

Introduced by

Senators Mathern, Heitkamp

1 A BILL for an Act to amend and reenact section 35-13-02 and subsection 3 of section 41-09-46
2 of the North Dakota Century Code, relating to entering liens for repairman's liens in the central
3 notice system.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 35-13-02 of the 1995 Supplement to the North
6 Dakota Century Code is amended and reenacted as follows:

7 **35-13-02. Lien statement - Contents - When required - Filing.**

8 1. The secretary of state shall prescribe one form that must be used to obtain a lien
9 under this section and gain protection under the central notice system. A person
10 entitled to a lien under this chapter who retains possession of the property made,
11 altered, or repaired is not required to file any statement to perfect the lien. If the
12 possession of the property so made, altered, or repaired is relinquished, the
13 person shall file, within ninety days, or if the property is used for agricultural
14 purposes within one hundred twenty days, or in the exploration for or the
15 production of oil or gas within six months, after the materials are furnished or the
16 labor is completed, in the office of the register of deeds of the county in which the
17 owner or legal possessor of the property resides, a verified written statement
18 showing:

- 19 ~~1.~~ a. The labor performed.
20 ~~2.~~ b. The materials furnished.
21 ~~3.~~ c. The price agreed upon for the labor performed or materials furnished, or, if no
22 price was agreed upon, the reasonable value thereof.
23 ~~4.~~ d. The name of the person for whom the labor was performed or to whom the
24 materials were furnished.

- 1 5- e. The social security number, if available, or, in the case of a debtor doing
2 business other than as an individual, the internal revenue service taxpayer
3 identification number, if available, of the person for whom the labor was
4 performed or to whom the materials were furnished.
5 f. The name and address of the person claiming the lien.
6 g. A description of the property upon which the lien is claimed.
7 2. A person filing a verified statement shall within thirty days serve notice of the filing,
8 by registered mail, upon the owner or legal possessor of the property. A person
9 entitled to the lien who fails to file a verified statement within the time limited in this
10 section is deemed to have waived the right to a lien.
11 3. A lienholder may file an amendment to add or correct the social security number or
12 internal revenue service taxpayer identification number of the debtor, to correct the
13 spelling of the debtor's or lienholder's name, or to correct or change the address of
14 the lienholder. The secretary of state shall prescribe a form that may be used to
15 amend the repairman's lien that has been filed pursuant to this section. The
16 amendment of the lien does not affect the priority of the lien.

17 **SECTION 2. AMENDMENT.** Subsection 3 of section 41-09-46 of the 1995

18 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 19 3. The secretary of state shall develop and implement a computerized central notice
20 system which must contain the information filed with the office of the secretary of
21 state or with any of the offices of the registers of deeds in this state pursuant to
22 sections 35-13-02, 35-17-04, 35-30-02, 35-31-02, and 41-09-40. The system must
23 connect each ~~registers~~ register of deeds' office to the secretary of state's office
24 through the information services division. The system must allow access to
25 financing statement information by equipment that conforms to requirements
26 determined by the information services division. The system must have
27 safeguards to allow access to information that is in the system relating to security
28 interests or liens and to prevent unauthorized alteration or deletion of that
29 information and to allow access to other information in the system as prescribed by
30 the secretary of state. Within one working day of receipt of a financing statement,
31 continuation statement, amendment, or termination statement filed pursuant to this

1 chapter or a statement filed pursuant to section 35-13-02, 35-17-04, 35-30-02, or
2 35-31-02, the register of deeds or secretary of state shall record the information
3 contained in the statement in the computerized central notice system. A computer
4 printout of information from the system is prima facie evidence of the existence or
5 nonexistence of the filing of a financing statement or lien. From the computerized
6 central notice system, the secretary of state or a designee shall produce each
7 month one list for crops and one list for livestock which contain the information as
8 filed on the forms pursuant to section 41-09-40. The secretary of state shall also
9 include the information filed for crops and livestock pursuant to sections 35-17-04,
10 35-30-02, and 35-31-02. The list must be in alphabetical order according to the
11 last name of, or in numerical order according to the social security number of, the
12 person engaged in farming operations. The lists may be prepared in categories
13 according to county, regions as designated by the secretary of state, or on a
14 statewide basis. If requested, the lists must be in printed form and on microfiche.
15 Each list must conspicuously note its effective date.