

Union Calendar No. 119

109TH CONGRESS
1ST SESSION

H. R. 2981

[Report No. 109-206]

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Alaska Natives, and Native Hawaiians.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2005

Mr. UDALL of New Mexico (for himself, Ms. VELÁZQUEZ, Mr. OBERSTAR, Mr. CASE, Mr. GRIJALVA, Mr. ABERCROMBIE, Mr. McDERMOTT, Mr. REYES, Mr. HONDA, Mr. HASTINGS of Florida, Mr. PALLONE, Mr. YOUNG of Alaska, Mr. TOWNS, Mr. MATHESON, Ms. HERSETH, Mrs. CUBIN, Ms. McCOLLUM of Minnesota, Mr. MORAN of Virginia, and Mr. MANZULLO) introduced the following bill; which was referred to the Committee on Small Business

JULY 28, 2005

Additional sponsors: Mr. UDALL of Colorado, Mr. MICHAUD, and Mr. RENZI

JULY 28, 2005

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on June 17, 2005]

A BILL

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development

Centers to Indian tribe members, Alaska Natives, and Native Hawaiians.

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. FINDINGS AND PURPOSES.**

4 *(a) FINDINGS.—Congress finds the following:*

5 *(1) Approximately 60 percent of Indian tribe*
6 *members and Alaska Natives live on or adjacent to*
7 *Indian lands, which suffer from an average unem-*
8 *ployment rate of 45 percent.*

9 *(2) Indian tribe members and Alaska Natives*
10 *own more than 197,000 businesses and generate more*
11 *than \$34,000,000,000 in revenues. The service indus-*
12 *try accounted for 17 percent of these businesses (of*
13 *which 40 percent were engaged in business and per-*
14 *sonal services) and 15.1 percent of their total receipts.*
15 *The next largest was the construction industry (13.9*
16 *percent and 15.7 percent, respectively). The third*
17 *largest was the retail trade industry (7.5 percent and*
18 *13.4 percent, respectively).*

19 *(3) The number of businesses owned by Indian*
20 *tribe members and Alaska Natives grew by 84 percent*
21 *from 1992 to 1997, and their gross receipts grew by*
22 *179 percent in that period. This is compared to all*
23 *businesses which grew by 7 percent, and their total*
24 *gross receipts grew by 40 percent, in that period.*

1 (4) *The Small Business Development Center pro-*
2 *gram is cost effective. Clients receiving long-term*
3 *counseling under the program in 1998 generated ad-*
4 *ditional tax revenues of \$468,000,000, roughly 6 times*
5 *the cost of the program to the Federal Government.*

6 (5) *Using the existing infrastructure of the*
7 *Small Business Development Center program, small*
8 *businesses owned by Indian tribe members, Alaska*
9 *Natives, and Native Hawaiians receiving services*
10 *under the program will have a higher survival rate*
11 *than the average small business not receiving such*
12 *services.*

13 (6) *Business counseling and technical assistance*
14 *is critical on Indian lands where similar services are*
15 *scarce and expensive.*

16 (7) *Increased assistance through counseling*
17 *under the Small Business Development Center pro-*
18 *gram has been shown to reduce the default rate associ-*
19 *ated with lending programs of the Small Business*
20 *Administration.*

21 (b) *PURPOSES.—The purposes of this Act are as fol-*
22 *lows:*

23 (1) *To stimulate economies on Indian lands.*

24 (2) *To foster economic development on Indian*
25 *lands.*

1 (3) *To assist in the creation of new small busi-*
2 *nesses owned by Indian tribe members, Alaska Na-*
3 *tives, and Native Hawaiians and expand existing*
4 *ones.*

5 (4) *To provide management, technical, and re-*
6 *search assistance to small businesses owned by Indian*
7 *tribe members, Alaska Natives, and Native Hawai-*
8 *ians.*

9 (5) *To seek the advice of local Tribal Councils on*
10 *where small business development assistance is most*
11 *needed.*

12 (6) *To ensure that Indian tribe members, Alaska*
13 *Natives, and Native Hawaiians have full access to ex-*
14 *isting business counseling and technical assistance*
15 *available through the Small Business Development*
16 *Center program.*

17 **SEC. 2. SMALL BUSINESS DEVELOPMENT CENTER ASSIST-**
18 **ANCE TO INDIAN TRIBE MEMBERS, ALASKA**
19 **NATIVES, AND NATIVE HAWAIIANS.**

20 (a) *IN GENERAL.*—*Section 21(a) of the Small Business*
21 *Act (15 U.S.C. 648(a)) is amended by adding at the end*
22 *the following:*

23 “(8) *ADDITIONAL GRANT TO ASSIST INDIAN*
24 *TRIBE MEMBERS, ALASKA NATIVES, AND NATIVE HA-*
25 *WAIANS.—*

1 “(A) *IN GENERAL.*—Any applicant in an
2 eligible State that is funded by the Administra-
3 tion as a Small Business Development Center
4 may apply for an additional grant to be used
5 solely to provide services described in subsection
6 (c)(3) to assist with outreach, development, and
7 enhancement on Indian lands of small business
8 startups and expansions owned by Indian tribe
9 members, Alaska Natives, and Native Hawai-
10 ians.

