

repealed insofar as such provisions appear in title 4, United States Code, 1940 edition, and supplements thereto, as shown by the appended table: *Provided*, That any rights or liabilities now existing under such repealed sections or parts thereof shall not be affected by such repeal.

STATUTES AT LARGE OR REVISED STATUTES

	Title 4, United States Code, section
R. S., secs. 1791, 1792.....	1
R. S., sec. 1792.....	2
Feb. 8, 1917, ch. 34, 39 Stat. 900.....	3
R. S., sec. 1793.....	4
R. S., secs. 203 (first clause), 1794.....	5
R. S., sec. 1795.....	6
R. S., sec. 1796.....	7
R. S., sec. 4798.....	8
R. S., sec. 1836.....	9
R. S., sec. 1837.....	10
R. S., sec. 1838.....	11
June 16, 1936, ch. 582, sec. 10, 49 Stat. 1521; Oct. 9, 1940, ch. 787, sec. 7, 54 Stat. 1060.....	12
Oct. 9, 1940, ch. 787, sec. 1, 54 Stat. 1059.....	13
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Approved July 30, 1947.

[CHAPTER 390]

AN ACT

July 30, 1947
[H. R. 1567]
[Public Law 280]

To codify and enact into positive law title 6 of the United States Code, entitled "Official and Penal Bonds".

Title 6, U. S. Code.
Codification and en-
actment into positive
law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 6 of the United States Code, entitled "Official and Penal Bonds", is codified and enacted into positive law and may be cited as "6 U. S. C., § —", as follows:

TITLE 6—OFFICIAL AND PENAL BONDS

- § 1. Custody.
- § 2. Examination as to sufficiency of sureties.
- § 3. Renewal; continuance of liability.
- § 4. Notice of delinquency of principal.
- § 5. Limitation of actions against sureties.
- § 6. Surety companies as sureties.
- § 7. Same; appointment of agents; service of process.
- § 8. Same; deposit of copy of charter.
- § 9. Same; quarterly statements.
- § 10. Same; jurisdiction of suits on bonds.
- § 11. Same; nonpayment of judgment.
- § 12. Same; estoppel to deny corporate powers.
- § 13. Same; failure to comply with the law.
- § 14. Rate of premium on bond; premiums not to be paid by United States.
- § 15. Bonds or notes of United States in lieu of recognizance, stipulation, bond, guaranty, or undertaking; place of deposit; return to depositor; contractors' bonds.

CUSTODY

§ 1. All bonds of the Treasurer of the United States, collectors of internal revenue, collectors, comptrollers of customs, surveyors, and other officers of the customs, either as such officers or as disbursing officers of the Treasury, bonds of the Secretary of the Senate, Clerk

of the House of Representatives, and the Sergeant at Arms of the House of Representatives, shall be placed in the custody of the Secretary of the Treasury and filed as he may direct; and the duties required by law on March 2, 1895, of the Comptroller of the Treasury in regard to such bonds, as the successor of the Commissioner of Customs and First Comptroller of the Treasury, shall be performed by the Secretary of the Treasury.

EXAMINATION AS TO SUFFICIENCY OF SURETIES

§ 2. Every officer required by law to take and approve official bonds shall cause the same to be examined at least once every two years for the purpose of ascertaining the sufficiency of the sureties thereon; and every officer having power to fix the amount of an official bond shall examine it to ascertain the sufficiency of the amount thereof and approve or fix said amount at least once in two years and as much oftener as he may deem it necessary.

RENEWAL; CONTINUANCE OF LIABILITY

§ 3. Every officer whose duty it is to take and approve official bonds shall cause all such bonds to be renewed every four years after their dates, but he may require such bonds to be renewed or strengthened oftener if he deem such action necessary. In the discretion of such officer the requirement of a new bond may be waived for the period of service of a bonded officer after the expiration of a four-year term of service pending the appointment and qualification of his successor. The nonperformance of any requirement of the provisions of sections 1 to 3 of this title, or of that part of section 27 of title 19 relating to transmitting copies of oaths to the Secretary of the Treasury, on the part of any official of the Government shall not be held to affect in any respect the liability of principal or sureties on any bond made or to be made to the United States. The liability of the principal and sureties on all official bonds shall continue and cover the period of service ensuing until the appointment and qualification of the successor of the principal. Nothing in said sections shall be construed to repeal or modify section 38 of title 39: *Provided*, That the payment and acceptance of the annual premium on corporate surety bonds furnished by postal officers and employees, officers and employees of other civilian agencies of the United States and bonded officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard shall be a compliance with the requirement for the renewal of such bonds within the meaning of sections 1 to 3 of this title.

