Calendar No. 135

119TH CONGRESS
1ST SESSION

S. 2232

To expand the surety bond program under the Small Business Investment Act of 1958, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 9, 2025

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

JULY 30, 2025

Reported by Ms. ERNST, with an amendment

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

A BILL

To expand the surety bond program under the Small Business Investment Act of 1958, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~**SECTION 1. SHORT TITLE.**~~

~~This Act may be cited as the "Expanding the Surety Bond Program Act of 2025".~~

~~**SEC. 2. EXPANSION OF THE SURETY BOND PROGRAM.**~~

~~Part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.) is amended—~~

~~(1) in section 411 (15 U.S.C. 694b)—~~

~~(A) in subsection (a)(1)—~~

~~(i) in subparagraph (A), by striking "$6,500,000" and inserting "$20,000,000"; and~~

~~(ii) by striking subparagraph (B) and inserting the following:~~

~~"(B) The Administrator may guarantee a surety under subparagraph (A) for a total work order or contract in an amount that does not exceed $20,000,000."; and~~

~~(B) in subsection (c)—~~

~~(i) in paragraph (1), by striking the comma at the end and inserting a semicolon;~~

~~(ii) in paragraph (2), by striking "$6,500,000," and inserting "the amount described in subparagraph (A) or (B) of subsection (a)(1), as applicable;"; and~~

~~(iii) in paragraph (3), by striking ", or" and inserting "; or"; and~~

~~(2) in section 412 (15 U.S.C. 694c)—~~

~~(A) in subsection (a), in the third sentence, by striking ", excluding administrative expenses,";~~

~~(B) by redesignating subsection (b) as subsection (c); and~~

~~(C) by inserting after subsection (a) the following:~~

~~"(b) Not more than 5 percent of the amount in the fund described in subsection (a) on the first day of each fiscal year may be obligated during that fiscal year to cover costs incurred by the Administration in connection with the management and administration of this part, including costs related to information technology and systems, personnel, outreach activities, and relevant contracts.".~~

SECTION 1. SHORT TITLE.

This Act may be cited as the "Expanding the Surety Bond Program Act of 2025".

SEC. 2. EXPANSION OF THE SURETY BOND PROGRAM.

Part B of title IV of the Small Business Investment Act of 1958 (15 U.S.C. 694a et seq.) is amended—

(1) in section 411 (15 U.S.C. 694b)—

(A) in subsection (a)(1)—

(i) in subparagraph (A)—

(I) by striking "$6,500,000" and inserting "$18,000,000"; and

(II) by inserting ", subject to the exception in subparagraph (B)" after "United States Code"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) (i) In any fiscal year in which the Administrator submits a formal request, including budget justification documents submitted by the Administrator to Congress, for supplemental funds under section 412(d), the amount described in subparagraph (A) shall be reduced by 33 percent.

"(ii) The limit described in clause (i) shall apply until the first of either—

"(I) 12 months after the date on which the Administrator submits the formal request described in that clause; or

"(II) 150 days after the date on which—

"(aa) the requested funds are provided, and the Administrator attests that the fee collection activities of the Administration are sufficient to maintain a deficit-neutral revolving fund; or

"(bb) the Administrator notifies Congress that funds are no longer required and attests that the fee collection activities of the Adminis-

tration are sufficient to maintain a deficit-neutral revolving fund.

"(iii) After the expiration of the period described in clause (ii), the limit described in clause (i) shall revert to the amount designated in subparagraph (A)."; and

(B) in subsection (e)—

(i) in paragraph (1), by striking the comma at the end and inserting a semicolon;

(ii) in paragraph (2), by striking "$6,500,000," and inserting "the amount described in subparagraph (A) or (B)(i) of subsection (a)(1), as applicable;"; and

(iii) in paragraph (3), by striking ", or" and inserting "; or";

(2) in section 412 (15 U.S.C. 694c)—

(A) in subsection (a), in the third sentence, by striking ", excluding administrative expenses,";

(B) by redesignating subsection (b) as subsection (c);

(C) by inserting after subsection (a) the following:

"(b) Not more than 2 percent of the amount in the fund described in subsection (a) on the first day of each

fiscal year may be obligated during that fiscal year to cover costs incurred by the Administration in connection with the management and administration of this part, including costs related to information technology and systems, outreach activities, and relevant contracts.''; and

(D) by adding at the end the following:

''(d) If the Administrator notifies any committee of the Senate or the House of Representatives that supplemental funding is necessary to carry out the Surety Bond Program authorized under section 411(a)(3), the Administrator shall, on the same date, notify in writing the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the need for the supplemental funds.''; and

(3) by adding at the end the following:

''SEC. 413. REPORT.

''(a) SMALL BUSINESS ADMINISTRATION.—Not later than 90 days after the first day of each fiscal year, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report covering the period of the previous fiscal year describing the status and activities carried out under this part and the financial health of the revolving fund created under section 412(a), which shall include—

"(1) with respect to guarantees under this part—

"(A) the total dollar value in the aggregate among all sureties;

"(B) the total dollar value issued by sureties participating in the Prior Approval Program;

"(C) the total dollar value issued by sureties participating in the Preferred Surety Bond Guarantee Program authorized under section 411(a)(3);

"(D) the average bond size; and

"(E) the number of issued bonds that exceed the limits established under subparagraphs (A) and (B) of section 411(a)(1);

"(2) with respect to claims paid—

"(A) the total dollar value of claims paid in the aggregate;

"(B) the total dollar value of claims originating from bonds issued by sureties participating in the Prior Approval Program and the number of such claims; and

"(C) the total dollar value of claims originating from bonds issued by sureties participating in the Preferred Surety Bond Guarantee

Program authorized under section 411(a)(3) and the number of such claims.

“(3) information on the solvency of the revolving fund, including—

“(A) the revolving fund balance at the end of the reporting period;

“(B) net cash flow;

“(C) administrative expenses incurred; and

“(D) the revolving fund balance at the end of the reporting period, adjusted for administrative expenses under subparagraph (C);

“(4) the number of sureties participating in the Prior Approval Program;

“(5) the number of sureties participating in the Preferred Surety Bond Guarantee Program authorized under section 411(a)(3); and

“(6) information on administrative expenses, including—

“(A) a description of administrative expenses claimed from the revolving fund under section 412(b) as of the end of the reporting period; and

“(B) the total cost of administrative expenses claimed.

"(b) GOVERNMENT ACCOUNTABILITY OFFICE.—Not later than 270 days after the date of enactment of the Expanding the Surety Bond Program Act of 2025, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report on the current processes of the Small Business Administration for approving applicants to the Surety Bond Program, including recommendations for improving program efficiency and simplifying paperwork requirements.".

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