

News from the House Committee on Small Business Democrats

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Key Lawmakers Move to Improve HUBZone Program

Washington, DC – Bipartisan leadership of the House Small Business Committee today unveiled legislation to improve and reform the Historically Underutilized Business Zone Program (HUBZone), a procurement initiative that provides federal assistance to firms in economically distressed areas. Created in 1998, the HUBZone helps small companies in these areas to do business with the federal government. The program is overseen by the Small Business Administration (SBA).

H.R. 3294, the HUBZONE Unification and Business Stability Act (HUBS), was introduced by Ranking Member Velázquez (D-NY), and co-sponsored by Chairman Chabot (R-OH). H.R. 3294 would make important reforms to the HUBZone program, ensuring the initiative functions more efficiently and effectively, creating greater opportunity in areas that face significant economic hurdles.

“The HUBZone program recognizes the benefits that federal contracts have for local communities that are often struggling to create and retain well-paying jobs,” said Ranking Member Velázquez. “After carefully studying and listening to small businesses on the ground, I’m confident the reforms we are proposing will strengthen the HUBZone initiative and, ultimately, mean greater economic opportunity for those living in economically distressed regions.”

“This HUBZone reform packages includes new performance metrics,” said Chairman Chabot. “By collecting data, the SBA and Congress will better be able to determine how well the program is working and what needs to be changed. Also, accelerating the application process will allow small businesses interested in the program to get a quicker response from the SBA, meaning instead of waiting for a response, they can spend their valuable time and resources on growing their businesses.”

Other reforms this bill would make include:

- The bill would establish a 5-year cycle for determining the geographic boundaries of HUBZones, creating greater certainty for companies operating in the program.
- The bill would change the calculations by which certain geographic areas qualify for the program, potentially adding as many as 1,000 rural and non-urban counties, helping more businesses avail themselves of the HUBZone initiative’s benefits.
- These and other changes would be implemented beginning in 2020.

“Ultimately, we are helping bring greater transparency and stability to the HUBZone program,” Velázquez added. “When HUBZone operates as intended, it can be a powerful tool for stimulating

commerce in parts of the country afflicted by economic hardship and this bill will make important strides toward that goal. I thank Chairman Chabot for working with me on these proposals.”

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