NOTICE OF DELINQUENCY OF PRINCIPAL

§ 4. Whenever any deficiency shall be discovered in the accounts of any official of the United States, or of any officer disbursing or chargeable with public money, it shall be the duty of the accounting officers making such discovery to at once notify the head of the department having control over the affairs of said officer of the nature and amount of said deficiency, and it shall be the immediate duty of said head of department to at once notify all obligors upon the bond or bonds of such official of the nature of such deficiency and the amount thereof. Said notification shall be deemed sufficient if mailed at the post office in the city of Washington, District of Columbia, addressed to said sureties respectively and directed to the respective post offices where said obligors may reside, if known; but a failure to give or mail such notice shall not discharge the surety or sureties upon such bond.

LIMITATION OF ACTIONS AGAINST SURETIES

§ 5. If, upon the statement of the account of any official of the United States, or of any officer disbursing or chargeable with public money, by the accounting officers, it shall thereby appear that he is indebted to the United States, and suit therefor shall not be instituted within five years after such statement of said account, the sureties on his bond shall not be liable for such indebtedness.

SURETY COMPANIES AS SURETIES

§ 6. Whenever any recognizance, stipulation, bond, or undertaking conditioned for the faithful performance of any duty, or for doing or refraining from doing anything in such recognizance, stipulation, bond, or undertaking specified, is by the laws of the United States required or permitted to be given with one surety or with two or more sureties, the execution of the same or the guaranteeing of the performance of the condition thereof shall be sufficient when executed or guaranteed solely by a corporation incorporated under the laws of the United States or of any State having power to guarantee the fidelity of persons holding positions of public or private trust, and to execute and guarantee bonds and undertakings in judicial proceedings. Such recognizance, stipulation, bond, or undertaking shall be approved by the head of department, court, judge, officer, board, or body executive, legislative, or judicial required to approve or accept the same. No officer or person having the approval of any bond shall exact that it shall be furnished by a guaranty company or by any particular guaranty company.

SAME; APPOINTMENT OF AGENTS; SERVICE OF PROCESS

§ 7. No such company shall do business under the provisions of sections 6 to 13 of this title beyond the limits of the State or Territory under whose laws it was incorporated and in which its principal office is located, nor beyond the limits of the District of Columbia, when such company was incorporated under its laws or the laws of the United States and its principal office is located in said District, until it shall by a written power of attorney appoint some person residing within the jurisdiction of the court for the judicial district wherein such suretyship is to be undertaken, who shall be a citizen of the State, Territory, or District of Columbia, wherein such court is held, as its agent, upon whom may be served all lawful process against such company, and who shall be authorized to enter an appearance in its behalf. A copy of such power of attorney, duly certified and authenticated, shall be filed with the clerk of the district court of the United States for such district at each place where a term of such court is or may be held, which copy, or a certified copy thereof, shall be legal evidence in all controversies arising under sections 6 to 13 of this title. If any such agent shall be removed, resign, or die, become insane, or otherwise incapable of acting, it shall be the duty of such company to appoint another agent in his place as hereinbefore prescribed, and until such appointment shall have been made, or during the absence of any agent of such company from such district, service of process may be upon the clerk of the court wherein such suit is brought, with like effect as upon an agent appointed by the company. The officer executing such process upon such clerk shall immediately transmit a copy thereof by mail to the company, and state such fact in his return. A judgment, decree, or order of a court entered or made after service of process as aforesaid shall be as valid and binding on such company as if served with process in said district.

SAME; DEPOSIT OF COPY OF CHARTER

§ 8. Every company, before transacting any business under sections 6 to 13 of this title, shall deposit with the Secretary of the Treasury of the United States a copy of its charter or articles of incorporation, and a statement, signed and sworn to by its president and secretary, showing its assets and liabilities. If the said Secretary of the Treasury shall be satisfied that such company has authority under its charter to do the business provided for in sections 6 to 13 of this title, and that it has a paid-up capital of not less than \$250,000, in cash or its equivalent, and is able to keep and perform its contracts, he shall grant authority in writing to such company to do business under sections 6 to 13 of this title.

