

Calendar No. 113

114TH CONGRESS
1ST SESSION

S. 1470

To amend the Small Business Act to provide additional assistance to small business concerns for disaster recovery, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 31, 2015

Mr. VITTER introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

JUNE 10, 2015

Reported by Mr. VITTER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

A BILL

To amend the Small Business Act to provide additional assistance to small business concerns for disaster recovery, 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; TABLE OF CONTENTS.**

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the
5 “Recovery Improvements for Small Entities After Disaster
6 Act of 2015” or the “~~RISE After Disaster Act of 2015~~”.

1 (b) **TABLE OF CONTENTS.**—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—IMPROVEMENTS OF DISASTER RESPONSE AND LOANS

Sec. 101. Use of data sharing.
Sec. 102. Additional awards to small business development centers; women’s
business centers, SCORE, and FAST recipients for disaster re-
covery.
Sec. 103. Collateral requirements for disaster loans.
Sec. 104. Assistance to out-of-State business concerns to aid in disaster recov-
ery.
Sec. 105. Fast-track SBIC applications.
Sec. 106. FAST priorities.
Sec. 107. Use of Federal surplus property in disaster areas.
Sec. 108. Recovery opportunity loans.
Sec. 109. Contractor malfeasance.
Sec. 110. Local contracting preferences and incentives.

TITLE II—DISASTER PLANNING AND MITIGATION

Sec. 201. Use of physical damage disaster loans.
Sec. 202. Business recovery centers.

TITLE III—OTHER PROVISIONS

Sec. 301. Increased oversight of economic injury disaster loans.
Sec. 302. Reduction of paperwork burden.
Sec. 303. Report on web portal for disaster loan applicants.
Sec. 304. Local disaster contracting fairness.

3 **SEC. 2. DEFINITIONS.**

4 In this Act—

5 (1) the term “7(b) loan program” means assist-
6 ance provided by the Administration under section
7 7(b) of the Small Business Act (15 U.S.C. 636(b));
8 (2) the terms “Administration” and “Adminis-
9 trator” mean the Small Business Administration
10 and the Administrator thereof, respectively;

1 ~~(3)~~ the term “covered supplemental appropri-
2 tions” means amounts made available to the Admin-
3 istration through supplemental appropriations for—

4 ~~(A)~~ the cost of direct loans authorized
5 under section 7(b) of the Small Business Act
6 ~~(15 U.S.C. 636(b))~~ for necessary expenses re-
7 lated to the consequences of a major disaster
8 declared by the President under section 401 of
9 the Robert T. Stafford Disaster Relief and
10 Emergency Assistance Act ~~(42 U.S.C. 5170)~~;
11 and

12 ~~(B)~~ the direct administrative expenses of
13 making and servicing those loans;

14 ~~(4)~~ the term “major disaster” means a major
15 disaster declared by the President under section 401
16 of the Robert T. Stafford Disaster Relief and Emer-
17 gency Assistance Act ~~(42 U.S.C. 5170)~~; and

18 ~~(5)~~ the term “small business concern” has the
19 meaning given that term under section ~~3~~ of the
20 Small Business Act ~~(15 U.S.C. 632)~~.

1 **TITLE I—IMPROVEMENTS OF**
2 **DISASTER RESPONSE AND**
3 **LOANS**

4 **SEC. 101. USE OF DATA SHARING.**

5 Section 312 of the Robert T. Stafford Disaster Relief
6 and Emergency Assistance Act (42 U.S.C. 5155) is
7 amended by adding at the end the following:

8 “(e) USE OF DATA SHARING.—

9 “(1) DEFINITION.—In this subsection, the term
10 ‘agency’ has the meaning given the term in section
11 552a of title 5, United States Code.

12 “(2) EXEMPTION FROM CERTAIN MATCHING
13 PROGRAM REQUIREMENTS.—Any action taken by an
14 agency to prevent, investigate, or recover duplicative
15 Federal assistance under this section shall not be
16 subject to subsections (e)(12), (o), (q), (r), and (u)
17 of section 552a of title 5, United States Code.

18 “(3) FRAUDULENT ACQUISITION OF ASSIST-
19 ANCE.—An investigation conducted by an agency re-
20 lating to the fraudulent acquisition of duplicative
21 Federal assistance under this section shall not be
22 subject to section 552a(p) of title 5, United States
23 Code.”.

1 **SEC. 102. ADDITIONAL AWARDS TO SMALL BUSINESS DE-**
 2 **VELOPMENT CENTERS, WOMEN'S BUSINESS**
 3 **CENTERS, SCORE, AND FAST RECIPIENTS**
 4 **FOR DISASTER RECOVERY.**

5 Section 7(b) of the Small Business Act (15 U.S.C.
 6 636(b)) is amended by inserting before the undesignated
 7 matter following paragraph (9) the following:

8 ~~“(10) ADDITIONAL AWARDS TO SMALL BUSI-~~
 9 ~~NESS DEVELOPMENT CENTERS, WOMEN’S BUSINESS~~
 10 ~~CENTERS, SCORE, AND FAST RECIPIENTS FOR DIS-~~
 11 ~~ASTER RECOVERY.—~~

12 ~~“(A) IN GENERAL.—~~The Administration
 13 may provide financial assistance to a small
 14 business development center, a women’s busi-
 15 ness center described in section 29, the Service
 16 Corps of Retired Executives, a entity, organiza-
 17 tion, or individual that receives an award or has
 18 in effect a cooperative agreement under section
 19 34, or any proposed consortium of such individ-
 20 uals or entities to spur disaster recovery and
 21 growth of small business concerns located in an
 22 area for which the President has declared a
 23 major disaster.

24 ~~“(B) FORM OF FINANCIAL ASSISTANCE.—~~
 25 Financial assistance provided under this para-

1 graph shall be in the form of a grant, contract,
2 or cooperative agreement.

3 “(C) NO MATCHING FUNDS REQUIRED.—
4 Matching funds shall not be required for any
5 grant, contract, or cooperative agreement under
6 this paragraph.

7 “(D) REQUIREMENTS.—A recipient of fi-
8 nancial assistance under this paragraph shall
9 provide counseling, training, and other related
10 services, such as promoting long-term resiliency,
11 to small business concerns and entrepreneurs
12 impacted by a major disaster.

13 “(E) PERFORMANCE.—

14 “(i) IN GENERAL.—The Adminis-
15 trator, in cooperation with the recipients of
16 financial assistance under this paragraph,
17 shall establish metrics and goals for per-
18 formance of grants, contracts, and cooper-
19 ative agreements under this paragraph,
20 which shall include recovery of sales, recov-
21 ery of employment, reestablishment of
22 business premises, and establishment of
23 new small business concerns.

24 “(ii) USE OF ESTIMATES.—The Ad-
25 ministrator shall base the goals and

1 metrics for performance established under
2 clause (i), in part, on the estimates of dis-
3 aster impact prepared by the Office of Dis-
4 aster Assistance for purposes of estimating
5 loan-making requirements.

6 “(F) TERM.—

7 “(i) IN GENERAL.—The term of any
8 grant, contract, or cooperative agreement
9 under this paragraph shall be for not more
10 than 2 years.

11 “(ii) EXTENSION.—The Administrator
12 may make 1 extension of a grant, contract,
13 or cooperative agreement under this para-
14 graph for a period of not more than 1
15 year, upon a showing of good cause and
16 need for the extension.

17 “(G) EXEMPTION FROM OTHER PROGRAM
18 REQUIREMENTS.—Financial assistance provided
19 under this paragraph is in addition to, and
20 wholly separate from, any other form of assist-
21 ance provided by the Administrator under this
22 Act.

23 “(H) COMPETITIVE BASIS.—The Adminis-
24 tration shall award financial assistance under
25 this paragraph on a competitive basis.”.

1 **SEC. 103. COLLATERAL REQUIREMENTS FOR DISASTER**
2 **LOANS.**

3 (a) **IN GENERAL.**—Section 7(d)(6) of the Small Busi-
4 ness Act (15 U.S.C. 636(d)(6)) is amended in the third
5 proviso—

6 (1) by striking “\$14,000” and inserting
7 “\$25,000”; and

8 (2) by striking “major disaster” and inserting
9 “disaster”.

