

Union Calendar No. 342

113TH CONGRESS
2^D SESSION

H. R. 776

[Report No. 113–462, Parts I and II]

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 15, 2013

Mr. HANNA (for himself and Mr. GRAVES of Missouri) 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

MAY 21, 2014

Additional sponsors: Ms. MENG, Mr. LUETKEMEYER, Mr. COLLINS of New York, Ms. MICHELLE LUJAN GRISHAM of New Mexico, and Mr. GRIFFIN of Arkansas

MAY 21, 2014

Reported from the Committee on the Judiciary with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MAY 21, 2014

Reported from the Committee on Small Business with amendments; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in **boldface roman**]

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 2013”.

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

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

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

10 **“§ 9310. Individual sureties**

11 “If another applicable law or regulation permits the
 12 acceptance of a bond from a surety that is not subject
 13 to sections 9305 and 9306 and is based on a pledge of
 14 assets by the surety, the assets pledged by such surety
 15 shall—

16 “(1) consist of eligible obligations described
 17 under section 9303(a); and

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

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

“9310. Individual sureties.”.

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

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

5 **SECTION 1. SHORT TITLE.**

6 *This Act may be cited as the “Security in Bonding*
 7 *Act of 2014”.*

8 **SEC. 2. SURETY BOND REQUIREMENTS.**

9 Chapter 93 of subtitle VI of title 31, United States
 10 Code, is amended—

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

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13 *“If another applicable law or regulation permits the*
 14 *acceptance of a bond from a surety that is not subject to*
 15 *sections 9305 and 9306 and is based on a pledge of assets*
 16 *by the surety, the assets pledged by such surety shall—*

17 *“(1) consist of eligible obligations described*
 18 *under section 9303(a); and*

19 *“(2) be submitted to the official of the Govern-*
 20 *ment required to approve or accept the bond, who*
 21 *shall deposit the assets with a depository described*
 22 *under section 9303(b).”;* and

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

“9310. Individual sureties.”.

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

2 *Section 411(c)(1) of the Small Business Investment*
3 *Act of 1958 (15 U.S.C. 694b(c)(1)) is amended by striking*
4 *“70” and inserting “90”.*

5 **SEC. 4. GAO STUDY.**

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

8 *(1) All instances during the 10-year period prior*
9 *to the date of enactment of the Act in which a surety*
10 *bond proposed or issued by a surety in connection*
11 *with a Federal project was—*

12 *(A) rejected by a Federal contracting officer;*

13 *or*

14 *(B) accepted by a Federal contracting offi-*
15 *cer, but was later found to have been backed by*
16 *insufficient collateral or to be otherwise deficient*
17 *or with respect to which the surety did not per-*
18 *form.*

19 *(2) The consequences to the Federal Government,*
20 *subcontractors, and suppliers of the instances de-*
21 *scribed under paragraph (1).*

22 *(3) The percentages of all Federal contracts that*
23 *were awarded to new startup businesses (including*
24 *new startup businesses that are small disadvantaged*
25 *businesses or disadvantaged business enterprises),*
26 *small disadvantaged businesses, and disadvantaged*

1 *business enterprises as prime contractors in the 2-*
2 *year period prior to and the 2-year period following*
3 *the date of enactment of this Act, and an assessment*
4 *of the impact of this Act and the amendments made*
5 *by this Act upon such percentages.*

6 *(b) REPORT.—Not later than the end of the 3-year pe-*
7 *riod beginning on the date of the enactment of this Act,*
8 *the Comptroller General shall issue a report to the Com-*
9 *mittee on the Judiciary of the House of Representatives and*
10 *the Committee on Homeland Security and Government Af-*
11 *fairs of the Senate containing all findings and determina-*
12 *tions made in carrying out the study required under sub-*
13 *section (a).*

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

15 *(1) DISADVANTAGED BUSINESS ENTERPRISE.—*
16 *The term “disadvantaged business enterprise” has the*
17 *meaning given that term under section 26.5 of title*
18 *49, Code of Federal Regulations.*

19 *(2) NEW STARTUP BUSINESS.—The term “new*
20 *startup business” means a business that was formed*
21 *in the 2-year period ending on the date on which the*
22 *business bids on a Federal contract that requires giv-*
23 *ing a surety bond.*

24 *(3) SMALL DISADVANTAGED BUSINESS.—The*
25 *term “small disadvantaged business” has the meaning*

1 *given that term under section 124.1002(b) of title 13,*
2 *Code of Federal Regulations.*

3 **SECTION 1. SHORT TITLE.**

4 **This Act may be cited as the “Security in**
5 **Bonding Act of 2014”.**

6 **SEC. 2. SBA SURETY BOND GUARANTEE.**

7 **Section 411(c)(1) of the Small Business In-**
8 **vestment Act of 1958 (15 U.S.C. 694b(c)(1)) is**
9 **amended by striking “70” and inserting “90”.**

Amend the title so as to read: “A bill to amend the
Small Business Investment Act of 1958 to increase the
amount of a surety bond guarantee.”.

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