

113TH CONGRESS  
2D SESSION

# H. R. 4556

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

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## IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2014

Mr. PETERS of Michigan (for himself, Mr. LEVIN, Ms. WATERS, Mr. CONYERS, Mr. DINGELL, and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

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

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 Access  
5 to Capital Act of 2014”.

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

3 Section 3003 of the Small Business Jobs Act of 2010  
4 (12 U.S.C. 5702) is amended by adding at the end the  
5 following:

6 “(d) **ADDITIONAL ALLOCATION AND COMPETITIVE**  
7 **AWARDS.**—

8 “(1) **DEFINITIONS.**—In this subsection—

9 “(A) the term ‘eligible participating State’  
10 means a participating State that has certified  
11 to the Secretary that the State has expended,  
12 transferred, or obligated not less than 80 per-  
13 cent of the second  $\frac{1}{3}$  of the 2010 allocation  
14 transferred to the State under subsection  
15 (c)(1)(A)(iii); and

16 “(B) the term ‘unused funds’ means—

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

20 “(ii) amounts made available to the  
21 Secretary under paragraph (4)(B)(ii).

22 “(2) **ALLOCATION FOR 2010 PARTICIPATING**  
23 **STATES.**—

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

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

5 “(B) APPLICATION.—An eligible partici-  
6 pating State desiring to receive funds allocated  
7 under this paragraph shall submit an applica-  
8 tion—

9 “(i) not later than the later of—

10 “(I) June 30, 2015; or

11 “(II) the date that is 6 months  
12 after the date of enactment of the  
13 Small Business Access to Capital Act  
14 of 2014; and

15 “(ii) in such manner and containing  
16 such information as the Secretary may re-  
17 quire.

18 “(C) AVAILABILITY OF ALLOCATED  
19 AMOUNT.—Notwithstanding subsection (c)(1),  
20 after an eligible participating State approved by  
21 the Secretary to receive an allocation under this  
22 paragraph has certified to the Secretary that  
23 the eligible participating State has expended,  
24 transferred, or obligated not less than 80 per-  
25 cent of the last  $\frac{1}{3}$  of the 2010 allocation to the

1 eligible participating State, the Secretary shall  
2 transfer to the eligible participating State the  
3 funds allocated to the eligible participating  
4 State under this paragraph.

5 “(D) USE OF TRANSFERRED FUNDS.—An  
6 eligible participating State may use funds  
7 transferred under this paragraph for any pur-  
8 pose authorized under subparagraph (A) or (B)  
9 of subsection (c)(3).

10 “(E) TERMINATION OF AVAILABILITY OF  
11 AMOUNTS.—

12 “(i) IN GENERAL.—If an eligible par-  
13 ticipating State has not certified to the  
14 Secretary that the State has expended,  
15 transferred, or obligated not less than 80  
16 percent of the last  $\frac{1}{3}$  of the 2010 alloca-  
17 tion as of the date that is 2 years after the  
18 date on which the Secretary approves the  
19 eligible participating State to receive an al-  
20 location under this paragraph, any  
21 amounts allocated to the eligible partici-  
22 pating State under this paragraph—

23 “(I) may not be transferred to  
24 the eligible participating State under  
25 this paragraph; and

1                   “(II) shall be available to the  
2                   Secretary to make awards under para-  
3                   graph (4).

4                   “(ii) OTHER AMOUNTS.—Effective on  
5                   the date that is 2 years after the date of  
6                   enactment of the Small Business Access to  
7                   Capital Act of 2014, any amounts allo-  
8                   cated under this paragraph to a partici-  
9                   pating State that, as of such date, is not  
10                  an eligible participating State or to an eli-  
11                  gible participating State that did not sub-  
12                  mit an application under subparagraph (B)  
13                  or was not approved by the Secretary to  
14                  receive an allocation under this para-  
15                  graph—

16                  “(I) may not be transferred to an  
17                  eligible participating State under this  
18                  paragraph; and

19                  “(II) shall be available to the  
20                  Secretary to make awards under para-  
21                  graph (4).

22                  “(3) COMPETITIVE FUNDING.—

23                  “(A) IN GENERAL.—Of the amount made  
24                  available under paragraph (6)(D), the Secretary  
25                  may award, on a competitive basis, not more

1 than a total of \$1,000,000,000 to participating  
2 States and consortiums of participating States  
3 for use for any purpose authorized under sub-  
4 paragraph (A) or (B) of subsection (c)(3).

5 “(B) APPLICATION.—

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

10 “(I) not later than the date es-  
11 tablished by the Secretary, which shall  
12 be not later than the date that is 1  
13 year after the date of enactment of  
14 the Small Business Access to Capital  
15 Act of 2014; and

16 “(II) in such manner and con-  
17 taining such information as the Sec-  
18 retary may require.

19 “(ii) NUMBER OF APPLICATIONS.—A  
20 participating State may submit not more  
21 than 1 application on behalf of the partici-  
22 pating State and not more than 1 applica-  
23 tion as part of a consortium of partici-  
24 pating States.

1           “(iii) STATES THAT DID NOT PARTICI-  
2           PATE.—A State that is not a participating  
3           State may apply to the Secretary for ap-  
4           proval to be a participating State for pur-  
5           poses of this paragraph and paragraph (4),  
6           in accordance with section 3004.

