

SENATE BILL NO. 2156

Introduced by

Senators G. Lee, Nodland, Mathern

Representatives R. Kelsch, Onstad, Vigesaa

1 A BILL for an Act to amend and reenact sections 24-02-26 and 24-02-27 of the North Dakota
2 Century Code, relating to arbitration on construction claims.

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

4 **SECTION 1. AMENDMENT.** Section 24-02-26 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **24-02-26. Controversies to be arbitrated - Arbitrators - How named.**

7 ~~All controversies~~A controversy arising out of ~~anya~~a contract for the construction or repair of
8 ~~highways~~a highway entered into by the director must be submitted to arbitration ~~as provided~~
9 ~~in~~under this chapter and chapter 32-29.2. ~~Any~~A person ~~who~~that voluntarily enters ~~into~~
10 for the construction or repair of ~~highways~~highways ~~must be considered as having~~a highway is deemed to
11 have agreed to arbitration of ~~all controversies~~a controversy arising out of that contract. For a
12 claim for less than ~~fifty~~one hundred thousand dollars, only one arbitrator may be jointly selected
13 by the parties. For a claim for ~~fifty~~one hundred thousand dollars or more, three persons
14 comprise the arbitration board.

15 **SECTION 2. AMENDMENT.** Section 24-02-27 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **24-02-27. Arbitration demand - District court may appoint arbitrators if parties fail.**

18 1. Unless a party submits the dispute to the American arbitration association, the
19 arbitrators must be selected in accordance with this section. The party desiring
20 arbitration of claims for more than ~~fifty~~one hundred thousand dollars shall serve a
21 written demand upon the adverse party. The demand must designate an arbitrator and
22 must describe and detail all claim items that are submitted to arbitration. The party
23 served with the demand shall respond in writing within thirty days, and the response
24 must designate a second arbitrator and must explain the respondent's position

1 concerning each claim item. If the respondent does not designate the second
2 arbitrator within thirty days, the claimant may apply to the district court of the judicial
3 district in which the project, or any part of the project, is located for the appointment of
4 the second arbitrator. If the two arbitrators do not designate the third arbitrator within
5 thirty days after the second arbitrator is designated, either party may apply to the
6 district court for the appointment of the third arbitrator. The proceedings in the district
7 court are governed by the rules of civil procedure concerning motions.
8 2. The ~~parties shall follow the same procedure~~ applies to the parties for claims involving
9 less than ~~five~~ one hundred thousand dollars, except that the parties ~~shall~~ jointly shall
10 select the arbitrator after the demand and response.