

HOUSE BILL NO. 1356

Introduced by

Representatives Schreiber-Beck, M. Johnson, Lefor, Mitskog, Trottier, Zubke

Senators Hogan, Klein, Kreun, J. Lee, Luick

1 A BILL for an Act to amend and reenact sections 43-19.1-28, 48-01.2-02.1, and 48-01.2-10 of
2 the North Dakota Century Code, relating to bids, plans, and specifications for public
3 improvements and bond thresholds.

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

5 **SECTION 1. AMENDMENT.** Section 43-19.1-28 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **43-19.1-28. Public works.**

8 Except as otherwise provided by law, the state and its political subdivisions may not engage
9 in the construction of public works involving the practice of professional engineering when the
10 contemplated expenditure for the project exceeds the sum of ~~one~~two hundred ~~fifty~~ thousand
11 dollars, unless the engineering drawings and specifications and estimates have been prepared
12 by, and the construction administration and construction observation services are executed
13 under the supervision of, a registered professional engineer. Any engineering contract executed
14 in violation of this section is void.

15 **SECTION 2. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **48-01.2-02.1. Public improvement construction threshold.**

18 1. The threshold for bidding construction of a public improvement is ~~one~~two hundred ~~fifty~~
19 thousand dollars. The threshold for procuring plans, drawings, and specifications from
20 an architect or engineer for construction of a public improvement is ~~one~~two hundred
21 ~~fifty~~ thousand dollars.

22 2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision
23 undertakes the construction of a public improvement and there is reason to believe
24 that engineering or architectural services are necessary to protect the health, safety, or

1 welfare of the public, the state or political subdivision shall consider consulting with an
2 engineer or architect.

3 **SECTION 3. AMENDMENT.** Section 48-01.2-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **48-01.2-10. Bonds from contractors for public improvements.**

- 6 1. Unless otherwise provided under this chapter, a governing body authorized to enter a
7 contract for the construction of a public improvement in excess of ~~one~~two hundred ~~fifty~~
8 thousand dollars shall take from the contractor a bond before permitting any work to
9 be done on the contract. The bond must be for an amount equal at least to the price
10 stated in the contract. The bond must be conditioned to be void if the contractor and all
11 subcontractors fully perform all terms, conditions, and provisions of the contract and
12 pay all bills or claims on account of labor performed and any supplies, and materials
13 furnished and used in the performance of the contract, including all demands of
14 subcontractors. The requirement that bills and claims be paid must include the
15 requirement that interest of the amount authorized under section 13-01-14 be paid on
16 bills and claims not paid within ninety days. The bond is security for all bills, claims,
17 and demands until fully paid, with preference to labor and material suppliers as to
18 payment. The bond must run to the governing body, but any person having a lawful
19 claim against the contractor or any subcontractor may sue on the bond.
- 20 2. A governing body may not require any person required to provide a surety bond to
21 obtain the surety bond from a specified insurance or surety company or insurance
22 producer or to submit financial data to the company or producer.