

§ 688. Repealed. Pub. L. 87-341, § 11(e), Oct. 3, 1961, 75 Stat. 756

Section, Pub. L. 85-699, title III, § 309, Aug. 21, 1958, 72 Stat. 696, related to approval of State chartered investment companies. See subsec. (a) of section 681 of this title.

PART B—NEW MARKETS VENTURE CAPITAL PROGRAM

§ 689. Definitions

In this part, the following definitions apply:

(1) Developmental venture capital

The term “developmental venture capital” means capital in the form of equity capital investments in businesses made with a primary objective of fostering economic development in low-income geographic areas. For the purposes of this paragraph, the term “equity capital” has the same meaning given such term in section 683(g)(4) of this title.

(2) Low-income individual

The term “low-income individual” means an individual whose income (adjusted for family size) does not exceed—

- (A) for metropolitan areas, 80 percent of the area median income; and
- (B) for nonmetropolitan areas, the greater of—
 - (i) 80 percent of the area median income; or
 - (ii) 80 percent of the statewide non-metropolitan area median income.

(3) Low-income geographic area

the¹ term “low-income geographic area” means—

- (A) any population census tract (or in the case of an area that is not tracted for population census tracts, the equivalent county division, as defined by the Bureau of the Census of the Department of Commerce for purposes of defining poverty areas), if—

- (i) the poverty rate for that census tract is not less than 20 percent;

- (ii) in the case of a tract—

- (I) that is located within a metropolitan area, 50 percent or more of the households in that census tract have an income equal to less than 60 percent of the area median gross income; or

- (II) that is not located within a metropolitan area, the median household income for such tract does not exceed 80 percent of the statewide median household income; or

- (iii) as determined by the Administrator based on objective criteria, a substantial population of low-income individuals reside, an inadequate access to investment capital exists, or other indications of economic distress exist in that census tract; or

- (B) any area located within—

- (i) a HUBZone (as defined in section 632(p) of this title and the implementing regulations issued under that section);

- (ii) an urban empowerment zone or urban enterprise community (as designated by the Secretary of Housing and Urban Development); or

- (iii) a rural empowerment zone or rural enterprise community (as designated by the Secretary of Agriculture).

(4) New Markets Venture Capital company

The term “New Markets Venture Capital company” means a company that—

- (A) has been granted final approval by the Administrator under section 689c(e) of this title; and

- (B) has entered into a participation agreement with the Administrator.

(5) Operational assistance

The term “operational assistance” means management, marketing, and other technical assistance that assists a small business concern with business development.

(6) Participation agreement

The term “participation agreement” means an agreement, between the Administrator and a company granted final approval under section 689c(e) of this title, that—

- (A) details the company’s operating plan and investment criteria; and

- (B) requires the company to make investments in smaller enterprises at least 80 percent of which are located in low-income geographic areas.

(7) Specialized small business investment company

The term “specialized small business investment company” means any small business investment company that—

- (A) invests solely in small business concerns that contribute to a well-balanced national economy by facilitating ownership in such concerns by persons whose participation in the free enterprise system is hampered because of social or economic disadvantages;

- (B) is organized or chartered under State business or nonprofit corporations statutes, or formed as a limited partnership; and

- (C) was licensed under section 681(d) of this title, as in effect before September 30, 1996.

(8) State

The term “State” means such² of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States.

(Pub. L. 85-699, title III, § 351, as added Pub. L. 106-554, § 1(a)(8) [§ 1(b)(3)], Dec. 21, 2000, 114 Stat. 2763, 2763A-653.)

§ 689a. Purposes

The purposes of the New Markets Venture Capital Program established under this part are—

- (1) to promote economic development and the creation of wealth and job opportunities in

¹ So in original. Probably should be capitalized.

² So in original. Probably should be “each”.