

106TH CONGRESS
2D SESSION

H. R. 3845

IN THE SENATE OF THE UNITED STATES

MARCH 20, 2000

Received; read twice and referred to the Committee on Small Business

AN ACT

To make corrections to 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Small Business Invest-
3 ment Corrections Act of 2000”.

4 **SEC. 2. DEFINITIONS.**

5 (a) **SMALL BUSINESS CONCERN.**—Section
6 103(5)(A)(i) of the Small Business Investment Act of
7 1958 (15 U.S.C. 662(5)(A)(i)) is amended by inserting
8 “regardless of the allocation of control during the invest-
9 ment period under any investment agreement between the
10 business concern and the entity making the investment”
11 before the semicolon at the end.

12 (b) **LONG TERM.**—Section 103 of the Small Business
13 Investment Act of 1958 (15 U.S.C. 662) is amended—

14 (1) in paragraph (15), by striking “and” at the
15 end;

16 (2) in paragraph (16), by striking the period at
17 the end and inserting “; and”; and

18 (3) by adding at the end the following new
19 paragraph:

20 “(17) the term ‘long term’, when used in con-
21 nection with equity capital or loan funds invested in
22 any small business concern or smaller enterprise,
23 means any period of time not less than 1 year.”.

24 **SEC. 3. SUBSIDY FEES.**

25 (a) **DEBENTURES.**—Section 303(b) of the Small
26 Business Investment Act of 1958 (15 U.S.C. 683(b)) is

1 amended by striking “plus an additional charge of 1 per-
2 cent per annum which shall be paid to and retained by
3 the Administration” and inserting “plus, for debentures
4 issued after September 30, 2000, an additional charge, in
5 an amount established annually by the Administration, of
6 not more than 1 percent per year as necessary to reduce
7 to zero the cost (as defined in section 502 of the Federal
8 Credit Reform Act of 1990 (2 U.S.C. 661a)) to the Ad-
9 ministration of purchasing and guaranteeing debentures
10 under this Act, which shall be paid to and retained by
11 the Administration”.

12 (b) PARTICIPATING SECURITIES.—Section 303(g)(2)
13 of the Small Business Investment Act of 1958 (15 U.S.C.
14 683(g)(2)) is amended by striking “plus an additional
15 charge of 1 percent per annum which shall be paid to and
16 retained by the Administration” and inserting “plus, for
17 participating securities issued after September 30, 2000,
18 an additional charge, in an amount established annually
19 by the Administration, of not more than 1 percent per
20 year as necessary to reduce to zero the cost (as defined
21 in section 502 of the Federal Credit Reform Act of 1990
22 (2 U.S.C. 661a)) to the Administration of purchasing and
23 guaranteeing participating securities under this Act, which
24 shall be paid to and retained by the Administration”.

1 **SEC. 4. DISTRIBUTIONS.**

2 Section 303(g)(8) of the Small Business Investment
3 Act of 1958 (15 U.S.C. 683(g)(8)) is amended—

4 (1) by striking “subchapter s corporation” and
5 inserting “subchapter S corporation”;

6 (2) by striking “the end of any calendar quarter
7 based on a quarterly” and inserting “any time dur-
8 ing any calendar quarter based on an”; and

9 (3) by striking “quarterly distributions for a
10 calendar year,” and inserting “interim distributions
11 for a calendar year,”.

12 **SEC. 5. CONFORMING AMENDMENT.**

13 Section 310(c)(4) of the Small Business Investment
14 Act of 1958 (15 U.S.C. 687b(c)(4)) is amended by strik-
15 ing “five years” and inserting “1 year”.

Passed the House of Representatives March 14,
2000.

Attest:

JEFF TRANDAHL,

Clerk.