

Introduced by

Senators Solberg, Kinnoin, Sand

Representatives Aarsvold, D. Johnson, Nelson

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

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

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

7 **35-17-08. Fees - Penalty.** The fee for filing an agister's lien with the secretary of state
8 or the county register of deeds is five dollars. The fee for filing a termination statement is five
9 dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee
10 for filing an amendment or assignment of an agister's lien is five dollars. If a lienholder fails to
11 file a termination statement within sixty days after the lien is satisfied, the lienholder is liable to
12 the debtor for one hundred dollars.

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

15 **35-30-06. Fees - Penalty.** The fee for filing an agricultural processor's lien with the
16 secretary of state or the county register of deeds is five dollars. The fee for filing a termination
17 statement is five dollars. The termination fee must be paid at the time the fee for filing the lien
18 is paid. The fee for filing an amendment or assignment of an agricultural processor's lien is five
19 dollars. If a lienholder fails to file a termination statement within sixty days after the lien has
20 been satisfied, the lienholder is liable to the debtor for one hundred dollars.

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

23 **35-31-06. Fees - Penalty.** The fee for filing an agricultural supplier's lien with the
24 secretary of state or the county register of deeds is five dollars. The fee for filing a termination

1 statement is five dollars. The termination fee must be paid at the time the fee for filing the lien
2 is paid. The fee for filing an amendment or assignment of an agricultural supplier's lien is five
3 dollars. If a lienholder fails to file a termination statement within sixty days after the lien has
4 been satisfied, the lienholder is liable to the debtor for one hundred dollars.

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

- 7 1. If a financing statement covering consumer goods is filed on or after January 1,
8 1974, then within one month or within ten days following written demand by the
9 debtor after there is no outstanding secured obligation and no commitment to
10 make advances, incur obligations or otherwise give value, the secured party must
11 file with each filing officer with whom the financing statement was filed, a
12 termination statement to the effect that the secured party no longer claims a
13 security interest under the financing statement, which shall be identified by file
14 number. In other cases where there is no outstanding secured obligation and no
15 written commitment between the secured party and the debtor to make advances,
16 incur obligations, or otherwise give value, the secured party, unless requested by
17 the debtor in writing to continue the filing, ~~must send to the debtor on written~~
18 ~~demand by the debtor,~~ for each filing officer with whom the financing statement
19 was filed, a termination statement to the effect that the secured party no longer
20 claims a security interest under the financing statement nor under the central
21 notice system, which shall be identified by file number. A termination statement
22 signed by a person other than the secured party of record must be accompanied
23 by a separate written statement of assignment signed by the secured party of
24 record complying with subsection 2 of section 41-09-44, including payment of the
25 required fee, if any. If the affected secured party fails to file a termination
26 statement as required by this subsection, ~~or to send a termination statement within~~
27 ~~ten days after proper demand,~~ within sixty days of when the secured obligation is
28 fully satisfied, and the debtor has not requested in writing that the filing be
29 continued, then the secured party is liable to the debtor for one hundred dollars,
30 and in addition, for any loss caused to the debtor by such failure. If the affected
31 secured party fails to file a termination statement within ten days after proper

- 1 written demand by the debtor, then the secured party is liable to the debtor for one
- 2 hundred dollars, and in addition, for any loss caused to the debtor by such failure.