11 “(B) *ELIGIBLE STATES.*—For purposes of
12 subparagraph (A), an eligible State is a State
13 that has a combined population of Indian tribe
14 members, Alaska Natives, and Native Hawaiians
15 that comprises at least 1 percent of the State’s
16 total population, as shown by the latest available
17 census.

18 “(C) *GRANT APPLICATIONS.*—An applicant
19 for a grant under subparagraph (A) shall submit
20 to the Administration an application that is in
21 such form as the Administration may require.
22 The application shall include information re-
23 garding the applicant’s goals and objectives for
24 the services to be provided using the grant, in-
25 cluding—

1 “(i) the capability of the applicant to
2 provide training and services to a rep-
3 resentative number of Indian tribe members,
4 Alaska Natives, and Native Hawaiians;

5 “(ii) the location of the Small Business
6 Development Center site proposed by the ap-
7 plicant;

8 “(iii) the required amount of grant
9 funding needed by the applicant to imple-
10 ment the program; and

11 “(iv) the extent to which the applicant
12 has consulted with local Tribal Councils.

13 “(D) *APPLICABILITY OF GRANT REQUIRE-*
14 *MENTS.—An applicant for a grant under sub-*
15 *paragraph (A) shall comply with all of the re-*
16 *quirements of this section, except that the match-*
17 *ing funds requirements under paragraph (4)(A)*
18 *shall not apply.*

19 “(E) *MAXIMUM AMOUNT OF GRANTS.—No*
20 *applicant may receive more than \$300,000 in*
21 *grants under this paragraph for one fiscal year.*

22 “(F) *REGULATIONS.—After providing notice*
23 *and an opportunity for comment and after con-*
24 *sulting with the Association recognized by the*
25 *Administration pursuant to paragraph (3)(A)*

1 *(but not later than 180 days after the date of en-*
2 *actment of this paragraph), the Administration*
3 *shall issue final regulations to carry out this*
4 *paragraph, including regulations that estab-*
5 *lish—*

6 *“(i) standards relating to educational,*
7 *technical, and support services to be pro-*
8 *vided by Small Business Development Cen-*
9 *ters receiving assistance under this para-*
10 *graph; and*

11 *“(ii) standards relating to any work*
12 *plan that the Administration may require a*
13 *Small Business Development Center receiv-*
14 *ing assistance under this paragraph to de-*
15 *velop.*

16 *“(G) DEFINITIONS.—In this section, the fol-*
17 *lowing definitions apply:*

18 *“(i) INDIAN LANDS.—The term ‘Indian*
19 *lands’ has the meaning given the term ‘In-*
20 *dian country’ in section 1151 of title 18,*
21 *United States Code, the meaning given the*
22 *term ‘Indian reservation’ in section 151.2 of*
23 *title 25, Code of Federal Regulations (as in*
24 *effect on the date of enactment of this para-*
25 *graph), and the meaning given the term*

1 “(II) a descendant of the aborigi-
2 nal people, who prior to 1778, occupied
3 and exercised sovereignty in the area
4 that now constitutes the State of Ha-
5 waii.

6 “(vi) *TRIBAL ORGANIZATION.*—The
7 term ‘tribal organization’ has the meaning
8 given that term in section 4(l) of the Indian
9 Self-Determination and Education Assist-
10 ance Act (25 U.S.C. 450b(l)).

11 “(H) *AUTHORIZATION OF APPROPRIA-*
12 *TIONS.*—There is authorized to be appropriated
13 to carry out this paragraph \$7,000,000 for each
14 of fiscal years 2006 through 2008.

15 “(I) *FUNDING LIMITATIONS.*—

16 “(i) *NONAPPLICABILITY OF CERTAIN*
17 *LIMITATIONS.*—Funding under this para-
18 graph shall be in addition to the dollar pro-
19 gram limitations specified in paragraph
20 (4).

21 “(ii) *LIMITATION ON USE OF FUNDS.*—
22 The Administration may carry out this
23 paragraph only with amounts appropriated
24 in advance specifically to carry out this
25 paragraph.”.

1 **SEC. 3. STATE CONSULTATION WITH TRIBAL ORGANIZA-**
2 **TIONS.**

3 *Section 21(c) of the Small Business Act (15 U.S.C.*
4 *648(c)) is amended by adding at the end the following:*

5 *“(9) ADVICE OF LOCAL TRIBAL ORGANIZA-*
6 *TIONS.—A Small Business Development Center re-*
7 *ceiving a grant under this section shall request the*
8 *advice of tribal organization on how best to provide*
9 *assistance to Indian tribe members, Alaska Natives,*
10 *and Native Hawaiians and where to locate satellite*
11 *centers to provide such assistance.”.*

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[Report No. 109-2061]

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