



# Surety & Fidelity

Weekly



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## Missouri Governor Signs SFAA's Bill to Clarify Bonding Requirements for Public Works Projects

Missouri approved [SB 167](#), which clarifies bonding requirements for public works projects to address the Missouri Supreme Court's decision in the *Brentwood* case. In *Brentwood*, the Supreme Court held that the bonding requirements of the



Little Miller Act are not applicable when a public owner hires a consultant or other third party to help develop public property on its behalf, since the consultant did not “provide” construction services, but merely “arranged” for them. SB 167 makes it clear that the Little Miller Act does, indeed, apply to such project delivery. The final bill

includes an amendment that the local ASA and AGC spearheaded to expand claimants under the payment bond to suppliers at all tiers, with remote suppliers required to furnish written notice of non-payment. The final bill also includes a provision added just prior to the bill’s passage in the legislature that prohibits the enforcement of a mechanic’s lien when bonds are in place pursuant to this section. Any mechanic’s lien filed in violation will be void and unenforceable and summarily discharged by a judge.

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## California Bail Bond Bill Fails to Advance After SFAA & APCIA Effort

The California Assembly Insurance Committee voted down [SB 318](#) ending the possibility for the legislation to advance during this year’s session. The bill would have applied consumer lending

statutes to the contract for bail premium financing on a retroactive basis, potentially invalidating hundreds of existing bail contracts in the state. The bill was strongly opposed by the bail agents and sureties. SFAA and APCIA successfully advocated against the advancement of the bill in the Assembly Insurance Committee, preventing the legislation from receiving the requisite eight votes to advance for final consideration.



## Senate Committee Holds First Hearing on Highway Bill Reauthorization

The Senate Environment and Public Works (EPW) Committee held a hearing to discuss its surface transportation priorities as a first step to introduce a highway reauthorization bill, which is a key legislative priority for SFAA and the construction industry as a whole. Committee Chairman Barrasso (R-

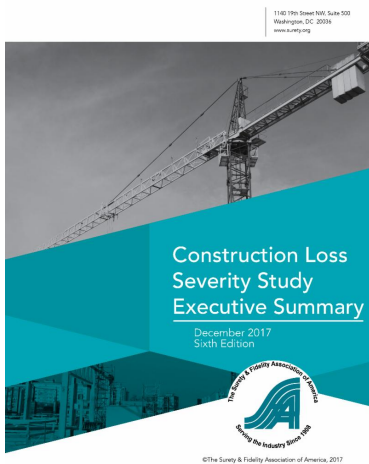
Wyo.) has indicated that he hopes to have a Committee vote on the not-yet-introduced proposal before the Senate adjourns for August recess. The programs included in the highway bill are not due to lapse until Sept. 30, 2020 but Chairman Barrasso is pressing to be “first out of the gate” among Congressional committees in drafting a new highway bill. SFAA is working with Congressional stakeholders in the Senate to include a clarification of the bonding requirements for TIFIA-financed P3 projects in the highway bill.

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## House Committee Discusses Water Resource Development Act

A key House subcommittee held its first hearing on a water resources development bill (WRDA), which includes provisions to authorize the Water Infrastructure Finance and Innovation Act (WIFIA). Leadership from both parties indicated their commitment to

approve a water resources development bill in 2020 and agreed that a biennial schedule for such legislation remains appropriate. Lawmakers added that addressing the unprecedented flooding in the Midwest and reforming the Harbor Maintenance Trust Fund should be critical tenets of the next WRDA bill. SFAA is beginning its work with the House subcommittee to ensure bonding requirements for WIFIA P3's are consistent with bonding requirements for water infrastructure projects utilizing traditional federal procurement methods.



### Reminder: Call for Data

*Reminder: The SFAA has sent a data request for claim and loss information by contractors from all SFAA members for use in updating our Construction Loss Severity model. Submissions are due by September 1, 2019 and should be uploaded [via our website](#).*

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