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Scale-up Manufacturing Investment Company Act of 2015

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Commerce

Introduced: Aug 4, 2015

Current Status: Read twice and referred to the Committee on Small Business and Entrepreneurship.

Latest Action: Read twice and referred to the Committee on Small Business and Entrepreneurship. (Aug 4, 2015)

Official Text: https://www.congress.gov/bill/114th-congress/senate-bill/1934

Sponsor

Name: Sen. Booker, Cory A. [D-NJ]

Party: Democratic • State: NJ • Chamber: Senate

Cosponsors (4 total)

| Cosponsor                          | Party / State | Role | Date Joined |
|------------------------------------|---------------|------|-------------|
| Sen. Coons, Christopher A. [D-DE]  | D · DE        |      | Aug 4, 2015 |
| Sen. Gillibrand, Kirsten E. [D-NY] | D · NY        |      | Aug 4, 2015 |
| Sen. Murray, Patty [D-WA]          | D · WA        |      | Aug 4, 2015 |
| Sen. Peters, Gary C. [D-MI]        | D · MI        |      | Aug 4, 2015 |

Committee Activity

| Committee                                     | Chamber | Activity    | Date        |
|---|---------|-------------|-------------|
| Small Business and Entrepreneurship Committee | Senate  | Referred To | Aug 4, 2015 |

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

| Bill        | Relationship | Last Action  |
|-------------|--------------|--|
| 114 HR 3468 | Related bill | Sep 28, 2015: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law. |

## Scale-Up Manufacturing Investment Company Act of 2015

This bill amends the Small Business Investment Act of 1958 to require the Small Business Administration (SBA) to establish a scale-up manufacturing investment company (SUMIC) program under which it shall provide leverage to participating investment funds (PIFs) to support debt and equity investments in qualifying manufacturing projects of specified small and emerging manufacturers.

Within 60 days after SBA approves and issues a license to operate as a PIF under SUMIC, it may provide up to \$1 of leverage for every \$1 of private capital raised by the PIF.

The maximum amount of outstanding leverage made available in any given fiscal year:

- to any PIF may not exceed \$500 million, and
- to all PIFs in aggregate may not exceed \$1 billion.

The private capital of a PIF must be at least \$250 million.

Any national bank, or any member bank of the Federal Reserve System or nonmember insured bank, to the extent permitted under state law, may invest in any one or more PIFs, or in any entity established to invest solely in PIFs. In no event must the total amount of such investments exceed 5% of the bank's capital and surplus.

The SBA must charge a leverage fee of between 3% and 5.5% of the face amount of the leverage issued.

Each PIF shall have authority to borrow money and issue debentures and preferred securities, subject to SBA limitations and regulations. Of the SBA leverage provided to a PIF: (1) at least 70% must be issued as debentures, and (2) up to 30% may be issued as preferred securities. The Federal Financing Bank may acquire such a debenture.

A PIF must use its SBA leverage to make debt and equity investments in small and emerging manufacturers to carry out qualifying manufacturing projects.

The SBA shall issue policy directives to provide for enhanced outreach efforts to increase investments by PIFs in small businesses owned and controlled by socially and economically disadvantaged individuals and by women, veterans, and individuals with disabilities.

The SBA may establish a SUMIC Credit Council.

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## Actions Timeline

- **Aug 4, 2015:** Introduced in Senate
- **Aug 4, 2015:** Read twice and referred to the Committee on Small Business and Entrepreneurship.