

116TH CONGRESS
2D SESSION

H. R. 7844

To authorize the Director of the Minority Business Development Agency of the Department of Commerce to provide assistance for nonprofit economic development organizations to provide services for low- and moderate-income individuals who are aspiring entrepreneurs or seeking employment and for owners of smaller businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2020

Mr. PANETTA (for himself, Mr. GARCÍA of Illinois, Ms. SÁNCHEZ, and Mr. GOMEZ) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Small Business, 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

A BILL

To authorize the Director of the Minority Business Development Agency of the Department of Commerce to provide assistance for nonprofit economic development organizations to provide services for low- and moderate-income individuals who are aspiring entrepreneurs or seeking employment and for owners of smaller businesses, and for other purposes.

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 “Community Economic
3 Development Center Support Act of 2020”.

4 **SEC. 2. CONGRESSIONAL FINDINGS.**

5 The Congress finds that, in the United States—

6 (1) the number of African-American business
7 owners dropped from 1.1 million to 640,000, or 41
8 percent, from February 2020 to April 2020;

9 (2) the number of immigrant business owners
10 dropped from 3.1 million to 2 million, or 36 percent,
11 from February 2020 to April 2020;

12 (3) the number of Latinx business owners
13 dropped from 2.1 million to 1.4 million, or 32 per-
14 cent, from February 2020 to April 2020;

15 (4) the number of Asian-American business
16 owners dropped from 890,000 to 657,000, or 26
17 percent, from February 2020 to April 2020; and

18 (5) the number of Native American business
19 owners dropped from 12 million to 9.7 million, or 18
20 percent, from February 2020 to April 2020.

21 **SEC. 3. PROGRAM AUTHORITY.**

22 The Director of the Minority Business Development
23 Agency of the Department of Commerce shall carry out
24 a program under this Act to provide financial assistance,
25 through eligible intermediaries, for providing financial and
26 technical assistance to eligible minority-serving economic

1 development organizations that provide services to benefit
2 low- and moderate-income individuals who are aspiring en-
3 trepreneurs or seeking employment, or both, and to own-
4 ers of businesses having annual revenues in an amount
5 less than \$500,000.

6 **SEC. 4. FINANCIAL ASSISTANCE.**

7 (a) GRANTS.—The Director shall select, and make
8 grants under this Act to, multiple eligible intermediaries.

9 (b) USE OF ASSISTANCE BY ELIGIBLE INTER-
10 MEDIARIES.—

11 (1) IN GENERAL.—Except as provided in para-
12 graphs (2) and (3), an eligible intermediary that re-
13 ceives a grant under this Act shall use the grant
14 amounts to provide grants to eligible minority-serv-
15 ing community development organizations for use
16 for carrying out economic development activities of
17 such organizations, including activities described in
18 section 5(1)(A).

19 (2) CAPACITY BUILDING EXPENSES.—An eligi-
20 ble intermediary that receives a grant under this Act
21 may use not more than 5 percent of the grant to
22 provide training and technical assistance activities
23 designed primarily to build the capacity of eligible
24 minority-serving economic development organiza-
25 tions.

1 (3) INDIRECT EXPENSES.—An eligible inter-
2 mediary that receives a grant under this Act may
3 use not more than 5 percent of the grant amounts
4 for indirect expenses incurred in disbursing and ad-
5 ministering such grants.

6 **SEC. 5. DEFINITIONS.**

7 For purposes of this Act, the following definitions
8 shall apply:

9 (1) DIRECTOR.—The term “Director” means
10 the Director of the Minority Business Development
11 Agency of the Department of Commerce.

12 (2) ELIGIBLE INTERMEDIARY.—

13 (A) IN GENERAL.—The term “eligible
14 intermediary” means a nonprofit organization
15 that—

16 (i) operates on a national basis;

17 (ii) has demonstrated experience in
18 delivering and administering grants and
19 capacity-building support to eligible minor-
20 ity-serving economic development organiza-
21 tions; and

22 (iii) has a governing board or execu-
23 tive leadership that reasonably reflects the
24 communities to be served by the organiza-
25 tion with assistance provided pursuant to

1 this section, with respect to race, ethnicity,
2 and tribal affiliation.

3 (B) EXCLUSIONS.—Such term does not in-
4 clude—

5 (i) any organization that has received
6 funding through the Small Business Devel-
7 opment Center, Women’s Business Center,
8 or SCORE programs of the Small Busi-
9 ness Administration or the intermediary
10 funding program of the Department of
11 Housing and Urban Development under
12 section 4 of the HUD Demonstration Act
13 of 1993 (42 U.S.C. 9816 note); or

14 (ii) the Neighborhood Reinvestment
15 Corporation.

16 (3) ELIGIBLE MINORITY-SERVING ECONOMIC
17 DEVELOPMENT ORGANIZATION.—The term “eligible
18 minority-serving economic development organiza-
19 tion” means a nonprofit organization that—

20 (A) has among its primary functions—

21 (i) providing technical assistance re-
22 lated to the formation, operation, and ex-
23 pansion of smaller businesses having an-
24 nual revenues of less than \$500,000;

(ii) lending to and equity investment in small businesses to facilitate growth and sustainability; and

(iii) providing training, skills development, and technical assistance to aspiring entrepreneurs and individuals who are independent contractors for purposes of Form 1099 of the Internal Revenue Service; and

(B) primarily serves low- and moderate-income persons and communities that are—

(i) African-American and other Black communities, Hispanic, including Afro-Latino communities, Asian and Pacific American communities, Native Hawaiian communities, Native American communities, or Alaskan Native communities; or

(ii) immigrants or refugees,
as such terms are defined by the Director.

SEC. 6. OTHER REQUIREMENTS.

The Director shall by notice establish other such requirements as may be necessary to carry out the provisions of this Act and such notice shall take effect upon issuance.

1 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

2 There is authorized to be appropriated to the Direc-
3 tor \$75,000,000 for grants under this Act.

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