

116TH CONGRESS  
1ST SESSION

# S. 2188

To amend the Small Business Investment Act of 1958 to improve the license application process for small business investment companies, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 18, 2019

Mr. HAWLEY (for himself and Mr. COONS) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

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## A BILL

To amend the Small Business Investment Act of 1958 to improve the license application process for small business investment companies, 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 “SBIC Licensing Im-  
5 provement Act”.

6 **SEC. 2. APPROVAL OR DISAPPROVAL OF SBIC LICENSE AP-**  
7 **PLICATIONS.**

8 Section 301 of the Small Business Investment Act  
9 of 1958 (15 U.S.C. 681) is amended—

1           (1) in subsection (a), by inserting after the first  
2 sentence the following: “Notwithstanding the pre-  
3 ceding sentence, a small business investment com-  
4 pany may be a State development company that  
5 qualifies for assistance under title V if the develop-  
6 ment company possesses the powers reasonably nec-  
7 essary to perform the functions and activities con-  
8 templated under this title.”; and

9           (2) in subsection (c)(2)—

10           (A) in subparagraph (B)—

11           (i) by striking clause (i) and inserting  
12 the following:

13           “(i) if the requirements of this section  
14 are satisfied, approve the application and,  
15 not later than 10 business days after the  
16 date of that approval, issue a license for  
17 such operation to the applicant; or”;

18           (ii) in clause (ii), by inserting “,  
19 which shall include specific reasons for the  
20 disapproval that are based on items in the  
21 application” after “disapproval”; and

22           (B) by adding at the end the following:

23           “(C) EFFECT OF DISAPPROVAL.—With re-  
24 spect to an application that the Administrator  
25 disapproves, the applicant may submit to the

1 Administrator a request for a written decision  
2 regarding that disapproval.

3 “(D) APPEALS.—An applicant that sub-  
4 mits an application with respect to which the  
5 Administration denies may submit an appeal as  
6 follows:

7 “(i) With respect to an application  
8 that is denied by the Investment Com-  
9 mittee of the Office of Investment and In-  
10 novation of the Administration or the In-  
11 vestment Division Licensing Committee of  
12 the Administration—

13 “(I) not later than 30 days after  
14 the date on which the applicable com-  
15 mittee so denies the application, the  
16 applicant may submit an appeal to the  
17 Chair of the Agency Licensing Com-  
18 mittee of the Administration (referred  
19 to in this subparagraph as the  
20 ‘Chair’); and

21 “(II) not later than 30 days after  
22 the date on which the applicant sub-  
23 mits an appeal under subclause (I),  
24 the Chair shall—

1 “(aa) issue a ruling with re-  
2 spect to the appeal; and

3 “(bb) notify the applicant  
4 regarding the ruling of the Chair.

5 “(ii) With respect to an application  
6 that the Chair denies in an appeal sub-  
7 mitted under clause (i)—

8 “(I) not later than 30 days after  
9 the date on which the Chair submits  
10 the notification required under sub-  
11 clause (II)(bb) of that clause, the ap-  
12 plicant may submit to the Adminis-  
13 trator an appeal of the ruling made by  
14 the Chair; and

15 “(II) not later than 30 days after  
16 the date on which the applicant sub-  
17 mits an appeal under subclause (I),  
18 the Administrator shall—

19 “(aa) issue a final ruling  
20 with respect to the appeal; and

21 “(bb) notify the applicant  
22 regarding the ruling of the Ad-  
23 ministrator.”.

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