

108TH CONGRESS
1ST SESSION

H. R. 565

To provide emergency assistance to certain small business concerns that have suffered substantial economic injury from drought.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2003

Mr. DEMINT (for himself and Mr. SPRATT) introduced the following bill;
which was referred to the Committee on Small Business

A BILL

To provide emergency assistance to certain small business concerns that have suffered substantial economic injury from drought.

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; FINDINGS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Small Business Drought Relief Act of 2003”.

6 (b) FINDINGS.—Congress finds that—

7 (1) during 2002, more than 36 States suffered
8 from continuing drought conditions;

9 (2) droughts have a negative effect on State
10 and regional economies;

1 (3) many small businesses in the United States
2 sell, distribute, market, or otherwise engage in com-
3 merce related to water and water sources, such as
4 lakes, rivers, and streams;

5 (4) many small businesses in the United States
6 suffer economic injury from drought conditions,
7 leading to revenue losses, job layoffs, and bank-
8 ruptcies;

9 (5) these small businesses need access to low-
10 interest loans for business-related purposes, includ-
11 ing paying their bills and making payroll until busi-
12 ness returns to normal;

13 (6) absent a legislative change, only agriculture
14 and agriculture-related businesses are eligible for
15 Federal disaster loan assistance as a result of
16 drought conditions; and

17 (7) it is necessary to amend the Small Business
18 Act to clarify that nonfarm small businesses that
19 have suffered substantial economic injury from
20 drought are eligible to receive financial assistance
21 through the economic injury disaster loan program
22 of the Small Business Administration.

1 **SEC. 2. LOANS TO SMALL BUSINESS CONCERNS THAT SUFF-**
2 **ER SUBSTANTIAL ECONOMIC INJURY FROM**
3 **DROUGHT.**

4 (a) DROUGHT DISASTER AUTHORITY.—Section 3(k)
5 of the Small Business Act (15 U.S.C. 632(k)) is amend-
6 ed—

7 (1) by inserting “(1)” after “(k)”; and

8 (2) by adding at the end the following:

9 “(2) For purposes of section 7(b)(2), the term ‘dis-
10 aster’ includes drought.”.

11 (b) REQUIRED RESPONSE TO CERTIFICATION BY
12 GOVERNOR.—Section 7(b)(2)(D) of the Small Business
13 Act (15 U.S.C. 636(b)(2)(D)) is amended by adding at
14 the end the following: “Not later than 30 days after the
15 receipt of such certification, the Administration shall re-
16 spond in writing to the Governor who submitted such cer-
17 tification and shall state the extent to which the Adminis-
18 tration intends to exercise its authority under the pre-
19 ceding sentence with respect to such certification and the
20 reasons therefore.”.

21 (c) CLERICAL AMENDMENT.—Section 7(b)(2)(B) of
22 the Small Business Act (15 U.S.C. 636(b)(2)(B)) is
23 amended by striking “the Consolidated Farmers Home
24 Administration Act of 1961 (7 U.S.C. 1961)” and insert-
25 ing “section 321 of the Consolidated Farm and Rural De-
26 velopment Act (7 U.S.C. 1961)”.

1 (d) RULEMAKING.—Not later than 45 days after the
2 date of enactment of this Act, the Administrator of the
3 Small Business Administration shall promulgate final
4 rules to carry out the provisions of this section.

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