

114TH CONGRESS
1ST SESSION

H. R. 838

To amend title 31, United States Code, to revise requirements related to assets pledged by a surety, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2015

Mr. HANNA (for himself, Ms. MENG, and Mr. CHABOT) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 31, United States Code, to revise requirements related to assets pledged by a surety, 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 “Security in Bonding
5 Act of 2015”.

6 **SEC. 2. SURETY BOND REQUIREMENTS.**

7 Chapter 93 of subtitle VI of title 31, United States
8 Code, is amended—

1 (1) by adding at the end the following:

2 **“§ 9310. Individual sureties**

3 “If another applicable law or regulation permits the
4 acceptance of a bond from a surety that is not subject
5 to sections 9305 and 9306 and is based on a pledge of
6 assets by the surety, the assets pledged by such surety
7 shall—

8 “(1) consist of eligible obligations described
9 under section 9303(a); and

10 “(2) be submitted to the official of the Govern-
11 ment required to approve or accept the bond, who
12 shall deposit the assets with a depository described
13 under section 9303(b).”; and

14 (2) in the table of contents for such chapter, by
15 adding at the end the following:

“9310. Individual sureties.”.

16 **SEC. 3. SBA SURETY BOND GUARANTEE.**

17 Section 411(c)(1) of the Small Business Investment
18 Act of 1958 (15 U.S.C. 694b(c)(1)) is amended by strik-
19 ing “70” and inserting “90”.

20 **SEC. 4. GAO STUDY.**

21 (a) STUDY.—The Comptroller General of the United
22 States shall carry out a study on the following:

23 (1) All instances during the 10-year period
24 prior to the date of enactment of the Act in which

1 a surety bond proposed or issued by a surety in con-
2 nection with a Federal project was—

3 (A) rejected by a Federal contracting offi-
4 cer; or

5 (B) accepted by a Federal contracting offi-
6 cer, but was later found to have been backed by
7 insufficient collateral or to be otherwise defi-
8 cient or with respect to which the surety did not
9 perform.

10 (2) The consequences to the Federal Govern-
11 ment, subcontractors, and suppliers of the instances
12 described under paragraph (1).

13 (3) The percentages of all Federal contracts
14 that were awarded to new startup businesses (in-
15 cluding new startup businesses that are small dis-
16 advantaged businesses or disadvantaged business en-
17 terprises), small disadvantaged businesses, and dis-
18 advantaged business enterprises as prime contrac-
19 tors in the 2-year period prior to and the 2-year pe-
20 riod following the date of enactment of this Act, and
21 an assessment of the impact of this Act and the
22 amendments made by this Act upon such percent-
23 ages.

24 (b) REPORT.—Not later than the end of the 3-year
25 period beginning on the date of the enactment of this Act,

1 the Comptroller General shall issue a report to the Com-
2 mittee on the Judiciary of the House of Representatives
3 and the Committee on Homeland Security and Govern-
4 ment Affairs of the Senate containing all findings and de-
5 terminations made in carrying out the study required
6 under subsection (a).

7 (c) DEFINITIONS.—For purposes of this section:

8 (1) DISADVANTAGED BUSINESS ENTERPRISE.—

9 The term “disadvantaged business enterprise” has
10 the meaning given that term under section 26.5 of
11 title 49, Code of Federal Regulations.

12 (2) NEW STARTUP BUSINESS.—The term “new
13 startup business” means a business that was formed
14 in the 2-year period ending on the date on which the
15 business bids on a Federal contract that requires
16 giving a surety bond.

17 (3) SMALL DISADVANTAGED BUSINESS.—The
18 term “small disadvantaged business” has the mean-
19 ing given that term under section 124.1002(b) of
20 title 13, Code of Federal Regulations.

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