

SENATE BILL NO. 2311

Introduced by

Senators Bekkedahl, Laffen, Sorvaag

Representative Streyle

1 A BILL ~~for an Act to amend and reenact subsection 9 of section 52-04-06.1 of the North Dakota~~
 2 ~~Century Code, relating to job service North Dakota construction project risk protection bonds; to~~
 3 ~~provide for retroactive application; and to declare an emergency.~~ for an Act to create and enact
 4 two new subsections to section 52-04-06.1 of the North Dakota Century Code, relating to job
 5 service North Dakota construction project risk protection bonds; to provide for retroactive
 6 application; and to declare an emergency.

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

8 ~~SECTION 1. AMENDMENT.~~ ~~Subsection 9 of section 52-04-06.1 of the North Dakota~~
 9 ~~Century Code is amended and reenacted as follows:—~~

10 ~~9.—This section does not apply to any project in which the state or a political subdivision is~~
 11 ~~the owner or contractor.~~

12 ~~SECTION 2. RETROACTIVE APPLICATION.~~ ~~Section 1 of this Act applies retroactively to~~
 13 ~~any project commenced by June 1, 2017, and for which a bond or an irrevocable letter of credit~~
 14 ~~may have been due after January 1, 2017. Job service North Dakota shall release any bond or~~
 15 ~~letter of credit submitted by a political subdivision between January 1, 2017, and the effective~~
 16 ~~date of this Act.~~

17 ~~SECTION 3. EMERGENCY.~~ ~~This Act is declared to be an emergency measure.~~

18 **SECTION 1.** Two new subsections to section 52-04-06.1 of the North Dakota Century Code
 19 are created and enacted as follows:

20 If a political subdivision is the owner or contractor of a project subject to this section,
 21 the political subdivision may either post the required bond or irrevocable letter of
 22 credit, or assign the responsibility of posting the bond or irrevocable letter of credit to
 23 the general or prime contractor. If a project has more than one general or prime
 24 contractor, the political subdivision may assign the responsibility of posting the bond to

1 a maximum of five general or prime contractors in equal shares of the entire bonding
2 liability regardless of the amount or type of work assigned to each general or prime
3 contractor. Thirty months after the completion or discontinuance of the project, the
4 bureau shall determine the total benefits paid to employees of each employing unit or
5 units. If the total amount of benefits paid to employees of the employing unit or units
6 exceeds the total amount of contributions collected from the units under the North
7 Dakota unemployment compensation law, each general or prime contractor required to
8 post a bond for the project shall pay an equal share of the amount of benefits paid to
9 the employees of the units which exceeded the total amount of contributions collected
10 from the unit or units. If a general or prime contractor required to provide a bond for
11 the project does not pay its required equal share, job service North Dakota shall
12 collect the payment from the surety company that executed the surety bond or the
13 bank that issued the irrevocable letter of credit. The general or prime contractors
14 required to post a bond for the project are liable for an equal share of any amount of
15 benefits paid to employees of the general or prime contractors working on the project
16 which exceed the amount of contributions collected from employers that worked on the
17 project and which is not covered by the amount of the bonds or irrevocable letters of
18 credit.

19
20 For purposes of this section, "political subdivision" means any county or city.

21 **SECTION 2. RETROACTIVE APPLICATION.** Section 1 of this Act applies retroactively to
22 any project, to which a political subdivision is the owner or contractor, commenced by June 1,
23 2017, and for which a bond or an irrevocable letter of credit may have been due after January 1,
24 2017.

25 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.