

STATE OF OKLAHOMA

2nd Session of the 43rd Legislature (1992)

SENATE BILL NO. 823

BY: MILES-LaGRANGE

AS INTRODUCED

AN ACT RELATING TO THE SMALL BUSINESS SURETY BOND
GUARANTY PROGRAM; AMENDING 74 O.S. 1991, SECTIONS
85.47b, 85.47d AND 85.47f, WHICH RELATE TO POWERS
AND DUTIES OF THE PROGRAM ADMINISTRATOR, GUARANTY
LIMITS, TERMS, PREMIUMS AND FEES AND THE INDEMNITY
FUND; REMOVING LIMIT ON FEES AND PREMIUM CHARGED;
PROVIDING FOR PROMULGATION OF RULES TO SET LIMITS;
REMOVING LIMIT ON AMOUNT OF LOSSES WHICH MAY BE
GUARANTEED UNDER PROGRAM; AND PROVIDING AN
EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 1991, Section 85.47b, is
amended to read as follows:

Section 85.47b The Administrator shall be authorized to:

1. Use the services of other governmental agencies and public trusts which are necessary to carry out the provisions of this act;
2. Contract for and accept, for use in carrying out the provisions of this program, loans and grants from the federal government and any of its agencies and instrumentalities and from public trusts;

3. Acquire, manage, operate, dispose of, or otherwise deal with property, take assignments of rentals and leases, and make contracts, leases, agreements and arrangements that are necessary or incidental to the performance of his duties;

4. Prescribe or approve the form of and terms and conditions in applications, guarantee agreements or any other documents entered into by the Administrator, principals or sureties in connection with the program;

5. Acquire or take assignments of documents executed, obtained or delivered in connection with any assistance provided under this program; and

6. Fix, determine, charge and collect any premiums and fees, ~~not to exceed ten percent (10%) of the amount of each contract for which bonding is obtained~~ pursuant to rules promulgated by the Director of the Office of Public Affairs.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 85.47d, is amended to read as follows:

Section 85.47d A. Subject to the restrictions of the Oklahoma Small Business Surety Bond Guaranty Program Act, the Administrator, on application, may guarantee any surety which qualifies pursuant to this act ~~up to fifty percent (50%) of~~ for any losses incurred as a result of a principal's breach of a bid bond, a payment bond, a defect or maintenance bond, or a performance bond required for a public construction contract for the state, federal agencies and political subdivisions of the State of Oklahoma. Provided, the guaranty shall not be extended to any bond with a face value in excess of Two Hundred Fifty Thousand Dollars (\$250,000.00), nor shall the total face value of the bonds to which the guaranty is extended for any one principal exceed Five Hundred Thousand Dollars (\$500,000.00). Provided further, the guaranty shall not be granted to an issuer of a letter of credit used in lieu of said bonds.

B. The terms of a guaranty under the Oklahoma Small Business Surety Bond Guaranty Program Act shall not exceed the terms of the contract for which bonding is obtained.

C. The Office of Public Affairs shall establish an indemnity fund for this program using a public trust or other entity capable of creating a fund which is not subject to the constitutional prohibitions of Sections 15 and 23 of Article X of the Oklahoma Constitution.

SECTION 3. AMENDATORY 74 O.S. 1991, Section 85.47f, is amended to read as follows:

Section 85.47f A. The Administrator may set reasonable premiums and fees, not to exceed ~~ten percent (10%) of the amount of the contract for which bonding is obtained~~ limits established by rules promulgated by the Director of the Office of Public Affairs, to be paid for the purpose of providing bonding assistance under this program.

B. The premiums and fees set by the Administrator shall be payable in the amounts, at the time and in the manner that the Administrator requires.

C. The premiums and fees need not be uniform among transactions, and may vary in amount:

1. Among transactions; and
2. At different stages during the terms of transactions.

SECTION 4. This act shall become effective September 1, 1992.

43-2-1532 JY