10 (b) **SUNSET.**—Effective on the date that is 3 years
11 after the date of enactment of this Act, section 7(d)(6)
12 of the Small Business Act (15 U.S.C. 636(d)(6)) is
13 amended in the third proviso—

14 (1) by striking “\$25,000” and inserting
15 “\$14,000”; and

16 (2) by inserting “major” before “disaster”.

17 (c) **REPORT.**—Not later than 180 days before the
18 date on which the amendments made by subsection (b)
19 are to take effect, the Administrator shall submit to Com-
20 mittee on Small Business and Entrepreneurship of the
21 Senate and the Committee on Small Business of the
22 House of Representatives a report on the effects of the
23 amendments made by subsection (a); which shall in-
24 clude—

25 (1) an assessment of the impact and benefits
26 resulting from the amendments; and

1 (2) a recommendation as to whether the amend-
2 ments should be made permanent.

3 **SEC. 104. ASSISTANCE TO OUT-OF-STATE BUSINESS CON-**
4 **CERNS TO AID IN DISASTER RECOVERY.**

5 (a) IN GENERAL.—Section 21(b)(3) of the Small
6 Business Act (15 U.S.C. 648(b)(3)) is amended—

7 (1) by striking “(3) At the discretion” and in-
8 serting the following:

9 “~~(3)~~ ASSISTANCE TO OUT-OF-STATE SMALL
10 BUSINESS CONCERNS.—

11 “~~(A)~~ IN GENERAL.—At the discretion”;
12 and

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

14 “~~(B)~~ DISASTER RECOVERY ASSISTANCE.—

15 “~~(i)~~ IN GENERAL.—At the discretion
16 of the Administrator, the Administrator
17 may authorize a small business develop-
18 ment center to provide advice, information,
19 and assistance, as described in subsection
20 (e), to a small business concern located
21 outside of the State, without regard to geo-
22 graphic proximity to the small business de-
23 velopment center, if the small business
24 concern is located in an area for which the
25 President has declared a major disaster.

1 “(ii) TERM.—

2 “(I) IN GENERAL.—A small busi-
3 ness development center may provide
4 advice, information, and assistance to
5 a small business concern under clause
6 (i) for a period of not more than 2
7 years after the date on which the
8 President declared a major disaster
9 for the area in which the small busi-
10 ness concern is located.

11 “(II) EXTENSION.—The Admin-
12 istrator may, at the discretion of the
13 Administrator, extend the period de-
14 scribed in subclause (I).

15 “(iii) CONTINUITY OF SERVICES.—A
16 small business development center that
17 provides counselors to an area described in
18 clause (i) shall, to the maximum extent
19 practicable, ensure continuity of services in
20 any State in which the small business de-
21 velopment center otherwise provides serv-
22 ices.

23 “(iv) ACCESS TO DISASTER RECOVERY
24 FACILITIES.—For purposes of this sub-
25 paragraph, the Administrator shall, to the

1 maximum extent practicable, permit the
 2 personnel of a small business development
 3 center to use any site or facility designated
 4 by the Administrator for use to provide
 5 disaster recovery assistance.”.

6 (b) SENSE OF CONGRESS.—It is the sense of Con-
 7 gress that, subject to the availability of funds, the Admin-
 8 istrator should, to the extent practicable, ensure that a
 9 small business development center is appropriately reim-
 10 bursed for any legitimate expenses incurred in carrying
 11 out activities under section 21(b)(3)(B) of the Small Busi-
 12 ness Act, as added by subsection (a).

13 **SEC. 105. FAST-TRACK SBIC APPLICATIONS.**

14 Section 301(e)(2) of the Small Business Investment
 15 Act of 1958 (15 U.S.C. 681(e)(2)) is amended by adding
 16 at the end the following:

17 “(C) PRIORITY FOR APPLICANTS LOCATED
 18 IN DISASTER AREAS.—

19 “(i) DEFINITION.—In this subpara-
 20 graph, the term ‘disaster area’ means the
 21 area for which the President has declared
 22 a major disaster (as defined in section 102
 23 of the Robert T. Stafford Disaster Relief
 24 and Emergency Assistance Act (42 U.S.C.

1 5122)), during the period of the declara-
2 tion.

3 “(ii) **PRIORITY.**—The Administrator
4 shall give priority to an application for a li-
5 cense to operate as a small business invest-
6 ment company that is from an applicant
7 located in a disaster area.”.

8 **SEC. 106. FAST PRIORITIES.**

9 (a) **DEFINITIONS.**—Section 34(a) of the Small Busi-
10 ness Act (15 U.S.C. 657d(a)) is amended—

11 (1) by redesignating paragraphs (3) through
12 (9) as (4) through (10), respectively; and

13 (2) by inserting after paragraph (2) the fol-
14 lowing:

15 “(3) **CATASTROPHIC DISASTER.**—The term ‘cat-
16 astrophic disaster’ means a catastrophic disaster, as
17 determined by the Administrator.”.

18 (b) **PRIORITY.**—Section 34(c)(2) of the Small Busi-
19 ness Act (15 U.S.C. 657d(c)(2)) is amended—

20 (1) in subparagraph (A), by striking “and” at
21 the end;

22 (2) in subparagraph (B)(vi)(III), by striking
23 the period at the end and inserting “; and”; and

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

1 “(C) shall give special consideration to an
2 applicant that is located in an area affected by
3 a catastrophic disaster.”.

4 (e) **ADDITIONAL ASSISTANCE.**—Section 34(e) of the
5 Small Business Act (15 U.S.C. 657d(e)) is amended by
6 adding at the end the following:

7 “(5) **ADDITIONAL ASSISTANCE FOR CATA-**
8 **STROPHIC DISASTERS.**—Upon application by an ap-
9 plicant that receives an award or has in effect a co-
10 operative agreement under this section and that is
11 located in an area affected by a catastrophic dis-
12 aster, the Administrator may provide additional as-
13 sistance to the applicant.”.

14 **SEC. 107. USE OF FEDERAL SURPLUS PROPERTY IN DIS-**
15 **ASTER AREAS.**

16 Section 7(j)(13)(F) of the Small Business Act (15
17 U.S.C. 636(j)(13)(F)) is amended—

18 (1) by inserting “(i)” after “(F)”; and

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

20 “(ii)(I) In this clause—

21 “(aa) the term ‘covered period’
22 means the 2-year period beginning on
23 the date on which the President de-
24 clared the applicable major disaster;
25 and

1 “(bb) the term ‘disaster area’
2 means the area for which the Presi-
3 dent has declared a major disaster,
4 during the covered period.

5 “(H) The Administrator may transfer
6 technology or surplus property under
7 clause (i) on a priority basis to a small
8 business concern located in a disaster area
9 if—

10 “(aa) the small business concern
11 meets the requirements for such a
12 transfer, without regard to whether
13 the small business concern is a Pro-
14 gram Participant; and

15 “(bb) for a small business con-
16 cern that is a Program Participant,
17 on and after the date on which the
18 President declared the applicable
19 major disaster, the small business
20 concern has not received property
21 under this subparagraph on the basis
22 of the status of the small business
23 concern as a Program Participant.

24 “(III) For any transfer of property
25 under this clause to a small business con-

cern, the terms and conditions shall be the same as a transfer to a Program Participant, except that the small business concern shall agree not to sell or transfer the property to any party other than the Federal Government during the covered period.

“(IV) A small business concern that receives a transfer of property under this clause may not receive a transfer of property under clause (i) during the covered period.

“(V) If a small business concern sells or transfers property in violation of the agreement described in subclause (III), the Administrator may initiate proceedings to prohibit the small business concern from receiving a transfer of property under this clause or clause (i), in addition to any other remedy available to the Administrator.”.

SEC. 108. RECOVERY OPPORTUNITY LOANS.

