

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2218

Introduced by

Senator Urlacher

1 A BILL for an Act to amend and reenact section 35-05-01.1 of the North Dakota Century Code,
2 relating to crop mortgages; and to repeal section 35-05-04 of the North Dakota Century Code,
3 relating to security agreements covering specific crops.

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

5 **SECTION 1. AMENDMENT.** Section 35-05-01.1 of the 1995 Supplement to the North
6 Dakota Century Code is amended and reenacted as follows:

7 **35-05-01.1. Crop liens - Limitations - Exceptions - Remedies - Penalty.** A security
8 interest upon crops attaches only to the crop next maturing after the delivery of the security
9 agreement. The financing statement covering a crop cannot be used to enforce a security
10 interest on any crop other than the crop listed in the security agreement. If the court finds a
11 willful violation of this section, the court shall award a producer the reasonable expenses of
12 maintaining an action, including reasonable attorney's fees. The provisions of this section do
13 not apply to liens by contract given to secure the purchase price or the rental of land upon
14 which the crops covered by the lien are to be grown or to a security interest upon crops created
15 by a security agreement that contains an after-acquired property clause and the following
16 wording or its equivalent, in boldface print or set forth in some other conspicuous manner, is in
17 the agreement: "This security agreement covers crops now growing. This security agreement
18 also covers future crops to be grown in the current year or any year hereafter.".

19 **SECTION 2. REPEAL.** Section 35-05-04 of the 1995 Supplement to the North Dakota
20 Century Code is repealed.