574.264 NATURAL RESOURCE PROJECT; SECURITY.

Subdivision 1. **Natural resource development projects.** In place of a performance or payment bond or bid deposit for a state contract for a natural resource development project less than $100,000, the person required to file the bond or bid deposit may deposit in a local designated state depository or with the commissioner of management and budget 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 the 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 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 or nonpayment of any persons furnishing labor and materials under, or to perform, the contract.

Subd. 2. **Claims against securities in place of bid deposits.** Securities in place of payment bonds are subject to claims as provided for other deposits in section 574.261, subdivision 2.

History: *1985 c 112 s 4; 1989 c 50 s 1; 1994 c 419 s 6; 1999 c 231 s 190; 2000 c 495 s 49; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*