Section 7(a)(31) of the Small Business Act (15 U.S.C. 636(a)(31)) is amended—

(1) in subparagraph (A)—

1 (A) by redesignating clauses (i), (ii), and
 2 (iii) as clauses (ii), (iii), and (iv), respectively;
 3 and

4 (B) by inserting before clause (ii), as so re-
 5 designated, the following:

6 “(i) The term ‘disaster area’ means
 7 the area for which the President has de-
 8 clared a major disaster, during the 5-year
 9 period beginning on the date of the de-
 10 claration.”;

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

12 “(G) RECOVERY OPPORTUNITY LOANS.—

13 “(i) IN GENERAL.—The Administrator
 14 may guarantee an express loan to a small
 15 business concern located in a disaster area
 16 in accordance with this subparagraph:

17 “(ii) MAXIMUMS.—For a loan guaran-
 18 teed under clause (i)—

19 “(I) the maximum loan amount
 20 is \$150,000; and

21 “(II) the guarantee rate shall be
 22 not more than 85 percent.

23 “(iii) OVERALL CAP.—A loan guaran-
 24 teed under clause (i) shall not be counted
 25 in determining the amount of loans made

1 to a borrower for purposes of subpara-
2 graph (D).

3 “(iv) EXISTING DEBT.—A loan guar-
4 anteed under clause (i) may be used to re-
5 finance existing debt arising from the ap-
6 plicable major disaster, subject to section
7 120.201 of title 13, Code of Federal Regu-
8 lations, or any successor thereto.

9 “(v) OPERATIONS.—A small business
10 concern receiving a loan guaranteed under
11 clause (i) shall certify that the small busi-
12 ness concern was in operation on the date
13 on which the applicable major disaster oc-
14 curred as a condition of receiving the loan.

15 “(vi) REPAYMENT ABILITY.—A loan
16 guaranteed under clause (i) may only be
17 made to a small business concern that
18 demonstrates, to the satisfaction of the Ad-
19 ministrator, sufficient capacity to repay
20 the loan.

21 “(vii) TIMING OF PAYMENT OF GUAR-
22 ANTEES.—

23 “(I) IN GENERAL.—Not later
24 than 90 days after the date on which
25 the Administrator receives notice of a

1 default on a loan guaranteed under
 2 clause (i), the Administrator shall de-
 3 termine whether to pay the guaran-
 4 teed portion of the loan.

5 “(II) RECAPTURE.—Unless there
 6 is a fraud relating to a loan guaran-
 7 teed under clause (i), on and after the
 8 date that is 6 months after the date
 9 on which the Administrator deter-
 10 mines to pay the guaranteed portion
 11 of the loan, the Administrator may
 12 not attempt to recapture the paid
 13 guarantee.”.

14 **SEC. 109. CONTRACTOR MALFEASANCE.**

15 Section 7(b) of the Small Business Act (15 U.S.C.
 16 636(b)) is amended by inserting before the undesignated
 17 matter following paragraph (10), as added by section 102
 18 of this Act, the following:

19 “(11) SUPPLEMENTAL ASSISTANCE FOR CON-
 20 TRACTOR MALFEASANCE.—

21 “(A) IN GENERAL.—If a contractor or
 22 other person engages in malfeasance in connec-
 23 tion with repairs to, rehabilitation of, or re-
 24 placement of real or personal property relating
 25 to which a loan was made under this subsection

1 and the malfeasance results in substantial eco-
2 nomic damage to the recipient of the loan or
3 substantial risks to health or safety, upon re-
4 ceiving documentation of the substantial eco-
5 nomic damage or the substantial risk to health
6 and safety from an independent loss verifier,
7 and subject to subparagraph (B), the Adminis-
8 trator may increase the amount of the loan
9 under this subsection, as necessary for the cost
10 of repairs, rehabilitation, or replacement needed
11 to address the cause of the economic damage or
12 health or safety risk.

13 “(B) REQUIREMENTS.—The Administrator
14 may only increase the amount of a loan under
15 subparagraph (A) upon receiving an appro-
16 priate certification from the borrower and per-
17 son performing the mitigation attesting to the
18 reasonableness of the mitigation costs and an
19 assignment of any proceeds received from the
20 person engaging in the malfeasance. The as-
21 signment of proceeds recovered from the person
22 engaging in the malfeasance shall be equal to
23 the amount of the loan under this section. Any
24 mitigation activities shall be subject to audit

1 and independent verification of completeness
2 and cost reasonableness.”.

3 **SEC. 110. LOCAL CONTRACTING PREFERENCES AND INCEN-**
4 **TIVES.**

5 Section 15 of the Small Business Act (15 U.S.C. 644)
6 is amended by inserting after subsection (e) the following:

7 “(f) **CONTRACTING PREFERENCE FOR SMALL BUSI-**
8 **NESS CONCERNS IN A MAJOR DISASTER AREA.—**

9 “(1) **DEFINITION.—**In this subsection, the term
10 ‘disaster area’ means the area for which the Presi-
11 dent has declared a major disaster, during the pe-
12 riod of the declaration.

13 “(2) **CONTRACTING PREFERENCE.—**An agency
14 shall provide a contracting preference for a small
15 business concern located in a disaster area if the
16 small business concern will perform the work re-
17 quired under the contract in the disaster area.

18 “(3) **CREDIT FOR MEETING CONTRACTING**
19 **GOALS.—**If an agency awards a contract to a small
20 business concern under the circumstances described
21 in paragraph (2), the value of the contract shall be
22 doubled for purposes of determining compliance with
23 the goals for procurement contracts under sub-
24 section (g)(1)(A).”.

1 **TITLE II—DISASTER PLANNING**
 2 **AND MITIGATION**

3 **SEC. 201. USE OF PHYSICAL DAMAGE DISASTER LOANS.**

4 Section 7(b)(1)(A) of the Small Business Act (15
 5 U.S.C. 636(b)(1)(A)) is amended in the second proviso—

6 (1) by striking “the Administration may in-
 7 crease” and inserting “the Administration may, sub-
 8 ject to section 18(a), increase”; and

9 (2) by striking “and modifying structures” and
 10 inserting “, and modifying structures (including con-
 11 struction of a safe room or similar storm shelter de-
 12 signed to protect property and occupants from tor-
 13 nadoes or other natural disasters)”.

14 **SEC. 202. BUSINESS RECOVERY CENTERS.**

15 Section 7(b) of the Small Business Act (15 U.S.C.
 16 636(b)) is amended by inserting before the undesignated
 17 matter following paragraph (11), as added by section 109
 18 of this Act, the following:

19 “(12) BUSINESS RECOVERY CENTERS.—

20 “(A) IN GENERAL.—The Administrator,
 21 acting through the district offices of the Admin-
 22 istration, shall identify locations that may be
 23 used as recovery centers by the Administration
 24 in the event of a disaster declared under this
 25 subsection or a major disaster.

1 “(B) REQUIREMENTS FOR IDENTIFICA-
 2 TION.—Each district office of the Administra-
 3 tion shall—

4 “(i) identify a location described in
 5 subparagraph (A) in each county, parish,
 6 or similar unit of general local government
 7 in the area served by the district office;
 8 and

9 “(ii) ensure that the locations identi-
 10 fied under subparagraph (A) may be used
 11 as a recovery center without cost to the
 12 Government, to the extent practicable.”.

13 **TITLE III—OTHER PROVISIONS**

14 **SEC. 301. INCREASED OVERSIGHT OF ECONOMIC INJURY** 15 **DISASTER LOANS.**

16 (a) IN GENERAL.—Section 7(b) of the Small Busi-
 17 ness Act (15 U.S.C. 636(b)) is amended by inserting be-
 18 fore the undesignated matter following paragraph (12), as
 19 added by section 202 of this Act, the following:

20 “(13) INCREASED OVERSIGHT OF ECONOMIC IN-
 21 JURY DISASTER LOANS.—The Administrator shall
 22 increase oversight of entities receiving loans under
 23 paragraph (2), including through—

1 “(A) scheduled site visits to ensure bor-
 2 rower eligibility and compliance with require-
 3 ments established by the Administrator; and

4 “(B) reviews of the use of the loan pro-
 5 ceeds by an entity described in paragraph (2) to
 6 ensure compliance with requirements estab-
 7 lished by the Administrator.”.

