

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED 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; and to
3 declare an emergency.

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

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

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

21 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.