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

11           “(i) how the participating State or  
12          consortium of participating States plan to  
13          use amounts provided under the award  
14          under the approved State program to—

15           “(I) leverage private sector cap-  
16          ital;

17           “(II) create and retain jobs dur-  
18          ing the 2-year period beginning on the  
19          date of the award;

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

23           “(IV) serve low-or-moderate-in-  
24          come communities;

1           “(ii) the extent to which the partici-  
2           pating State or consortium of participating  
3           States will establish or continue a robust  
4           self-evaluation of the activities of the par-  
5           ticipating State or consortium of partici-  
6           pating States using amounts made avail-  
7           able under this title;

8           “(iii) the extent to which the partici-  
9           pating State or consortium of participating  
10          States will provide non-Federal funds in  
11          excess of the amount required under sub-  
12          paragraph (E); and

13          “(iv) the extent to which the partici-  
14          pating State expended, obligated, or trans-  
15          ferred the 2010 allocation to the State.

16          “(D) AWARD OF FUNDS.—

17                 “(i)     FIRST     TRANCHE.—Notwith-  
18                 standing subsection (c)(1), and not later  
19                 than 30 days after making an award under  
20                 this paragraph to a participating State or  
21                 consortium of participating States, the  
22                 Secretary shall transfer 50 percent of the  
23                 amount of the award to the participating  
24                 State or consortium of participating  
25                 States.



1           “(ii) SECOND TRANCHE.—After a par-  
2           ticipating State or consortium of partici-  
3           pating States has certified to the Secretary  
4           that the participating State or consortium  
5           of participating States has expended,  
6           transferred, or obligated not less than 80  
7           percent of the amount transferred under  
8           clause (i), the Secretary shall transfer to  
9           the participating State or consortium of  
10          participating States the remaining amount  
11          of the award.

12          “(E) STATE SHARE.—The State share of  
13          the cost of the activities, excluding administra-  
14          tive expenses, carried out using an award under  
15          this paragraph shall be not less than 10 per-  
16          cent. The Secretary may determine what con-  
17          tributions by a State qualify as part of the  
18          State share of the cost for purposes of this sub-  
19          paragraph.

20          “(4) AWARD OF UNUSED FUNDS.—

21                 “(A) IN GENERAL.—The Secretary may  
22                 award, on a competitive basis, unused funds to  
23                 participating States for use for any purpose au-  
24                 thorized under subparagraph (A) or (B) of sub-  
25                 section (c)(3).

1 “(B) UNUSED 2010 FUNDS.—

2 “(i) IN GENERAL.—The Secretary  
3 shall determine whether any amounts allo-  
4 cated to a participating State under sub-  
5 section (b) shall be deemed no longer allo-  
6 cated and no longer available if a partici-  
7 pating State has not certified to the Sec-  
8 retary that the State has expended, trans-  
9 ferred, or obligated 80 percent of the sec-  
10 ond  $\frac{1}{3}$  of the 2010 allocation by December  
11 31, 2016.

12 “(ii) AVAILABILITY.—Effective on the  
13 date of the determination under clause (i),  
14 any amounts identified in the determina-  
15 tion that were deemed no longer allocated  
16 and no longer available to the participating  
17 State shall be available to the Secretary to  
18 make awards under this paragraph.

19 “(C) APPLICATION.—A participating State  
20 desiring to receive an award under this para-  
21 graph shall submit an application—

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

1           “(ii) in such manner and containing  
2           such information as the Secretary may re-  
3           quire.

4           “(D) FACTORS.—In determining whether  
5           to make an award to a participating State  
6           under this paragraph, the Secretary shall con-  
7           sider the factors described in paragraph (3)(C).

8           “(E) MINIMUM AMOUNT.—The Secretary  
9           may not make an award of less than  
10          \$5,000,000 under this paragraph.

11          “(5) EXTENSION OF COMPLIANCE AND REPORT-  
12          ING.—Notwithstanding section 3007(d), a partici-  
13          pating State that receives funds under paragraph  
14          (2), (3), or (4) shall submit quarterly and annual re-  
15          ports containing the information described in section  
16          3007 until the end of the 8-year period beginning on  
17          the date of enactment of the Small Business Access  
18          to Capital Act of 2014.

19          “(6) ADMINISTRATION AND IMPLEMENTA-  
20          TION.—

21          “(A) ADMINISTRATIVE EXPENSES FOR  
22          PARTICIPATING STATES.—A participating State  
23          may use not more than 3 percent of the amount  
24          made available to the participating State under  
25          paragraph (2), (3), or (4) for administrative ex-

1           penses incurred by the participating State in  
2           implementing an approved State program.

3           “(B) CONTRACTING.—During the 1-year  
4           period beginning on the date of enactment of  
5           the Small Business Access to Capital Act of  
6           2014, and notwithstanding any other provision  
7           of law relating to public contracting, the Sec-  
8           retary may enter into contracts to carry out  
9           this subsection.

10          “(C) AMOUNTS NOT ASSISTANCE.—Any  
11          amounts transferred to a participating State  
12          under paragraph (2), (3), or (4) shall not be  
13          considered assistance for purposes of subtitle V  
14          of title 31, United States Code.

15          “(D) APPROPRIATION.—There are appro-  
16          priated to the Secretary, out of any funds in  
17          the Treasury not otherwise appropriated,  
18          \$1,500,000,000 to carry out this subsection, in-  
19          cluding to pay reasonable costs of administering  
20          the programs under this subsection, to remain  
21          available until expended.

22          “(E) TERMINATION OF SECRETARY’S PRO-  
23          GRAM ADMINISTRATION FUNCTIONS.—The au-  
24          thorities and duties of the Secretary to imple-  
25          ment and administer the program under this

1 subsection shall terminate at the end of the 8-  
2 year period beginning on the date of enactment  
3 of the Small Business Access to Capital Act of  
4 2014.”.

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