



## INSTRUCTIONS — NOT PART OF THE AGREEMENT

**Before You Begin:** This template helps you understand what a strong North Dakota contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. North Dakota contractor licensing requirements apply to projects over \$2,000, and contractors must register with the North Dakota Secretary of State. North Dakota is also a monopolistic workers' compensation state — all employer coverage must go through WSI (Workforce Safety & Insurance), the state fund. Have this document reviewed by a North Dakota-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

## How to Use This Template

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1. **Verify the contractor's license.** North Dakota requires contractors working on projects over \$2,000 to be licensed with the Secretary of State under NDCC § 43-07. Verify the license is active at [sos.nd.gov](https://sos.nd.gov). Confirm the bond is current and the license classification covers your project type.
2. **Confirm WSI coverage.** North Dakota is a monopolistic workers' compensation state — private workers' comp insurance is not available. All construction employers must carry coverage through Workforce Safety & Insurance (WSI). Confirm the contractor's WSI account is in good standing at [workforcesafety.com](https://workforcesafety.com).
3. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Courts have difficulty enforcing contracts with significant blank spaces.
4. **Both parties sign.** You and the contractor each receive a signed copy before any work starts or any money changes hands.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have a North Dakota-licensed attorney review the agreement before signing.

## Field-by-Field Guide

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- › **Section 1 (Parties):** Enter the contractor's full legal entity name as licensed with the North Dakota Secretary of State. Include the ND contractor license number and the contractor's WSI account number — both are required fields.
- › **Section 2 (Scope):** Be specific. "Bathroom remodel" is not enough — list materials, dimensions, finishes, and what is explicitly excluded. Vague scope is the leading cause of contractor disputes.
- › **Section 3 (Payment):** North Dakota has no statutory deposit cap for residential projects. Best practice is to limit the down payment to no more than one-third (1/3) of the total contract price. Tie every payment to a completed work milestone — not a calendar date.

- › **Section 4 (Timeline):** Get estimated start and completion dates in writing. Fill in the delay credit provisions — these create accountability if the contractor falls behind without a valid excuse.
- › **Section 7 (Warranties):** Fill in the warranty period before signing. One year is a common baseline; negotiate longer coverage on major structural or mechanical work.
- › **Section 9.3 (Cancellation):** If the contractor approached you at your home (home solicitation), North Dakota's Home Solicitation Sales Act (NDCC § 51-18) gives you three business days to cancel without penalty. The contractor must provide a written Notice of Cancellation form at signing.
- › **Section 11 (Mechanics' Liens):** North Dakota's lien deadline is 90 days from last work or materials furnished (NDCC § 35-27). Collect lien waivers with every payment. If you receive a preliminary notice from a subcontractor or supplier, keep it on file and confirm with your contractor that those parties are being paid.
- › **Section 14 (Exhibits):** Attach plans, specs, the contractor's ND license printout, and WSI coverage confirmation. Check each box to confirm what is included.

## North Dakota Legal Notes

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### Section 1 — Contractor Licensing (NDCC § 43-07)

North Dakota requires contractors to be licensed with the Secretary of State for any project valued over \$2,000. The licensing program is administered by the Secretary of State's office, which maintains an online license lookup. A valid license confirms the contractor has met the state's minimum bonding and registration requirements. Always verify license status before allowing work to begin — working with an unlicensed contractor on a covered project can create significant legal and financial risk.

### Section 1 — WSI (Workforce Safety & Insurance)

North Dakota is one of a small number of states with a monopolistic workers' compensation system. All construction employers with employees must obtain coverage exclusively through Workforce Safety & Insurance (WSI) — the North Dakota state fund. Private workers' comp policies are not available. Ask for the contractor's WSI account number and verify coverage at [workforcesafety.com](http://workforcesafety.com). If the contractor is uninsured and a worker is injured on your property, you may face significant liability.

### Section 3 — No Statutory Deposit Cap

Unlike California, North Dakota imposes no statutory limit on contractor down payments for residential projects. The one-third guideline in this template is a best-practice recommendation, not a legal requirement. Paying a large deposit upfront with no milestone accountability is a known risk factor in contractor fraud cases.

