

118TH CONGRESS
1ST SESSION

H. R. 2602

To allow nonprofit child care providers to participate in certain loan programs of the Small Business Administration, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 2023

Mrs. LEE of Nevada (for herself and Mr. STAUBER) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To allow nonprofit child care providers to participate in certain loan programs of the Small Business Administration, 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 “Small Business Child
5 Care Investment Act”.

6 **SEC. 2. SMALL BUSINESS LOANS FOR NONPROFIT CHILD**
7 **CARE PROVIDERS.**

8 (a) IN GENERAL.—Section 3(a) of the Small Busi-
9 ness Act (15 U.S.C. 632(a)) is amended by adding at the
10 end the following:

1 “(10) NONPROFIT CHILD CARE PROVIDERS.—

2 “(A) DEFINITION.—In this paragraph, the
3 term ‘covered nonprofit child care provider’
4 means an organization—

5 “(i) that—

6 “(I) is in compliance with licens-
7 ing requirements for child care pro-
8 viders of the State in which the orga-
9 nization is located;

10 “(II) is described in section
11 501(c)(3) of the Internal Revenue
12 Code of 1986 and exempt from tax
13 under section 501(a) of such Code;

14 “(III) is primarily engaged in
15 providing child care for children from
16 birth to compulsory school age; and

17 “(IV) is in compliance with the
18 size standards established under this
19 subsection for business concerns in
20 the applicable industry;

21 “(ii) for which each employee and reg-
22 ular volunteer complies with the criminal
23 background check requirements under sec-
24 tion 658H(b) of the Child Care and Devel-

1 opment Block Grant Act of 1990 (42
2 U.S.C. 9858f(b));

3 “(iii) that may—

4 “(I) provide care for school-age
5 children outside of school hours or
6 outside of the school year; or

7 “(II) offer preschool or pre-
8 kindergarten educational programs;
9 and

10 “(iv) subject to any exemption under
11 Federal law applicable to the organization,
12 that certifies to the Administrator that the
13 organization will not discriminate in any
14 business practice, including providing serv-
15 ices to the public, on the basis of race,
16 color, religion, sex, sexual orientation, mar-
17 ital status, age, disability, or national ori-
18 gin.

19 “(B) ELIGIBILITY FOR CERTAIN LOAN
20 PROGRAMS.—

21 “(i) IN GENERAL.—Notwithstanding
22 any other provision of this subsection, a
23 covered nonprofit child care provider shall
24 be deemed to be a small business concern
25 for purposes of loans under section 7(a) of

1 this Act or financing under title V of the
2 Small Business Investment Act of 1958
3 (15 U.S.C. 695 et seq.).

4 “(ii) LOAN GUARANTEE.—A covered
5 nonprofit child care center provider—

6 “(I) shall obtain a guarantee of
7 timely payment of the loan or financ-
8 ing from another person or entity to
9 be eligible for a loan or financing of
10 more than \$500,000 under the au-
11 thority under clause (i); and

12 “(II) shall not be required to ob-
13 tain a guarantee of timely payment of
14 the loan or financing to be eligible for
15 a loan or financing that is not more
16 than \$500,000 under the authority
17 under clause (i).

18 “(C) LIMITATION ON BASIS FOR INELIGI-
19 BILITY.—The Administrator may not determine
20 that a covered nonprofit child care center pro-
21 vider is not eligible for a loan or financing de-
22 scribed in subparagraph (B)(i) on the basis that
23 the proceeds of the loan or financing will be
24 used for a religious activity protected under the
25 First Amendment to the Constitution of the

1 United States, as interpreted by the courts of
2 the United States.”.

3 (b) REPORTING.—

4 (1) DEFINITION.—In this subsection, the term
5 “covered nonprofit child care provider” has the
6 meaning given the term in paragraph (10) of section
7 3(a) of the Small Business Act (15 U.S.C. 632(a)),
8 as added by subsection (a).

9 (2) REQUIREMENT.—Not later than 1 year
10 after the date of enactment of this Act, and annually
11 thereafter, the Administrator of the Small Business
12 Administration shall submit to Congress a report
13 that contains—

14 (A) for the year covered by the report—

15 (i) the number of loans made under
16 section 7(a) of the Small Business Act (15
17 U.S.C. 636(a)) and the number of
18 financings provided under title V of the
19 Small Business Investment Act of 1958
20 (15 U.S.C. 695 et seq.) to covered non-
21 profit child care providers; and

22 (ii) the amount of such loans made
23 and the amount of such financings pro-
24 vided to covered nonprofit child care pro-
25 viders; and

1 (B) any other information determined rel-
2 evant by the Administrator.

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