



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 11, 2017

S. 929 **Invest in Rural Small Business Act of 2017**

*As reported by the Senate Committee on Small Business and Entrepreneurship
on August 2, 2017*

Under current law, the Small Business Administration (SBA) administers the HUBZone program, which gives preference to participating small businesses located in areas with certain economic characteristics when they seek contracts with the federal government. (The federal government aims to annually award 3 percent of all federal government contracting dollars to small businesses in HUBZones.) S. 929 would expand the pool of eligible small businesses in HUBZones by:

- Amending the eligibility requirements for small businesses to participate in the program; and
- Permitting the governor of a state to petition the SBA to designate certain counties as a HUBZone that would not otherwise be eligible for that designation, if they meet criteria specified in the bill.

On the basis of information from the SBA, CBO estimates that implementing S. 929 would cost less than \$500,000 for the SBA to evaluate petitions and update HUBZone maps; such spending would be subject to the availability of appropriated funds.

Enacting S. 929 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting S. 929 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

S. 929 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would benefit state governments and certain nonurban areas. HUBZone designations allow small businesses in a nonurban area to be eligible for preferences when seeking contracts from the federal government. Any costs to the state petitioning for such a designation or nonurban areas so designated would result from complying with conditions of assistance.

The CBO staff contacts for this estimate are Stephen Rabent (for federal costs) and Rachel Austin (for the intergovernmental mandates). The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.