

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2156
(Senators G. Lee, Nodland, Mathern)
(Representatives R. Kelsch, Onstad, Vigesaa)

AN ACT to amend and reenact sections 24-02-26 and 24-02-27 of the North Dakota Century Code, relating to arbitration on construction claims.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

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

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

1. Unless a party submits the dispute to the American arbitration association, the arbitrators must be selected in accordance with this section. The party desiring arbitration of claims for more than ~~fiftyone hundred~~fiftyone hundred thousand dollars shall serve a written demand upon the adverse party. The demand must designate an arbitrator and must describe and detail all claim items that are submitted to arbitration. The party served with the demand shall respond in writing within thirty days, and the response must designate a second arbitrator and must explain the respondent's position concerning each claim item. If the respondent does not designate the second arbitrator within thirty days, the claimant may apply to the district court of the judicial district in which the project, or any part of the project, is located for the appointment of the second arbitrator. If the two arbitrators do not designate the third arbitrator within thirty days after the second arbitrator is designated, either party may apply to the district court for the appointment of the third arbitrator. The proceedings in the district court are governed by the rules of civil procedure concerning motions.
2. ~~The parties shall follow the same procedure~~applies to the parties for claims involving less than ~~fiftyone hundred~~fiftyone hundred thousand dollars, except that the parties shall jointly shall select the arbitrator after the demand and response.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2156.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 92 Nays 0 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State