



SMALL BUSINESS ADMINISTRATION

13 CFR Parts 121, 124, 126

RIN 3245-AH68

HUBZone Program Updates and Clarifications, and Clarifications to Other Small Business Programs; Correction

AGENCY: U.S. Small Business Administration.

ACTION: Correcting amendment.

SUMMARY: The U.S. Small Business Administration (SBA) is correcting a final rule that was published in the *Federal Register* on December 17, 2024. The rule clarified and improved policies surrounding a comprehensive revision to the HUBZone Program regulations published in 2019, among other changes. This document is making several technical corrections to the final regulations.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Alison Amann, Chief HUBZone Counsel, Office of General Counsel, (202) 205-6841, alison.amann@sba.gov.

SUPPLEMENTARY INFORMATION: On December 17, 2024, SBA published a final rule amending the regulations pertaining to the HUBZone program and SBA's other small business contracting programs to reduce unnecessary or excessive burdens on small businesses, clarify certain policies, and make the regulations governing SBA's contracting programs more consistent. 89 FR 102448.

The final rule amended § 121.1001 by adding paragraphs (a)(11) and (12), authorizing size protests in response to contract-specific size recertifications required by § 125.12. The language in these paragraphs was moved from proposed paragraphs (b)(12) and (13) that appeared in the proposed rule preceding the final rule. *See* 89 FR 68274, 68276 (Aug. 23, 2024). However, as stated in the preamble to the final rule, SBA

meant to move proposed paragraphs (b)(12) and (13) to a single new paragraph (a)(11). The addition of paragraph (a)(12) was an error. This correction fixes that error. This correction also fixes the language in paragraph (a)(11) to reflect that the recertification requirements in § 125.12 specifically apply to “Set Aside or Reserved Awards” as defined in § 125.1. In addition, this correction amends § 121.1004 to add the corresponding timeliness requirements for protests filed under new § 121.1001(a)(11), which SBA indicated in the preamble of the final rule that SBA would include but were inadvertently left out of the final rule.

The final rule amended § 124.602 by increasing the threshold triggering a requirement to submit audited financial statements from \$10 million to \$20 million. The final rule made this change in paragraphs (a)(1) and (2), but the final rule inadvertently left out a corresponding change to the introductory language to paragraph (a). This correction fixes that omission by changing “\$10,000,000” to “\$20,000,000” in that introductory text.

The final rule provided that § 126.103 was amended by revising the definition for “Certification or Certify.” However, the amendment could not be incorporated because that definition does not exist in the current regulations. Instead, the current regulations define only “Certify.” This correction addresses that oversight.

The final rule amended § 126.200 by revising paragraph (c)(1) to implement certain changes related to the long-term investment provision. Paragraph (c)(1) contains an example that requires technical correction to reflect the changes in the final rule.

List of Subjects

13 CFR Part 121

Administrative practice and procedure, Government procurement, Government property, Grant programs—business, Individuals with disabilities, Loan programs—business, Small businesses

13 CFR Part 124

Administrative practice and procedure, Government procurement, Government property, Small businesses

13 CFR Part 126

Administrative practice and procedure, Government procurement, Penalties, Reporting and recordkeeping requirements, Small businesses

Accordingly, 13 CFR parts 121, 124, and 126 are corrected by making the following correcting amendments:

PART 121—SMALL BUSINESS SIZE REGULATIONS

1. The authority citation for part 121 continues to read as follows:

Authority: 15 U.S.C. 632, 634(b)(6), 636(a)(36), 662, and 694a(9).

2. Amend § 121.1001 by revising paragraph (a)(11) and removing paragraph (a)(12).

The revision reads as follows:

§ 121.1001 Who may initiate a size protest or request a formal size determination?

(a) * * *

(11) In connection with a size recertification relating to a Set Aside or Reserved Award (as defined in § 125.1 of this chapter), that is required by § 125.12 of this chapter, the following entities may file a size protest challenging the recertification:

(i) The contracting officer;

(ii) The SBA program manager relating to the Set Aside or Reserved Award at issue (*i.e.*, the Director of Government Contracting, the Associate Administrator for Business Development, or the Director of HUBZone, as appropriate), or the Associate General Counsel for Procurement Law; or

(iii) Any other contract or agreement holder, if it is a multiple award contract or agreement.

* * * * *

3. Amend § 121.1004 by redesignating paragraphs (a)(4) and (5) as paragraphs (a)(5) and (6), respectively, and adding a new paragraph (a)(4) to read as follows:

§ 121.1004 What time limits apply to size protests?

(a) * * *

(4) *Protests relating to size recertifications.* Protests from another contract or agreement holder relating to a size recertification required by § 125.12 of this chapter must be received by the contracting officer prior to the close of business on the 5th business day after bid opening or notice (including notice received in writing, orally, or via electronic posting) of the identity of the prospective awardee of an order issued under a multiple award contract or agreement.

* * * * *

**PART 124—8(a) BUSINESS DEVELOPMENT/SMALL DISADVANTAGED
BUSINESS STATUS DETERMINATIONS**

4. The authority citation for part 124 continues to read as follows:

Authority: 15 U.S.C. 634(b)(6), 636(j), 637(a), 637(d), 644, 42 U.S.C. 9815; and Pub. L. 99-661, 100 Stat. 3816; Sec. 1207, Pub. L. 100-656, 102 Stat. 3853; Pub. L. 101-37, 103 Stat. 70; Pub. L. 101-574, 104 Stat. 2814; Sec. 8021, Pub. L. 108-87, 117 Stat. 1054; and Sec. 330, Pub. L. 116-260.

§ 124.602 [Amended]

5. Amend § 124.602 in paragraph (a) introductory text by removing “\$10,000,000” and adding in its place “\$20,000,000”.

PART 126—HUBZONE PROGRAM

6. The authority citation for part 126 continues to read as follows:

Authority: 15 U.S.C. 632(a), 632(j), 632(p), 644 and 657a.

7. Amend § 126.103 by removing the definition of “Certify” and adding in its place a definition for “Certification or certify” to read as follows:

§ 126.103 What definitions are important in the HUBZone program?

* * * * *

Certification or certify means the process by which SBA determines that a concern is qualified for the HUBZone program and eligible to be designated by SBA as a certified HUBZone small business concern in DSBS (or successor system).

* * * * *

8. Amend § 126.200 by redesignating example 1 to paragraph (c)(2)(i) as example 1 to paragraph (c)(1)(ii) and revising it to read as follows:

§ 126.200 What requirements must a concern meet to be eligible as a certified HUBZone small business concern?

* * * * *

(c) * * *

(1) * * *

(ii) * * *

Example 1 to paragraph (c)(1)(ii). If a firm was certified on March 31, 2021, and purchased a building on July 20, 2021, the 10-year clock would begin on the date of the investment (July 20, 2021).

* * * * *

Larry Stubblefield

Deputy Associate Administrator

Government Contracting and Business Development

[FR Doc. 2025-02741 Filed: 2/14/2025 8:45 am; Publication Date: 2/18/2025]