### Section 9.3 — Home Solicitation Sales Act (NDCC § 51-18)

North Dakota's Home Solicitation Sales Act applies to sales of goods or services over \$25 that are solicited and agreed to at the buyer's residence. If a contractor knocks on your door or you first meet them at your home to discuss the project, the three-business-day cancellation right likely applies. The contractor must give you a Notice of Cancellation form. To cancel, sign and deliver that form (or send written notice) to the contractor's address before midnight on the third business day after signing.

## Section 11 — Mechanics' Lien (NDCC § 35-27)

North Dakota's mechanics' lien statute gives contractors, subcontractors, and material suppliers the right to file a lien against your property if they are not paid. The lien filing deadline is **90 days** from the last date work was performed or materials were furnished. Unlike some states, North Dakota does not require a formal preliminary notice from subcontractors to preserve lien rights, but subcontractors and suppliers may still send notices to protect their interests. Requesting lien waivers with every payment and at project completion is the most effective defense.

## Section 12 — No Dedicated Home Improvement Contract Statute

North Dakota does not have a dedicated home improvement contract statute prescribing mandatory contract clauses the way California's B&P Code § 7159 does. However, the contractor licensing law (NDCC § 43-07) and general consumer protection principles require honest, accurate contracting. The North Dakota Consumer Fraud statute broadly prohibits deceptive trade practices. Keep copies of all contractor advertising, estimates, and written representations made before signing.

## About Jaspector

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jaspector.com is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a problem arises during your project — a contractor goes silent, work falls short, or a payment dispute escalates — jaspector.com can help you document the issue and build a resolution strategy.

Learn more at [jaspector.com](https://jaspector.com) or email [hi@jaspector.com](mailto:hi@jaspector.com) to get started.

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The instructions above are provided by jaspector.com as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client relationship or any endorsement relationship between jaspector.com and any contractor or homeowner.

# NORTH DAKOTA HOMEOWNER-CONTRACTOR AGREEMENT

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Governing law: NDCC § 43-07 (Contractor Licensing); § 35-27 (Mechanics' Liens); § 51-18 (Home Solicitation Sales Act); § 65 (WSI Workers' Compensation)

## 1. Parties

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### Homeowner (Property Owner)

Name(s) \_\_\_\_\_

Property Address \_\_\_\_\_

Mailing Address (if different) \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

### Contractor

Business Name (Legal Entity) \_\_\_\_\_

ND Contractor License Number \_\_\_\_\_

License Classification \_\_\_\_\_

Business Address \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

WSI Account Number \_\_\_\_\_

General Liability Policy # \_\_\_\_\_

## 2. Scope of Work

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### 2.1 Project Description

*Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.*

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## 2.2 Work NOT Included

*Explicitly list work that is excluded from this contract to prevent scope disputes.*

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## 2.3 Permits and Inspections

- Contractor is responsible for obtaining all required building permits
- Contractor is responsible for scheduling all required inspections
- Permit costs are:  Included in contract price /  Billed separately at cost

## 2.4 Plans and Specifications

- Attached as Exhibit A (architectural / engineering plans)
- Attached as Exhibit B (material specifications)
- No formal plans — scope defined by Section 2.1 above

## 3. Contract Price and Payment Schedule

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### 3.1 Total Contract Price

Item	Amount
Total Contract Price	\$ _____
Sales Tax (if applicable)	\$ _____
Permit Fees (if billed separately)	\$ _____
<b>Total Amount Due</b>	<b>\$ _____</b>

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### 3.2 Payment Schedule

North Dakota has no statutory down-payment cap. The recommended maximum for the initial down payment is one-third (1/3) of the total contract price. All subsequent payments must be tied to completed work milestones, not calendar dates.

