

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1421

Introduced by

Representatives Freier, Carlson, Timm

Senator Krebsbach

1 A BILL for an Act to amend and reenact section 48-02-06.2 of the North Dakota Century Code,
2 relating to bonds required of contractors for certain public improvement contracts.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 48-02-06.2 of the 1995 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **48-02-06.2. Bonds from contractors for public improvements.** A governing body,
7 as defined in section 48-01.1-01, authorized to enter into a contract for construction of a public
8 improvement in excess of fifty thousand dollars shall take from the contractor a bond before
9 permitting any work to be done on that contract. The bond must be for an amount equal at
10 least to the price stated in the contract. The bond must be conditioned to be void if the
11 contractor and all subcontractors fully perform all terms, conditions, and provisions of the
12 contract and pay all bills or claims on account of labor and materials including supplies used for
13 machinery and equipment, performed, furnished, and used in the performance of the contract,
14 including all demands of subcontractors. The requirement that bills and claims be paid must
15 include the requirement that interest of the amount authorized under section 13-01-14 be paid
16 on bills and claims not paid within ninety days. The bond is security for all bills, claims, and
17 demands until fully paid, with preference to labor and material suppliers as to payment. The
18 bond must run to the governing body, but any person having a lawful claim against the
19 contractor, or any subcontractor, as provided in this chapter, may sue on the bond.