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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 1981

01/26/2012 Authored by Howes

The bill was read for the first time and referred to the Committee on Government Operations and Elections

03/21/2012 By motion, recalled and re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act
1.2 relating to performance bonds; modifying a cost threshold relating to public
1.3 works contracts; amending Minnesota Statutes 2010, section 574.26, subdivision
1.4 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2010, section 574.26, subdivision 2, is amended to read:

1.7 Subd. 2. **Terms.** Except as provided in sections 574.263 and 574.264 or if the
1.8 amount of the contract is ~~\$75,000~~ \$100,000 or less, a contract with a public body for
1.9 the doing of any public work is not valid unless the contractor gives (1) a performance
1.10 bond to the public body with whom the contractor entered into the contract, for the
1.11 use and benefit of the public body to complete the contract according to its terms, and
1.12 conditioned on saving the public body harmless from all costs and charges that may
1.13 accrue on account of completing the specified work, and (2) a payment bond for the use
1.14 and benefit of all persons furnishing labor and materials engaged under, or to perform the
1.15 contract, conditioned for the payment, as they become due, of all just claims for the labor
1.16 and materials. Reasonable attorneys' fees, costs, and disbursements may be awarded
1.17 in an action to enforce claims under the act if the action is successfully maintained
1.18 or successfully appealed.