

Sixty-fourth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1444**

Introduced by

Representative Schatz

A BILL ~~for an Act relating to the early termination of contracts by state agencies and political subdivisions.~~ for an Act to create and enact a new subsection to section 54-14-04.3 of the North Dakota Century Code, relating to the termination of employment and personal service contracts.

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

~~**SECTION 1.**~~

~~**Early termination of contracts.**~~

~~Notwithstanding any other law, whenever a state agency, including the state board of higher education and institutions under the control of the state board of higher education, or a political subdivision of this state, including a school district, contracts for the provision of services, the contract must stipulate that the state agency or political subdivision may not terminate the contract prior to the contractually stated date of termination if, as a condition of such early termination, the state agency or the political subdivision would be legally bound to pay for services that are no longer desired.~~

**SECTION 1.** A new subsection to section 54-14-04.3 of the North Dakota Century Code is created and enacted as follows:

Every employment or personal services contract of a definite term with any state agency, including the state board of higher education and institutions under the control of the state board, must contain a provision that allows for early termination for cause, without incurring any obligation for payment through the end of the term of the contract. Severance payment may be provided, in the event of early termination, only as provided under this section.