8 (b) SENSE OF CONGRESS RELATING TO USING EX-
 9 ISTING FUNDS.—It is the sense of Congress that no addi-
 10 tional Federal funds should be made available to carry out
 11 the amendments made by this section.

12 **SEC. 302. REDUCTION OF PAPERWORK BURDEN.**

13 (a) SENSE OF CONGRESS.—It is the sense of Con-
 14 gress that the Administrator should—

15 (1) reduce paperwork burdens pursuant to sec-
 16 tion 3501 of title 44, United States Code, on small
 17 business concerns applying for disaster assistance
 18 under section 7(b) of the Small Business Act (15
 19 U.S.C. 636(b)); and

20 (2) ensure that the application for disaster as-
 21 sistance under section 7(b) of the Small Business
 22 Act (15 U.S.C. 636(b)) facilitates deterring and de-
 23 tecting potential incidents of waste, fraud, and
 24 abuse.

1 (b) REDUCTION.—Section 7(b) of the Small Business
 2 Act (15 U.S.C. 636(b)) is amended by inserting before the
 3 undesignated matter following paragraph (13), as added
 4 by section 301 of this Act, the following:

5 “(14) PAPERWORK REDUCTION.—The Adminis-
 6 trator shall take steps to reduce, to the maximum
 7 extent practicable, the paperwork associated with the
 8 application for a loan under this subsection.”.

9 **SEC. 303. REPORT ON WEB PORTAL FOR DISASTER LOAN**
 10 **APPLICANTS.**

11 Section 38 of the Small Business Act (15 U.S.C.
 12 657j) is amended by adding at the end the following:

13 “(c) REPORT ON WEB PORTAL FOR DISASTER LOAN
 14 APPLICATION STATUS.—

15 “(1) IN GENERAL.—Not later than 90 days
 16 after the date of enactment of this subsection, the
 17 Administrator shall submit to the Committee on
 18 Small Business and Entrepreneurship of the Senate
 19 and the Committee on Small Business of the House
 20 of Representatives a report relating to the creation
 21 of a web portal to track the status of applica-
 22 tions for disaster assistance under section 7(b).

23 “(2) CONTENTS.—The report under paragraph
 24 (1) shall include—

1 “(A) information on the progress of the
2 Administration in implementing the information
3 system under subsection (a);

4 “(B) recommendations from the Adminis-
5 tration relating to the creation of a web portal
6 for applicants to check the status of an applica-
7 tion for disaster assistance under section 7(b);
8 including a review of best practices and web
9 portal models from the private sector;

10 “(C) information on any related costs or
11 staffing needed to implement such a web portal;

12 “(D) information on whether such a web
13 portal can maintain high standards for data
14 privacy and data security;

15 “(E) information on whether such a web
16 portal will minimize redundancy among Admin-
17 istration disaster programs; improve manage-
18 ment of the number of inquiries made by dis-
19 aster applicants to employees located in the
20 area affected by the disaster and to call centers;
21 and reduce paperwork burdens on disaster vic-
22 tims; and

23 “(F) such additional information as is de-
24 termined necessary by the Administrator.”.

1 **SEC. 304. LOCAL DISASTER CONTRACTING FAIRNESS.**

2 (a) **DEFINITIONS.**—In this section—

3 (1) the term “executive agency” has the mean-
4 ing given that term in section 133 of title 41, United
5 States Code;

6 (2) the term “local subcontractor” means, with
7 respect to a contract, a subcontractor who has a
8 principal place of business or regularly conducts op-
9 erations in the area in which work is to be per-
10 formed under the contract by the subcontractor; and

11 (3) the term “natural disaster reconstruction
12 efforts” means reconstruction efforts undertaken in
13 an area for which the President has declared a
14 major disaster under section 401 of the Robert T.
15 Stafford Disaster Relief and Emergency Assistance
16 Act (42 U.S.C. 5170).

17 (b) **FEDERAL CONTRACTING REQUIREMENTS.**—

18 (1) **IN GENERAL.**—The head of an executive
19 agency may not enter into an agreement for debris
20 removal or demolition services in connection with
21 natural disaster reconstruction efforts unless the
22 agreement specifies that—

23 (A) all of the work under the contract will
24 be performed by the prime contractor or 1 or
25 more subcontractors at 1 tier under the con-
26 tract;

1 ~~(B)~~ any work performed under the con-
2 tract by subcontractors will be performed by
3 local subcontractors, except to the extent that
4 local subcontractors are not available to per-
5 form such work;

6 ~~(C)~~ the prime contractor will act as the
7 project manager or construction manager for
8 the contract; and

9 ~~(D)~~ the prime contractor—

10 (i) has primary responsibility for man-
11 aging all work under the contract; and

12 (ii) will be paid a certain percentage
13 of the overall value of the contract as sole
14 compensation for assuming the risk associ-
15 ated with such responsibility.

16 ~~(2) PREFERENCE FOR SUBCONTRACTORS AF-~~
17 ~~FECTED BY NATURAL DISASTERS.—~~In entering into
18 an agreement for debris removal or demolition serv-
19 ices in connection with natural disaster reconstruc-
20 tion efforts, the head of an executive agency shall
21 give a preference in the source selection process to
22 each offeror who certifies that any work that is to
23 be performed under the contract by subcontractors
24 will be performed by local subcontractors.

1 ~~(e) APPLICABILITY.—The requirements under sub-~~
 2 ~~section (b) shall apply to agreements entered into on or~~
 3 ~~after the date of enactment of this Act.~~

4 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

5 (a) *SHORT TITLE.*—*This Act may be cited as the “Re-*
 6 *covery Improvements for Small Entities After Disaster Act*
 7 *of 2015” or the “RISE After Disaster Act of 2015”.*

8 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 9 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—IMPROVEMENTS OF DISASTER RESPONSE AND LOANS

Sec. 101. Use of data sharing.

Sec. 102. Additional awards to small business development centers, women’s busi-
ness centers, SCORE, and FAST recipients for disaster recovery.

Sec. 103. Collateral requirements for disaster loans.

Sec. 104. Assistance to out-of-State business concerns to aid in disaster recovery.

Sec. 105. SBIC program.

Sec. 106. FAST program.

Sec. 107. Use of Federal surplus property in disaster areas.

Sec. 108. Recovery opportunity loans.

Sec. 109. Contractor malfeasance.

Sec. 110. Local contracting preferences and incentives.

Sec. 111. Clarification of collateral requirements.

TITLE II—DISASTER PLANNING AND MITIGATION

Sec. 201. Use of physical damage disaster loans.

Sec. 202. Business recovery centers.

TITLE III—OTHER PROVISIONS

Sec. 301. Increased oversight of economic injury disaster loans.

Sec. 302. Reduction of paperwork burden.

Sec. 303. Report on web portal for disaster loan applicants.

Sec. 304. Local disaster contracting fairness.

10 **SEC. 2. DEFINITIONS.**

11 *In this Act—*

1 (1) *the term “7(b) loan program” means assist-*
2 *ance provided by the Administration under section*
3 *7(b) of the Small Business Act (15 U.S.C. 636(b));*

4 (2) *the terms “Administration” and “Adminis-*
5 *trator” mean the Small Business Administration and*
6 *the Administrator thereof, respectively;*

7 (3) *the term “covered supplemental appropria-*
8 *tions” means amounts made available to the Admin-*
9 *istration through supplemental appropriations for—*

10 (A) *the cost of direct loans authorized under*
11 *section 7(b) of the Small Business Act (15 U.S.C.*
12 *636(b)) for necessary expenses related to the con-*
13 *sequences of a major disaster declared by the*
14 *President under section 401 of the Robert T.*
15 *Stafford Disaster Relief and Emergency Assist-*
16 *ance Act (42 U.S.C. 5170); and*

17 (B) *the direct administrative expenses of*
18 *making and servicing those loans;*

19 (4) *the term “major disaster” means a major*
20 *disaster declared by the President under section 401*
21 *of the Robert T. Stafford Disaster Relief and Emer-*
22 *gency Assistance Act (42 U.S.C. 5170); and*

23 (5) *the term “small business concern” has the*
24 *meaning given that term under section 3 of the Small*
25 *Business Act (15 U.S.C. 632).*

