

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 380

Short Title: Highway Bonding Requirements.

(Public)

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Sponsors: Representatives Nichols; and Buchanan.

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Referred to: Transportation, if favorable, Finance.

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March 4, 1997

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT IRREVOCABLE LETTERS OF CREDIT MAY BE  
SUBSTITUTED FOR REQUIRED BONDS ON HIGHWAY CONTRACTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 44A-26 is amended by adding a new subsection to read:

"(c) The bonding requirements contained in subsection (a) of this section for highway contracts may be met by posting with the Department of Transportation an irrevocable letter of credit or cash in an amount equal to the amount of the required bonds. The Department of Transportation shall by regulation prescribe the form of the letter of credit and the criteria for the financial institution issuing the letter of credit along with the form of election under this subsection."

Section 2. This act is effective when it becomes law.