SAME; QUARTERLY STATEMENTS

§ 9. Every such company shall, in the months of January, April, July, and October of each year, file with the said Secretary of the Treasury a statement, signed and sworn to by its president and secretary, showing its assets and liabilities, as is required by section 8 of this title. The said Secretary of the Treasury shall have the power, and it shall be his duty, to revoke the authority of any such company to transact any new business under sections 6 to 13 of this title whenever in his judgment such company is not solvent or is conducting its business in violation of sections 6 to 13 of this title. He may institute inquiry at any time into the solvency of said company and may require that additional security be given at any time by any principal when he deems such company no longer sufficient security.

SAME; JURISDICTION OF SUITS ON BONDS

§ 10. Any surety company doing business under the provisions of sections 6 to 13 of this title may be sued in respect thereof in any court of the United States which has or may have jurisdiction of actions or suits upon such recognizance, stipulation, bond, or undertaking, in the district in which such recognizance, stipulation, bond, or undertaking was made or guaranteed, or in the district in which the principal office of such company is located. For the purposes of sections 6 to 13 of this title such recognizance, stipulation, bond, or undertaking shall be treated as made or guaranteed in the district in which the office is located, to which it is returnable, or in which it is filed, or in the district in which the principal in such recognizance, stipulation, bond, or undertaking resided when it was made or guaranteed.

SAME; NONPAYMENT OF JUDGMENT

§ 11. If any such company shall neglect or refuse to pay any final judgment or decree rendered against it upon any such recognizance, stipulation, bond, or undertaking made or guaranteed by it under the provisions of sections 6 to 13 of this title, from which no appeal or supersedeas has been taken, for thirty days after the rendition of such judgment or decree, it shall forfeit all right to do business under sections 6 to 13 of this title.

SAME; ESTOPPEL TO DENY CORPORATE POWERS

§ 12. Any company which shall execute or guarantee any recognizance, stipulation, bond, or undertaking under the provisions of sections 6 to 13 of this title shall be estopped in any proceeding to enforce the liability which it shall have assumed to incur, to deny its corporate power to execute or guarantee such instrument or assume such liability.

SAME; FAILURE TO COMPLY WITH LAW

§ 13. Any company doing business under the provisions of sections 6 to 13 of this title which shall fail to comply with any of its provisions shall forfeit to the United States for every such failure not less than \$500 nor more than \$5,000, to be recovered by suit in the name of the United States in the same courts in which suit may be brought against such company under the provisions of sections 6 to 13 of this title, and such failure shall not affect the validity of any contract entered into by such company.

RATE OF PREMIUM ON BOND; PREMIUMS NOT TO BE PAID BY UNITED STATES

§ 14. Until otherwise provided by law no bond shall be accepted from any surety or bonding company for any officer or employee of the United States which shall cost more than 35 per centum in excess of the rate of premium charged for a like bond during the calendar year 1908. The United States shall not pay any part of the premium or other cost of furnishing a bond required by law or otherwise of any officer or employee of the United States.

BONDS OR NOTES OF UNITED STATES IN LIEU OF RECOGNIZANCE, STIPULATION, BOND, GUARANTY, OR UNDERTAKING; PLACE OF DEPOSIT; RETURN TO DEPOSITOR; CONTRACTORS' BONDS

§ 15. Wherever by the laws of the United States or regulations made pursuant thereto, any person is required to furnish any recognizance, stipulation, bond, guaranty, or undertaking, hereinafter called "penal bond", with surety or sureties, such person may, in lieu of such surety or sureties, deposit as security with the official having authority to approve such penal bond, United States Liberty bonds or other bonds or notes of the United States in a sum equal at their par value to the amount of such penal bond required to be furnished, together with an agreement authorizing such official to collect or sell such bonds or notes so deposited in case of any default in the performance of any of the conditions or stipulations of such penal bond. The acceptance of such United States bonds or notes in lieu of surety or sureties required by law shall have the same force and effect as individual or corporate sureties, or certified checks, bank drafts, post-office money orders, or cash, for the penalty or amount of such penal bond. The bonds or notes deposited hereunder, and such other United States bonds or notes as may be substituted therefor from time to time as such security, may be deposited with the Treasurer of the United States, a Federal Reserve bank, or other depository duly designated for that purpose by the Secretary, which shall issue receipt therefor, describing such bonds or notes so deposited. As soon as security for the performance of such penal bond is no longer necessary, such bonds or notes so deposited shall be returned to the depositor. In case a person or persons supplying a contractor with labor or material as provided by sections 270a to 270d of title 40 shall file with the obligee, at any time after a default in the performance of any contract subject to said sections 270a to 270d, the application and affidavit therein provided, the obligee shall not deliver to the obligor the deposited bonds or notes nor any surplus proceeds thereof until the expiration of the time limited by said sections 270a to 270d for the institution of suit by such person or persons, and, in case suit shall be instituted within such time, shall hold said bonds or notes or proceeds subject to the order of the court having jurisdiction thereof. Nothing herein contained shall affect or impair

Place of deposit.