1 **TITLE I—IMPROVEMENTS OF**
 2 **DISASTER RESPONSE AND**
 3 **LOANS**

4 **SEC. 101. USE OF DATA SHARING.**

5 *Section 312 of the Robert T. Stafford Disaster Relief*
 6 *and Emergency Assistance Act (42 U.S.C. 5155) is amend-*
 7 *ed by adding at the end the following:*

8 “(e) *USE OF DATA SHARING.*—

9 “(1) *DEFINITION.*—*In this subsection, the term*
 10 *‘agency’ has the meaning given the term in section*
 11 *552a of title 5, United States Code.*

12 “(2) *EXEMPTION FROM CERTAIN MATCHING PRO-*
 13 *GRAM REQUIREMENTS.*—*Any action taken by an*
 14 *agency to prevent, investigate, or recover duplicative*
 15 *Federal assistance under this section shall not be sub-*
 16 *ject to subsections (e)(12), (o), (q), (r), and (u) of sec-*
 17 *tion 552a of title 5, United States Code.*

18 “(3) *FRAUDULENT ACQUISITION OF ASSIST-*
 19 *ANCE.*—*An investigation conducted by an agency re-*
 20 *lating to the fraudulent acquisition of duplicative*
 21 *Federal assistance under this section shall not be sub-*
 22 *ject to section 552a(p) of title 5, United States Code.”.*

1 **SEC. 102. ADDITIONAL AWARDS TO SMALL BUSINESS DE-**
 2 **VELOPMENT CENTERS, WOMEN'S BUSINESS**
 3 **CENTERS, SCORE, AND FAST RECIPIENTS FOR**
 4 **DISASTER RECOVERY.**

5 *Section 7(b) of the Small Business Act (15 U.S.C.*
 6 *636(b)) is amended by inserting before the undesignated*
 7 *matter following paragraph (9) the following:*

8 *“(10) ADDITIONAL AWARDS TO SMALL BUSINESS*
 9 *DEVELOPMENT CENTERS, WOMEN’S BUSINESS CEN-*
 10 *TERS, SCORE, AND FAST RECIPIENTS FOR DISASTER*
 11 *RECOVERY.—*

12 *“(A) IN GENERAL.—The Administration*
 13 *may provide financial assistance to a small*
 14 *business development center, a women’s business*
 15 *center described in section 29, the Service Corps*
 16 *of Retired Executives, an entity, organization, or*
 17 *individual that receives an award or has in ef-*
 18 *fect a cooperative agreement under section 34, or*
 19 *any proposed consortium of such individuals or*
 20 *entities to spur disaster recovery and growth of*
 21 *small business concerns located in an area for*
 22 *which the President has declared a major dis-*
 23 *aster.*

24 *“(B) FORM OF FINANCIAL ASSISTANCE.—*
 25 *Financial assistance provided under this para-*

1 *graph shall be in the form of a grant, contract,*
2 *or cooperative agreement.*

3 “(C) *NO MATCHING FUNDS REQUIRED.*—
4 *Matching funds shall not be required for any*
5 *grant, contract, or cooperative agreement under*
6 *this paragraph.*

7 “(D) *REQUIREMENTS.*—*A recipient of fi-*
8 *nancial assistance under this paragraph shall*
9 *provide counseling, training, and other related*
10 *services, such as promoting long-term resiliency,*
11 *to small business concerns and entrepreneurs im-*
12 *pacted by a major disaster.*

13 “(E) *PERFORMANCE.*—

14 “(i) *IN GENERAL.*—*The Administrator,*
15 *in cooperation with the recipients of finan-*
16 *cial assistance under this paragraph, shall*
17 *establish metrics and goals for performance*
18 *of grants, contracts, and cooperative agree-*
19 *ments under this paragraph, which shall in-*
20 *clude recovery of sales, recovery of employ-*
21 *ment, reestablishment of business premises,*
22 *and establishment of new small business*
23 *concerns.*

24 “(ii) *USE OF ESTIMATES.*—*The Ad-*
25 *ministrator shall base the goals and metrics*

1 *for performance established under clause (i),*
2 *in part, on the estimates of disaster impact*
3 *prepared by the Office of Disaster Assist-*
4 *ance for purposes of estimating loan-making*
5 *requirements.*

6 “(F) *TERM.—*

7 “(i) *IN GENERAL.—The term of any*
8 *grant, contract, or cooperative agreement*
9 *under this paragraph shall be for not more*
10 *than 2 years.*

11 “(ii) *EXTENSION.—The Administrator*
12 *may make 1 extension of a grant, contract,*
13 *or cooperative agreement under this para-*
14 *graph for a period of not more than 1 year,*
15 *upon a showing of good cause and need for*
16 *the extension.*

17 “(G) *EXEMPTION FROM OTHER PROGRAM*
18 *REQUIREMENTS.—Financial assistance provided*
19 *under this paragraph is in addition to, and*
20 *wholly separate from, any other form of assist-*
21 *ance provided by the Administrator under this*
22 *Act.*

23 “(H) *COMPETITIVE BASIS.—The Adminis-*
24 *tration shall award financial assistance under*
25 *this paragraph on a competitive basis.”.*

1 **SEC. 103. COLLATERAL REQUIREMENTS FOR DISASTER**
2 **LOANS.**

3 (a) *IN GENERAL.*—Section 7(d)(6) of the *Small Busi-*
4 *ness Act (15 U.S.C. 636(d)(6)) is amended in the third pro-*
5 *viso—*

6 (1) *by striking “\$14,000” and inserting*
7 *“\$25,000”; and*

8 (2) *by striking “major disaster” and inserting*
9 *“disaster”.*

10 (b) *SUNSET.*—*Effective on the date that is 3 years*
11 *after the date of enactment of this Act, section 7(d)(6) of*
12 *the Small Business Act (15 U.S.C. 636(d)(6)) is amended*
13 *in the third proviso—*

14 (1) *by striking “\$25,000” and inserting*
15 *“\$14,000”; and*

16 (2) *by inserting “major” before “disaster”.*

17 (c) *REPORT.*—*Not later than 180 days before the date*
18 *on which the amendments made by subsection (b) are to*
19 *take effect, the Administrator shall submit to Committee on*
20 *Small Business and Entrepreneurship of the Senate and*
21 *the Committee on Small Business of the House of Represent-*
22 *atives a report on the effects of the amendments made by*
23 *subsection (a), which shall include—*

24 (1) *an assessment of the impact and benefits re-*
25 *sulting from the amendments; and*

1 (2) *a recommendation as to whether the amend-*
 2 *ments should be made permanent.*

3 **SEC. 104. ASSISTANCE TO OUT-OF-STATE BUSINESS CON-**
 4 **CERNS TO AID IN DISASTER RECOVERY.**

5 (a) *IN GENERAL.*—*Section 21(b)(3) of the Small Busi-*
 6 *ness Act (15 U.S.C. 648(b)(3)) is amended—*

7 (1) *by striking “(3) At the discretion” and in-*
 8 *serting the following:*

9 “(3) *ASSISTANCE TO OUT-OF-STATE SMALL BUSI-*
 10 *NESS CONCERNS.*—

11 “(A) *IN GENERAL.*—*At the discretion*”; and
 12 (2) *by adding at the end the following:*

13 “(B) *DISASTER RECOVERY ASSISTANCE.*—

14 “(i) *IN GENERAL.*—*At the discretion of*
 15 *the Administrator, the Administrator may*
 16 *authorize a small business development cen-*
 17 *ter to provide advice, information, and as-*
 18 *sistance, as described in subsection (c), to a*
 19 *small business concern located outside of the*
 20 *State, without regard to geographic prox-*
 21 *imity to the small business development*
 22 *center, if the small business concern is lo-*
 23 *cated in an area for which the President*
 24 *has declared a major disaster.*

25 “(ii) *TERM.*—

1 “(I) *IN GENERAL.*—*A small busi-*
2 *ness development center may provide*
3 *advice, information, and assistance to*
4 *a small business concern under clause*
5 *(i) for a period of not more than 2*
6 *years after the date on which the Presi-*
7 *dent declared a major disaster for the*
8 *area in which the small business con-*
9 *cern is located.*

10 “(II) *EXTENSION.*—*The Adminis-*
11 *trator may, at the discretion of the Ad-*
12 *ministrator, extend the period de-*
13 *scribed in subclause (I).*

14 “(iii) *CONTINUITY OF SERVICES.*—*A*
15 *small business development center that pro-*
16 *vides counselors to an area described in*
17 *clause (i) shall, to the maximum extent*
18 *practicable, ensure continuity of services in*
19 *any State in which the small business devel-*
20 *opment center otherwise provides services.*

21 “(iv) *ACCESS TO DISASTER RECOVERY*
22 *FACILITIES.*—*For purposes of this subpara-*
23 *graph, the Administrator shall, to the max-*
24 *imum extent practicable, permit the per-*
25 *sonnel of a small business development cen-*

1 ter to use any site or facility designated by
2 the Administrator for use to provide dis-
3 aster recovery assistance.”.

