

111TH CONGRESS  
2D SESSION

# H. R. 5871

To amend the Public Works and Economic Development Act of 1965 to allow non-debt financing for for-profit companies in business incubators.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2010

Mr. CARNAHAN introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Public Works and Economic Development Act of 1965 to allow non-debt financing for for-profit companies in business incubators.

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 “Supporting Entrepre-  
5       neurial Economic Development Act” or “SEED Act”.

1 **SEC. 2. NON-DEBT FINANCING IN DIRECT EXPENDITURE OR**  
2 **REDISTRIBUTION.**

3 Section 217(c) of the Public Works and Economic  
4 Development Act of 1965 (42 U.S.C. 3154c) is amended  
5 to read as follows:

6 “(c) ECONOMIC ADJUSTMENT.—

7 “(1) NON-DEBT FINANCING ADDITION.—Sub-  
8 ject to subsection (d), a recipient of a grant under  
9 section 209 may directly expend the grant funds or  
10 may redistribute the funds to public and private or-  
11 ganizations and entities in the form of a grant, loan,  
12 loan guarantee, payment to reduce interest on a loan  
13 guarantee, or other appropriate assistance, including  
14 non-debt financing of for-profit companies in busi-  
15 ness incubators.

16 “(2) DEFINITIONS.—For purposes of this sub-  
17 section—

18 “(A) the term ‘business incubator’ means  
19 an organization or entity, including an aca-  
20 demic institution, established to foster the  
21 start-up of businesses or accelerate the growth  
22 of fledgling companies by providing entre-  
23 preneurs with resources and services to produce  
24 viable businesses that can help create jobs and  
25 restore vitality to distressed areas.

1                   “(B) the term non-debt financing means  
2                   funding used to help business incubators de-  
3                   velop an idea and create the first product to be  
4                   brought to market for the first time.”.

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