

**197.540 Irrevocable letter of credit as substitute for performance bond --
Protection of state's interest in continual level of prison beds.**

- (1) When KRS 197.510 or any other statute relating to contracting for the private operation of prisons requires a performance bond, an irrevocable letter of credit or a performance bond in a form satisfactory to the Commonwealth may be substituted.
- (2) The contract shall also protect the state's interest in providing a continual level of prison beds available without a sudden drop in the number of prison beds available or the need to release inmates or provide for their transfer to other facilities.

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 606, sec. 95, effective July 15, 1998.