

111TH CONGRESS
2D SESSION

S. 3020

To direct the Administrator of the Small Business Administration to reform and improve the HUBZone program for small business concerns, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 23, 2010

Ms. SNOWE (for herself, Ms. LANDRIEU, Mr. BOND, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To direct the Administrator of the Small Business Administration to reform and improve the HUBZone program for small business concerns, 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 “HUBZone Improve-
5 ment Act of 2010”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the terms “Administration” and “Adminis-
2 trator” mean the Small Business Administration
3 and the Administrator thereof, respectively;

4 (2) the terms “HUBZone” and “HUBZone
5 small business concern” and “HUBZone map” have
6 the meanings given those terms in section 3(p) of
7 the Small Business Act (15 U.S.C. 632(p)), as
8 amended by this Act; and

9 (3) the term “recertification” means a deter-
10 mination by the Administrator that a business con-
11 cern that was previously determined to be a qualified
12 HUBZone small business concern is a qualified
13 HUBZone small business concern under section
14 3(p)(5) of the Small Business Act (15 U.S.C.
15 632(p)(5)).

16 **SEC. 3. PURPOSE; FINDINGS.**

17 (a) **PURPOSE.**—The purpose of this Act is to reform
18 and improve the HUBZone program of the Administra-
19 tion.

20 (b) **FINDINGS.**—Congress finds that—

21 (1) the HUBZone program was established
22 under the HUBZone Act of 1997 (Public Law 105–
23 135; 111 Stat. 2627) to stimulate economic develop-
24 ment through increased employment and capital in-
25 vestment by providing Federal contracting pref-

1 erences to small business concerns in those areas, in-
2 cluding inner cities and rural counties, that have low
3 household incomes, high unemployment, and suf-
4 fered from a lack of investment; and

5 (2) according to the Government Accountability
6 Office, the weakness in the oversight of the
7 HUBZone program by the Administration has ex-
8 posed the Government to fraud and abuse.

9 **SEC. 4. HUBZONE IMPROVEMENTS.**

10 The Administrator shall—

11 (1) ensure the HUBZone map—

12 (A) is accurate and up-to-date; and

13 (B) revised as new data is made available
14 to maintain the accuracy and currency of the
15 HUBZone map;

16 (2) implement policies for ensuring that only
17 HUBZone small business concerns determined to be
18 qualified under section 3(p)(5) of the Small Busi-
19 ness Act (15 U.S.C. 632(p)(5)) are participating in
20 the HUBZone program, including through the ap-
21 propriate use of technology to control costs and
22 maximize, among other benefits, uniformity, com-
23 pleteness, simplicity, and efficiency;

24 (3) submit to the Committee on Small Business
25 and Entrepreneurship of the Senate and the Com-

1 mittee on Small Business of the House of Rep-
2 resentatives a report regarding any application to be
3 designated as a HUBZone small business concern or
4 for recertification for which the Administrator has
5 not made a determination as of the date that is 60
6 days after the date on which the application was
7 submitted or initiated, which shall include a plan
8 and timetable for ensuring the timely processing of
9 the applications; and

10 (4) develop measures and implement plans to
11 assess the effectiveness of the HUBZone program
12 that—

13 (A) require the identification of a baseline
14 point in time to allow the assessment of eco-
15 nomic development under the HUBZone pro-
16 gram, including creating additional jobs; and

17 (B) take into account—

18 (i) the economic characteristics of the
19 HUBZone; and

20 (ii) contracts being counted under
21 multiple socioeconomic subcategories.

22 **SEC. 5. EMPLOYMENT PERCENTAGE.**

23 Section 3(p) of the Small Business Act (15 U.S.C.
24 632(p)) is amended—

1 (1) in paragraph (5), by adding at the end the
2 following:

3 “(E) EMPLOYMENT PERCENTAGE DURING
4 INTERIM PERIOD.—

5 “(i) DEFINITION.—In this subpara-
6 graph, the term ‘interim period’ means the
7 period beginning on the date on which the
8 Administrator determines that a HUBZone
9 small business concern is qualified under
10 subparagraph (A) and ending on the day
11 before the date on which a contract under
12 the HUBZone program for which the
13 HUBZone small business concern submits
14 a bid is awarded.

15 “(ii) INTERIM PERIOD.—During the
16 interim period, the Administrator may not
17 determine that the HUBZone small busi-
18 ness is not qualified under subparagraph
19 (A) based on a failure to meet the applica-
20 ble employment percentage under subpara-
21 graph (A)(i)(I), unless the HUBZone small
22 business concern—

23 “(I) has not attempted to main-
24 tain the applicable employment per-

1 centage under subparagraph (A)(i)(I);

2 or

3 “(II) does not meet the applica-

4 ble employment percentage—

5 “(aa) on the date on which

6 the HUBZone small business

7 concern submits a bid for a con-

8 tract under the HUBZone pro-

9 gram; or

10 “(bb) on the date on which

11 the HUBZone small business

12 concern is awarded a contract

13 under the HUBZone program.”;

14 and

15 (2) by adding at the end the following:

16 “(8) HUBZONE PROGRAM.—The term

17 ‘HUBZone program’ means the program established

18 under section 31.

19 “(9) HUBZONE MAP.—The term ‘HUBZone

20 map’ means the map used by the Administration to

21 identify HUBZones.”.

22 **SEC. 6. REDESIGNATED AREAS.**

23 Section 3(p)(4)(C)(i) of the Small Business Act (15

24 U.S.C. 632(p)(4)(C)(i)) is amended to read as follows:

1 “(i) 3 years after the first date on
2 which the Administrator publishes a
3 HUBZone map that is based on the results
4 from the 2010 decennial census; or”.

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