

(viii) the ability to leverage relationships with rural minority business enterprises; and

(ix) a referral relationship with not less than 1 community-based organization; and

(B) give priority to an eligible entity that—

(i) is located in a State or region that has a significant population of socially or economically disadvantaged individuals;

(ii) has a history of serving socially or economically disadvantaged individuals; or

(iii) in the determination of the Under Secretary, has not received an equitable allocation of land and financial resources under—

(I) the Act of July 2, 1862 (commonly known as the “First Morrill Act”) (12 Stat. 503, chapter 130; 7 U.S.C. 301 et seq.); or

(II) the Act of August 30, 1890 (commonly known as the “Second Morrill Act”) (26 Stat. 417, chapter 841; 7 U.S.C. 321 et seq.).

(3) Considerations

In determining whether to enter into an MBDA Rural Business Center agreement with an eligible entity under this section, the Under Secretary shall consider the needs of the eligible entity.

(Pub. L. 117–58, div. K, title III, §100302, Nov. 15, 2021, 135 Stat. 1459.)

Editorial Notes

REFERENCES IN TEXT

The Act of July 2, 1862, referred to in subsec. (d)(2)(B)(iii)(I), is act July 2, 1862, ch. 130, 12 Stat. 503, popularly known as the Morrill Act and also as the First Morrill Act, which is classified generally to subchapter I (§301 et seq.) of chapter 13 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 301 of Title 7 and Tables.

The Act of August 30, 1890, referred to in subsec. (d)(2)(B)(iii)(II), is act Aug. 30, 1890, ch. 841, 26 Stat. 417, popularly known as the Agricultural College Act of 1890 and also as the Second Morrill Act, which is classified generally to subchapter II (§321 et seq.) of chapter 13 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 321 of Title 7 and Tables.

§ 9553. Report to Congress

Not later than 1 year after November 15, 2021, the Under Secretary shall submit to the appropriate congressional committees a report that includes—

(1) a summary of the efforts of the Under Secretary to provide services to minority business enterprises located in States that lack an MBDA Business Center, as of November 15, 2021, and especially in those States that have significant minority populations; and

(2) recommendations for extending the outreach of the Agency to underserved areas.

(Pub. L. 117–58, div. K, title III, §100303, Nov. 15, 2021, 135 Stat. 1461.)

§ 9554. Study and report

(a) In general

The Under Secretary, in coordination with relevant leadership of the Agency and relevant individuals outside of the Department of Commerce, shall conduct a study that addresses the ways in which minority business enterprises can meet gaps in the supply chain of the United States, with a particular focus on the supply chain of advanced manufacturing and essential goods and services.

(b) Report

Not later than 1 year after November 15, 2021, the Under Secretary shall submit to the appropriate congressional committees a report that includes the results of the study conducted under subsection (a), which shall include recommendations regarding the ways in which minority business enterprises can meet gaps in the supply chain of the United States.

(Pub. L. 117–58, div. K, title III, §100304, Nov. 15, 2021, 135 Stat. 1461.)

SUBCHAPTER IV—MINORITY BUSINESS DEVELOPMENT GRANTS

§ 9561. Grants to nonprofit organizations that support minority business enterprises

(a) Definition

In this section, the term “covered entity” means a private nonprofit organization that—

(1) is described in paragraph (3), (4), (5), or (6) of section 501(c) of title 26 and exempt from tax under section 501(a) of such title; and

(2) can demonstrate that a primary activity of the organization is to provide services to minority business enterprises, whether through education, making grants or loans, or other similar activities.

(b) Purpose

The purpose of this section is to make grants to covered entities to help those covered entities continue the necessary work of supporting minority business enterprises.

(c) Designation of office

(1) In general

Not later than 180 days after November 15, 2021, the Under Secretary shall designate an office to make and administer grants under this section.

(2) Considerations

In designating an office under paragraph (1), the Under Secretary shall ensure that the office designated has adequate staffing to carry out the responsibilities of the office under this section.

(d) Application

A covered entity desiring a grant under this section shall submit to the Under Secretary an application at such time, in such manner, and containing such information as the Under Secretary may require.

