

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 *italie*]

A BILL

To expand the surety bond program under 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 “~~Expanding the Surety~~
5 ~~Bond Program Act of 2025~~”.

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

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

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

5 (A) in subsection (a)(1)—

6 (i) in subparagraph (A), by striking

7 “\$6,500,000” and inserting

8 “\$20,000,000”; and

9 (ii) by striking subparagraph (B) and

10 inserting the following:

11 “(B) The Administrator may guarantee a

12 surety under subparagraph (A) for a total work

13 order or contract in an amount that does not

14 exceed \$20,000,000.”; and

15 (B) in subsection (c)—

16 (i) in paragraph (1), by striking the

17 comma at the end and inserting a semi-

18 colon;

19 (ii) in paragraph (2), by striking

20 “\$6,500,000,” and inserting “the amount

21 described in subparagraph (A) or (B) of

22 subsection (a)(1), as applicable,”; and

23 (iii) in paragraph (3), by striking “,

24 or” and inserting “; or”; and

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

1 (A) in subsection (a), in the third sentence,
 2 by striking “, excluding administrative ex-
 3 penses,”;

4 (B) by redesignating subsection (b) as sub-
 5 section (c); and

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

8 “(b) Not more than 5 percent of the amount in the
 9 fund described in subsection (a) on the first day of each
 10 fiscal year may be obligated during that fiscal year to
 11 cover costs incurred by the Administration in connection
 12 with the management and administration of this part, in-
 13 cluding costs related to information technology and sys-
 14 tems, personnel, outreach activities, and relevant con-
 15 tracts.”.

16 **SECTION 1. SHORT TITLE.**

17 *This Act may be cited as the “Expanding the Surety*
 18 *Bond Program Act of 2025”.*

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

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

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

23 *(A) in subsection (a)(1)—*

24 *(i) in subparagraph (A)—*

1 (I) by striking “\$6,500,000” and
2 inserting “\$18,000,000”; and

3 (II) by inserting “, subject to the
4 exception in subparagraph (B)” after
5 “United States Code”; and

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

8 “(B) (i) In any fiscal year in which the Administrator
9 submits a formal request, including budget justification
10 documents submitted by the Administrator to Congress, for
11 supplemental funds under section 412(d), the amount de-
12 scribed in subparagraph (A) shall be reduced by 33 percent.

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

15 “(I) 12 months after the date on which the Ad-
16 ministrator submits the formal request described in
17 that clause; or

18 “(II) 150 days after the date on which—

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

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

1 *tration are sufficient to maintain a deficit-neu-*
 2 *tral revolving fund.*

3 *“(iii) After the expiration of the period described in*
 4 *clause (ii), the limit described in clause (i) shall revert to*
 5 *the amount designated in subparagraph (A).”;* and

6 *(B) in subsection (e)—*

7 *(i) in paragraph (1), by striking the*
 8 *comma at the end and inserting a semi-*
 9 *colon;*

10 *(ii) in paragraph (2), by striking*
 11 *“\$6,500,000,” and inserting “the amount*
 12 *described in subparagraph (A) or (B)(i) of*
 13 *subsection (a)(1), as applicable;”;* and

14 *(iii) in paragraph (3), by striking “,*
 15 *or” and inserting “; or”;*

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

17 *(A) in subsection (a), in the third sentence,*
 18 *by striking “, excluding administrative ex-*
 19 *penses,”;*

20 *(B) by redesignating subsection (b) as sub-*
 21 *section (c);*

22 *(C) by inserting after subsection (a) the fol-*
 23 *lowing:*

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

1 *fiscal year may be obligated during that fiscal year to cover*
 2 *costs incurred by the Administration in connection with the*
 3 *management and administration of this part, including*
 4 *costs related to information technology and systems, out-*
 5 *reach activities, and relevant contracts.”; and*

6 *(D) by adding at the end the following:*

7 *“(d) If the Administrator notifies any committee of the*
 8 *Senate or the House of Representatives that supplemental*
 9 *funding is necessary to carry out the Surety Bond Program*
 10 *authorized under section 411(a)(3), the Administrator shall,*
 11 *on the same date, notify in writing the Committee on Small*
 12 *Business and Entrepreneurship of the Senate and the Com-*
 13 *mittee on Small Business of the House of Representatives*
 14 *regarding the need for the supplemental funds.”; and*

15 *(3) by adding at the end the following:*

16 **“SEC. 413. REPORT.**

17 *“(a) SMALL BUSINESS ADMINISTRATION.—Not later*
 18 *than 90 days after the first day of each fiscal year, the Ad-*
 19 *ministrator shall submit to the Committee on Small Busi-*
 20 *ness and Entrepreneurship of the Senate and the Committee*
 21 *on Small Business of the House of Representatives a report*
 22 *covering the period of the previous fiscal year describing*
 23 *the status and activities carried out under this part and*
 24 *the financial health of the revolving fund created under sec-*
 25 *tion 412(a), which shall include—*

1 “(1) with respect to guarantees under this
2 part—

3 “(A) the total dollar value in the aggregate
4 among all sureties;

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

7 “(C) the total dollar value issued by sureties
8 participating in the Preferred Surety Bond
9 Guarantee Program authorized under section
10 411(a)(3);

11 “(D) the average bond size; and

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

15 “(2) with respect to claims paid—

16 “(A) the total dollar value of claims paid in
17 the aggregate;

18 “(B) the total dollar value of claims origi-
19 nating from bonds issued by sureties partici-
20 pating in the Prior Approval Program and the
21 number of such claims; and

22 “(C) the total dollar value of claims origi-
23 nating from bonds issued by sureties partici-
24 pating in the Preferred Surety Bond Guarantee

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

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

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

7 “(B) *net cash flow;*

8 “(C) *administrative expenses incurred; and*

9 “(D) *the revolving fund balance at the end*
 10 *of the reporting period, adjusted for administra-*
 11 *tive expenses under subparagraph (C);*

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

14 “(5) *the number of sureties participating in the*
 15 *Preferred Surety Bond Guarantee Program author-*
 16 *ized under section 411(a)(3); and*

17 “(6) *information on administrative expenses, in-*
 18 *cluding—*

19 “(A) *a description of administrative ex-*
 20 *penses claimed from the revolving fund under*
 21 *section 412(b) as of the end of the reporting pe-*
 22 *riod; and*

23 “(B) *the total cost of administrative ex-*
 24 *penses claimed.*

1 “(b) *GOVERNMENT ACCOUNTABILITY OFFICE.*—Not
2 *later than 270 days after the date of enactment of the Ex-*
3 *panding the Surety Bond Program Act of 2025, the Comp-*
4 *troller General of the United States shall submit to the Com-*
5 *mittee on Small Business and Entrepreneurship of the Sen-*
6 *ate and the Committee on Small Business of the House of*
7 *Representatives a report on the current processes of the*
8 *Small Business Administration for approving applicants*
9 *to the Surety Bond Program, including recommendations*
10 *for improving program efficiency and simplifying paper-*
11 *work requirements.”.*

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