## **APPENDIX A.1**

## **Sections (31(a) and (b) of the Small Business Act – 15 U.S.C. 657a(a) and 657a(c)(2)**

## § 31. HUBZONE PROGRAM.

HUBZone Program. 15 USC 657a.

Eligibility

verification.

- (a) IN GENERAL.—There is established within the Administration a program to be carried out by the Administrator to provide for Federal contracting assistance to qualified HUBZone small business concerns in accordance with this section.
  - (b) \*\*\*\*
  - (c) ENFORCEMENT; PENALTIES—
- (1) VERIFICATION OF ELIGIBILITY.—In carrying out this section, the Administrator shall establish procedures relating to—
- (A) the filing, investigation, and disposition by the Administration of any challenge to the eligibility of a small business concern to receive assistance under this section (including a challenge, filed by an interested party, relating to the veracity of a certification made or information provided to the Administration by a small business concern under section 3(p)(5); and
- (B) verification by the Administrator of the accuracy of any certification made or information provided to the Administration by a small business concern under section 3(p)(5).
- (2) EXAMINATIONS.—The procedures established under paragraph (1) may provide for program examinations (including random program examinations) by the Administrator of any small business concern making a certification or providing information to the Administrator under section 3(p)(5).

Section 3(p)(5) of the Small Business Act- 15 U.S.C. 657(p)(5)

- (5) QUALIFIED HUBZONE SMALL BUSINESS CONCERN—
  - (A) IN GENERAL.—A HUBZone small business concern is "qualified," if—
- (i) the small business concern has certified in writing to the Administrator (or the Administrator otherwise determines, based on information submitted to the Administrator by the small business concern, or based on certification procedures, which shall be established by the Administration by regulation) that—
  - (I) it is a HUBZone small business concern—
- (aa) pursuant to subparagraph (A), (B), (C), (D) or (E),<sup>1</sup> or (F)<sup>2</sup> of paragraph (3), and that its principal office is located in a HUBZone and not fewer than 35 percent of its employees reside in a HUBZone; or

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- (bb) pursuant to subparagraph (A), (B), (C), (D), (E), or (F) of paragraph (3), that its principal office is located within a base closure and that not fewer than 35 percent of its employees reside in such base closure area or in another HUBZone; or
- (cc) pursuant to paragraph (3)(C), and not fewer than 35 percent of its employees engaged in performing a contract awarded to the small business concern on the basis of a preference provided under section 31(b) reside within any Indian reservation governed by 1 or more of the tribal government owners, or reside within any HUBZone adjoining any such Indian reservation;
- (II) the small business concern will attempt to maintain the applicable employment percentage under subclause (I) during the performance of any contract awarded to the small business concern on the basis of a preference provided under section 31(b); and
- (III) with respect to any subcontract entered into by the small business concern pursuant to a contract awarded to the small business concern under section 31, the small business concern will ensure that the requirements of section 46 are satisfied; and
- (ii) no certification made or information provided by the small business concern under clause (i) has been, in accordance with the procedures established under section 31(c)(1)—
  - (I) successfully challenged by an interested party; or
  - (II) otherwise determined by the Administrator to be materially false.
- (B) LIST OF QUALIFIED SMALL BUSINESS CONCERNS.—The Administrator shall establish and maintain a list of qualified HUBZone small business concerns, which list shall, to the extent practicable—
- (i) once the Administrator has made the certification required by subparagraph (A)(i) regarding a qualified HUBZone small business concern and has determined that subparagraph (A)(ii) does not apply to that concern,<sup>3</sup> include the name, address, and type of business with respect to each such small business concern;
  - (ii) be updated by the Administrator not less than annually; and
  - (iii) be provided upon request to any Federal agency or other entity.

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