

119TH CONGRESS
1ST SESSION

H. R. 5559

To amend the Small Business Investment Act of 1958 to exclude from the leverage limit calculation for small business investment companies certain amounts invested in socially and economically disadvantaged small business concerns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 2025

Ms. STRICKLAND (for herself and Mr. SMITH of Washington) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Investment Act of 1958 to exclude from the leverage limit calculation for small business investment companies certain amounts invested in socially and economically disadvantaged small business concerns, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Investments in Innova-
5 tion Act of 2025”.

1 **SEC. 2. INVESTMENTS IN SOCIALLY AND ECONOMICALLY**
2 **DISADVANTAGED SMALL BUSINESSES.**

3 Section 303(b)(2) of the Small Business Investment
4 Act of 1958 (15 U.S.C. 683(b)(2)) is amended by adding
5 at the end the following new subparagraph:

6 “(E) INVESTMENTS IN SOCIALLY AND ECO-
7 NOMICALLY DISADVANTAGED SMALL BUSI-
8 NESSES.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), in calculating the outstanding leverage
11 of a company for the purposes of subpara-
12 graph (A), the Administrator shall exclude
13 the amount of the cost basis of any equity
14 investment made by the company in a
15 smaller enterprise that is a socially and
16 economically disadvantaged small business
17 concern (as defined in section 8(a)(4) of
18 the Small Business Act (15 U.S.C.
19 637(a)(4))), to the extent that the total of
20 such amounts does not exceed 50 percent
21 of the company’s private capital.

22 “(ii) LIMITATION.—The maximum
23 amount of outstanding leverage made
24 available to—

25 “(I) any 1 company described in
26 clause (iii) may not exceed the lesser

1 of 300 percent of private capital of
2 the company, or \$175,000,000; and

3 “(II) 2 or more companies de-
4 scribed in clause (iii) that are under
5 common control (as determined by the
6 Administrator) may not exceed
7 \$250,000,000.

8 “(iii) COMPANY DESCRIBED.—A com-
9 pany described in this clause is a company
10 licensed under section 301(c) in the first
11 fiscal year after the date of enactment of
12 this clause or any fiscal year thereafter
13 that certifies in writing that not less than
14 50 percent of the dollar amount of invest-
15 ments of that company shall be made in
16 entities that are socially and economically
17 disadvantaged small business concerns (as
18 defined in section 8(a)(4) of the Small
19 Business Act (15 U.S.C. 637(a)(4))).”.

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