

118TH CONGRESS  
1ST SESSION

# H. R. 414

To amend the Small Business Act to establish a rural manufacturing forgivable loan program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 20, 2023

Mr. FINSTAD (for himself, Ms. CRAIG, Mr. AMODEI, Mr. JOHNSON of Ohio, and Mr. CARTER of Georgia) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Appropriations, 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 Act to establish a rural manufacturing forgivable loan program, 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 “Investing in Rural  
5 Manufacturing Act”.

6 **SEC. 2. RURAL MANUFACTURING LOANS.**

7 (a) IN GENERAL.—Section 7(a) of the Small Busi-  
8 ness Act (15 U.S.C. 636(a)) is amended—

1 (1) in paragraph (2)—

2 (A) in subparagraph (A), by striking “and  
3 (F)” and inserting “(F), and (G)”; and

4 (B) by adding at the end the following new  
5 subparagraph:

6 “(G) PARTICIPATION IN RURAL MANUFAC-  
7 TURING LOANS.—In an agreement to partici-  
8 pate in a loan on a deferred basis under para-  
9 graph (38), the participation by the Adminis-  
10 tration shall be 100 percent.”; and

11 (2) by adding at the end the following new  
12 paragraph:

13 “(38) RURAL MANUFACTURING LOANS.—

14 “(A) IN GENERAL.—The Administrator  
15 may guarantee a loan made under this para-  
16 graph to a covered applicant for the purpose of  
17 paying any eligible costs associated with the de-  
18 velopment of a business concern that manufac-  
19 tures goods essential to critical infrastructure  
20 sectors in rural areas.

21 “(B) APPLICATION.—A covered applicant  
22 shall submit an application for a loan under  
23 this paragraph which shall include a com-  
24 prehensive business plan that includes a goal  
25 for the resulting number of jobs to be created

1 at the site that will be developed or expanded  
2 with the proceeds of such loan.

3 “(C) LOAN FORGIVENESS.—A covered ap-  
4 plicant shall be eligible for forgiveness of any  
5 indebtedness on a loan made under this para-  
6 graph as follows:

7 “(i) If the covered applicant has met  
8 75 percent or more of the job creation  
9 goals of the comprehensive business plan  
10 described in subparagraph (B) not later  
11 than 5 years after the date of origination  
12 of the loan.

13 “(ii) If the Administrator makes a de-  
14 termination that the covered applicant only  
15 used loan proceeds for eligible costs, the  
16 covered applicant shall receive loan forgive-  
17 ness in an amount—

18 “(I) less than or equal to an  
19 amount that is 50 percent of the total  
20 financing amount specified by the cov-  
21 ered applicant; and

22 “(II) less than or equal to max-  
23 imum amount allowable under para-  
24 graph (3)(A).

1           “(D) IDENTIFICATION OF ADDITIONAL  
2 CRITICAL INFRASTRUCTURE SECTORS.—

3           “(i) STUDY.—Not later than 180 days  
4 after the date of enactment of this para-  
5 graph, the Administrator shall complete a  
6 study to identify any additional sectors to  
7 be included in the definition of the term  
8 ‘critical infrastructure sector’ under this  
9 paragraph.

10           “(ii) PROVISION OF LOANS PRIOR TO  
11 COMPLETION OF STUDY.—The Adminis-  
12 trator may guarantee a loan made under  
13 this paragraph before the completion of the  
14 study required under clause (i).

15           “(iii) ADDITIONAL CRITICAL INFRA-  
16 STRUCTURE SECTORS.—The Administrator  
17 may, at any time, take such actions as are  
18 necessary to identify additional sectors to  
19 be included in the definition of the term  
20 ‘critical infrastructure sector’ under this  
21 paragraph.

22           “(E) DEFINITIONS.—In this paragraph:

23           “(i) COVERED APPLICANT.—The term  
24 ‘covered applicant’ means a business  
25 that—

1           “(I) has a site located in rural  
2           area industrial park, manufactures  
3           goods that are essential to critical in-  
4           frastructure sectors at such site, and  
5           intends to expand such site for pur-  
6           poses of employing a larger workforce  
7           at such site; or

8           “(II) is developing a site located  
9           in a rural area industrial park to  
10          manufacture goods that are essential  
11          to critical infrastructure sectors at  
12          such site.

13          “(ii) CRITICAL INFRASTRUCTURE SEC-  
14          TOR.—The term ‘critical infrastructure  
15          sector’ means—

16               “(I) each of the 16 critical infra-  
17               structure sectors designated in Presi-  
18               dential Policy Directive 21, titled  
19               ‘Critical Infrastructure Security and  
20               Resilience’ and published on February  
21               12, 2013;

22               “(II) any additional sectors iden-  
23               tified pursuant to section 9002 of the  
24               National Defense Authorization Act

1 for Fiscal Year 2021 (6 U.S.C. 652a);  
2 and

3 “(III) any additional sectors  
4 identified by the Administrator pursu-  
5 ant to subparagraph (D).

6 “(iii) ELIGIBLE COSTS.—The term ‘el-  
7 igible costs’ means—

8 “(I) payroll, construction, permit-  
9 ting, and other capital costs associ-  
10 ated with—

11 “(aa) the development of a  
12 site located in a rural area indus-  
13 trial park for a business that  
14 manufactures goods that are es-  
15 sential to critical infrastructure  
16 sectors at such site; and

17 “(bb) the expansion of such  
18 a site for purposes of employing  
19 a larger workforce at such site;  
20 and

21 “(II) any other costs the Admin-  
22 istrator determines to be appro-  
23 priate.”.

24 (b) AUTHORIZATION OF APPROPRIATIONS.—There is  
25 authorized to be appropriated to the Administrator of the

1 Small Business Administration \$2,000,000,000, which  
2 shall be authorized to remain available until expended, to  
3 carry out paragraph (38) of section 7(a) of the Small  
4 Business Act (15 U.S.C. 636(a)), as added by subsection  
5 (a).

6 (c) RESCISSION.—Of the unobligated balances of  
7 amounts made available under the heading “Small Busi-  
8 ness Administration—Business Loans Program Account,  
9 CARES Act”, for carrying out paragraphs (36) and (37)  
10 of section 7(a) of the Small Business Act (15 U.S.C.  
11 636(a)), \$2,000,000,000 are hereby rescinded.

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