FIRST ENGROSSMENT

Fifty-fifth Legislative Assembly of North Dakota

ENGROSSED SENATE BILL NO. 2191

Introduced by

Senators Holmberg, W. Stenehjem, Traynor

1 A BILL for an Act to amend and reenact subsection 3 of section 57-02-08.3, sections 57-38-49,

2 57-38-50, subsections 3, 4, 5, and 6 of section 57-39.2-13, subsections 3, 4, 5, and 6 of section

3 57-40.2-16, subsections 2, 3, and 4 of section 57-40.3-07.1, subsections 3, 4, and 6 of section

4 57-43.1-17.4, and subsections 3, 4, and 6 of section 57-43.2-16.3 of the North Dakota Century

5 Code, relating to filing of tax liens; and to provide an effective date.

6 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

7 SECTION 1. AMENDMENT. Subsection 3 of section 57-02-08.3 of the 1995 8 Supplement to the North Dakota Century Code is amended and reenacted as follows: 9 3. Any credit allowed under subsection 1, plus interest in the amount of nine a. 10 percent per year from the time the credit is taken, creates a lien in favor of the 11 state against the property upon which the special assessment credit is 12 allowed and remains a lien upon the property from the time the credit is 13 allowed until the lien is fully satisfied by depositing the amount of the lien in 14 the state general fund. If the amount of the lien exceeds the market value of 15 the property, the state may accept the amount of the market value of the 16 property as payment in full on the lien. 17 b. (1) Except as otherwise provided in this subdivision, a transfer of title to the

 17
 b. (1)
 Except as otherwise provided in this subdivision, a transfer of title to the

 18
 homestead because of sale, death, or otherwise may not be made

 19
 without the lien being satisfied. When a credit under subsection 1 is

 20
 allowed, the county auditor shall cause a notice of lien of record to be

 21
 filed against subject property with the secretary of state register of

 22
 deeds.

1				(2)	When a transfer occurs between spouses because of the death of one
2					of them, the lien allowed by this section need not be satisfied until the
3					property is again transferred.
4			C.	This	lien has precedence over all other liens except general tax liens and
5				prior	special assessment liens and shall not be divested at any judicial sale.
6				A mi	stake in the description of the property covered by this lien or in the name
7				of th	e owner of the property does not defeat the lien if the property can be
8				iden	tified by the description in the special assessment list.
9		SEC		2.	AMENDMENT. Section 57-38-49 of the 1995 Supplement to the North
10	Dakota	a Cer	ntury (Code	is amended and reenacted as follows:
11		57-3	38-49.	Pre	servation of lien. In order to preserve the lien provided for in section
12	57-38-	48 a (gainst	subs	equent mortgagees, purchasers, or Any mortgagee, purchaser, judgment
13	credite	ors, f o	ər valu	ie an	d without notice of the lien, creditor, or lien claimant acquiring any interest
14	<u>in, or li</u>	i <u>en</u> ol	n, any	prop	perty situated in the state, prior to the commissioner shall file with filing in
15	the ce	ntral	notice	syst	em maintained by the secretary of state a notice of the lien provided for in
16	sectior	n 57-:	<u>38-48</u>	, take	es free of, or has priority over, the lien. The secretary of state
17	commi	issior	<u>ner</u> sh	all er	nter index in the central indexing notice system the following data, under
18	the na	mes	of tax	əayeı	rs arranged alphabetically:
19		1.	The	name	e of the taxpayer.
20		2.	<u>The</u>	tax io	dentification number or social security number of the taxpayer.
21		<u>3.</u>	The	name	e "State of North Dakota" as claimant.
22	3.	<u>4.</u>	Time	+ <u>The</u>	e date and time the notice of lien was received indexed.
23		4.	Date	of n	otice.
24		5.	Ame	unt <u>1</u>	<u>The amount</u> of <u>the</u> lien then due .
25		6.	Whe	n sat	isfied.
26	The se	ereta	ary of	state	shall endorse on each notice of lien the day, hour, and minute when
27	receive	ed an	id sha	ll pre	serve the same, and shall index the notice in the central indexing system.
28	The <u>no</u>	otice	<u>of</u> lien	is ef	fective as against subsequent creditors, purchasers, and encumbrances
29	from th	ne tim	ne of t	he in	dexing of eight a.m. next following the indexing of the notice. Any notice
30	of lien	filed	by the	e com	nmissioner with a register of deeds prior to July 1, 1996, may be refiled

