

108TH CONGRESS  
1ST SESSION

# H. R. 1166

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IN THE SENATE OF THE UNITED STATES

APRIL 1, 2003

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

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## AN ACT

To amend the Small Business Act to expand and improve the assistance provided by Small Business Development Centers to Indian tribe members, Native Alaskans, and Native Hawaiians.

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. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) Approximately 60 percent of Indian tribe  
4 members and Native Alaskans live on or adjacent to  
5 Indian lands, which suffer from an average unem-  
6 ployment rate of 45 percent.7 (2) Indian tribe members and Native Alaskans  
8 own more than 197,000 businesses and generate  
9 more than \$34,000,000,000 in revenues. The service  
10 industry accounted for 17 percent of these busi-  
11 nesses (of which 40 percent were engaged in busi-  
12 ness and personal services) and 15.1 percent of their  
13 total receipts. The next largest was the construction  
14 industry (13.9 percent and 15.7 percent, respec-  
15 tively). The third largest was the retail trade indus-  
16 try (7.5 percent and 13.4 percent, respectively).17 (3) The number of businesses owned by Indian  
18 tribe members and Native Alaskans grew by 84 per-  
19 cent from 1992 to 1997, and their gross receipts  
20 grew by 179 percent in that period. This is com-  
21 pared to all businesses which grew by 7 percent, and  
22 their total gross receipts grew by 40 percent, in that  
23 period.24 (4) The Small Business Development Center  
25 program is cost effective. Clients receiving long-term  
26 counseling under the program in 1998 generated ad-

1 ditional tax revenues of \$468,000,000, roughly 6  
2 times the cost of the program to the Federal Gov-  
3 ernment.

4 (5) Using the existing infrastructure of the  
5 Small Business Development Center program, small  
6 businesses owned by Indian tribe members, Native  
7 Alaskans, and Native Hawaiians receiving services  
8 under the program will have a higher survival rate  
9 than the average small business not receiving such  
10 services.

11 (6) Business counseling and technical assist-  
12 ance is critical on Indian lands where similar serv-  
13 ices are scarce and expensive.

14 (7) Increased assistance through counseling  
15 under the Small Business Development Center pro-  
16 gram has been shown to reduce the default rate as-  
17 sociated with lending programs of the Small Busi-  
18 ness Administration.

19 (b) PURPOSES.—The purposes of this Act are as fol-  
20 lows:

21 (1) To stimulate economies on Indian lands.  
22 (2) To foster economic development on Indian  
23 lands.

24 (3) To assist in the creation of new small busi-  
25 nesses owned by Indian tribe members, Native Alas-

1       kans, and Native Hawaiians and expand existing  
2       ones.

3               (4) To provide management, technical, and re-  
4       search assistance to small businesses owned by In-  
5       dian tribe members, Native Alaskans, and Native  
6       Hawaiians.

7               (5) To seek the advice of local Tribal Councils  
8       on where small business development assistance is  
9       most needed.

10               (6) To ensure that Indian tribe members, Na-  
11       tive Alaskans, and Native Hawaiians have full access  
12       to existing business counseling and technical assist-  
13       ance available through the Small Business Develop-  
14       ment Center program.

15       **SEC. 2. SMALL BUSINESS DEVELOPMENT CENTER ASSIST-  
16               ANCE TO INDIAN TRIBE MEMBERS, NATIVE  
17               ALASKANS, AND NATIVE HAWAIIANS.**

18               (a) IN GENERAL.—Section 21(a) of the Small Busi-  
19       ness Act (15 U.S.C. 648(a)) is amended by adding at the  
20       end the following:

21               “(7) ADDITIONAL GRANT TO ASSIST INDIAN  
22       TRIBE MEMBERS, NATIVE ALASKANS, AND NATIVE  
23       HAWAIIANS.—

24               “(A) IN GENERAL.—Any applicant in an  
25       eligible State that is funded by the Administra-

1 tion as a Small Business Development Center  
2 may apply for an additional grant to be used  
3 solely to provide services described in subsection  
4 (c)(3) to assist with outreach, development, and  
5 enhancement on Indian lands of small business  
6 startups and expansions owned by Indian tribe  
7 members, Native Alaskans, and Native Hawai-  
8 ians.

9                             “(B) ELIGIBLE STATES.—For purposes of  
10                             subparagraph (A), an eligible State is a State  
11                             that has a combined population of Indian tribe  
12                             members, Natives Alaskans, and Native Hawai-  
13                             ians that comprises at least 1 percent of the  
14                             State’s total population, as shown by the latest  
15                             available census.