Return to depositor.

Person supplying contractor with labor, etc.

the priority of the claim of the United States against the bonds or notes deposited or any right or remedy granted by said sections 270a to 270d or by this section to the United States for default upon any obligation of said penal bond. All laws inconsistent with this section are hereby so modified as to conform to the provisions hereof. Nothing contained herein shall affect the authority of courts over the security, where such bonds are taken as security in judicial proceedings, or the authority of any administrative officer of the United States to receive United States bonds for security in cases authorized by existing laws. The Secretary may prescribe rules and regulations necessary and proper for carrying this section into effect. The term "person" in this section means an individual, a trust or estate, a partnership, or a corporation; the term "Secretary" means the Secretary of the Treasury. In order to avoid the frequent substitution of securities such rules and regulations may limit the effect of this section, in appropriate classes of cases, to bonds and notes of the United States maturing more than a year after the date of deposit of such bonds as security. The phrase "bonds or notes of the United States" shall be deemed, for the purposes of this section, to mean any public-debt obligations of the United States and any bonds, notes, or other obligations which are unconditionally guaranteed as to both interest and principal by the United States.

Sec. 2. The sections or parts thereof of the Statutes at Large covering provisions codified in this Act, insofar as such provisions appear in title 6, United States Code, 1940 edition, and supplements thereto, as shown by the appended table, are hereby repealed: *Provided*, That any rights or liabilities now existing under such repealed sections or parts thereof shall not be affected by such repeal.

"Person."

"Secretary."

"Bonds or notes of the United States."

Repeals.

STATUTES AT LARGE	Title 6, United States Code, Section
Mar. 2, 1895, ch. 177, sec. 5, second paragraph, 28 Stat. 807; June 17, 1930, ch. 497, sec. 523, first paragraph, 46 Stat. 740	1
Mar. 2, 1895, ch. 177, sec. 5, third paragraph, 28 Stat. 807	2
Mar. 2, 1895, ch. 177, sec. 5, fourth paragraph, 28 Stat. 807; Mar. 8, 1928, ch. 148, 45 Stat. 247	3
Aug. 8, 1888, ch. 787, sec. 1, 25 Stat. 387	4
Aug. 8, 1888, ch. 787, sec. 2, 25 Stat. 387; as modified by June 10, 1921, ch. 18, sec. 301, 42 Stat. 23	5
Aug. 13, 1894, ch. 282, sec. 1, 28 Stat. 279	6
Aug. 13, 1894, ch. 282, sec. 2, 28 Stat. 279	7
Aug. 13, 1894, ch. 282, sec. 3, 28 Stat. 279; Mar. 23, 1910, ch. 109, 36 Stat. 241	8
Aug. 13, 1894, ch. 282, sec. 4, 28 Stat. 279; Mar. 23, 1910, ch. 109, 36 Stat. 241	9
Aug. 13, 1894, ch. 282, sec. 5, 28 Stat. 280	10
Aug. 13, 1894, ch. 282, sec. 6, 28 Stat. 280; as modified Jan. 31, 1928, ch. 14, sec. 1, 45 Stat. 54	11
Aug. 13, 1894, ch. 282, sec. 7, 28 Stat. 280	12
Aug. 13, 1894, ch. 282, sec. 8, 28 Stat. 280	13
Aug. 5, 1909, ch. 7, 36 Stat. 125, first paragraph under "Department of Commerce and Labor"	14
Feb. 24, 1919, ch. 18, sec. 1320, 40 Stat. 1148; Nov. 23, 1921, ch. 136, sec. 1329, 42 Stat. 318; Feb. 26, 1926, ch. 27, secs. 2 (a) (1), (6), 1126, 44 Stat. 9, 122; Feb. 4, 1935, ch. 5, sec. 7, 49 Stat. 22; Mar. 31, 1944, ch. 148, 58 Stat. 135, 136	15
Approved July 30, 1947.	