

HOUSE BILL NO. 1386

Introduced by

Representatives Schmidt, Froelich

1 A BILL for an Act to amend and reenact sections 26.1-21-01, 26.1-21-10, and 26.1-21-23 of the
2 North Dakota Century Code, relating to bonds of public employees and public officials.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-21-01 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-21-01. Definitions.** In this chapter, unless the context otherwise requires:

- 7 1. "Blanket bond" means a bond that covers collectively all public employees and
8 public officials without the necessity of scheduling names or positions as a part of
9 the bond, and a bond whereby new public employees and new public officials
10 entering employment or office during the period of the bond are automatically
11 included without notice to the fund.
- 12 2. "Fund" means the state bonding fund.
- 13 3. "International peace garden" means an entity located upon the international
14 boundary line between the United States of America and Canada used and
15 maintained as a memorial to commemorate the long-existing relationship of peace
16 and good will between the people and the governments of the United States of
17 America and Canada and to further international peace among the nations of the
18 world.
- 19 4. "Political subdivision" means all counties, townships, park districts, school districts,
20 cities, and any other units of local government which are created either by statute
21 or by the Constitution of North Dakota for local government or other public
22 purposes.
- 23 5. "Public employee" ~~means~~ includes any ~~person~~ individual employed by the state or
24 any of its political subdivisions, an officer or employee eligible under section

1 57-15-56, an employee under section 61-16.1-05, ~~and~~ an officer or employee of an
2 international peace garden. ~~"Public employee" does not include a person~~
3 ~~employed by an occupational and professional board or commission under title 43~~
4 ~~or by the state bar association, and any other employee or official required by~~
5 ~~statute to provide a bond.~~

6 6. "Public official" ~~means~~ includes any ~~officer or deputy~~ individual, either elected or
7 appointed, ~~of the state or any of its political subdivisions~~ who is required to be
8 bonded by any law of this state, ~~except for an officer of an occupational and~~
9 ~~professional board or commission under title 43 or of the state bar association.~~

10 7. ~~"State" means state departments, agencies, industries, and institutions and an~~
11 ~~international peace garden.~~

12 **SECTION 2. AMENDMENT.** Section 26.1-21-10 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **26.1-21-10. Automatic insurance of state public employees and political**
15 **subdivisions public officials.** ~~The~~ Each public employees employee and public officials ~~of~~
16 ~~the state and each political subdivision thereof, as the case may be,~~ official must be insured in
17 the fund according to ~~the provisions of~~ this chapter upon application to the state bonding fund
18 and upon approval by the commissioner. Unless an application is denied within sixty days from
19 the date it is received by the state bonding fund, the application ~~will be~~ is deemed approved
20 and bond coverage in force. ~~The provisions of this chapter and of any statute requiring a bond~~
21 ~~constitute the bond of each and every public official for the purpose of any law of this state~~
22 ~~requiring such bond and constitute the entire contract between the fund and the state or its~~
23 ~~political subdivisions, respectively, as the obligee in any such bond.~~

24 **SECTION 3. AMENDMENT.** Section 26.1-21-23 of the North Dakota Century Code is
25 amended and reenacted as follows:

26 **26.1-21-23. Public official may furnish private bond - Premiums payable from**
27 **public moneys only to fund.** Any ~~person~~ individual elected or appointed to office, in lieu of
28 the bond provided for in this chapter, may furnish a bond issued by a duly authorized surety
29 company located within this state, but no officer or board of the state or of any political
30 subdivision may pay for ~~any such a bond or bonds~~ a bond out of any public funds.