1 representative number of Indian tribe mem-  
2 bers, Native Alaskans, and Native Hawai-  
3 ians;

12                     “(D) APPLICABILITY OF GRANT REQUIRE-  
13                     MENTS.—An applicant for a grant under sub-  
14                     paragraph (A) shall comply with all of the re-  
15                     quirements of this section, except that the  
16                     matching funds requirements of paragraph  
17                     (4)(A) shall not apply.

18                   “(E) MAXIMUM AMOUNT OF GRANTS.—No  
19                   applicant may receive more than \$300,000 in  
20                   grants under this paragraph in a fiscal year.

21                   “(F) REGULATIONS.—After providing no-  
22 tice and an opportunity for comment and after  
23 consulting with the Association recognized by  
24 the Administration pursuant to paragraph  
25 (3)(A) (but not later than 180 days after the

1 date of enactment of this paragraph), the Ad-  
2 ministrator shall issue final regulations to carry  
3 out this paragraph, including regulations that  
4 establish—

5 “(i) standards relating to educational,  
6 technical, and support services to be pro-  
7 vided by Small Business Development Cen-  
8 ters receiving assistance under this para-  
9 graph; and

10 “(ii) standards relating to any work  
11 plan that the Associate Administrator may  
12 require a Small Business Development  
13 Center receiving assistance under this  
14 paragraph to develop.

15 “(G) DEFINITIONS.—In this paragraph,  
16 the following definitions apply:

17 “(i) ASSOCIATE ADMINISTRATOR.—  
18 The term ‘Associate Administrator’ means  
19 the Associate Administrator for Small  
20 Business Development Centers.

21 “(ii) INDIAN LANDS.—The term ‘In-  
22 dian lands’ has the meaning given the term  
23 ‘Indian country’ in section 1151 of title 18,  
24 United States Code, the meaning given the  
25 term ‘Indian reservation’ in section 151.2

1 of title 25, Code of Federal Regulations  
2 (as in effect on the date of enactment of  
3 this paragraph), and the meaning given  
4 the term ‘reservation’ in section 4 of the  
5 Indian Child Welfare Act of 1978 (25  
6 U.S.C. 1903).

7 “(iii) INDIAN TRIBE.—The term ‘In-  
8 dian tribe’ has the meaning given such  
9 term in section 8(a)(13).

10 “(iv) INDIAN TRIBE MEMBER.—The  
11 term ‘Indian tribe member’ means a mem-  
12 ber of an Indian tribe (other than a Native  
13 Alaskan).

14 “(v) NATIVE ALASKAN.—The term  
15 ‘Native Alaskan’ has the meaning given  
16 the term ‘Native’ in section 3(b) of the  
17 Alaska Native Claims Settlement Act (43  
18 U.S.C. 1602(b)).

19 “(vi) NATIVE HAWAIIAN.—The term  
20 ‘Native Hawaiian’ means any individual  
21 who is a descendant of the aboriginal peo-  
22 ple, who prior to 1778, occupied and exer-  
23 cised sovereignty in the area that now con-  
24 stitutes the State of Hawaii.

1                   “(H) AUTHORIZATION OF APPROPRIA-  
2                   TIONS.—There is authorized to be appropriated  
3                   to carry out this paragraph \$7,000,000 for each  
4                   of fiscal years 2004 through 2006.

5                   “(I) FUNDING LIMITATIONS.—

6                   “(i) NONAPPLICABILITY OF CERTAIN  
7                   LIMITATIONS.—Funding under this para-  
8                   graph shall be in addition to the dollar  
9                   program limitations specified in paragraph  
10                   (4).

11                   “(ii) LIMITATION ON USE OF  
12                   FUNDS.—The Administration may carry  
13                   out this paragraph only with amounts ap-  
14                   propriated in advance specifically to carry  
15                   out this paragraph.”.

16 **SEC. 3. STATE CONSULTATION WITH LOCAL TRIBAL COUN-  
17                   CILS.**

18                   Section 21(c) of the Small Business Act (15 U.S.C.  
19                   648(c)) is amended by adding at the end the following:

20                   “(9) ADVICE OF LOCAL TRIBAL COUNSELS.—A  
21                   State receiving grants under this section shall re-  
22                   quest the advice of local Tribal Councils on how best  
23                   to provide assistance to Indian tribe members, Na-

1       tive Alaskans, and Native Hawaiians and where to  
2       locate satellite centers to provide such assistance.”.

Passed the House of Representatives March 31,  
2003.

Attest:

JEFF TRANDAHL,

*Clerk.*