

## Ohio May Offer Assistance to Minority Businesses with New Bonding Laws

The Ohio legislature has included changes to the minority business bonding program in the latest version of the Ohio 2010-2011 state budget, Am. Sub. House Bill No. 1. These changes are aimed at assisting small minority businesses who would otherwise have difficulty obtaining bonds.

To qualify under the unbonded state contractor program or the unbonded political subdivision contractor program, a minority business or a business enterprise certified as a participant in the Encouraging Diversity, Growth, and Equity (EDGE) program must participate in a qualified contractor assistance program. Once the minority business or EDGE business enterprise is participating in or has successfully completed the program, it may bid or enter into a contract up to \$25,000 with the State or a political subdivision without being required to provide a bond.

After the successful completion of this contract, the participant may bid or enter into subsequent contracts of larger amounts without being required to provide a bond:

- After successful completion of the first contract, the participant may bid or enter into a contract up to \$50,000 with the State or a political subdivision without being required to provide a bond.
- After successful completion of a second contract, the participant may bid or enter into a contract up to \$100,000 with the State or a political subdivision without being required to provide a bond.
- After successful completion of a third contract, the participant may bid or enter into a contract up to \$300,000 with the State or up to \$200,000 with a political subdivision without being required to provide a bond.

If, after the successful completion of a fourth contract, the participant is denied or unable to obtain a bond after 60 days with respect to a contract of up to \$400,000 with the State or up to \$300,000 with a political subdivision after applying to two surety companies, the participant may again take part in the programs; however, a participant may only take part in each separate program twice.

Further, a participant may only move to higher unbonded tiers under the unbonded political subdivision contractor program if working with the same political subdivision, unless the participant has entered into two or more contracts with the State. If that is the case, then the participant may bid or enter into a contract with a political subdivision at the level at which it would qualify if entering into an additional contract with the State.

The Governor has not signed House Bill No. 1. HL Construction Law will continue to provide status updates.

See Am. Sub. H. B. No. 1, Sec. 122.89(G)-(I), as enrolled, at:  
[http://www.legislature.state.oh.us/BillText128/128\\_HB\\_1\\_EN\\_N.pdf](http://www.legislature.state.oh.us/BillText128/128_HB_1_EN_N.pdf)

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