

107TH CONGRESS
2D SESSION

S. 2891

To create a 4-year pilot program that makes small, non-profit child care businesses eligible for SBA 504 loans.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2002

Mr. KERRY (for himself, Mr. HARKIN, and Ms. LANDRIEU) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To create a 4-year pilot program that makes small, non-profit child care businesses eligible for SBA 504 loans.

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 “Child Care Lending
5 Pilot Act”.

6 **SEC. 2. CHILD CARE BUSINESS LOAN PROGRAM.**

7 (a) LOANS AUTHORIZED.—Section 502 of the Small
8 Business Investment Act of 1958 (15 U.S.C. 696) is
9 amended—

10 (1) in the matter preceding paragraph (1)—

1 (A) by striking “The Administration” and
 2 inserting the following:

3 “(a) AUTHORIZATION.—The Administration”;

4 (B) by striking “and such loans” and in-
 5 serting “. Such loans”; and

6 (C) by striking “: *Provided, however,* That
 7 the foregoing powers shall be subject to the fol-
 8 lowing restrictions and limitations:” and insert-
 9 ing a period; and

10 (D) by adding at the end the following:

11 “(b) RESTRICTIONS AND LIMITATIONS.—The author-
 12 ity under subsection (a) shall be subject to the following
 13 restrictions and limitations:”; and

14 (2) in paragraph (1)—

15 (A) by inserting after “USE OF PRO-
 16 CEEDS.—” the following:

17 “(A) IN GENERAL.—”; and

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

19 “(B) LOANS TO SMALL, NON-PROFIT
 20 CHILD CARE BUSINESSES.—The proceeds of
 21 any loan described in subsection (a) may be
 22 used by the borrower to assist, in addition to
 23 other eligible small business concerns, small,
 24 non-profit child care businesses, provided
 25 that—

1 “(i) the loan will be used for a sound
 2 business purpose that has been approved
 3 by the Administration; and

4 “(ii) each such business receiving fi-
 5 nancial assistance meets all of the same
 6 eligibility requirements applicable to for-
 7 profit businesses under this title, except
 8 for status as a for-profit business.”.

9 (b) REPORTS.—

10 (1) SMALL BUSINESS ADMINISTRATION.—

11 (A) IN GENERAL.—Not later than 6
 12 months after the date of enactment of this Act,
 13 and every 6 months thereafter until September
 14 30, 2006, the Administrator of the Small Busi-
 15 ness Administration shall submit a report on
 16 the implementation of the program under sub-
 17 section (a) to—

18 (i) the Committee on Small Business
 19 and Entrepreneurship of the Senate; and

20 (ii) the Committee on Small Business
 21 of the House of Representatives.

22 (B) CONTENTS.—The report under sub-
 23 paragraph (A) shall contain—

24 (i) the date on which the program is
 25 implemented;

- 1 (ii) the date on which the rules are
2 issued pursuant to subsection (c); and
3 (iii) the number and dollar amount of
4 loans under the program applied for, ap-
5 proved, and disbursed during the previous
6 6 months.

7 (2) GENERAL ACCOUNTING OFFICE.—

8 (A) IN GENERAL.—Not later than March
9 31, 2006, the Comptroller General of the
10 United States shall submit a report on the child
11 care small business loans authorized by section
12 502(b)(1)(B) of the Small Business Investment
13 Act of 1958, as added by this Act, to—

- 14 (i) the Committee on Small Business
15 and Entrepreneurship of the Senate; and
16 (ii) the Committee on Small Business
17 of the House of Representatives.

18 (B) CONTENTS.—The report under sub-
19 paragraph (A) shall contain information gath-
20 ered during the first 2 years of the loan pro-
21 gram, including—

- 22 (i) an evaluation of the timeliness of
23 the implementation of the loan program;
24 (ii) a description of the effectiveness
25 and ease with which Certified Development

1 Companies, lenders, and small businesses
2 have participated in the loan program;

3 (iii) a description and assessment of
4 how the loan program was marketed;

5 (iv) the number of child care small
6 businesses, categorized by status as a for-
7 profit or non-profit business and a new
8 business or an expanded business, that—

9 (I) applied for loans under the
10 program;

11 (II) were approved for loans
12 under the program; and

13 (III) received loan disbursements
14 under the program.

15 (v) of the businesses under clause
16 (iv)(III)—

17 (I) the number of such busi-
18 nesses in each State;

19 (II) the total amount loaned to
20 such businesses under the program;
21 and

22 (III) the average loan amount
23 and term.

24 (c) RULEMAKING AUTHORITY.—Not later than 120
25 days after the date of enactment of this Act, the Adminis-

1 trator of the Small Business Administration shall issue
2 final rules to carry out the loan program authorized by
3 section 502(b)(1)(B) of the Small Business Investment
4 Act of 1958, as added by this Act.

5 (d) SUNSET PROVISION.—The amendments made by
6 this section shall remain in effect until September 30,
7 2006, and shall apply to all loans authorized by section
8 502(b)(1)(B) of the Small Business Investment Act of
9 1958, as added by this Act, that are made during the pe-
10 riod beginning on the date of enactment of this Act and
11 ending on September 30, 2006.

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