AMENDMENT TO RULES COMMITTEE PRINT 113-44
OFFERED BY MR. HANNA OF NEW YORK

Page 218, strike lines 17 through 20 and insert the following (and conform the table the contents accordingly):

SEC. 816. IMPROVING FEDERAL SURETY BONDS.

(a) SURETY BOND REQUIREMENTS.—Chapter 93 of subtitle VI of title 31, United States Code, is amended—

(1) by adding at the end the following:

“SEC. 9310. INDIVIDUAL SURETIES.

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

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

“(2) be submitted to the official of the Government required to approve or accept the bond, who shall deposit the assets with a depository described under section 9303(b).”; and
(2) in the table of contents for such chapter, by adding at the end the following:

“9310. Individual sureties”.

(b) SBA Surety Bond Guarantee.—Section 411(c)(1) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)(1)) is amended by striking “70” and inserting “90”.

(c) GAO Study.—

(1) Study.—The Comptroller General of the United States shall carry out a study on the following:

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

(i) rejected by a Federal contracting officer; or

(ii) accepted by a Federal contracting officer, but was later found to have been backed by insufficient collateral or to be otherwise deficient or with respect to which the surety did not perform.

(B) The consequences to the Federal Government, subcontractors, and suppliers of the instances described under paragraph (1).
(C) The percentages of all Federal contracts that were awarded to new startup businesses (including new startup businesses that are small disadvantaged businesses or disadvantaged business enterprises), small disadvantaged businesses, and disadvantaged business enterprises as prime contractors in the 2-year period prior to and the 2-year period following the date of enactment of this Act, and an assessment of the impact of this Act and the amendments made by this Act upon such percentages.

(2) REPORT.—Not later than the end of the 3-year period beginning on the date of the enactment of this Act, the Comptroller General shall issue a report to the Committee on the Judiciary of the House of Representatives and the Committee on Homeland Security and Government Affairs of the Senate containing all findings and determinations made in carrying out the study required under subsection (a).

(3) DEFINITIONS.—For purposes of this section:

(A) DISADVANTAGED BUSINESS ENTERPRISE.—The term “disadvantaged business enterprise” has the meaning given that term

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

(C) SMALL DISADVANTAGED BUSINESS.—The term “small disadvantaged business” has the meaning given that term under section 124.1002(b) of title 13, Code of Federal Regulations.