

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

S

D

SENATE DRS65204-LM-79 (03/25)

Short Title: Contract Surety Bonds. (Public)

Sponsors: Senator Apodaca.

Referred to:

A BILL TO BE ENTITLED

AN ACT PROHIBITING OFFICERS AND EMPLOYEES OF THE STATE AND ITS
POLITICAL SUBDIVISIONS FROM REQUIRING CONSTRUCTION
CONTRACT BIDDERS TO OBTAIN SURETY BONDS FROM SURETIES OR
PRODUCERS DESIGNATED BY THE OFFICERS AND EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 31 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

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

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. However, nothing in this section shall prohibit an officer or employee acting on behalf of the State or a county, city, or other political subdivision of the State from approving the form, sufficiency, or manner of execution of the surety bonds furnished by the insurer selected by the bidder to underwrite the bonds. A violation of this section renders the public building or construction contract void ab initio."

SECTION 2. This act is effective when it becomes law.