

**For Immediate Release**

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**Pennsylvania Governor Signs House Bill 885,  
Amends the Public Works Contractors' Bond Law**

Bill Ensures the Necessary Protections to Enable Responsible Development

**November 2, 2020, WASHINGTON, DC** – [The Surety & Fidelity Association of America \(SFAA\)](#) commends Pennsylvania Governor Wolf for signing House Bill 885 into law. Pennsylvania has enacted House Bill 885, which amends the Public Works Contractors' Bond Law to remove the ability of contracting bodies to accept any form of alternative financial security when signing contracts for projects.

The Surety & Fidelity Association of America has been working alongside [National Association of Surety Bond Producers \(NASBP\)](#), [American Subcontractor Association \(ASA\)](#), the [Insurance Federation of Pennsylvania](#), and local surety associations on amending Pennsylvania's bonding requirements. After successful lobbying efforts to consolidate Senate and House bills and getting the threshold limits established, PA HB 885 passed through both chambers of the legislature. It will eliminate the discretion local governments have in the state's Little Miller Act, which allows them to accept any financial security in lieu of performance and payment bonds. The bill provides that only bonds, letters of credit, or escrow accounts for 100% of the contract amount would be accepted and holds the state's bonding threshold to \$10,000. The amended bill passed the House with little opposition and the Senate unanimously and was signed by Governor Wolf on October 29, 2020. The bill will go into effect 60 days after receiving the Governor's signature.

"We thank [Governor Wolf](#) for recognizing the importance of amending the Public Works Contractors' Bond Law and will continue to work with state and local agencies to promote the value of surety bonds to protect taxpayer dollars and deliver responsible development," said SFAA President and CEO Lee Covington. "The infrastructure projects and state businesses that these bonds support are essential to safely getting people back to work and our economy back on track," continued Covington.

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***The Surety & Fidelity Association of America (SFAA)** is a trade association of more than 425 insurance companies that write 98 percent of surety and fidelity bonds in the U.S. SFAA is licensed as a rating or advisory organization in all states and it has been designated by state insurance departments as a statistical agent for the reporting of fidelity and surety experience. [www.surety.org](http://www.surety.org)*