

115TH CONGRESS  
1ST SESSION

# H. R. 3930

To establish the Office of Hurricane Harvey Small Business Recovery Grants in the Small Business Administration to compensate certain small business concerns for substantial economic injury suffered as a result of Hurricane Harvey in August 2017.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2017

Ms. JACKSON LEE (for herself, Mr. O’ROURKE, Mr. VELA, Mr. NADLER, Mr. KRISHNAMOORTHY, Mr. VEASEY, Ms. SHEA-PORTER, Mr. GONZALEZ of Texas, Mr. GENE GREEN of Texas, Mr. CASTRO of Texas, Mr. RICHMOND, Mr. AL GREEN of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. SEWELL of Alabama, and Mr. CUELLAR) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Transportation and Infrastructure, 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 establish the Office of Hurricane Harvey Small Business Recovery Grants in the Small Business Administration to compensate certain small business concerns for substantial economic injury suffered as a result of Hurricane Harvey in August 2017.

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. SHORT TITLE.**

2 This Act may be cited as the “Hurricane Harvey  
3 Small Business Recovery Grants Act”.

4 **SEC. 2. DEFINITIONS.**

5 In this Act, the following definitions apply:

6 (1) CLAIM.—The term “claim” means a claim  
7 by an injured concern under this Act for payment  
8 for substantial economic injury suffered by the in-  
9 jured concern as a result of Hurricane Harvey.

10 (2) CLAIMANT.—The term “claimant” means  
11 an injured concern that submits a claim under sec-  
12 tion 4(b).

13 (3) ADMINISTRATOR.—The term “Adminis-  
14 trator” means the Administrator of the Small Busi-  
15 ness Administration.

16 (4) INJURED CONCERN.—The term “injured  
17 concern”—

18 (A) means a small business concern that is  
19 located in an area that is a qualified disaster  
20 area as a result of Hurricane Harvey; and

21 (B) does not include—

22 (i) a lender that holds a mortgage on  
23 or security interest in real or personal  
24 property affected by Hurricane Harvey; or

1 (ii) a person that holds a lien on real  
2 or personal property affected by Hurricane  
3 Harvey.

4 (5) OFFICE.—The term “Office” means the Of-  
5 fice of Hurricane Harvey Small Business Recovery  
6 Grants established by section 3.

7 **SEC. 3. OFFICE OF HURRICANE HARVEY SMALL BUSINESS**  
8 **RECOVERY GRANTS.**

9 (a) IN GENERAL.—There is established within the  
10 Small Business Administration an office to be known as  
11 the “Office of Hurricane Harvey Small Business Recovery  
12 Grants”.

13 (b) PURPOSE.—The Office shall receive, process, and  
14 pay claims in accordance with section 4.

15 (c) FUNDING.—The Office—

16 (1) shall be funded from funds made available  
17 under this Act; and

18 (2) may reimburse any other Federal agency  
19 for provision of assistance in the receipt and proc-  
20 essing of claims.

21 (d) PERSONNEL.—

22 (1) IN GENERAL.—The Office may appoint and  
23 fix the compensation of such temporary personnel as  
24 are necessary to carry out the duties of the Office,  
25 without regard to the provisions of title 5, United

1 States Code, governing appointments in the competi-  
2 tive service.

3 (2) PERSONNEL FROM OTHER AGENCIES.—On  
4 the request of the Administrator, the head of any  
5 other Federal agency may detail, on a reimbursable  
6 basis, any of the personnel of the agency to the Fed-  
7 eral Emergency Management Agency to assist the  
8 Office in carrying out the duties of the Office under  
9 this Act.

10 (3) EFFECT ON OTHER SBA DUTIES.—The es-  
11 tablishment of the Office shall not diminish the au-  
12 thority of, or funding available to, the Administrator  
13 to carry out the responsibilities of the Small Busi-  
14 ness Act.

15 **SEC. 4. COMPENSATION FOR VICTIMS OF HURRICANE HAR-**  
16 **VEY.**

17 (a) IN GENERAL.—Each injured concern may receive  
18 compensation for substantial economic injury suffered as  
19 a result of Hurricane Harvey, as determined by the Ad-  
20 ministrator.

21 (b) SUBMISSION OF CLAIMS.—Not later than 1 year  
22 after the date on which interim final regulations are pro-  
23 mulgated under subsection (h), an injured concern may  
24 submit to the Administrator a written claim for compensa-

1 tion for substantial economic injury suffered as a result  
2 of Hurricane Harvey.

3 (c) HANDLING OF CLAIMS.—The Administrator shall  
4 investigate, adjust, grant, deny, settle, or compromise any  
5 claim submitted under subsection (b).