31 with the secretary of state indexed in the central notice system without changing its original

1 priority as to property in the county where the lien was filed. The secretary of state 2 commissioner shall accept index any notice of lien for filing when it is received with no payment 3 of fees or costs to be made on behalf of the commissioner the secretary of state. 4 **SECTION 3. AMENDMENT.** Section 57-38-50 of the 1995 Supplement to the North 5 Dakota Century Code is amended and reenacted as follows: 6 **57-38-50.** Satisfaction of lien. Upon the payment of a the tax, together with any 7 accrued penalties and interest attached, as to which the commissioner has filed a notice of lien 8 with the secretary of state, the commissioner shall file with the secretary of state index a 9 satisfaction of the tax and lien and the secretary of state shall enter the satisfaction on the 10 notice on file and shall indicate that fact on in the central indexing notice system with no 11 payment of without fees or costs to be made on behalf of the tax commissioner. 12 SECTION 4. AMENDMENT. Subsections 3, 4, 5, and 6 of section 57-39.2-13 of the 13 1995 Supplement to the North Dakota Century Code are amended and reenacted as follows: 14 3. In order to preserve the lien against subsequent mortgagees, purchasers, or Any 15 mortgagee, purchaser, judgment ereditors, for value and without notice of the lien, 16 creditor, or lien claimant acquiring any interest in, or lien on, any property situated 17 in the state, prior to the commissioner shall file with filing in the central notice 18 system maintained by the secretary of state, a notice of the lien provided for in 19 section 57-39.2-12, takes free of, or has priority over, the lien. 20 4. The secretary of state commissioner shall enter index in the central indexing 21 notice system the following data, under the names of taxpayers, arranged 22 alphabetically: 23 The name of the taxpayer. a. 24 b. The tax identification number or social security number of the taxpayer. 25 The name "State of North Dakota" as claimant. c. 26 c. <u>d.</u> Time The date and time the notice of lien was received indexed. 27 d. Date of notice. 28 Amount The amount of the lien then due. e. 29 f. When satisfied. 30 The secretary of state shall endorse on each notice of lien the day, hour, and 31 minute when received and preserve the same, and shall index the notice in the

	-		
1		cen	tral indexing system and the <u>The notice of</u> lien is effective from the time of
2		inde	exing as of eight a.m. next following the indexing of the notice. Any notice of
3		lien	filed by the commissioner with a register of deeds before July 1, 1996, may be
4		refil	ed with the secretary of state indexed in the central notice system without
5		cha	nging its original priority as to property in the county where the lien was filed.
6	5.	The	commissioner is exempt from the payment of the filing fees as otherwise
7		prov	vided by law for the filing indexing of the notice of lien, or for its satisfaction.
8	6.	Upc	on the payment of a the tax as to which the commissioner has filed indexed
9		noti	ce with the secretary of state in the central notice system, the commissioner
10		sha	Il file with the secretary of state index a satisfaction of the tax and the secretary
11		of s	tate shall enter the satisfaction on the notice on file and indicate that fact lien in
12		the	central indexing notice system.
13	SEC	СТІО	N 5. AMENDMENT. Subsections 3, 4, 5, and 6 of section 57-40.2-16 of the
14	1995 Suppl	emer	nt to the North Dakota Century Code are amended and reenacted as follows:
15	3.	In o	rder to preserve the lien against subsequent mortgagees, purchasers, or Any
16		mor	tgagee, purchaser, judgment creditors, for value and without notice of the lien,
17		crea	ditor, or lien claimant acquiring any interest in, or lien on, any property situated
18		in th	ne state, <u>prior to</u> the commissioner shall file with filing in the central notice
19		<u>sys</u> t	tem maintained by the secretary of state, a notice of the lien provided for in this
20		<u>sec</u>	tion, takes free of, or has priority over, the lien.
21	4.	The	e secretary of state commissioner shall enter index in the central indexing
22		<u>noti</u>	<u>ce</u> system the following data , under the names of taxpayers, arranged
23		alpł	nabetically:
24		a.	The name of the taxpayer.
25		b.	The tax identification number or social security number of the taxpayer.
26		<u>C.</u>	The name "State of North Dakota" as claimant.
27	C.	<u>d.</u>	Time The date and time the notice of lien was received indexed.
28		d.	Date of notice.
29		e.	Amount The amount of the lien then due.
30		f.	When satisfied.

