

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2311

Introduced by

Senators Bekkedahl, Laffen, Sorvaag

Representative Streyle

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

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

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

8 ~~————— If a political subdivision is the owner or contractor of a project subject to this section,~~
9 ~~the political subdivision may either post the required bond or irrevocable letter of~~
10 ~~credit, or assign the responsibility of posting the bond or irrevocable letter of credit to~~
11 ~~the general or prime contractor. If a project has more than one general or prime~~
12 ~~contractor, the political subdivision may assign the responsibility of posting the bond to~~
13 ~~a maximum of five general or prime contractors in equal shares of the entire bonding~~
14 ~~liability regardless of the amount or type of work assigned to each general or prime~~
15 ~~contractor. Thirty months after the completion or discontinuance of the project, the~~
16 ~~bureau shall determine the total benefits paid to employees of each employing unit or~~
17 ~~units. If the total amount of benefits paid to employees of the employing unit or units~~
18 ~~exceeds the total amount of contributions collected from the units under the North~~
19 ~~Dakota unemployment compensation law, each general or prime contractor required to~~
20 ~~post a bond for the project shall pay an equal share of the amount of benefits paid to~~
21 ~~the employees of the units which exceeded the total amount of contributions collected~~
22 ~~from the unit or units. If a general or prime contractor required to provide a bond for~~
23 ~~the project does not pay its required equal share, job service North Dakota shall~~
24 ~~collect the payment from the surety company that executed the surety bond or the~~

1 ~~bank that issued the irrevocable letter of credit. The general or prime contractors~~
2 ~~required to post a bond for the project are liable for an equal share of any amount of~~
3 ~~benefits paid to employees of the general or prime contractors working on the project~~
4 ~~which exceed the amount of contributions collected from employers that worked on the~~
5 ~~project and which is not covered by the amount of the bonds or irrevocable letters of~~
6 ~~credit.~~

7
8 ~~For purposes of this section, "political subdivision" means any county or city.~~

9 ~~**SECTION 2. RETROACTIVE APPLICATION.** Section 1 of this Act applies retroactively to~~
10 ~~any project, to which a political subdivision is the owner or contractor, commenced by June 1,~~
11 ~~2017, and for which a bond or an irrevocable letter of credit may have been due after January 1,~~
12 ~~2017.~~

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

14 **SECTION 1. BANK OF NORTH DAKOTA - LETTER OF CREDIT - AIRPORT**

15 **CONSTRUCTION.** The Bank of North Dakota shall provide a letter of credit to a city, in the
16 northwest corner of the state with a population over twenty thousand residents, which is
17 constructing an airport and is subject to the bonding requirements under section 52-04-06.1.
18 The letter of credit shall cover the length of the construction term not to exceed five years. The
19 Bank of North Dakota shall charge a one-time fee of no more than three quarters of one percent
20 of the total amount of the letter of credit. The city obtaining the letter of credit assumes all
21 liability for the letter of credit, the fee to be paid to the Bank of North Dakota, and any other
22 requirements under section 52-04-06.1.