4 (b) *SENSE OF CONGRESS.*—It is the sense of Congress
5 that, subject to the availability of funds, the Administrator
6 should, to the extent practicable, ensure that a small busi-
7 ness development center is appropriately reimbursed for
8 any legitimate expenses incurred in carrying out activities
9 under section 21(b)(3)(B) of the Small Business Act, as
10 added by subsection (a).

11 **SEC. 105. SBIC PROGRAM.**

12 (a) *FAST-TRACK APPLICATIONS.*—Section 301(c)(2) of
13 the Small Business Investment Act of 1958 (15 U.S.C.
14 681(c)(2)) is amended by adding at the end the following:

15 “(C) *PRIORITY FOR APPLICANTS LOCATED*
16 *IN DISASTER AREAS.*—

17 “(i) *DEFINITION.*—In this subpara-
18 graph, the term ‘disaster area’ means the
19 area for which the President has declared a
20 major disaster (as defined in section 102 of
21 the Robert T. Stafford Disaster Relief and
22 Emergency Assistance Act (42 U.S.C.
23 5122)), during the period of the declaration.

24 “(ii) *PRIORITY.*—The Administrator
25 shall give priority to an application for a

1 *license to operate as a small business invest-*
 2 *ment company that is from an applicant lo-*
 3 *cated in a disaster area.”.*

4 **(b) MAXIMUM LEVERAGE.**—*Section 303(b)(2) of the*
 5 *Small Business Investment Act of 1958 (15 U.S.C.*
 6 *683(b)(2)) is amended by adding at the end the following:*

7 **“(E) INVESTMENTS IN DISASTER AREAS.—**
 8 *In calculating the outstanding leverage of a com-*
 9 *pany licensed under section 301(c) for the pur-*
 10 *poses of subparagraph (A), or 2 or more compa-*
 11 *nies licensed under section 301(c) for the pur-*
 12 *poses of subparagraph (B), the Administrator*
 13 *shall not include the amount equal to the cost*
 14 *basis of any investment made by the company in*
 15 *a small business concern that is located in an*
 16 *area for which the President declared a major*
 17 *disaster (as defined in section 102 of the Robert*
 18 *T. Stafford Disaster Relief and Emergency As-*
 19 *sistance Act (42 U.S.C. 5122)) during the 1-year*
 20 *period beginning on the date of the declaration.”.*

21 **SEC. 106. FAST PROGRAM.**

22 **(a) DEFINITIONS.**—*Section 34(a) of the Small Busi-*
 23 *ness Act (15 U.S.C. 657d(a)) is amended—*

24 **(1)** *by redesignating paragraphs (3) through (9)*
 25 *as paragraphs (4) through (10), respectively; and*

1 (2) *by inserting after paragraph (2) the fol-*
 2 *lowing:*

3 “(3) *CATASTROPHIC DISASTER.*—*The term ‘cata-*
 4 *strophic disaster’ means a catastrophic disaster, as*
 5 *determined by the Administrator.”.*

6 (b) *PRIORITY.*—*Section 34(c)(2) of the Small Business*
 7 *Act (15 U.S.C. 657d(c)(2)) is amended—*

8 (1) *in subparagraph (A), by striking “and” at*
 9 *the end;*

10 (2) *in subparagraph (B)(vi)(III), by striking the*
 11 *period at the end and inserting “; and”; and*

12 (3) *by adding at the end the following:*

13 “(C) *shall give special consideration to an*
 14 *applicant that is located in an area affected by*
 15 *a catastrophic disaster.”.*

16 (c) *ADDITIONAL ASSISTANCE.*—*Section 34(c) of the*
 17 *Small Business Act (15 U.S.C. 657d(c)) is amended by add-*
 18 *ing at the end the following:*

19 “(5) *ADDITIONAL ASSISTANCE FOR CATA-*
 20 *STROPHIC DISASTERS.*—*Upon application by an ap-*
 21 *plicant that receives an award or has in effect a coop-*
 22 *erative agreement under this section and that is lo-*
 23 *cated in an area affected by a catastrophic disaster,*
 24 *the Administrator may—*

1 “(A) provide additional assistance to the
2 applicant; and

3 “(B) waive the matching requirements
4 under subsection (e)(2).”.

5 (d) *AUTHORIZATION OF FAST PROGRAM.*—Section 34
6 of the Small Business Act (15 U.S.C. 657d) is amended—

7 (1) in subsection (h), by striking “2005” each
8 place that term appears and inserting “2017”; and

9 (2) in subsection (i), by striking “September 30,
10 2005” and inserting “September 30, 2017”.

11 **SEC. 107. USE OF FEDERAL SURPLUS PROPERTY IN DIS-**
12 **ASTER AREAS.**

13 Section 7(j)(13)(F) of the Small Business Act (15
14 U.S.C. 636(j)(13)(F)) is amended—

15 (1) by inserting “(i)” after “(F)”; and

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

17 “(ii)(I) In this clause—

18 “(aa) the term ‘covered period’
19 means the 2-year period beginning on
20 the date on which the President de-
21 clared the applicable major disaster;
22 and

23 “(bb) the term ‘disaster area’
24 means the area for which the President

1 *has declared a major disaster, during*
2 *the covered period.*

3 “(II) *The Administrator may transfer*
4 *technology or surplus property under clause*
5 *(i) on a priority basis to a small business*
6 *concern located in a disaster area if—*

7 “(aa) *the small business concern*
8 *meets the requirements for such a*
9 *transfer, without regard to whether the*
10 *small business concern is a Program*
11 *Participant; and*

12 “(bb) *for a small business concern*
13 *that is a Program Participant, on and*
14 *after the date on which the President*
15 *declared the applicable major disaster,*
16 *the small business concern has not re-*
17 *ceived property under this subpara-*
18 *graph on the basis of the status of the*
19 *small business concern as a Program*
20 *Participant.*

21 “(III) *For any transfer of property*
22 *under this clause to a small business con-*
23 *cern, the terms and conditions shall be the*
24 *same as a transfer to a Program Partici-*
25 *part, except that the small business concern*

1 *shall agree not to sell or transfer the prop-*
2 *erty to any party other than the Federal*
3 *Government during the covered period.*

4 “(IV) *A small business concern that re-*
5 *ceives a transfer of property under this*
6 *clause may not receive a transfer of prop-*
7 *erty under clause (i) during the covered pe-*
8 *riod.*

9 “(V) *If a small business concern sells*
10 *or transfers property in violation of the*
11 *agreement described in subclause (III), the*
12 *Administrator may initiate proceedings to*
13 *prohibit the small business concern from re-*
14 *ceiving a transfer of property under this*
15 *clause or clause (i), in addition to any*
16 *other remedy available to the Adminis-*
17 *trator.”.*

18 **SEC. 108. RECOVERY OPPORTUNITY LOANS.**

19 *Section 7(a)(31) of the Small Business Act (15 U.S.C.*
20 *636(a)(31)) is amended—*

21 *(1) in subparagraph (A)—*

22 *(A) by redesignating clauses (i), (ii), and*
23 *(iii) as clauses (ii), (iii), and (iv), respectively;*
24 *and*

1 (B) by inserting before clause (ii), as so re-
2 designated, the following:

3 “(i) The term ‘disaster area’ means the
4 area for which the President has declared a
5 major disaster, during the 5-year period be-
6 ginning on the date of the declaration.”;

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

8 “(G) RECOVERY OPPORTUNITY LOANS.—

9 “(i) IN GENERAL.—The Administrator
10 may guarantee an express loan to a small
11 business concern located in a disaster area
12 in accordance with this subparagraph.

