

116TH CONGRESS
1ST SESSION

S. 1975

To require the Small Business Administration to issue licenses under the Small Business Investment Act of 1958 within particular time frames, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 26, 2019

Mr. RISCH (for himself, Mr. CRAPO, Mrs. CAPITO, Mr. YOUNG, Ms. DUCKWORTH, Mr. BOOKER, and Mr. SCOTT of South Carolina) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To require the Small Business Administration to issue licenses under the Small Business Investment Act of 1958 within particular time frames, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Invest-
5 ment Improvement Act of 2019”.

6 **SEC. 2. TIMELINES FOR ISSUANCE OF SBIC LICENSES.**

7 Section 301(c) of the Small Business Investment Act
8 of 1958 (15 U.S.C. 681(c)) is amended—

1 (1) in paragraph (2)—

2 (A) by amending subparagraph (A) to read
3 as follows:

4 “(A) STATUS.—The Administrator shall
5 provide an applicant with a written report de-
6 tailing the status of the application and any re-
7 quirements remaining for completion of the ap-
8 plication, including any external or internal
9 delays—

21 (B) in subparagraph (B), in the matter
22 preceding clause (i), by striking "Within a rea-
23 sonable time after receiving" and inserting "Ex-
24 cept as provided in subparagraph (C), not later

1 than 240 days after the date on which the Ad-
2 ministrator receives”; and

3 (C) by adding at the end the following:

4 “(C) EXCEPTIONS.—

5 “(i) REPEAT APPLICANTS; NON-LE-
6 VERAGED, NON-BANK APPLICANT.—Not-
7 withstanding subparagraph (B), not later
8 than 90 days after the date on which the
9 Administrator receives a completed appli-
10 cation submitted by a repeat applicant or
11 a non-leveraged, non-bank applicant in ac-
12 cordance with this subsection and in ac-
13 cordance with such requirements as the
14 Administrator may prescribe by regulation,
15 the Administrator shall—

16 “(I) review the application in its
17 entirety; and

18 “(II)(aa) approve the application
19 and issue a license for such operation
20 to the applicant if the requirements of
21 this section are satisfied; or

22 “(bb) disapprove the application
23 and notify the applicant in writing of
24 the disapproval.

1 “(ii) BANK-OWNED APPLICANTS.—

2 Notwithstanding subparagraph (B), not

3 later than 45 days after the date on which

4 the Administrator receives a completed ap-

5 plication submitted by a bank-owned appli-

6 cant in accordance with this subsection

7 and in accordance with such requirements

8 as the Administrator may prescribe by reg-

9 ulation, the Administrator shall—

10 “(I) review the application in its

11 entirety; and

12 “(II)(aa) approve the application

13 and issue a license for such operation

14 to the applicant if the requirements of

15 this section are satisfied; or

16 “(bb) disapprove the application

17 and notify the applicant in writing of

18 the disapproval.”;

19 (2) in paragraph (3)—

20 (A) in subparagraph (A)—

21 (i) in clause (i), by striking “and” at

22 the end;

23 (ii) in clause (ii), by adding “and” at

24 the end; and

1 (iii) by adding at the end the fol-
2 lowing:

7 (B) in subparagraph (B)—

10 (ii) in clause (iii), by adding “and” at
11 the end; and

12 (iii) by adding at the end the fol-
13 lowing:

16 (3) in paragraph (4)(A)—

17 (A) in clause (ii), by striking “and” at the
18 end;

19 (B) in clause (iii), by striking the period at
20 the end and inserting “; and”; and

21 (C) by adding at the end the following:

1 (4) by adding at the end the following:

2 “(5) DEFINITIONS.—In this subsection—

3 “(A) the term ‘bank-owned applicant’
4 means an applicant for a license to operate as
5 a small business investment company under this
6 Act that—

17 “(B) the term ‘non-leveraged, non-bank
18 applicant’ means an applicant for a license to
19 operate as a small business investment company
20 under this Act that is not bank-owned and that,
21 when operational, poses no risk to the Federal
22 Government; and

23 “(C) the term ‘repeat applicant’ means an
24 applicant for a license to operate as a small

1 business investment company under this Act
2 that—

3 “(i) has previously applied for and
4 been issued such a license;

5 “(ii) has 50 percent of the same man-
6 agement team with the 50 percent of the
7 same investment committee as when the
8 applicant operated as a small business in-
9 vestment company;

10 “(iii) is applying for the same or less
11 ratio leverage as when the applicant oper-
12 ated as a small business investment com-
13 pany;

14 “(iv) has substantially the same in-
15 vestment strategy as when the applicant
16 operated as a small business investment
17 company;

18 “(v) is not more than 50 percent larg-
19 er than when the applicant operated as a
20 small business investment company;

21 “(vi) has not less than 50 percent of
22 institutional limited partnerships returning
23 from the prior fund to invest in the new
24 small business investment company; and

1 “(vii) has not had any major findings
2 on examinations of the prior fund.”.

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