1		The secretary of state shall endorse on each notice of lien the day, hour, and
2		minute when received and preserve the same, and shall index the notice in the
3		central indexing system, and the <u>The notice of</u> lien is effective from the time of
4		indexing as of eight a.m. next following the indexing of the notice. Any notice of
5		lien filed by the commissioner with a register of deeds before July 1, 1996, may be
6		refiled with the secretary of state indexed in the central notice system without
7		changing its original priority as to property in the county where the lien was filed.
8	5.	The commissioner is exempt from the payment of the recording and filing fees as
9		otherwise provided by law for the recording and filing indexing of the notice of lien,
10		or for its satisfaction.
11	6.	Upon the payment of a <u>the</u> tax <u>as to</u> which the commissioner has filed <u>indexed</u>
12		notice with the secretary of state in the central notice system, the commissioner
13		shall file with the secretary of state index a satisfaction of the tax and the secretary
14		of state shall enter the satisfaction on the notice on file and indicate that fact lien in
15		the central indexing notice system.
16	SE	CTION 6. AMENDMENT. Subsections 2, 3, and 4 of section 57-40.3-07.1 of the
17	1995 Supp	lement to the North Dakota Century Code are amended and reenacted as follows:
18	2.	In order to preserve the lien against subsequent mortgagees, purchasers, or Any
19		mortgagee, purchaser, judgment creditors, for value and without notice of the lien,
20		creditor, or lien claimant acquiring any interest in, or lien on, any property situated
21		in the state, <u>prior to</u> the commissioner shall file with <u>filing in the central notice</u>
22		system maintained by the secretary of state, a notice of the lien provided for in this
23		section, takes free of, or has priority over, the lien.
24	3.	The secretary of state commissioner shall enter index in the central indexing
25		notice system the following data, under the names of taxpayers, arranged
26		alphabetically:
27		a. The name of the taxpayer.
28		b. The tax identification number or social security number of the taxpayer.
29		c. The name "State of North Dakota" as claimant.
30	C.	d. The date and time the notice of lien was received indexed.
31		d. The date of notice.

1		e. The amount of the lien then due.
2		f. When satisfied.
3		The secretary of state shall endorse on each notice of lien the day, hour, and
4		minute received and preserve and index the notice in the central indexing system,
5		and the The notice of lien is effective from the time of the indexing as of eight a.m.
6		next following the indexing of the notice. Any notice of lien filed by the
7		commissioner with a register of deeds before July 1, 1996, may be refiled with the
8		secretary of state indexed in the central notice system without changing its original
9		priority as to property in the county where the lien was filed. The commissioner is
10		exempt from the payment of fees otherwise provided by law for the filing indexing
11		or the satisfaction of the lien.
12	4.	Upon the payment of a the tax relative to which the commissioner has filed
13		indexed notice with the secretary of state in the central notice system, the
14		commissioner shall file with the secretary of state index a satisfaction of the tax,
15		and the secretary of state shall enter the satisfaction on the notice on file and
16		indicate that fact lien in the central indexing notice system.
17	SEC	CTION 7. AMENDMENT. Subsections 3, 4, and 6 of section 57-43.1-17.4 of the
18	1995 Suppl	ement to the North Dakota Century Code are amended and reenacted as follows:
19	3.	To preserve the lien against subsequent mortgagees, purchasers, or Any
20		mortgagee, purchaser, judgment creditors, for value and without notice of the lien,
21		creditor, or lien claimant acquiring any interest in, or lien on, any property situated
22		in a county the state, prior to the commissioner shall file a notice of the lien with
23		filing in the central notice system maintained by the secretary of state, a notice of
24		the lien provided for in this section, takes free of, or has priority over, the lien.
25	4.	The secretary of state <u>commissioner</u> shall enter index in the central indexing
26		notice system the following data, under the names of taxpayers, arranged
27		alphabetically:
28		a. The name of the taxpayer.
29		b. The tax identification number or social security number of the taxpayer.
30		c. The name "State of North Dakota" as claimant.
31	e.	d. The date and time the notice of lien was received indexed.

