

117TH CONGRESS
1ST SESSION

S. 1621

To reauthorize and limit the pre-disaster mitigation program of the Small Business Administration, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 13, 2021

Mr. RUBIO (for himself, Mr. KING, Ms. COLLINS, Ms. ERNST, Mr. KENNEDY, Mr. WYDEN, and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To reauthorize and limit the pre-disaster mitigation program of the Small Business Administration, 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 “Providing Resources
5 for Emergency Preparedness And Resilient Enterprises
6 Act” or the “PREPARE Act”.

7 **SEC. 2. PRE-DISASTER MITIGATION PROGRAM.**

8 (a) IN GENERAL.—Section 7(b) of the Small Busi-
9 ness Act (15 U.S.C. 636(b)) is amended—

1 (1) in paragraph (1)(C)—

2 (A) by striking “during fiscal years 2000
3 through 2004, to establish a predisaster mitiga-
4 tion program” and inserting “to establish a
5 pre-disaster mitigation program”;

6 (B) by inserting “in accordance with para-
7 graph (16) and” before “as the Administrator
8 may”;

9 (C) by striking “to enable small busi-
10 nesses” and inserting “to small business con-
11 cerns to enable those concerns”; and

12 (D) by striking “in support of a formal”
13 and all that follows and inserting “to protect
14 the commercial real estate, equipment, inven-
15 tory, supplies, and materials of those concerns
16 from damages related to disasters;”; and

17 (2) by inserting after paragraph (15) the fol-
18 lowing:

19 “(16) PRE-DISASTER MITIGATION PROGRAM
20 LOANS.—

21 “(A) LOAN CAP.—The aggregate amount
22 of loans made under the pre-disaster mitigation
23 program under paragraph (1)(C) to a borrower
24 may not exceed \$500,000.

1 “(B) OUTREACH.—In carrying out the pre-
2 disaster mitigation program under paragraph
3 (1)(C), the Administrator shall—

4 “(i) establish an advertising and out-
5 reach program to help small business con-
6 cerns understand the value of mitigation
7 and that the pre-disaster mitigation pro-
8 gram is available for that purpose;

9 “(ii) conduct outreach campaigns to
10 small business concerns regarding the pre-
11 disaster mitigation program, including—

12 “(I) advertising to educate those
13 concerns on the importance of disaster
14 mitigation; and

15 “(II) campaigns to promote par-
16 ticipation in the program by small
17 business concerns located in economi-
18 cally depressed areas;

19 “(iii) provide technical assistance to
20 applicants, including instructions on how
21 to participate in the pre-disaster mitigation
22 program, assistance in preparing applica-
23 tions, and expertise on best practices for
24 projects; and

1 “(iv) provide detailed information on
 2 the purposes for which funds from loans
 3 made under the pre-disaster mitigation
 4 program may be used.

5 “(C) RESERVATION OF FUNDS.—Not more
 6 than 4 percent of the funds made available to
 7 the Administrator to carry out the pre-disaster
 8 mitigation program under paragraph (1)(C)
 9 may be reserved by the Administrator for—

10 “(i) the administrative costs of the
 11 program; and

12 “(ii) the activities described in sub-
 13 paragraph (B).

14 “(D) GUIDANCE.—The Administrator shall
 15 issue guidance to ensure that borrowers pur-
 16 chase and maintain adequate insurance cov-
 17 erage over the duration of a loan obtained
 18 under the pre-disaster mitigation program
 19 under paragraph (1)(C).”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
 21 20(c) of the Small Business Act (15 U.S.C. 631 note) is
 22 amended to read as follows:

23 “(c) PRE-DISASTER MITIGATION PROGRAM.—There
 24 is authorized to be appropriated for the purpose of car-

1 rying out the program established under section
 2 7(b)(1)(C) the following amounts:

3 “(1) \$25,000,000 for fiscal year 2022.

4 “(2) \$25,000,000 for fiscal year 2023.

5 “(3) \$25,000,000 for fiscal year 2024.

6 “(4) \$25,000,000 for fiscal year 2025.

7 “(5) \$25,000,000 for fiscal year 2026.”.

8 (c) PROGRAM EVALUATION.—Not later than 1 year
 9 after the date of enactment of this Act, and annually
 10 thereafter, the Administrator of the Small Business Ad-
 11 ministration shall submit to the Committee on Small Busi-
 12 ness and Entrepreneurship of the Senate and the Com-
 13 mittee on Small Business of the House of Representatives
 14 a report on the pre-disaster mitigation program under sec-
 15 tion 7(b)(1)(C) of the Small Business Act (15 U.S.C.
 16 636(b)(1)(C)), as amended by this Act, including—

17 (1) a list of the geographic areas in which re-
 18 cipients of loans under the program are located;

19 (2) the types of mitigation projects that were
 20 funded;

21 (3) the number and dollar value of the loans
 22 made under the program;

23 (4) the estimated aggregate value resulting
 24 from the use of mitigation techniques funded by
 25 loans made under the program, including—

1 (A) the lost productivity and expenses that
2 were avoided; and

3 (B) the estimated amount saved by the
4 Federal Government;

5 (5) the information required by paragraph (4)
6 disaggregated by region, by State, and by industry;
7 and

8 (6) the estimated dollar value of loans that
9 would have been made under section 7(b)(1)(A) of
10 the Small Business Act (15 U.S.C. 636(b)(1)(A))
11 without the loans made under the program.

12 (d) INITIAL REPORTING ON PILOT PROGRAM.—Not
13 later than 60 days after the date of enactment of this Act,
14 the Administrator of the Small Business Administration
15 shall submit to the Committee on Small Business and En-
16 trepreneurship of the Senate and the Committee on Small
17 Business of the House of Representatives—

18 (1) a description of and all related materials for
19 outreach advertising campaign efforts made during
20 the duration of the pre-disaster mitigation pilot pro-
21 gram of the Small Business Administration;

22 (2) information on how the Small Business Ad-
23 ministration appropriately staffed the Office of Dis-
24 aster Assistance to carry out the pilot program de-
25 scribed in paragraph (1); and

1 (3) the amount of the budget of the pilot pro-
2 gram described in paragraph (1) that was used for
3 outreach advertising campaign efforts.

4 (e) APPLICABILITY.—The amendments made by this
5 section shall apply only with respect to loans made under
6 section 7(b)(1)(C) of the Small Business Act (15 U.S.C.
7 636(b)(1)(C)), as amended by this Act, on or after the
8 date of enactment of this Act.

9 **SEC. 3. INCREASE IN ALLOWABLE AMOUNT OF PHYSICAL**
10 **DISASTER LOAN FOR MITIGATION.**

11 Section 7(b)(1)(A) of the Small Business Act (15
12 U.S.C. 636(b)(1)(A)) is amended, in the second proviso,
13 by striking “20 per centum” and inserting “30 percent”.

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