

**HOUSE BILL NO. 1444**

Introduced by

Representative Schatz

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

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

5 ~~**SECTION 1.**~~

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

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

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

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