DEPARTMENT OF TRANSPOR-**
14 **TATION FINANCIAL ASSISTANCE PROGRAMS.**

15 (a) WRITTEN ASSURANCES FOR AIRPORT IMPROVE-
16 MENT PROJECT GRANTS.—Section 47107(e) of title 49,
17 United States Code, is amended—

18 (1) in paragraph (1)—

19 (A) by striking “10 percent” and inserting
20 “5 percent”; and

21 (B) by striking “small business concerns”
22 and all that follows through the period at the
23 end and inserting “disadvantaged business con-
24 cerns (as defined in section 47113(a) of this
25 title).”;

1 (2) in paragraph (4)(B), in the second sentence,
2 by striking “small business concern” and all that
3 follows through the period at the end and inserting
4 “disadvantaged business concern (as defined in sec-
5 tion 47113(a) of this title).”; and

6 (3) in paragraph (6), by striking “small busi-
7 ness concern” and all that follows through “Small
8 Business Act)” and inserting “disadvantaged busi-
9 ness concern (as defined in section 47113(a) of this
10 title)”.

11 (b) DISADVANTAGED BUSINESS CONCERN.—Section
12 47113 of title 49, United States Code, is amended—

13 (1) in subsection (a)—

14 (A) by striking paragraph (2); and

15 (B) by inserting the following:

16 “(2) ‘disadvantaged business concern’ and ‘dis-
17 advantaged business enterprise’ mean a concern
18 owned and controlled by women or a qualified
19 HUBZone small business concern; and”;

20 (2) by striking subsection (b);

21 (3) in subsection (d), by striking “small busi-
22 ness concerns referred to in subsection (b) of this
23 section” and inserting “disadvantaged business con-
24 cerns”; and

25 (4) by striking subsection (e).

1 (c) ENVIRONMENTAL PROTECTION AGENCY.—The
 2 matter under the heading “ADMINISTRATIVE PROVISIONS”
 3 under the heading “ENVIRONMENTAL PROTECTION AGEN-
 4 CY” under the heading “INDEPENDENT AGENCIES”
 5 in title III of the Departments of Veterans Affairs and
 6 Housing and Urban Development, and Independent Agen-
 7 cies Appropriations Act, 1993, (42 U.S.C. 4370d) is
 8 amended by striking the first paragraph.

9 **SEC. 4. ENDING RACIAL AND ETHNIC CONTRACTING GOALS**
 10 **IN OTHER GOVERNMENT PROGRAMS.**

11 (a) ELIMINATION OF REPORTING ON SMALL BUSI-
 12 NESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY
 13 AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.—
 14 Section 1713 of title 41, United States Code, is amend-
 15 ed—

16 (1) in subsection (a)—

17 (A) by striking paragraph (2); and

18 (B) by redesignating paragraph (3) as
 19 paragraph (2); and

20 (2) in the first sentence of subsection (b), by
 21 striking “, the number of small businesses owned
 22 and controlled by women, and the number” and all
 23 that follows through the period at the end and in-
 24 serting “and the number of small businesses owned
 25 and controlled by women.”.

1 (b) DISADVANTAGED BUSINESS ENTERPRISES.—

2 (1) IN GENERAL.—Section 3021 of the Energy
3 Policy Act of 1992 (42 U.S.C. 13556) is repealed.

4 (2) CLERICAL AMENDMENT.—The table of con-
5 tents in section 1(b) of the Energy Policy Act of
6 1992 (Public Law 102–486; 106 Stat. 2782) is
7 amended by striking the item relating to section
8 3021.

9 **SEC. 5. ENDING ALL RACIAL AND ETHNIC DISCRIMINATION**
10 **IN GOVERNMENT CONTRACTING AND**
11 **AWARDS.**

12 (a) CIVILIAN CONTRACTS.—

13 (1) IN GENERAL.—Chapter 47 of title 41,
14 United States Code, is amended by adding at the
15 end the following new section:

16 **“§ 4715. Prohibition on racial and ethnic preferences**
17 **in government contracts and awards**

18 “The head of an executive agency may not—

19 “(1) take into consideration the race or eth-
20 nicity of individuals owning, controlling, or man-
21 aging businesses or other entities when granting
22 contracts or awards; or

23 “(2) place requirements on contractors or
24 grantees that require or encourage them to take into
25 consideration the race or ethnicity of individuals to

1 whom they award contracts, subcontracts, or
2 awards.”.

3 (2) CLERICAL AMENDMENT.—The table of sec-
4 tions at the beginning of chapter 47 of title 41,
5 United States Code, is amended by inserting after
6 the item relating to section 4714 the following new
7 item:

“4715. Prohibition on racial and ethnic preferences in government contracts and
awards.”.

8 (b) DEFENSE CONTRACTS.—

9 (1) IN GENERAL.—Chapter 363 of title 10,
10 United States Code, is amended by adding at the
11 end the following new section:

12 **“§ 4663. Prohibition on racial and ethnic preferences**
13 **in defense contracts and awards**

14 “The head of an agency may not—

15 “(1) take into consideration the race or eth-
16 nicity of individuals owning, controlling, or man-
17 aging businesses or other entities when granting
18 contracts or awards; or

19 “(2) place requirements on contractors or
20 grantees that require or encourage them to take into
21 consideration the race or ethnicity of individuals to
22 whom they award contracts, subcontracts, or
23 awards.”.

(c) RULEMAKING.—Not later than 60 days after the date of the enactment of this Act, the head of each executive agency that has rules or regulations requiring or encouraging consideration of the racial or ethnic status of individuals to whom they grant contracts or awards shall submit a proposed rulemaking removing all such references. The agency shall complete the rulemaking within 180 days after the date of the enactment of this Act.

(e) EXECUTIVE AGENCY DEFINED.—In this section, the term “executive agency” has the meaning given the term in section 133 of title 41, United States Code.

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