



Am. S.B. 109
124th General Assembly
(As Passed by the Senate)

Sens. **Nein, Mumper**

BILL SUMMARY

- ? Prohibits a state or local public authority, in issuing an invitation for bids or a request for proposals for a contract with the public authority for services, materials, or public improvements, from requiring that any bond or insurance policy required under the contract be furnished by or acquired from a particular surety or insurance company or a particular agent or broker.
- ? Authorizes the commencement of a civil action for injunctive relief against a public authority for violation of this prohibition.

CONTENT AND OPERATION

Currently, the law on bidding for public contracts does not prohibit a state or local public authority, in inviting bids or proposals for a contract with the public authority for services, materials, or public improvements, from requiring that any bond or insurance under the contract be acquired from a particular company or a particular agent or broker. The bill establishes such a prohibition.

Accordingly, the bill specifically prohibits an officer, employee, or other agent of a public authority, in issuing an invitation for bids or a request for proposals for a contract with the public authority for the rendering of services or the supplying of materials, or for the construction, demolition, alteration, repair, or reconstruction of any public building, structure, highway, or other improvement, from requiring, either directly or indirectly, that any bid bond, performance bond, payment bond, or other bond, or any insurance policy, required under the contract be furnished by or acquired from a particular surety or insurance company or a particular agent or broker. For purposes of the bill, "**public authority**" is defined as (1) the state or a county, township, municipal corporation, school district, or other political subdivision of the state or (2) any public agency, authority, board, commission, instrumentality, or special district of the state or of a county,

township, municipal corporation, school district, or other political subdivision of the state. (Sec. 9.315.)

A person that is likely to be damaged by a violation of the bill's prohibition is permitted to commence a civil action for injunctive relief against the public authority. The bill allows the court of common pleas involved in that action to grant injunctive relief based on the principles of equity and on the terms that the court considers reasonable, and to award reasonable attorney's fees and court costs to the prevailing party. Proof of monetary damage or loss of profits is not required for a civil action brought under the bill. (Sec. 9.316.)

The bill applies only with respect to contracts that are entered into on or after the bill's effective date (Section 2).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	05-09-01	p. 365
Reported, S. Insurance, Commerce & Labor	06-05-01	pp. 610-611
Passed Senate (33-0)	06-06-01	p. 625

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