13 “(ii) MAXIMUMS.—For a loan guaran-
14 teed under clause (i)—

15 “(I) the maximum loan amount is
16 \$150,000; and

17 “(II) the guarantee rate shall be
18 not more than 85 percent.

19 “(iii) OVERALL CAP.—A loan guaran-
20 teed under clause (i) shall not be counted in
21 determining the amount of loans made to a
22 borrower for purposes of subparagraph (D).

23 “(iv) OPERATIONS.—A small business
24 concern receiving a loan guaranteed under
25 clause (i) shall certify that the small busi-

1 *ness concern was in operation on the date*
2 *on which the applicable major disaster oc-*
3 *curred as a condition of receiving the loan.*

4 “(v) *REPAYMENT ABILITY.*—*A loan*
5 *guaranteed under clause (i) may only be*
6 *made to a small business concern that dem-*
7 *onstrates, to the satisfaction of the Adminis-*
8 *trator, sufficient capacity to repay the loan.*

9 “(vi) *TIMING OF PAYMENT OF GUARAN-*
10 *TEES.*—

11 “(I) *IN GENERAL.*—*Not later than*
12 *90 days after the date on which a re-*
13 *quest for purchase is filed with the Ad-*
14 *ministrator, the Administrator shall*
15 *determine whether to pay the guaran-*
16 *teed portion of the loan.*

17 “(II) *RECAPTURE.*—*Notwith-*
18 *standing any other provision of law,*
19 *unless there is a subsequent finding of*
20 *fraud by a court of competent jurisdic-*
21 *tion relating to a loan guaranteed*
22 *under clause (i), on and after the date*
23 *that is 6 months after the date on*
24 *which the Administrator determines to*
25 *pay the guaranteed portion of the loan,*

1 *the Administrator may not attempt to*
2 *recapture the paid guarantee.*

3 “(vii) *FEEES.*—

4 “(I) *IN GENERAL.*—*Unless the Ad-*
5 *ministrator has waived the guarantee*
6 *fee that would otherwise be collected by*
7 *the Administrator under paragraph*
8 *(18) for a loan guaranteed under*
9 *clause (i), and except as provided in*
10 *subclause (II), the guarantee fee for the*
11 *loan shall be equal to the guarantee fee*
12 *that the Administrator would collect if*
13 *the guarantee rate for the loan was 50*
14 *percent.*

15 “(II) *EXCEPTION.*—*Subclause (I)*
16 *shall not apply if the cost of carrying*
17 *out the program under this subsection*
18 *in a fiscal year is more than zero and*
19 *such cost is directly attributable to the*
20 *cost of guaranteeing loans under clause*
21 *(i).”.*

22 **SEC. 109. CONTRACTOR MALFEASANCE.**

23 *Section 7(b) of the Small Business Act (15 U.S.C.*
24 636(b)) *is amended by inserting before the undesignated*

1 *matter following paragraph (10), as added by section 102*
2 *of this Act, the following:*

3 “(11) *SUPPLEMENTAL ASSISTANCE FOR CON-*
4 *TRACTOR MALFEASANCE.—*

5 “(A) *IN GENERAL.—If a contractor or other*
6 *person engages in malfeasance in connection*
7 *with repairs to, rehabilitation of, or replacement*
8 *of real or personal property relating to which a*
9 *loan was made under this subsection and the*
10 *malfeasance results in substantial economic dam-*
11 *age to the recipient of the loan or substantial*
12 *risks to health or safety, upon receiving docu-*
13 *mentation of the substantial economic damage or*
14 *the substantial risk to health and safety from an*
15 *independent loss verifier, and subject to subpara-*
16 *graph (B), the Administrator may increase the*
17 *amount of the loan under this subsection, as nec-*
18 *essary for the cost of repairs, rehabilitation, or*
19 *replacement needed to address the cause of the*
20 *economic damage or health or safety risk.*

21 “(B) *REQUIREMENTS.—The Administrator*
22 *may only increase the amount of a loan under*
23 *subparagraph (A) upon receiving an appropriate*
24 *certification from the borrower and person per-*
25 *forming the mitigation attesting to the reason-*

1 *ableness of the mitigation costs and an assign-*
 2 *ment of any proceeds received from the person*
 3 *engaging in the malfeasance. The assignment of*
 4 *proceeds recovered from the person engaging in*
 5 *the malfeasance shall be equal to the amount of*
 6 *the loan under this section. Any mitigation ac-*
 7 *tivities shall be subject to audit and independent*
 8 *verification of completeness and cost reasonable-*
 9 *ness.”.*

10 **SEC. 110. LOCAL CONTRACTING PREFERENCES AND INCEN-**
 11 **TIVES.**

12 *Section 15 of the Small Business Act (15 U.S.C. 644)*
 13 *is amended by inserting after subsection (e) the following:*

14 “(f) **CONTRACTING PREFERENCE FOR SMALL BUSI-**
 15 **NESS CONCERNS IN A MAJOR DISASTER AREA.**—

16 “(1) **DEFINITION.**—*In this subsection, the term*
 17 *‘disaster area’ means the area for which the President*
 18 *has declared a major disaster, during the period of*
 19 *the declaration.*

20 “(2) **CONTRACTING PREFERENCE.**—*An agency*
 21 *shall provide a contracting preference for a small*
 22 *business concern located in a disaster area if the*
 23 *small business concern will perform the work required*
 24 *under the contract in the disaster area.*

1 “(3) *CREDIT FOR MEETING CONTRACTING*
2 *GOALS.—If an agency awards a contract to a small*
3 *business concern under the circumstances described in*
4 *paragraph (2), the value of the contract shall be dou-*
5 *bled for purposes of determining compliance with the*
6 *goals for procurement contracts under subsection*
7 *(g)(1)(A).”.*

8 **SEC. 111. CLARIFICATION OF COLLATERAL REQUIREMENTS.**

9 *Section 7(d)(6) of the Small Business Act (15 U.S.C.*
10 *636(d)(6)) is amended by inserting after “which are made*
11 *under paragraph (1) of subsection (b)” the following: “:*
12 *Provided further, That the Administrator, in obtaining the*
13 *best available collateral for a loan of not more than*
14 *\$200,000 under paragraph (1) or (2) of subsection (b) relat-*
15 *ing to damage to or destruction of the property of, or eco-*
16 *nomie injury to, a small business concern, shall not require*
17 *the owner of the small business concern to use the primary*
18 *residence of the owner as collateral if the Administrator de-*
19 *termines that the owner has other assets of equal quality*
20 *and with a value equal to or greater than the amount of*
21 *the loan that could be used as collateral for the loan: Pro-*
22 *vided further, That nothing in the preceding proviso may*
23 *be construed to reduce the amount of collateral required by*
24 *the Administrator in connection with a loan described in*
25 *the preceding proviso or to modify the standards used to*

1 *evaluate the quality (rather than the type) of such collat-*
 2 *eral”.*

3 **TITLE II—DISASTER PLANNING**
 4 **AND MITIGATION**

5 **SEC. 201. USE OF PHYSICAL DAMAGE DISASTER LOANS.**

6 *Section 7(b)(1)(A) of the Small Business Act (15*
 7 *U.S.C. 636(b)(1)(A)) is amended in the second proviso—*

8 *(1) by striking “the Administration may in-*
 9 *crease” and inserting “the Administration may, sub-*
 10 *ject to section 18(a), increase”; and*

11 *(2) by striking “and modifying structures” and*
 12 *inserting “, and modifying structures (including con-*
 13 *struction of a safe room or similar storm shelter de-*
 14 *signed to protect property and occupants from torna-*
 15 *does or other natural disasters)”.*

16 **SEC. 202. BUSINESS RECOVERY CENTERS.**

17 *Section 7(b) of the Small Business Act (15 U.S.C.*
 18 *636(b)) is amended by inserting before the undesignated*
 19 *matter following paragraph (11), as added by section 109*
 20 *of this Act, the following:*

