

Sub. H.B. 1
LSC 128 0516-4
HC-2428

_____ moved to amend as follows:

In line 335, after "122.76," insert "122.89," 1

Between lines 4547 and 4548, insert: 2

"**Sec. 122.89.** (A) The director of development may execute 3
bonds as surety for minority businesses as principals, on 4
contracts with the state, any political subdivision or 5
instrumentality thereof, or any person as the obligee. The 6
director as surety may exercise all the rights and powers of a 7
company authorized by the department of insurance to execute bonds 8
as surety but shall not be subject to any requirements of a surety 9
company under Title XXXIX of the Revised Code nor to any rules of 10
the department of insurance. 11

(B) The director, with the advice of the minority development 12
financing advisory board, shall adopt rules under Chapter 119. of 13
the Revised Code establishing procedures for application for 14
surety bonds by minority businesses and for review and approval of 15
applications. The board shall review each application in 16
accordance with the rules and, based on the bond worthiness of 17
each applicant, shall refer all qualified applicants to the 18
director. Based on the recommendation of the board, the director 19
shall determine whether or not the applicant shall receive 20
bonding. 21

~~(C) The rules of the board shall provide that the minority business, in order to make an application for a bond to the director, shall submit documentation, as the director requires, to demonstrate either that a minority business shall have been denied a bond by two surety companies or that the minority business has applied to two surety companies for a bond and, at the expiration of sixty days after making the application, has neither received nor been denied a bond.~~ 22-29

~~(D)~~ The rules of the board shall require the minority business to pay a premium in advance for the bond to be established by the director, with the advice of the board after the director receives advice from the superintendent of insurance regarding the standard market rates for premiums for similar bonds. All premiums paid by minority businesses shall be paid into the minority business bonding program administrative and loss reserve fund. 30-37

~~(E)~~(D) The penal sum amounts of all outstanding bonds issued by the director shall not exceed the amount of moneys in the minority business bonding fund and available to the fund under division (B) of section 169.05 of the Revised Code. 38-41

~~(F)~~(E) The superintendent of insurance shall provide such technical and professional assistance as is considered necessary by the director, including providing advice regarding the standard market rates for bond premiums as described under division ~~(D)~~(C) of this section." 42-46

In line 98864, after "122.76," insert "122.89," 47

In line 6 of the title, after "122.76," insert "122.89," 48

The motion was _____ agreed to.

SYNOPSIS

Rules for Application by Minority Business for a Bond	49
R.C. 122.89	50
Removes a provision of current law that requires the rules of	51
the Minority Development Financing Advisory Board regarding the	52
establishment of procedures for minority businesses applying for	53
surety bonds and for review and approval of applications to	54
provide that the minority business, in order to make an	55
application for a bond to the Director of Development, to submit	56
documentation, as the Director requires, to demonstrate either	57
that a minority business has been denied a bond by two surety	58
companies or that the minority business has applied to two surety	59
companies for a bond and, at the expiration of 60 days after	60
making the application, has neither received nor been denied a	61
bond.	62