



**SMALL BUSINESS ADMINISTRATION**

**13 CFR Parts 125 and 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 amendments.

**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].

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**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. This is the second set of corrections. The first set of corrections was published in the *Federal Register* on February 18, 2025. 90 FR 9673. This document augments those corrections.

The final rule made several amendments to § 121.103. While making those changes, SBA intended to make a corresponding amendment to the citation cross-referenced in SBA's joint venture regulations at § 125.8(a) but that corresponding

amendment was inadvertently omitted from the final rule. Currently, § 125.8(a) references exceptions to affiliation for SBA-approved mentor-protégé agreements at § 121.103(h)(4). This correction fixes that citation so that § 125.8(a) references § 121.103(b).

The final rule created new § 125.12, addressing size recertification and small business program status recertification. This correction fixes the numbering of the subparagraphs in paragraph (g) of § 125.12.

The final rule amended § 126.103 by revising the definition of “Employee.” In the proposed rule preceding the final rule, SBA had proposed to require an employee to work at least 80 hours per month. Based on the comments received, SBA did not implement this proposal. Instead, the final rule provided that an employee was an individual who worked at least 10 hours per week during the relevant four-week period. However, in the final rule, two subparagraphs in the definition of “Employee” inadvertently retained the proposed 80-hour standard instead of the 10-hour-per-week standard. This correction fixes that error.

The final rule amended § 126.200 by revising paragraph (d)(3), which addresses “Legacy HUBZone Employees.” The final rule inadvertently retained references to annual recertification, which was eliminated in the final rule. This correction removes the references to annual recertification and replaces them with the term “HUBZone certification anniversary date.”

The final rule amended the definition of “reside” in § 126.103 to remove voter registration cards from the listing of documents that SBA would accept as proof of HUBZone residency, since voter registration cards generally do not include issue dates. However, SBA inadvertently failed to make the corresponding change to § 126.304, which addresses the documents that a firm must submit to be certified as a HUBZone

small business concern. This correction fixes that omission by removing the reference to voter registration cards from § 126.304.

## **List of Subjects**

### **13 CFR Part 125**

Government contracts, Government procurement, Reporting and recordkeeping requirements, Small businesses, Technical assistance, Veterans.

### **13 CFR Part 126**

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

Accordingly, 13 CFR parts 125 and 126 are corrected by making the following correcting amendments:

## **PART 125—GOVERNMENT CONTRACTING PROGRAMS**

1. The authority citation for part 125 continues to read as follows:

**Authority:** 15 U.S.C. 632(p), (q), 634(b)(6), 637, 644, 657f, 657q, 657r, and 657s; 38 U.S.C. 501 and 8127.

### **§ 125.8 [Amended]**

2. Amend § 125.8, in paragraph (a), by removing “§ 121.103(h)(4)” and adding in its place “§ 121.103(b)”.

### **§ 125.12 [Amended]**

3. Amend § 125.12 by redesignating paragraphs (g)(i) and (ii) as paragraphs (g)(1) and (2).

## **PART 126—HUBZONE PROGRAM**

4. 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.

### **§ 126.103 [Amended]**

5. Amend § 126.103, in the definition of “Employee”, by:

a. In paragraph (2)(ii), removing the text “80 hours or more” and adding in its place the text “at least 10 hours per week”; and

b. In paragraph (2)(iii), removing the text “80 hours” and adding in its place the text “10 hours per week”.

**§ 126.200 [Amended]**

6. Amend § 126.200 by:

a. In paragraph (d)(3)(i)(A), removing the text “(or recertification date)” and adding in its place the text “(or certification anniversary date)”;

b. In paragraph (d)(3)(iii), removing the text “certification (or recertification)” and adding in its place “the firm’s HUBZone certification date (or certification anniversary date)”;

c. In paragraph (d)(3)(iv), removing the text “certification date or recertification date” and adding in its place the text “HUBZone certification date (or certification anniversary date)”.

**§ 126.304 [Amended]**

7. Amend § 126.304, in paragraph (b)(2), by removing the text “and voter registration cards” and the text “accompanied by signed statements explaining why the alternative documentation is being provided”.

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