

109TH CONGRESS
1ST SESSION

H. R. 4178

To amend the Small Business Act to establish an energy emergency disaster loan program.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2005

Mr. ISRAEL (for himself and Mr. BISHOP of New York) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to establish an energy emergency disaster loan program.

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. SMALL BUSINESS AND AGRICULTURAL PRO-**
4 **DUCER ENERGY EMERGENCY DISASTER**
5 **LOAN PROGRAM.**

6 (a) SMALL BUSINESS PRODUCER ENERGY EMER-
7 GENCY DISASTER LOAN PROGRAM.—Section 7(b) of the
8 Small Business Act (15 U.S.C. 636(b)) is amended by
9 adding at the end the following new paragraph:

10 “(4) ENERGY EMERGENCY DISASTER LOANS.—

1 “(A) AUTHORITY.—The Administrator
2 may make or guarantee a loan to a small busi-
3 ness concern that the Administrator determines
4 has suffered or is likely to suffer substantial
5 economic injury as a result of a significant in-
6 crease in the price of heating oil, natural gas,
7 gasoline, transportation fuel, propane, or ker-
8 osene.

9 “(B) INTEREST RATES.—Any loan or
10 guarantee extended pursuant to this paragraph
11 shall be made at the same interest rate as an
12 economic injury loan made or guaranteed under
13 paragraph (2).

14 “(C) LIMITATION.—

15 “(i) IN GENERAL.—No loan may be
16 made or guaranteed under this paragraph
17 if the total amount outstanding and com-
18 mitted to the borrower under this sub-
19 section would exceed \$1,500,000.

20 “(ii) EXCEPTION.—The Administrator
21 may waive the limitation under clause (i)
22 for a borrower if the Administrator deter-
23 mines that the borrower constitutes a
24 major source of employment in its sur-
25 rounding area.

1 “(D) DECLARATIONS OF DISASTER.—No
2 assistance shall be available under this para-
3 graph unless—

4 “(i) the President or the Adminis-
5 trator has made a declaration of a disaster
6 area by reason of a significant increase in
7 the price of heating oil, natural gas, gaso-
8 line, transportation fuel, propane, or ker-
9 osene; or

10 “(ii) the Governor of a State in which
11 a significant increase in the price of heat-
12 ing oil, natural gas, gasoline, transpor-
13 tation fuel, propane, or kerosene has oc-
14 curred certifies to the Administrator that
15 small business concerns have suffered eco-
16 nomic injury as a result of such increase
17 and are in need of financial assistance that
18 is not otherwise available on reasonable
19 terms in that State.

20 “(E) CONVERSION TO RENEWABLE OR AL-
21 TERNATIVE ENERGY SOURCES.—Notwith-
22 standing any other provision of law, a small
23 business concern receiving a loan under this
24 paragraph may use the loan to convert from the
25 use of heating oil, natural gas, gasoline, pro-

pane, or kerosene to a renewable or alternative energy source, including agricultural and municipal solid waste, geothermal energy, cogeneration, solar energy, wind energy, or fuel cells.

“(F) DEFINITIONS.—In this paragraph, the following definitions apply:

“(i) The term ‘base price index’ means the moving average of the closing unit price on the New York Mercantile Exchange for heating oil, natural gas, gasoline, transportation fuel, or propane for the 10 days, in each of the most recent 2 preceding years, which correspond to the trading days described in clause (ii).

“(ii) The term ‘current price index’ means the moving average of the closing unit price on the New York Mercantile Exchange, for the 10 most recent trading days, for contracts to purchase heating oil, natural gas, gasoline, transportation fuel, or propane during the subsequent calendar month, commonly known as the ‘front month’.

“(iii) The term ‘significant increase’ means—

1 “(I) with respect to the price of
2 heating oil, natural gas, gasoline,
3 transportation fuel, or propane, an in-
4 crease of the current price index over
5 the base price index by not less than
6 40 percent; and

7 “(II) with respect to the price of
8 kerosene, any increase which the Ad-
9 ministrator, in consultation with the
10 Secretary of Energy, determines to be
11 significant.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this Act shall apply with respect to economic injury suf-
14 fered on or after the date of the enactment of this Act.

○