

116TH CONGRESS
1ST SESSION

S. 1981

To modify the unconditional ownership requirement for women-owned and minority-owned small business concerns for purposes of procurement contracts with the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 28, 2019

Ms. CANTWELL (for herself and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To modify the unconditional ownership requirement for women-owned and minority-owned small business concerns for purposes of procurement contracts with 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 “Women and Minority
5 Equity Investment Act of 2019”.

1 **SEC. 2. MODIFYING UNCONDITIONAL OWNERSHIP RE-**
2 **QUIREMENT FOR WOMEN-OWNED AND MI-**
3 **NORITY-OWNED SMALL BUSINESS CON-**
4 **CERNS.**

5 (a) IN GENERAL.—Section 8 of the Small Business
6 Act (15 U.S.C. 637) is amended—

7 (1) in subsection (a)(4)—

8 (A) in subparagraph (A), in the matter
9 preceding clause (i), by striking “For purposes”
10 and inserting “Except as provided in subpara-
11 graph (C), for purposes”;

12 (B) by redesignating subparagraph (C) as
13 subparagraph (D); and

14 (C) by inserting after subparagraph (B)
15 the following:

16 “(C) For purposes of determining eligibility for
17 an award under this subsection, the term ‘socially
18 and economically disadvantaged small concern’ in-
19 cludes any small business concern that meets the re-
20 quirements of subparagraph (B) and—

21 “(i) for which less than 51 percent is un-
22 conditionally owned by 1 or more socially and
23 economically disadvantaged individuals or by an
24 entity described in subclause (II) or (III) of
25 subparagraph (A)(i) because the small business
26 concern—

1 “(I) is not more than 50 percent
2 owned and controlled by 1 or more equity
3 investment or venture capital firms; or

4 “(II) is not less than 51 percent
5 owned and controlled by 1 or more equity
6 investment or venture capital firms owned
7 by 1 or more socially disadvantaged indi-
8 viduals or by an entity described in sub-
9 clause (II) or (III) of subparagraph (A)(i);
10 or

11 “(ii) in the case of any publicly owned
12 business, for which less than 51 percent of the
13 stock is unconditionally owned by 1 or more so-
14 cially and economically disadvantaged individ-
15 uals or by an entity described in subclause (II)
16 or (III) of subparagraph (A)(ii) because the
17 small business concern—

18 “(I) is not more than 50 percent
19 owned and controlled by 1 or more equity
20 investment or venture capital firms; or

21 “(II) is not less than 51 percent
22 owned and controlled by 1 or more equity
23 investment or venture capital firms owned
24 by 1 or more socially disadvantaged indi-
25 viduals or by an entity described in sub-

1 clause (II) or (III) of subparagraph
2 (A)(ii);” and

3 (2) in subsection (m)(1), by striking subpara-
4 graph (B) and inserting the following:

5 “(B) SMALL BUSINESS CONCERN OWNED
6 AND CONTROLLED BY WOMEN.—

7 “(i) IN GENERAL.—The term ‘small
8 business concern owned and controlled by
9 women’—

10 “(I) has the meaning given the
11 term in section 3(n); and

12 “(II) includes a small business
13 concern described in subclause (I) for
14 which less than 51 percent is uncondi-
15 tionally owned by 1 or more women
16 because the small business concern—

17 “(aa) is not more than 50
18 percent owned and controlled by
19 1 or more equity investment or
20 venture capital firms; or

21 “(bb) is not less than 51
22 percent owned and controlled by
23 1 or more equity investment or
24 venture capital firms owned by
25 women.

1 “(ii) OWNERSHIP.—For purposes of
2 clause (i), ownership shall be determined
3 without regard to any community property
4 law.”.

5 (b) REGULATIONS.—Not later than 1 year after the
6 date of enactment of this Act, the Administrator of the
7 Small Business Administration shall promulgate regula-
8 tions to amend parts 124 and 127 of chapter I of title
9 13, Code of Federal Regulations, to carry out the amend-
10 ments made by subsection (a).

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