AMENDMENT TO H.R. 4
OFFERED BY MS. JACKSON LEE OF TEXAS

At the end of the bill, add the following:

TITLE IX—SMALL BUSINESS RECOVERY

SEC. 901. SHORT TITLE.
This title may be cited as the “Small Business Disaster Recovery Grants Act”.

SEC. 902. DEFINITIONS.
In this title, the following definitions apply:

(1) CLAIM.—The term “claim” means a claim by an injured concern under this title for payment for substantial economic injury suffered by the injured concern as a result of Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170).

(2) CLAIMANT.—The term “claimant” means an injured concern that submits a claim under section 904(b).
(3) Administrator.—The term “Administrator” means the Administrator of the Small Business Administration.

(4) Injured Concern.—The term “injured concern”—

(A) means a small business concern that is located in an area that is a qualified disaster area as a result of Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170); and

(B) does not include—

(i) a lender that holds a mortgage on or security interest in real or personal property affected by Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170); or

(ii) a person that holds a lien on real or personal property affected by Hurricanes Harvey, Maria, Irma, the California

(5) OFFICE.—The term “Office” means the Office of Small Business Disaster Recovery Grants established by section 903.

SEC. 903. OFFICE OF SMALL BUSINESS DISASTER RECOVERY GRANTS.

(a) IN GENERAL.—There is established within the Small Business Administration an office to be known as the “Office of Small Business Disaster Recovery Grants”.

(b) PURPOSE.—The Office shall receive, process, and pay claims in accordance with section 904.

(c) FUNDING.—The Office—

(1) shall be funded from funds made available under this title; and

(2) may reimburse any other Federal agency for provision of assistance in the receipt and processing of claims.

(d) PERSONNEL.—

(1) IN GENERAL.—The Office may appoint and fix the compensation of such temporary personnel as are necessary to carry out the duties of the Office, without regard to the provisions of title 5, United
(2) PERSONNEL FROM OTHER AGENCIES.—On the request of the Administrator, the head of any other Federal agency may detail, on a reimbursable basis, any of the personnel of the agency to the Federal Emergency Management Agency to assist the Office in carrying out the duties of the Office under this title.

(3) EFFECT ON OTHER SBA DUTIES.—The establishment of the Office shall not diminish the authority of, or funding available to, the Administrator to carry out the responsibilities of the Small Business Act.

SEC. 904. COMPENSATION FOR VICTIMS OF CERTAIN DISASTERS.

(a) IN GENERAL.—Each injured concern may receive compensation for substantial economic injury suffered as a result of Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170), as determined by the Administrator.

(b) SUBMISSION OF CLAIMS.—Not later than 1 year after the date on which interim final regulations are pro-
mulgated under subsection (h), an injured concern may submit to the Administrator a written claim for compensation for substantial economic injury suffered as a result of Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170).

(c) HANDLING OF CLAIMS.—The Administrator shall investigate, adjust, grant, deny, settle, or compromise any claim submitted under subsection (b).

(d) AMOUNT OF GRANT.—

(1) IN GENERAL.—Any grant made to an injured concern—

(A) shall be limited to the amount necessary to compensate the injured concern for substantial economic injury described in paragraph (2) suffered as a result of Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170);

(B) shall not include—
(i) interest on the amount of the pay-
ment before the date of settlement or pay-
ment of a claim; or

(ii) punitive damages or any other
form of noncompensatory damages; and

(C) shall not exceed $100,000, except in
the case of a grant application for which the
Administrator determines that a greater
amount up to $250,000 is appropriate.

(2) SUBSTANTIAL ECONOMIC INJURY.—Under
paragraph (1), an injured concern may receive pay-
ment for substantial economic injury consisting of
one or more of the following:

(A) An uninsured or underinsured property
loss.

(B) Damage to or destruction of physical
infrastructure.

(C) Damage to or destruction of tangible
assets or inventory.

(D) A business interruption loss.

(E) Overhead costs.

(F) Employee wages for work not per-
formed.

(G) An insurance deductible.

(H) A temporary relocation expense.
(I) Debris removal and other cleanup costs.

(J) Any other type of substantial economic injury that the Administrator determines to be appropriate.

(3) BURDEN OF PROOF.—

(A) IN GENERAL.—A claimant shall have the burden of demonstrating substantial economic injury.

(B) ABSENCE OF DOCUMENTS.—If documentary evidence substantiating substantial economic injury is not reasonably available, the Administrator may pay a claim based on an affidavit or other documentation executed by the claimant.

(e) PAYMENT OF CLAIMS.—

(1) DETERMINATION AND PAYMENT OF AMOUNT.—

(A) IN GENERAL.—To the maximum extent practicable, not later than 180 days after the date on which a claim is submitted under subsection (b), the Administrator shall—

(i) determine the amount, if any, to be paid for the claim; and

(ii) pay the amount.
(B) PRIORITY.—The Administrator may establish priorities for processing and paying claims based on—

(i) an assessment of the needs of the claimants; and

(ii) any other criteria that the Administrator determines to be appropriate.

