

MEMORANDUM

DATE: June 27, 2003

TO: All Municipalities, Building Officials, and Mechanical Contractors

FROM: Thomas R. Joachim
State Building Official 

SUBJECT: **Statewide Surety Bond and Filing Fee Requirements for mechanical work per MS 326.992 in Minnesota.**
Law effective: July 1, 2003

The State Legislature passed a law effective July 1, 2003 requiring anyone who installs gas piping, heating, ventilation, cooling, air conditioning, fuel burning or refrigeration (G/HVACR) equipment to post a \$25,000 bond and file with the Department of Labor and Industry, Construction Codes and Licensing Division.

This bond is for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the requirements of the State Mechanical Code. Furthermore, a statewide surety bond will eliminate duplication of multiple bonds required of mechanical contractors who work in more than one jurisdiction.

The bond in the amount of \$25,000 and a \$15 filing fee must be filed with the Minnesota Department of Labor & Industry, Construction Codes and Licensing Division prior to commencing with work covered by the bond.

Minnesota Statute 326.992 [Bond requirement; gas, heating, ventilation, air conditioning, refrigeration (G/HVACR) contractors.]

(a) A person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning, or refrigeration work must give bond to the state in the amount of \$25,000 for all work entered into within the state. The bond must be for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the requirements of the State Mechanical Code. A bond given to the state must be filed with the commissioner of Labor and Industry and is in lieu of all other bonds to any political subdivision required for work covered by this section. The bond must be written by a corporate surety licensed to do business in the state.

(b) The commissioner of Labor and Industry may charge each person giving bond under this section an annual bond filing fee of \$15. The money must be deposited in a special revenue fund and is appropriated to the commissioner to cover the cost of administering the bond program.

Mail the bond form and the \$15 fee to: Department of Labor and Industry, Financial Services, 443 Lafayette Road N., St. Paul, MN 55155.

The Mechanical Surety Bond and Fee form may be found on the Web site at: www.doli.state.mn.us, Construction Codes and Licensing Division, right column under Quick Links or by calling the Department of Labor and Industry, Construction Codes and Licensing Division, (651) 284-5068.