1		d. The date of notice.
2		e. The amount of the lien then due.
3		f. The date of satisfaction.
4		The secretary of state shall endorse on each notice of lien the day, hour, and
5		minute when received and preserve the same, and shall index the notice in the
6		central indexing system and the The notice of lien is effective from the time of
7		indexing as of eight a.m. next following the indexing of the notice. Any notice of
8		lien filed by the commissioner with a register of deeds before July 1, 1996, may be
9		refiled with the secretary of state indexed in the central notice system without
10		changing its original priority as to property in the county where the lien was filed.
11	6.	Upon payment of a the tax as to which the commissioner has filed indexed notice
12		with the secretary of state <u>in the central notice system</u> , the commissioner shall file
13		with the secretary of state index a satisfaction of tax and the secretary of state
14		shall enter the satisfaction on the notice on file and indicate the fact on the lien in
15		the central indexing <u>notice</u> system.
16	SEC	CTION 8. AMENDMENT. Subsections 3, 4, and 6 of section 57-43.2-16.3 of the
17	1995 Suppl	ement to the North Dakota Century Code are amended and reenacted as follows:
18	3.	To preserve the lien against subsequent mortgagees, purchasers, or Any
19		mortgagee, purchaser, judgment creditors, for value and without notice of the lien,
20		creditor, or lien claimant acquiring any interest in, or lien on, any property situated
21		in a county the state, prior to the commissioner shall file a notice of the lien with
22		filing in the central notice system maintained by the secretary of state a notice of
23		the lien provided for in this section, takes free of, or has priority over, the lien.
24	4.	The secretary of state commissioner shall enter index in the central indexing
25		notice system the following data, under the names of taxpayers, arranged
26		alphabetically:
27		a. The name of the taxpayer.
28		b. The tax identification number or social security number of the taxpayer.
29		c. The name "State of North Dakota" as claimant.
~~	G.	d. The date and time the notice of lien was received indexed.
30	-	
30 31	-	d. The date of notice.

1		e. The amount of <u>the</u> lien then due .
2		f. The date of satisfaction.
3		The secretary of state shall endorse on each notice of lien the day, hour, and
4		minute when received and preserve the same, and shall index the notice in the
5		central indexing system and the The notice of lien is effective from the time of
6		indexing as of eight a.m. next following the indexing of the notice. Any notice of
7		lien filed by the commissioner with a register of deeds before July 1, 1996, may be
8		refiled with the secretary of state indexed in the central notice system without
9		changing its original priority as to property in the county where the lien was filed.
10	6.	Upon payment of a <u>the</u> tax as to which the commissioner has filed <u>indexed</u> notice
11		with the secretary of state in the central notice system, the commissioner shall file
12		with the secretary of state index a satisfaction of tax and the secretary of state
13		shall enter the satisfaction on the notice on file and indicate the fact the lien in the
14		central indexing notice system.
15	SE	CTION 9. EFFECTIVE DATE. This Act is effective for tax liens filed after July 31,
16	1997.	