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing (recommended max: 1/3 of total)
Progress Payment 1	\$ _____	_____
Progress Payment 2	\$ _____	_____

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Payment	Amount	Trigger (Work Milestone)
Progress Payment 3	\$ _____	_____
Final Payment	\$ _____	Completion and final inspection
<b>Total</b>	<b>\$ _____</b>	

### 3.3 Payment Terms

- Payments are due within \_\_\_\_\_ days of written invoice
- Acceptable payment methods: \_\_\_\_\_
- No payment shall be due for work not yet performed or materials not yet delivered to the job site
- Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had reasonable opportunity to inspect

## 4. Project Timeline

Milestone	Date
Estimated Start Date	_____
Estimated Completion Date	_____

### 4.1 Delays

- Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project
- Excusable delays include: weather, permit delays, material shortages, acts of God, government orders
- Non-excusable delays exceeding \_\_\_\_\_ business days entitle Homeowner to a daily credit of \$ \_\_\_\_\_ (liquidated damages), not to exceed \_\_\_\_\_% of the total contract price
- If the project is not substantially complete within \_\_\_\_\_ days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract under Section 9

## 5. Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

**No verbal agreements will modify this contract.**

## 6. Materials and Workmanship

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### 6.1 Materials

- All materials shall be new unless otherwise specified in writing
- Specific materials, brands, and grades are listed in: [ ] Section 2.1 / [ ] Exhibit B
- Substitutions require prior written approval from Homeowner
- Contractor warrants that all materials comply with applicable building codes

### 6.2 Workmanship Standards

- All work shall be performed in a professional, workmanlike manner
- All work shall comply with applicable North Dakota building codes and local ordinances
- All work shall conform to the plans, specifications, and scope described in this contract
- Contractor shall maintain a clean and safe job site

### 6.3 Subcontractors

- Contractor [ ] will / [ ] will not use subcontractors
- If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- All subcontractors performing work that requires a North Dakota contractor license must hold a valid, active license registered with the Secretary of State
- Homeowner may request license numbers and WSI account numbers for any subcontractor working on the project

## 7. Warranties

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### 7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of \_\_\_\_\_ year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

### 7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

### 7.3 Warranty Exclusions

This warranty does not cover:

- Normal wear and tear
- Damage caused by Homeowner negligence or misuse
- Damage caused by third parties or acts of God
- Items specifically excluded in writing

## 8. Insurance and Bonding

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### 8.1 Contractor Insurance Requirements

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

Coverage	Minimum Amount
General Liability	\$ _____
WSI Workers' Compensation	Required — North Dakota state fund (WSI) only. Private policies are not available.
Automobile Liability (if applicable)	\$ _____

- Contractor shall provide certificates of insurance and WSI coverage confirmation upon request
- Homeowner shall be named as additional insured on the general liability policy

### 8.2 Contractor License Bond (NDCC § 43-07)

North Dakota contractor licensing requires a surety bond filed with the Secretary of State as a condition of licensing. Verify current bond status at [sos.nd.gov](http://sos.nd.gov) before work begins.

## 9. Termination

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### 9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination:

- Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date
- Contractor shall provide an itemized accounting of all work completed and materials delivered within **10 business days** of termination
- Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred

### 9.2 Contractor's Right to Terminate

Contractor may terminate this contract if:

- Homeowner fails to make a payment due under this contract within \_\_\_\_\_ days of written notice of default
- Conditions at the job site make the work unsafe or illegal to continue

### **9.3 Three-Day Right to Cancel (Home Solicitation Sales Act, NDCC § 51-18)**

If this contract was solicited and agreed to at the Homeowner's residence and the contract price exceeds \$25, the Homeowner has the right to cancel this contract by midnight of the **third business day** after the date of signing, without penalty or obligation. To cancel, the Homeowner must sign and deliver the written Notice of Cancellation form provided by the Contractor. Cancellation may be delivered in person, by mail, or by any method that provides written evidence of the date of delivery to the Contractor's address stated in this contract. Upon valid cancellation, the Contractor must return all payments within **10 business days** and retrieve any materials from the property.

If the contract was not solicited at the Homeowner's residence (e.g., signed at the Contractor's office), this right may not apply. Consult a North Dakota-licensed attorney if uncertain.

## **10. Dispute Resolution**

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### **10.1 Informal Resolution**

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. The other party shall respond in writing within **15 business days**.

### **10.2 Mediation**

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

### **10.3 Secretary of State and Attorney General Complaint**

Homeowners may file a complaint regarding licensing violations or unlicensed contractor activity with the North Dakota Secretary of State at [sos.nd.gov](http://sos.nd.gov). Consumer protection complaints may be filed with the North Dakota Attorney General's Consumer Protection Division at [ag.nd.gov](http://ag.nd.gov). Filing a complaint does not prevent the homeowner from pursuing legal remedies.

