

107TH CONGRESS
2D SESSION

H. R. 5197

To provide emergency assistance to certain small business concerns that have suffered substantial economic harm from drought.

IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2002

Mr. DEMINT (for himself, Mr. ETHERIDGE, Mr. SPRATT, Mr. BALLENGER, Mr. THUNE, Mr. HAYES, Mr. PRICE of North Carolina, and Mr. MATHE-SON) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To provide emergency assistance to certain small business concerns that have suffered substantial economic harm from drought.

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. LOANS TO SMALL BUSINESS CONCERNS DAM-**
4 **AGED BY DROUGHT.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Small Business Drought Relief Act”.

7 (b) FINDINGS.—Congress finds that—

8 (1) as of July 2002, more than 36 States have
9 suffered from continuing drought conditions;

1 (2) droughts have a negative effect on State
2 and regional economies;

3 (3) many small businesses in the United States
4 sell, distribute, market, or otherwise engage in com-
5 merce related to water and water sources, such as
6 lakes, rivers, and streams;

7 (4) many small businesses in the United States
8 suffer economic injury from drought conditions,
9 leading to revenue losses, job layoffs, and bank-
10 ruptcies;

11 (5) these small businesses need access to low-
12 interest loans for business-related purposes, includ-
13 ing paying their bills and making payroll until busi-
14 ness returns to normal;

15 (6) absent a legislative change, only agriculture
16 and agriculture-related businesses are eligible for
17 Federal disaster loan assistance as a result of
18 drought conditions; and

19 (7) it is necessary to amend the Small Business
20 Act to clarify that nonfarm-related small businesses
21 that have suffered economic injury from drought are
22 eligible to receive financial assistance through Small
23 Business Administration Economic Injury Disaster
24 Loans.

25 (c) DROUGHT DISASTER AUTHORITY.—

1 (1) DEFINITION OF DISASTER.—Section 3(k) of
2 the Small Business Act (15 U.S.C. 632(k)) is
3 amended—

4 (A) by inserting “(1)” after “(k)”; and

5 (B) by adding at the end the following:

6 “(2) For purposes of section 7(b)(2), the term ‘dis-
7 aster’ includes drought.”.

8 (2) DROUGHT DISASTER RELIEF AUTHORITY.—
9 Section 7(b)(2) of the Small Business Act (15
10 U.S.C. 637(b)(2)) is amended—

11 (A) by inserting “including drought, with
12 respect to both farm-related and nonfarm-re-
13 lated small business concerns affected by
14 drought,” before “if the Administration”;

15 (B) in subparagraph (B), by striking “the
16 Consolidated Farmers Home Administration
17 Act of 1961 (7 U.S.C. 1961)” and inserting the
18 following: “section 321 of the Consolidated
19 Farm and Rural Development Act (7 U.S.C.
20 1961), in which case, assistance under this
21 paragraph may be provided to farm-related and
22 nonfarm-related small business concerns, sub-
23 ject to the other applicable requirements of this
24 paragraph”; and

1 (C) in subparagraph (D), by striking
2 “Upon receipt of such certification, the Admin-
3 istration may” and inserting “Not later than 30
4 days after the date of receipt by the Adminis-
5 tration of such a certification submitted by a
6 Governor of a State, the Administration shall
7 respond in writing to that Governor on its de-
8 termination, and may then”.

9 (d) RULEMAKING.—Not later than 45 days after the
10 date of enactment of this Act, the Administrator of the
11 Small Business Administration shall promulgate final
12 rules to carry out the provisions of this Act.

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