6 (d) AMOUNT OF GRANT.—

7 (1) IN GENERAL.—Any grant made to an in-  
8 jured concern—

9 (A) shall be limited to the amount nec-  
10 essary to compensate the injured concern for  
11 substantial economic injury described in para-  
12 graph (2) suffered as a result of Hurricane  
13 Harvey during the period beginning on August  
14 25, 2017, and ending on August 25, 2018;

15 (B) shall not include—

16 (i) interest on the amount of the pay-  
17 ment before the date of settlement or pay-  
18 ment of a claim; or

19 (ii) punitive damages or any other  
20 form of noncompensatory damages; and

21 (C) shall not exceed \$100,000, except in  
22 the case of a grant application for which the  
23 Administrator determines that a greater  
24 amount up to \$250,000 is appropriate.

1           (2) SUBSTANTIAL ECONOMIC INJURY.—Under  
2       paragraph (1), an injured concern may receive pay-  
3       ment for substantial economic injury consisting of  
4       one or more of the following:

5           (A) An uninsured or underinsured property  
6       loss.

7           (B) Damage to or destruction of physical  
8       infrastructure.

9           (C) Damage to or destruction of tangible  
10      assets or inventory.

11          (D) A business interruption loss.

12          (E) Overhead costs.

13          (F) Employee wages for work not per-  
14      formed.

15          (G) An insurance deductible.

16          (H) A temporary relocation expense.

17          (I) Debris removal and other cleanup  
18      costs.

19          (J) Any other type of substantial economic  
20      injury that the Administrator determines to be  
21      appropriate.

22      (3) BURDEN OF PROOF.—

23          (A) IN GENERAL.—A claimant shall have  
24      the burden of demonstrating substantial eco-  
25      nomic injury.

1 (B) ABSENCE OF DOCUMENTS.—If docu-  
2 mentary evidence substantiating substantial  
3 economic injury is not reasonably available, the  
4 Administrator may pay a claim based on an af-  
5 fidavit or other documentation executed by the  
6 claimant.

7 (e) PAYMENT OF CLAIMS.—

8 (1) DETERMINATION AND PAYMENT OF  
9 AMOUNT.—

10 (A) IN GENERAL.—To the maximum ex-  
11 tent practicable, not later than 180 days after  
12 the date on which a claim is submitted under  
13 subsection (b), the Administrator shall—

14 (i) determine the amount, if any, to  
15 be paid for the claim; and

16 (ii) pay the amount.

17 (B) PRIORITY.—The Administrator may  
18 establish priorities for processing and paying  
19 claims based on—

20 (i) an assessment of the needs of the  
21 claimants; and

22 (ii) any other criteria that the Admin-  
23 istrator determines to be appropriate.

1 (C) PARAMETERS OF DETERMINATION.—

2 In determining and paying a claim, the Admin-  
3 istrator shall determine only—

4 (i) whether the claimant is an injured  
5 concern; and

6 (ii) whether the injuries that are the  
7 subject of the claim resulted from Hurri-  
8 cane Harvey.

9 (D) INSURANCE AND OTHER BENEFITS.—

10 (i) IN GENERAL.—Subject to clause  
11 (ii), to prevent recovery by a claimant in  
12 excess of the equivalent of actual amount  
13 of the substantial economic injury suffered  
14 by the claimant in accordance with sub-  
15 section (d), the Administrator shall reduce  
16 the amount to be paid for the claim by an  
17 amount that is equal to the sum of the  
18 payments or settlements of any kind that  
19 were paid, or will be paid, with respect to  
20 the claim, including payments by an insur-  
21 ance company.

22 (ii) GOVERNMENT LOANS.—Clause (i)  
23 shall not apply to the receipt by a claimant  
24 of any Federal, State, or local government



1                   loan that is required to be repaid by the  
2                   claimant.

3           (2) ADVANCE OR PARTIAL PAYMENTS.—At the  
4           request of a claimant, the Administrator may make  
5           one or more advance or partial payments before the  
6           final approval of a grant.

7           (f) RECOVERY OF FUNDS IMPROPERLY PAID OR MIS-  
8           USED.—The Administrator may recover any portion of a  
9           payment on a grant that was improperly paid to the claim-  
10          ant as a result of—

11           (1) fraud or misrepresentation on the part of  
12           the claimant or a representative of the claimant;

13           (2) a material mistake on the part of the Ad-  
14           ministrator;

15           (3) the payment of insurance or benefits de-  
16           scribed in subsection (e)(1)(D) that were not taken  
17           into account in determining the amount of the pay-  
18           ment; or

19           (4) the failure of the claimant to cooperate in  
20           an audit.

