

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1237

Introduced by

Representative Owens

Senator Burckhard

1 A BILL for an Act to amend and reenact section 43-55-05 of the North Dakota Century Code,
2 relating to professional employer organization bonding requirements.

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

4 **SECTION 1. AMENDMENT.** Section 43-55-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **43-55-05. Bond.**

- 7 1. A professional employer organization shall maintain a bond with a minimum value of
8 the ~~greater~~lesser amount of one hundred thousand dollars or five percent of the total
9 wages reported on the employer's quarterly contribution and wage report to job
10 service North Dakota for the quarter ending immediately before the date submitted to
11 the secretary of state ~~but not to exceed five hundred thousand dollars.~~
- 12 2. A professional employer organization that has not filed an employer's quarterly
13 contribution and wage report with job service North Dakota shall submit a bond in the
14 amount of one hundred thousand dollars.
- 15 3. The bond must be held by the secretary of state and secure payment by the
16 professional employer organization of any tax, wage, benefit, or other entitlement due
17 to or with respect to a covered employee if the professional employer organization
18 does not make the payment when due.
- 19 4. ~~Notice~~A professional employer organization shall provide the secretary of state notice
20 of cancellation or nonrenewal of the ~~surety~~ bond required by this section ~~shall be~~
21 ~~provided to the secretary of state~~ at least forty-five days before cancellation or
22 nonrenewal of the bond.
- 23 5. As used in this section, "bond" means a surety bond or an irrevocable letter of credit.