

**Fifty-fifth Legislative Assembly, State of North Dakota, begun in the
Capitol in the City of Bismarck, on Monday, the sixth day of January,
one thousand nine hundred and ninety-seven**

SENATE BILL NO. 2272
(Senators Solberg, Kinnoin, Sand)
(Representatives Aarsvold, D. Johnson, Nelson)

AN ACT to amend and reenact sections 35-17-08, 35-30-06, 35-31-06, and subsection 1 of section 41-09-43 of the North Dakota Century Code, relating to termination of statutory liens filed under the central notice system; and to provide a penalty.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 35-17-08 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-17-08. Fees - Penalty. The fee for filing an agister's lien with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agister's lien is five dollars. If a lienholder fails to file a termination statement within sixty days after the lien is satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 2. AMENDMENT. Section 35-30-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-30-06. Fees - Penalty. The fee for filing an agricultural processor's lien with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural processor's lien is five dollars. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 3. AMENDMENT. Section 35-31-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

35-31-06. Fees - Penalty. The fee for filing an agricultural supplier's lien with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural supplier's lien is five dollars. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 4. AMENDMENT. Subsection 1 of section 41-09-43 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. If a financing statement covering consumer goods is filed on or after January 1, 1974, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases where there is no outstanding secured obligation and no written commitment between the secured party and the debtor to make advances, incur obligations, or otherwise give value, the secured party, unless requested by the debtor in writing to continue the filing, must send to ~~the debtor on written demand by the debtor, for~~ each filing officer with whom the financing statement was filed, a termination statement to

the effect that the secured party no longer claims a security interest under the financing statement nor under the central notice system, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record complying with subsection 2 of section 41-09-44, including payment of the required fee, if any. If the affected secured party fails to file a termination statement as required by this subsection, ~~or to send a termination statement within ten days after proper demand,~~ within sixty days of when the secured obligation is fully satisfied, and the debtor has not requested in writing that the filing be continued, then the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure. If the affected secured party fails to file a termination statement within ten days after proper written demand by the debtor, then the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-fifth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2272.

Senate Vote: Yeas 46 Nays 0 Absent 3

House Vote: Yeas 93 Nays 3 Absent 1

Secretary of the Senate

Received by the Governor at _____ M. on _____, 1997.

Approved at _____ M. on _____, 1997.

Governor

Filed in this office this _____ day of _____, 1997,

at _____ o'clock _____ M.

Secretary of State