

## Union Calendar No. 289

106<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3845

[Report No. 106-520]

To make corrections to the Small Business Investment Act of 1958, and  
for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2000

Mr. TALENT (for himself and Ms. VELAZQUEZ) introduced the following bill;  
which was referred to the Committee on Small Business

MARCH 14, 2000

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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## A BILL

To make corrections to the Small Business Investment Act  
of 1958, 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 Invest-  
5        ment Corrections Act of 2000”.

1 **SEC. 2. DEFINITIONS.**

2 (a) SMALL BUSINESS CONCERN.—Section  
3 103(5)(A)(i) of the Small Business Investment Act of  
4 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting  
5 “regardless of the allocation of control during the invest-  
6 ment period under any investment agreement between the  
7 business concern and the entity making the investment”  
8 before the semicolon at the end.

9 (b) LONG TERM.—Section 103 of the Small Business  
10 Investment Act of 1958 (15 U.S.C. 662) is amended—

11 (1) in paragraph (15), by striking “and” at the  
12 end;

13 (2) in paragraph (16), by striking the period at  
14 the end and inserting “; and”; and

15 (3) by adding at the end the following new  
16 paragraph:

17 “(17) the term ‘long term’, when used in con-  
18 nection with equity capital or loan funds invested in  
19 any small business concern or smaller enterprise,  
20 means any period of time not less than 1 year.”.

21 **SEC. 3. SUBSIDY FEES.**

22 (a) DEBENTURES.—Section 303(b) of the Small  
23 Business Investment Act of 1958 (15 U.S.C. 683(b)) is  
24 amended by striking “plus an additional charge of 1 per-  
25 cent per annum which shall be paid to and retained by  
26 the Administration” and inserting “plus an additional

1 charge, in an amount established annually by the Adminis-  
2 tration, of not more than 1 percent per year as necessary  
3 to reduce to zero the cost (as defined in section 502 of  
4 the Federal Credit Reform Act of 1990 (2 U.S.C. 661a))  
5 to the Administration of purchasing and guaranteeing de-  
6 bentures under this Act, which shall be paid to and re-  
7 tained by the Administration”.

8 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)  
9 of the Small Business Investment Act of 1958 (15 U.S.C.  
10 683(g)(2)) is amended by striking “plus an additional  
11 charge of 1 percent per annum which shall be paid to and  
12 retained by the Administration” and inserting “plus an  
13 additional charge, in an amount established annually by  
14 the Administration, of not more than 1 percent per year  
15 as necessary to reduce to zero the cost (as defined in sec-  
16 tion 502 of the Federal Credit Reform Act of 1990 (2  
17 U.S.C. 661a)) to the Administration of purchasing and  
18 guaranteeing participating securities under this Act, which  
19 shall be paid to and retained by the Administration”.

20 **SEC. 4. DISTRIBUTIONS.**

21 Section 303(g)(8) of the Small Business Investment  
22 Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

23 (1) by striking “subchapter s corporation” and  
24 inserting “subchapter S corporation”;

1           (2) by striking “the end of any calendar quarter  
2           based on a quarterly” and inserting “any time dur-  
3           ing any calendar quarter based on an”; and

4           (3) by striking “quarterly distributions for a  
5           calendar year,” and inserting “interim distributions  
6           for a calendar year,”.

7 **SEC. 5. CONFORMING AMENDMENT.**

8           Section 310(c)(4) of the Small Business Investment  
9 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-  
10 ing “five years” and inserting “1 year”.



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