

Public Law 86-502

AN ACT

June 11, 1960
[S. 2611]

To amend the Small Business Investment Act of 1958, and for other purposes.

Small Business
Investment Act
Amendments of
1960.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Investment Act Amendments of 1960".

SEC. 2. As used in this Act, unless otherwise indicated, references to "the Act" are to the Small Business Investment Act of 1958, as approved August 21, 1958 (72 Stat. 689).

15 USC 661 and
note.
15 USC 662.

SEC. 3. Section 103 of the Act is amended by deleting the paragraph numbered (4) and inserting, in lieu thereof, the following: "the term 'State' includes the several States, the Territories and possessions of the United States, the Commonwealth of Puerto Rico, and the District of Columbia."

15 USC 681.

SEC. 4. Subsection 301(d) of the Act is amended by deleting the paragraph thereof numbered (9); and by respectively redesignating the paragraphs thereof numbered (10) and (11) as (9) and (10).

15 USC 682.

SEC. 5. Subsection 302(b) of the Act is amended by deleting the first word and inserting in lieu thereof the following: "Notwithstanding the provisions of section 6(a) (1) of the Bank Holding Company Act of 1956, shares".

70 Stat. 137.
12 USC 1845.
15 USC 684.

SEC. 6. Section 304 of the Act is amended to read as follows:

"PROVISION OF EQUITY CAPITAL FOR SMALL-BUSINESS CONCERNS

"SEC. 304. (a) It shall be a function of each small business investment company to provide a source of equity capital for incorporated small-business concerns, in such manner and under such terms as the small business investment company may fix in accordance with the regulations of the Administration.

"(b) Before any capital is provided to a small-business concern under this section—

"(1) the company may require such concern to refinance any or all of its outstanding indebtedness so that the company is the only holder of any evidence of indebtedness of such concern; and

"(2) except as provided in regulations issued by the Administration, such concern shall agree that it will not thereafter incur any indebtedness without first securing the approval of the company and giving the company the first opportunity to finance such indebtedness.

"(c) Whenever a company provides capital to a small-business concern under this section, such concern shall have the right, exercisable in whole or in such part as such concern may elect, to become a stockholder-proprietor by investing in the capital stock of the company 5 per centum of the amount of the capital so provided, in accordance with regulations prescribed by the Administrator."

37 Stat. 660.

SEC. 7. Title 26, chapter 6, section 26-610 of the District of Columbia Code, 1951 edition, is amended by inserting after the word "associations" the following: "small business investment companies licensed and operating under the Small Business Investment Act of 1958".

Approved June 11, 1960.