

117TH CONGRESS  
1ST SESSION

# H. R. 5521

To amend the Small Business Investment Act of 1958 to provide opportunities to rural business investment companies, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 8, 2021

Mr. JOYCE of Ohio (for himself and Mr. GOLDEN) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Small Business Investment Act of 1958 to provide opportunities to rural business investment companies, 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 “Rural Capital Access  
5       Act”.

6       **SEC. 2. DEFINITIONS.**

7       In this Act—

1           (1) the term “Administration” means the Small  
2   Business Administration;

3           (2) the term “Administrator” means the Ad-  
4   ministrator of the Administration;

5           (3) the term “appropriate committees of Con-  
6   gress” means—

7                 (A) the Committee on Small Business and  
8   Entrepreneurship of the Senate;

9                 (B) the Committee on Agriculture, Nutri-  
10   tion, and Forestry of the Senate;

11                (C) the Committee on Small Business of  
12   the House of Representatives; and

13                (D) the Committee on Agriculture of the  
14   House of Representatives;

15           (4) the term “rural business investment com-  
16   pany” has the meaning given the term in section  
17   384A of the Consolidated Farm and Rural Develop-  
18   ment Act (7 U.S.C. 2009cc);

19           (5) the term “Secretary” means the Secretary  
20   of Agriculture; and

21           (6) the term “working group” means the inter-  
22   agency working group established under section  
23   4(a).

1 **SEC. 3. RURAL BUSINESS INVESTMENT.**

2 (a) IN GENERAL.—The Small Business Investment  
3 Act of 1958 (15 U.S.C. 661 et seq.) is amended—

4 (1) in part A of title III (15 U.S.C. 681 et  
5 seq.)—

6 (A) in section 303(b)(2) (15 U.S.C.  
7 683(b)(2)), by adding at the end the following:

8 “(E) INVESTMENTS IN RURAL AREAS.—

9 “(i) DEFINITION.—In this subpara-  
10 graph, the term ‘rural area’ has the mean-  
11 ing given the term in section 343(a) of the  
12 Consolidated Farm and Rural Develop-  
13 ment Act (7 U.S.C. 1991(a)).

14 “(ii) ADDITIONAL LEVERAGE.—

15 “(I) IN GENERAL.—In calcu-  
16 lating the outstanding leverage of a  
17 company for the purposes of subpara-  
18 graph (A), the Administrator shall not  
19 include the amount of the cost basis  
20 of any equity investment made by the  
21 company in a smaller enterprise lo-  
22 cated in a rural area if the Adminis-  
23 trator, after performing an appro-  
24 priate evaluation, determines that  
25 such an exclusion will not result in

1 additional risk to the Administration  
2 or the Federal Government.

3 “(II) LIMITATION.—The amount  
4 excluded under subclause (I) for a  
5 company shall not exceed \$25,000,000  
6 in any fiscal year.”;

7 (B) in section 308(g)(3) (15 U.S.C.  
8 687(g)(3))—

9 (i) in subparagraph (D), by striking  
10 “and” at the end;

11 (ii) in subparagraph (E), by striking  
12 the period at the end and inserting “;  
13 and”; and

14 (iii) by adding at the end the fol-  
15 lowing:

16 “(F) the total number of rural business invest-  
17 ment companies, as defined in section 321(a), that  
18 received leverage from the Administration under sec-  
19 tion 321 in the previous year, including the amount  
20 of that leverage that each such rural business invest-  
21 ment company received.”;

22 (C) in section 310(d)(1)(A) (15 U.S.C.  
23 687b(d)(1)(A)), by inserting “(including each  
24 rural business investment company that receives

1 leverage under section 321)” after “Each li-  
2 censee”; and

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

4 **“SEC. 321. RURAL BUSINESS INVESTMENT COMPANIES.**

5 “(a) DEFINITIONS.—In this section—

6 “(1) the term ‘covered amounts’ means, with  
7 respect to a fiscal year, the amounts made available  
8 for that fiscal year to grant leverage under this part  
9 to small business investment companies;

10 “(2) the term ‘rural business investment com-  
11 pany’ has the meaning given the term in section  
12 384A of the Consolidated Farm and Rural Develop-  
13 ment Act (7 U.S.C. 2009cc); and

14 “(3) the term ‘Secretary’ means the Secretary  
15 of Agriculture.

16 “(b) LEVERAGE.—

17 “(1) IN GENERAL.—Subject to paragraph (2),  
18 if the Administration determines under subsection  
19 (c) that the Administration will be unable to expend  
20 all of the covered amounts for a particular fiscal  
21 year, the Administration shall expend those unex-  
22 pended covered amounts for that fiscal year to grant  
23 leverage to rural business investment companies for  
24 the purposes described in this part if, with respect  
25 to that fiscal year, the Secretary determines that the

1 Secretary is unable to grant leverage to rural busi-  
2 ness investment companies in a manner that is suffi-  
3 cient to satisfy the leverage needs of those rural  
4 business investment companies.