### **10.4 Legal Action**

If mediation fails, either party may pursue legal action in the district court of the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs where authorized by law. North Dakota's Small Claims Court handles claims up to \$15,000 (NDCC § 27-08.1).

## **11. Mechanics' Lien Notice**

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North Dakota law (NDCC § 35-27) allows contractors, subcontractors, and material suppliers to file a mechanics' lien on your property if they are not paid for work or materials furnished. The lien must be filed within **90 days** of the last date work was performed or materials were furnished. A lien can affect your ability to sell or refinance your property.

### **11.1 Protecting Against Mechanics' Liens**

- Request **lien waivers** from the Contractor and all known subcontractors with each progress payment

- Request a **final unconditional lien waiver** from the Contractor and all known subcontractors and suppliers upon final payment
- Require Contractor to provide a list of all subcontractors and material suppliers at the start of the project
- Request proof that progress payments are being forwarded to subcontractors and suppliers

### **11.2 Preliminary Notice (NDCC § 35-27)**

Subcontractors and material suppliers without a direct contract with the homeowner may serve written notice to preserve their lien rights. If you receive such a notice, do not ignore it — it means that party is preserving their right to file a lien if they are not paid. Keep all such notices on file and confirm with the Contractor that those parties are being paid.

## **12. Additional North Dakota Requirements**

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### **12.1 Contractor Licensing Compliance Checklist (NDCC § 43-07)**

North Dakota requires contractors to be licensed with the Secretary of State for projects over \$2,000. Confirm this contract includes:

- Contractor's full legal name, business address, and ND contractor license number
- A detailed description of the work to be performed
- Total contract price and payment schedule
- Estimated start and completion dates
- Notice of Cancellation form provided (if solicited at Homeowner's residence)
- No blank sections left unfilled at the time of signing

### **12.2 Contractor License Statement**

Contractors performing work valued over \$2,000 are required by North Dakota law (NDCC § 43-07) to be licensed with the North Dakota Secretary of State. Contractor represents and warrants that, as of the date of this contract, Contractor holds all licenses, registrations, and permits required by applicable North Dakota law and local ordinances, and agrees to maintain them in good standing throughout the duration of this project.

### **12.3 WSI Workers' Compensation Statement**

North Dakota is a monopolistic workers' compensation state (NDCC § 65). All construction employers with employees must obtain coverage exclusively through Workforce Safety & Insurance (WSI). Private workers' compensation insurance is not available. Contractor represents that valid WSI coverage is in place and will remain in place for all employees and applicable workers throughout the project.

## **13. General Provisions**

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### **13.1 Entire Agreement**

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

### **13.2 Severability**

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

### **13.3 Governing Law**

This contract shall be governed by the laws of the State of North Dakota.

### **13.4 Notice**

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

### **13.5 Assignment**

Neither party may assign this contract without the prior written consent of the other party.

## **14. Exhibits and Attachments**

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- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Cancellation Form (if Home Solicitation Sales Act applies)
- Exhibit D: Contractor's ND License Printout
- Exhibit E: Certificates of Insurance and WSI Coverage Confirmation
- Additional: \_\_\_\_\_

## Signatures

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By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

### Homeowner

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

### Homeowner (if jointly owned)

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

### Contractor

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

ND Contractor License # \_\_\_\_\_

Date \_\_\_\_\_

## North Dakota Homeowner Pre-Signing Checklist

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- Verified contractor's North Dakota license is active at [sos.nd.gov](http://sos.nd.gov) (required for projects over \$2,000)
- License classification confirmed to cover the project type
- WSI workers' compensation coverage confirmed at [workforcesafety.com](http://workforcesafety.com)
- Surety bond status confirmed via [sos.nd.gov](http://sos.nd.gov)
- General liability insurance certificate obtained and on file
- Down payment limited to no more than one-third (1/3) of total contract price (recommended best practice)
- Notice of Cancellation form provided if contractor solicited at your home (NDCC § 51-18)
- All blank fields in this contract are filled in — no blank spaces
- Both parties have signed the contract before any work starts or money changes hands
- Received a fully signed copy of the complete contract
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in Section 2.1
- List of subcontractors and suppliers requested from Contractor