

110TH CONGRESS
2D SESSION

S. 3699

To direct the Administrator of the Small Business Administration to reform and improve the HUBZone program for small business concerns, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 2008

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To direct the Administrator of the Small Business Administration to reform and improve the HUBZone program for small business concerns, 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 “HUBZone Improve-
5 ment Act of 2008”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively;

4 (2) the terms “HUBZone” and “HUBZone
5 small business concern” have the meanings given
6 such terms in section 3 of the Small Business Act
7 (15 U.S.C. 632); and

8 (3) the term “recertification” means deter-
9 mining whether a business concern that was pre-
10 viously determined to be a qualified HUBZone small
11 business concern is a qualified HUBZone small busi-
12 ness concern under section 3(p)(5) of the Small
13 Business Act (15 U.S.C. 632(p)(5)).

14 **SEC. 3. PURPOSE; FINDINGS.**

15 (a) **PURPOSE.**—The purpose of this Act is to reform
16 and improve the HUBZone program of the Administra-
17 tion.

18 (b) **FINDINGS.**—Congress finds the following:

19 (1) The HUBZone program was established
20 under the HUBZone Act of 1997 (Public Law 105–
21 135; 111 Stat. 2627) to stimulate economic develop-
22 ment through increased employment and capital in-
23 vestment by providing Federal contracting pref-
24 erences to small business concerns in economically
25 distressed communities or HUBZone areas.

1 (2) According to the Government Accountability
2 Office—

3 (A) as of February 2008, 12,986 certified
4 firms have participated in the HUBZone pro-
5 gram since its inception; and

6 (B) in fiscal year 2007, over 4,200
7 HUBZone small business concerns obtained ap-
8 proximately \$8,100,000,000 in Federal con-
9 tracts.

10 (3) The Government Accountability Office also
11 identified numerous concerns with the HUBZone
12 program, including that—

13 (A) the Administration verifies the infor-
14 mation received by the Administration from
15 HUBZone small business concerns in limited
16 instances and has limited assurances that only
17 eligible firms participated in the HUBZone pro-
18 gram;

19 (B) by not obtaining documentation and
20 conducting site visits on a more routine basis
21 during the certification process, the Administra-
22 tion cannot be sure that only eligible firms are
23 part of the HUBZone program; and

24 (C) although the examination process of
25 the Administration involves a more extensive re-

1 view of documentation, the examination process
2 cannot be relied upon to ensure that only eligi-
3 ble firms participate in the HUBZone program
4 because the examination process involves only 5
5 percent of firms in any given year.

6 **SEC. 4. HUBZONE IMPROVEMENTS.**

7 The Administrator shall—

8 (1) as soon as is practicable, correct and update
9 the map that is used by the Administration to iden-
10 tify HUBZones and implement procedures to ensure
11 that the map is updated with the most recently
12 available data on a more frequent basis;

13 (2) develop and implement guidance for deter-
14 mining whether an applicant is a qualified
15 HUBZone small business concern under section
16 3(p)(5) of the Small Business Act (15 U.S.C.
17 632(p)(5)), including more routinely and consist-
18 ently obtaining supporting documentation from an
19 applicant and conducting more frequent site visits,
20 as appropriate;

21 (3) establish a date by which the Administrator
22 shall eliminate the backlog of applications for recer-
23 tification;

24 (4) ensure that the Administration eliminates
25 the backlog described in paragraph (3) by the date

1 established under paragraph (3), using officers and
2 employees of the Administration or by entering into
3 a contract with a private entity;

4 (5) establish and implement a time period for
5 completing a recertification; and

6 (6) develop measures and implement plans to
7 assess the effectiveness of the HUBZone program
8 that take into account—

9 (A) the economic characteristics of the
10 HUBZone; and

11 (B) contracts being counted under multiple
12 socioeconomic subcategories.

13 **SEC. 5. REPORT.**

14 Not later than 2 years after the date of enactment
15 of this Act, the Comptroller General of the United States
16 shall submit to the Committee on Small Business and En-
17 trepreneurship of the Senate and the Committee on Small
18 Business of the House of Representatives a report regard-
19 ing the implementation of this Act.

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