5 “(2) CONDITIONS.—With respect to leverage  
6 granted by the Administration to a rural business  
7 investment company under paragraph (1)—

8 “(A) the amount of the leverage made  
9 available shall be subject to the limitations  
10 under section 303(b)(2);

11 “(B) for the purposes of subparagraph  
12 (A), any leverage granted by the Secretary to  
13 the rural business investment company under  
14 the program carried out under subtitle H of the  
15 Consolidated Farm and Rural Development Act  
16 (7 U.S.C. 2009cc et seq.) shall be included  
17 when determining the maximum amount of out-  
18 standing leverage that may be made available to  
19 the rural business investment company under  
20 this section; and

21 “(C) the Administration, in consultation  
22 with the Secretary, shall—

23 “(i) impose such terms and conditions  
24 with respect to the leverage that the Ad-

ministration and the Secretary determine  
to be appropriate; and

“(ii) in developing the terms and con-  
ditions described in clause (i)—

“(I) ensure, to the maximum ex-  
tent practicable, that those terms and  
conditions are not—

“(aa) duplicative of other re-  
quirements applicable to rural  
business investment companies;  
or

“(bb) otherwise unnecessary;  
and

“(II) take into consideration how  
rural business investment companies  
that have been issued a license by the  
Secretary under section 384D(e) of  
the Consolidated Farm and Rural De-  
velopment Act (7 U.S.C. 2009cc–3(e))  
before the date of enactment of this  
section could qualify to receive that le-  
verage.

“(c) INTERNAL EVALUATION.—Not later than June  
1 of each year, the Administration shall perform an eval-  
uation to determine whether the Administration will be

1 unable to expend all of the covered amounts for the fiscal  
 2 year in which the evaluation is made.”; and

3 (2) in section 503(g) (15 U.S.C. 697(g)), by in-  
 4 serting “, and with respect to leverage granted  
 5 under section 321,” after “retained by the Adminis-  
 6 tration under this section”.

7 (b) SBA REQUIREMENTS.—

8 (1) ESTABLISHMENT OF APPLICATION PROC-  
 9 ESS.—Not later than 180 days after the date of en-  
 10 actment of this Act, the Administrator, in consulta-  
 11 tion with the Secretary, shall establish a process  
 12 through which a rural business investment company  
 13 may apply for leverage granted under section 321 of  
 14 the Small Business Investment Act of 1958, as  
 15 added by subsection (a) of this section.

16 (2) UPDATE TO RULES.—Not later than 180  
 17 days after the date of enactment of this Act, and in  
 18 addition to the process established under paragraph  
 19 (1), the Administrator shall make any updates to the  
 20 rules of the Administration that are necessary as a  
 21 result of this section and the amendments made by  
 22 this section.

23 **SEC. 4. INTERAGENCY WORKING GROUP.**

24 (a) ESTABLISHMENT.—Not later than 180 days after  
 25 the date of enactment of this Act, the Administrator, in



1 consultation with the Secretary, shall establish an inter-  
2 agency working group to develop—

3           (1) administrative recommendations for improv-  
4       ing the coordination between the Administration and  
5       the Department of Agriculture in administering the  
6       program carried out under part A of title III of the  
7       Small Business Investment Act of 1958 (15 U.S.C.  
8       681 et seq.) and the program carried out under sub-  
9       title H of the Consolidated Farm and Rural Devel-  
10      opment Act (7 U.S.C. 2009cc et seq.), respectively;  
11      and

12           (2) legislative recommendations for improving  
13      capital access and investment in rural areas of the  
14      United States through the programs described in  
15      paragraph (1), including by increasing the number  
16      of licensees under those programs.

17      (b) MEMBERS.—

18           (1) IN GENERAL.—The Administrator, in con-  
19      sultation with the Secretary, shall appoint to the  
20      working group such representatives from the Admin-  
21      istration and the Department of Agriculture, and  
22      such non-Federal industry stakeholders, as the Ad-  
23      ministrator, in consultation with the Secretary, de-  
24      termines to be appropriate.

1           (2) COMPENSATION.—No member of the work-  
2       ing group may receive any compensation by reason  
3       of the service of the member on the working group.

4       (c) REPORT TO CONGRESS.—Not later than 180 days  
5       after the date on which the working group is established  
6       under subsection (a), the working group shall submit to  
7       the appropriate committees of Congress a report that con-  
8       tains—

9           (1) the administrative actions that the Adminis-  
10      tration and the Department of Agriculture should  
11      take to make the improvements described in para-  
12      graph (1) of that subsection; and

13          (2) the legislative recommendations described in  
14      paragraph (2) of that subsection.

15      (d) TERMINATION.—The working group shall termi-  
16      nate upon submission of the report required under sub-  
17      section (c).

18      (e) IMPLEMENTATION OF RECOMMENDATIONS.—Not  
19      later than 90 days after the date on which the working  
20      group submits the report required under subsection (c),  
21      the Administration and the Department of Agriculture  
22      shall take the administrative actions described in para-  
23      graph (1) of that subsection.

24      (f) INAPPLICABILITY OF FEDERAL ADVISORY COM-  
25      MITTEE ACT.—The Federal Advisory Committee Act (5

- 1 U.S.C. App.) shall not apply with respect to the working
- 2 group or the activities of the working group.