21 *“(12) BUSINESS RECOVERY CENTERS.—*

22 *“(A) IN GENERAL.—The Administrator, act-*
 23 *ing through the district offices of the Administra-*
 24 *tion, shall identify locations that may be used as*
 25 *recovery centers by the Administration in the*

1 *event of a disaster declared under this subsection*
 2 *or a major disaster.*

3 “(B) *REQUIREMENTS FOR IDENTIFICA-*
 4 *TION.—Each district office of the Administration*
 5 *shall—*

6 “(i) *identify a location described in*
 7 *subparagraph (A) in each county, parish,*
 8 *or similar unit of general local government*
 9 *in the area served by the district office; and*

10 “(ii) *ensure that the locations identi-*
 11 *fied under subparagraph (A) may be used*
 12 *as a recovery center without cost to the Gov-*
 13 *ernment, to the extent practicable.”.*

14 **TITLE III—OTHER PROVISIONS**

15 **SEC. 301. INCREASED OVERSIGHT OF ECONOMIC INJURY** 16 **DISASTER LOANS.**

17 “(a) *IN GENERAL.—Section 7(b) of the Small Business*
 18 *Act (15 U.S.C. 636(b)) is amended by inserting before the*
 19 *undesignated matter following paragraph (12), as added by*
 20 *section 202 of this Act, the following:*

21 “(13) *INCREASED OVERSIGHT OF ECONOMIC IN-*
 22 *JURY DISASTER LOANS.—The Administrator shall in-*
 23 *crease oversight of entities receiving loans under*
 24 *paragraph (2), including through—*

1 “(A) *scheduled site visits to ensure borrower*
 2 *eligibility and compliance with requirements es-*
 3 *tablished by the Administrator; and*

4 “(B) *reviews of the use of the loan proceeds*
 5 *by an entity described in paragraph (2) to en-*
 6 *sure compliance with requirements established by*
 7 *the Administrator.”.*

8 **(b) SENSE OF CONGRESS RELATING TO USING EXIST-**
 9 **ING FUNDS.**—*It is the sense of Congress that no additional*
 10 *Federal funds should be made available to carry out the*
 11 *amendments made by this section.*

12 **SEC. 302. REDUCTION OF PAPERWORK BURDEN.**

13 **(a) SENSE OF CONGRESS.**—*It is the sense of Congress*
 14 *that the Administrator should—*

15 (1) *reduce paperwork burdens pursuant to sec-*
 16 *tion 3501 of title 44, United States Code, on small*
 17 *business concerns applying for disaster assistance*
 18 *under section 7(b) of the Small Business Act (15*
 19 *U.S.C. 636(b)); and*

20 (2) *ensure that the application for disaster as-*
 21 *stance under section 7(b) of the Small Business Act*
 22 *(15 U.S.C. 636(b)) facilitates deterring and detecting*
 23 *potential incidents of waste, fraud, and abuse.*

24 **(b) REDUCTION.**—*Section 7(b) of the Small Business*
 25 *Act (15 U.S.C. 636(b)) is amended by inserting before the*

1 *undesignated matter following paragraph (13), as added by*
 2 *section 301 of this Act, the following:*

3 “(14) *PAPERWORK REDUCTION.*—*The Adminis-*
 4 *trator shall take steps to reduce, to the maximum ex-*
 5 *tent practicable, the paperwork associated with the*
 6 *application for a loan under this subsection.”.*

7 **SEC. 303. REPORT ON WEB PORTAL FOR DISASTER LOAN**
 8 **APPLICANTS.**

9 *Section 38 of the Small Business Act (15 U.S.C. 657j)*
 10 *is amended by adding at the end the following:*

11 “(c) *REPORT ON WEB PORTAL FOR DISASTER LOAN*
 12 *APPLICATION STATUS.*—

13 “(1) *IN GENERAL.*—*Not later than 90 days after*
 14 *the date of enactment of this subsection, the Adminis-*
 15 *trator shall submit to the Committee on Small Busi-*
 16 *ness and Entrepreneurship of the Senate and the*
 17 *Committee on Small Business of the House of Rep-*
 18 *resentatives a report relating to the creation of a web*
 19 *portal to the track the status of applications for dis-*
 20 *aster assistance under section 7(b).*

21 “(2) *CONTENTS.*—*The report under paragraph*
 22 *(1) shall include—*

23 “(A) *information on the progress of the Ad-*
 24 *ministration in implementing the information*
 25 *system under subsection (a);*

1 “(B) recommendations from the Adminis-
 2 tration relating to the creation of a web portal
 3 for applicants to check the status of an applica-
 4 tion for disaster assistance under section 7(b),
 5 including a review of best practices and web por-
 6 tal models from the private sector;

7 “(C) information on any related costs or
 8 staffing needed to implement such a web portal;

9 “(D) information on whether such a web
 10 portal can maintain high standards for data
 11 privacy and data security;

12 “(E) information on whether such a web
 13 portal will minimize redundancy among Admin-
 14 istration disaster programs, improve manage-
 15 ment of the number of inquiries made by disaster
 16 applicants to employees located in the area af-
 17 fected by the disaster and to call centers, and re-
 18 duce paperwork burdens on disaster victims; and

19 “(F) such additional information as is de-
 20 termined necessary by the Administrator.”.

21 **SEC. 304. LOCAL DISASTER CONTRACTING FAIRNESS.**

22 (a) *DEFINITIONS.*—In this section—

23 (1) the term “executive agency” has the meaning
 24 given that term in section 133 of title 41, United
 25 States Code;

1 (2) *the term “local subcontractor” means, with*
2 *respect to a contract, a subcontractor who has a prin-*
3 *cipal place of business or regularly conducts oper-*
4 *ations in the area in which work is to be performed*
5 *under the contract by the subcontractor; and*

6 (3) *the term “natural disaster reconstruction ef-*
7 *forts” means reconstruction efforts undertaken in an*
8 *area for which the President has declared a major*
9 *disaster under section 401 of the Robert T. Stafford*
10 *Disaster Relief and Emergency Assistance Act (42*
11 *U.S.C. 5170).*

12 *(b) FEDERAL CONTRACTING REQUIREMENTS.—*

13 (1) *IN GENERAL.—The head of an executive*
14 *agency may not enter into an agreement for debris re-*
15 *moval or demolition services in connection with nat-*
16 *ural disaster reconstruction efforts unless the agree-*
17 *ment specifies that—*

18 (A) *all of the work under the contract will*
19 *be performed by the prime contractor or 1 or*
20 *more subcontractors at 1 tier under the contract;*

21 (B) *any work performed under the contract*
22 *by subcontractors will be performed by local sub-*
23 *contractors, except to the extent that local sub-*
24 *contractors are not available to perform such*
25 *work;*

1 (C) *the prime contractor will act as the*
2 *project manager or construction manager for the*
3 *contract; and*

4 (D) *the prime contractor—*

5 (i) *has primary responsibility for*
6 *managing all work under the contract; and*

7 (ii) *will be paid a certain percentage*
8 *of the overall value of the contract as sole*
9 *compensation for assuming the risk associ-*
10 *ated with such responsibility.*

11 (2) *PREFERENCE FOR SUBCONTRACTORS AF-*
12 *FECTED BY NATURAL DISASTERS.—In entering into*
13 *an agreement for debris removal or demolition serv-*
14 *ices in connection with natural disaster reconstruc-*
15 *tion efforts, the head of an executive agency shall give*
16 *a preference in the source selection process to each of-*
17 *feror who certifies that any work that is to be per-*
18 *formed under the contract by subcontractors will be*
19 *performed by local subcontractors.*

20 (c) *APPLICABILITY.—The requirements under sub-*
21 *section (b) shall apply to agreements entered into on or*
22 *after the date of enactment of this Act.*

Calendar No. 113

114TH CONGRESS
1ST Session
S. 1470

A BILL

To amend the Small Business Act to provide additional assistance to small business concerns for disaster recovery, and for other purposes.

JUNE 10, 2015

Reported with an amendment