(e) Priority

The Under Secretary shall, in carrying out this section, prioritize granting an application

submitted by a covered entity that is located in a federally recognized area of economic distress.

(f) Use of funds

A covered entity to which a grant is made under this section may use the grant funds to support the development, growth, or retention of minority business enterprises.

(g) Procedures

The Under Secretary shall establish procedures to—

(1) discourage and prevent waste, fraud, and abuse by applicants for, and recipients of, grants made under this section; and

(2) ensure that grants are made under this section to a diverse array of covered entities, which may include—

(A) covered entities with a national presence;

(B) community-based covered entities;

(C) covered entities with annual budgets below \$1,000,000; or

(D) covered entities that principally serve low-income and rural communities.

(h) Inspector General audit

Not later than 180 days after the date on which the Under Secretary begins making grants under this section, the Inspector General of the Department of Commerce shall—

(1) conduct an audit of grants made under this section, which shall seek to identify any discrepancies or irregularities with respect to those grants; and

(2) submit to Congress a report regarding the audit conducted under paragraph (1).

(i) Updates to Congress

Not later than 90 days after the date on which the Under Secretary makes the designation required under subsection (c), and once every 30 days thereafter, the Under Secretary shall submit to Congress a report that contains—

(1) the number of grants made under this section during the period covered by the report; and

(2) with respect to the grants described in paragraph (1)—

(A) the geographic distribution of those grants by State and county;

(B) if applicable, demographic information with respect to the minority business enterprises served by the covered entities to which the grants were made; and

(C) information regarding the industries of the minority business enterprises served by the covered entities to which the grants were made.

(Pub. L. 117–58, div. K, title IV, §100401, Nov. 15, 2021, 135 Stat. 1461.)

SUBCHAPTER V—MINORITY BUSINESS ENTERPRISES ADVISORY COUNCIL

§ 9571. Purpose

The Under Secretary shall establish the Minority Business Enterprises Advisory Council (referred to in this subchapter as the “Council”) to advise and assist the Agency.

(Pub. L. 117–58, div. K, title V, §100501, Nov. 15, 2021, 135 Stat. 1463.)

§ 9572. Composition and term

(a) Composition

The Council shall be composed of 9 members of the private sector and 1 representative from each of not fewer than 10 Federal agencies that support or otherwise have duties that relate to business formation, including duties relating to labor development, monetary policy, national security, energy, agriculture, transportation, and housing.

(b) Chair

The Under Secretary shall designate 1 of the private sector members of the Council as the Chair of the Council for a 1-year term.

(c) Term

The Council shall meet at the request of the Under Secretary and members shall serve for a term of 2 years. Members of the Council may be reappointed.

(Pub. L. 117–58, div. K, title V, §100502, Nov. 15, 2021, 135 Stat. 1463.)

§ 9573. Duties

(a) In general

The Council shall provide advice to the Under Secretary by—

(1) serving as a source of knowledge and information on developments in areas of the economic and social life of the United States that affect socially or economically disadvantaged business concerns;

(2) providing the Under Secretary with information regarding plans, programs, and activities in the public and private sectors that relate to socially or economically disadvantaged business concerns; and

(3) advising the Under Secretary regarding—

(A) any measures to better achieve the objectives of this chapter; and

(B) problems and matters the Under Secretary refers to the Council.

(b) Capacity

Members of the Council shall not be compensated for service on the Council but may be allowed travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5.

(c) Termination

Notwithstanding section 14 of the Federal Advisory Committee Act (5 U.S.C. App.),¹ the Council shall terminate on the date that is 5 years after November 15, 2021.

(Pub. L. 117–58, div. K, title V, §100503, Nov. 15, 2021, 135 Stat. 1463.)

Editorial Notes

REFERENCES IN TEXT

This chapter, referred to in subsec. (a)(3)(A), was in the original “this division”, meaning div. K of Pub. L. 117–58, Nov. 15, 2021, 135 Stat. 1445, which is classified principally to this chapter. For complete classification of division K to the Code, see Short Title note set out under section 9501 of this title and Tables.

¹ See References in Text note below.