21          (g) APPEALS OF DECISIONS.—

22           (1) RIGHT OF APPEAL.—A claimant may appeal  
23           a decision concerning payment of a claim by filing,  
24           not later than 60 days after the date on which the  
25           claimant is notified that the claim of the claimant

1 will or will not be paid, a notice of appeal in the case  
2 of a decision on a claim relating to a business loss,  
3 with the Administrator of the Federal Emergency  
4 Management Administration.

5 (2) PERIOD FOR DECISION.—A decision con-  
6 cerning an appeal under paragraph (1) shall be ren-  
7 dered not later than 90 days after the date on which  
8 the notice of appeal is received.

9 (h) REGULATIONS.—Notwithstanding any other pro-  
10 vision of law, not later than 45 days after the date of en-  
11 actment of this Act—

12 (1) the Administrator shall promulgate and  
13 publish in the Federal Register interim final regula-  
14 tions for the processing and payment of claims; and

15 (2) the Administrator and the Administrator of  
16 the Federal Emergency Management Agency shall  
17 jointly promulgate and publish in the Federal Reg-  
18 ister procedures under which a dispute concerning  
19 payment of a claim may be settled through an ap-  
20 peals process described in subsection (g).

21 (i) PUBLIC INFORMATION.—At the time of publica-  
22 tion of interim final regulations under subsection (h), the  
23 Administrator shall publish a clear, concise, and easily un-  
24 derstandable explanation of the grant program established  
25 under this Act the procedural and other requirements of

1 the regulations promulgated under subsection (h). Such  
2 explanation shall be—

3 (1) disseminated through brochures, pamphlets,  
4 radio, television, the print news media, and such  
5 other media as the Administrator determines to be  
6 likely to reach prospective claimants; and

7 (2) provided in English, Spanish, and any other  
8 language that the Administrator determines to be  
9 appropriate.

10 (j) COORDINATION.—In carrying out this section, the  
11 Administrator shall coordinate with the Administrator of  
12 the Federal Emergency Management Agency, other Fed-  
13 eral, State and local agencies, and any other individual  
14 or entity, as the Administrator determines to be necessary  
15 to ensure the efficient administration of the claims proc-  
16 ess.

17 (k) APPLICABILITY OF DEBT COLLECTION REQUIRE-  
18 MENTS.—

19 (1) IN GENERAL.—Section 3716 of title 31,  
20 United States Code, shall not preclude any payment  
21 on a claim.

22 (2) ASSIGNMENT AND EXEMPTION FROM  
23 CLAIMS OF CREDITORS.—

1 (A) ASSIGNMENT.—No assignment, re-  
2 lease, or commutation of a payment due or pay-  
3 able under this Act shall be valid.

4 (B) EXEMPTION.—

5 (i) IN GENERAL.—A payment under  
6 this Act shall be exempt from all claims of  
7 creditors and from levy, execution, attach-  
8 ment, or other remedy for recovery or col-  
9 lection of a debt.

10 (ii) NONWAIVABLE EXEMPTION.—The  
11 exemption provided by clause (i) may not  
12 be waived.

13 **SEC. 5. REPORTS AND AUDITS.**

14 (a) REPORTS.—Not later than 1 year after the date  
15 of promulgation of interim final regulations under section  
16 4(h) and annually thereafter, the Administrator shall sub-  
17 mit to Congress a report that describes the claims sub-  
18 mitted under section 4(b) during the year preceding the  
19 date of submission of the report, including, with respect  
20 to each claim—

21 (1) the amount claimed;

22 (2) a brief description of the nature of the  
23 claim; and

24 (3) the status or disposition of the claim, in-  
25 cluding the amount of any payment on the claim.

1 (b) AUDITS.—The Comptroller General of the United  
2 States shall—

3 (1) conduct an annual audit of the payment of  
4 all claims submitted under section 4(b); and

5 (2) not later than 120 days after the date on  
6 which the Administrator submits the initial report  
7 required by subsection (a) and annually thereafter,  
8 submit to Congress a report on the results of the  
9 audit.

10 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) IN GENERAL.—There are authorized to be appro-  
12 priated to carry out this Act—

13 (1) to the Office of Business Recovery Grants  
14 established under section 3 to administer the claims  
15 process, \$25,000,000; and

16 (2) for payment of claims, \$975,000,000.

17 (b) AVAILABILITY.—Amounts made available under  
18 subsection (a) shall remain available until expended.

19 **SEC. 7. TERMINATION OF AUTHORITY.**

20 The authority provided by this Act terminates effec-  
21 tive 30 months after the date of enactment of this Act.

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