

HOUSE RESEARCH

Bill Summary

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Subject: Exemption from Public Contractors' Performance and Payment Bond Act

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Overview

The Public Contractors' Performance and Payment Bond Act (Minn. Stat. §§ 574.26 to 574.32) requires any contract with a public body for the doing of any public work to contain a requirement that the contractor give a performance bond and a payment bond. The law currently provides exemptions from the requirement for certain manufacturers of public transit buses and for specified contracts with the Department of Transportation. This bill would provide an exemption for all contracts between public bodies.

Section

- 1** **Exemption.** Adds an exemption from The Public Contractors' Performance and Payment Bond Act for contracts between public bodies.
- 2** **Effective date.** Effective August 1, 2005, for contracts entered on or after that date.