

CHAPTER 574

BONDS, FINES, FORFEITURES

574.262 Small business.
574.264 Security in lieu of bond.

574.38 Letters of credit.

574.262 SMALL BUSINESS.

[For text of subs 1 and 2, see M.S.1988]

Subd. 3. [Repealed, 1989 c 155 s 5]

[For text of subd 4, see M.S.1988]

574.264 SECURITY IN LIEU OF BOND.

Subdivision 1. **Forest development projects.** For a state contract for a forestry development project, the person required to file the bond or bid deposit may deposit in a local designated state depository or with the state treasurer a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount that would be required for a bond or bid deposit. If securities listed in this section are deposited, their value shall not be less than the amount required for the bond or bid deposit and the person required to file the performance bond or bid deposit shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the securities in the event of default under the contract. The security deposits are for the protection of the state and for the performance and completion of the contract in accordance with its terms and as security for all costs and charges that may accrue for the doing of the work specified and compliance with the laws relating to it.

[For text of subd 2, see M.S.1988]

History: 1989 c 50 s 1

574.38 LETTERS OF CREDIT.

Whenever this chapter or other law or home rule charter requires a performance bond from a contractor doing a public work project of under \$50,000 for a home rule charter or statutory city, county, town, school district or other local government authority, the contractor may be permitted to provide, in lieu of the bond, an irrevocable bank letter of credit in the same amount required for the bond and subject to the same conditions as the bond.

History: 1989 c 132 s 1