

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 611\*

Short Title: Debarment of DOT Contractors.-AB

(Public)

Sponsors: Senator Jenkins.

Referred to: Judiciary I.

March 16, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO GOVERN DEBARMENT OF CONTRACTORS ON DEPARTMENT  
3 OF TRANSPORTATION CONSTRUCTION PROJECTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 136 of the General Statutes is amended by adding a  
6 new section to read:

7 "**§ 136-28.13. Debarment of contractors.**

8 (a) In addition to other provisions of law, the Department shall have the authority  
9 to suspend for a period of up to three years from the date of conviction of any person  
10 and any subsidiary or affiliate of any person from further bidding to the Department and  
11 from being a subcontractor to a contractor for the Department and from being a supplier  
12 to the Department if that person or any officer, director, employee, or agent of that  
13 person:

- 14 (1) Has been debarred or suspended from bidding by any other state or  
15 federal agency.  
16 (2) Has been convicted or pled guilty to commission of fraud or a criminal  
17 offense in connection with the obtaining, attempting to obtain, or  
18 performing a public or private agreement or transaction.  
19 (3) Has been convicted or pled guilty to commission of embezzlement,  
20 theft, forgery, or bribery, falsification or destruction of records,  
21 falsification of statements or claims, receipt of stolen property, or  
22 obstruction of justice in connection with any public or private  
23 agreement.  
24 (4) Has been convicted or pled guilty to any other offense indicating a  
25 lack of business integrity or business honesty that seriously and  
26 directly affects the present responsibility of a person.  
27 (5) Has violated the terms of a public agreement or transaction so serious  
28 as to affect the integrity of an agency program, such as willful failure  
29 to perform in accordance with the terms of a contract on a public

1                    transaction, or a history of failure to perform or unsatisfactory  
2                    performance on a public contract, or a willful violation of a statutory  
3                    or regulatory provision or requirement applicable to a public  
4                    agreement or transaction.

5            (b)    The Department shall have the authority to order a temporary suspension of  
6            any contractor, subcontractor, or supplier or subsidiary or affiliate thereof charged in an  
7            indictment in any state or federal court with engaging in any of the activities listed in  
8            subsection (a) of this section until the charges are resolved.

9            (c)    For purposes of this section,

10            (1)    The term "person" shall mean any individual, partnership, corporation,  
11            association, or other entity formed for the purpose of doing business as  
12            a contractor, subcontractor, or supplier; and

13            (2)    The term "subsidiary" shall mean a corporation with respect to which  
14            another corporation by virtue of its shareholdings alone has legal  
15            power, either directly or indirectly through another corporation or  
16            series of other corporations, domestic or foreign, to elect a majority of  
17            the directors. A corporation is a subsidiary of each such corporation,  
18            including any corporation through which this legal power may be  
19            indirectly exercised."

20            **SECTION 2.** This act becomes effective July 1, 2005.