GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2003

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HOUSE BILL 1424*

Short Title:	Public Construction Surety Bonds.	(Public)
Sponsors:	Representatives Coates; Cole, Crawford, and Pate.	
Referred to:	Insurance.	

May 13, 2004

A BILL TO BE ENTITLED

AN ACT TO AMEND THE PUBLIC CONSTRUCTION CONTRACT SURETY BOND STATUTE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-31-66 reads as rewritten:

"**§ 58-31-66. Public construction contract surety bonds.**

~~(a)~~ Neither the State nor any county, city, or other political subdivision of the State, or any officer, employee, or other person acting on behalf of any such entity shall, with respect to any public building or construction contract, require any contractor, bidder, or proposer to procure a bid bond, payment bond, or performance bond from a particular surety, agent, producer, or broker.

~~(b) Nothing in this section prohibits an officer or employee acting on behalf of the State or a county, city, or other political subdivision of the State from:~~

~~(1) Approving the form, sufficiency, or manner of execution of the surety bonds furnished by the surety selected by the bidder to underwrite the bonds.~~

~~(2) Disapproving, on a reasonable, nondiscriminatory basis, the surety selected by the bidder to underwrite the bonds because of the financial condition of the surety.~~

~~(c) A violation of this section renders the public building or construction contract void ab initio.~~"

SECTION 2. This act becomes effective July 1, 2004.