(C) PARAMETERS OF DETERMINATION.—In determining and paying a claim, the Administrator shall determine only—

(i) whether the claimant is an injured concern; and

(ii) whether the injuries that are the subject of the claim resulted from Hurricanes Harvey, Maria, Irma, the California Wildfires of 2017 and any future major disaster declared under section 401 of the Robert T. Stafford Disaster Relief and Energy Assistance Act (42 U.S.C. 5170).

(D) INSURANCE AND OTHER BENEFITS.—

(i) IN GENERAL.—Subject to clause (ii), to prevent recovery by a claimant in excess of the equivalent of actual amount of the substantial economic injury suffered by the claimant in accordance with sub-
section (d), the Administrator shall reduce
the amount to be paid for the claim by an
amount that is equal to the sum of the
payments or settlements of any kind that
were paid, or will be paid, with respect to
the claim, including payments by an insur-
ance company.

(ii) GOVERNMENT LOANS.—Clause (i)
shall not apply to the receipt by a claimant
of any Federal, State, or local government
loan that is required to be repaid by the
claimant.

(2) ADVANCE OR PARTIAL PAYMENTS.—At the
request of a claimant, the Administrator may make
one or more advance or partial payments before the
final approval of a grant.

(f) RECOVERY OF FUNDS IMPROPERLY PAID OR MIS-
USED.—The Administrator may recover any portion of a
payment on a grant that was improperly paid to the claim-
ant as a result of—

(1) fraud or misrepresentation on the part of
the claimant or a representative of the claimant;

(2) a material mistake on the part of the Ad-
ministrator;
(3) the payment of insurance or benefits described in subsection (e)(1)(D) that were not taken into account in determining the amount of the payment; or

(4) the failure of the claimant to cooperate in an audit.

(g) APPEALS OF DECISIONS.—

(1) RIGHT OF APPEAL.—A claimant may appeal a decision concerning payment of a claim by filing, not later than 60 days after the date on which the claimant is notified that the claim of the claimant will or will not be paid, a notice of appeal in the case of a decision on a claim relating to a business loss, with the Administrator of the Federal Emergency Management Administration.

(2) PERIOD FOR DECISION.—A decision concerning an appeal under paragraph (1) shall be rendered not later than 90 days after the date on which the notice of appeal is received.

(h) REGULATIONS.—Notwithstanding any other provision of law, not later than 45 days after the date of enactment of this Act—

(1) the Administrator shall promulgate and publish in the Federal Register interim final regulations for the processing and payment of claims; and
(2) the Administrator and the Administrator of the Federal Emergency Management Agency shall jointly promulgate and publish in the Federal Register procedures under which a dispute concerning payment of a claim may be settled through an appeals process described in subsection (g).

(i) PUBLIC INFORMATION.—At the time of publication of interim final regulations under subsection (h), the Administrator shall publish a clear, concise, and easily understandable explanation of the grant program established under this title the procedural and other requirements of the regulations promulgated under subsection (h). Such explanation shall be—

(1) disseminated through brochures, pamphlets, radio, television, the print news media, and such other media as the Administrator determines to be likely to reach prospective claimants; and

(2) provided in English, Spanish, and any other language that the Administrator determines to be appropriate.

(j) COORDINATION.—In carrying out this section, the Administrator shall coordinate with the Administrator of the Federal Emergency Management Agency, other Federal, State and local agencies, and any other individual or entity, as the Administrator determines to be necessary
to ensure the efficient administration of the claims process.

(k) Applicability of Debt Collection Requirements.—

(1) In General.—Section 3716 of title 31, United States Code, shall not preclude any payment on a claim.

(2) Assignment and Exemption from Claims of Creditors.—

(A) Assignment.—No assignment, release, or commutation of a payment due or payable under this title shall be valid.

(B) Exemption.—

(i) In General.—A payment under this title shall be exempt from all claims of creditors and from levy, execution, attachment, or other remedy for recovery or collection of a debt.

(ii) Nonwaivable Exemption.—The exemption provided by clause (i) may not be waived.

SEC. 905. REPORTS AND AUDITS.

(a) Reports.—Not later than 1 year after the date of promulgation of interim final regulations under section 904(h) and annually thereafter, the Administrator shall
submit to Congress a report that describes the claims submitted under section 904(b) during the year preceding the date of submission of the report, including, with respect to each claim—

(1) the amount claimed;

(2) a brief description of the nature of the claim; and

(3) the status or disposition of the claim, including the amount of any payment on the claim.

(b) AUDITS.—The Comptroller General of the United States shall—

(1) conduct an annual audit of the payment of all claims submitted under section 904(b); and

(2) not later than 120 days after the date on which the Administrator submits the initial report required by subsection (a) and annually thereafter, submit to Congress a report on the results of the audit.

SEC. 906. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title—

(1) to the Office of Small Business Disaster Recovery Grants established under section 903 to administer the claims process, $25,000,000; and

(2) for payment of claims, $975,000,000.
(b) AVAILABILITY.—Amounts made available under subsection (a) shall remain available until expended.

SEC. 907. TERMINATION OF AUTHORITY.

The authority provided by this title terminates effective 30 months after the date of enactment of this Act.