574.27 BIDDERS TO HAVE RIGHT OF ACTION IN CERTAIN CASES.

A public body may require that a bidder provide a bid bond or other security as a proposal guaranty that the bidder will enter into a contract if its bid is accepted. Any bidder upon any public work or public improvement of any kind in this state where bids are received and where, in connection with such bids, a deposit of money, or a certified check, or bid bond or other security must be provided with the bid, the public body causing such public work or other public improvement to be made or done shall be liable to such bidder for a return of the money, certified check, or other thing of value so deposited if the bidder's bid on such public work or improvement is not accepted, or if the bidder's bid is accepted before the bid expires, after the bidder enters into a contract for the work and provides acceptable security in connection with it. This liability exists even though the failure to return the money, certified check, or other thing of value is due to the defalcation or unlawful conversion of the thing of value by the officer of the public body charged with the custody of it.

History: *(9701) 1923 c 348 s 1; 1986 c 444; 1994 c 419 s 7*