

**SENATE BILL NO. 2279
with House Amendments**

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2279

Introduced by

Senator Tallackson

Representative Wald

1 A BILL for an Act to create and enact a new section to chapter 35-20 of the North Dakota
2 Century Code, relating to liens for unpaid earned property or casualty insurance premiums; and
3 to amend and reenact section 35-20-16 and subsection 3 of section 41-09-46 of the North
4 Dakota Century Code, relating to entering liens for unpaid earned property or casualty
5 insurance premiums in the central notice system.

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

7 **SECTION 1. AMENDMENT.** Section 35-20-16 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **35-20-16. Procedure to obtain unpaid earned property or casualty insurance**
10 **premium lien - Filing.** The secretary of state shall prescribe a form that can be used to obtain
11 a lien under this section and also be entered in the central notice system. Any person entitled
12 to an unpaid earned property or casualty insurance premium lien, within ninety days after
13 termination of coverage, shall file in the office of the register of deeds of the county or counties
14 in which the property covered by the policy is located and with any loss payee named in the
15 policy, a verified statement in writing stating all of the following:

- 16 1. The name and address of the policyholder.
- 17 2. The name and address of the lienholder.
- 18 3. The social security number of the debtor, or in the case of a debtor doing business
19 other than as an individual, the internal revenue service taxpayer identification
20 number of that person.
- 21 4. The nature and quantity of insurance coverage provided.
- 22 ~~3.~~ 5. The amount of unpaid earned premium.
- 23 ~~4.~~ 6. A description of the property covered by the insurance and subject to the lien.
- 24 ~~5.~~ 7. That a lien is claimed upon the property described.

1 **SECTION 2.** A new section to chapter 35-20 of the North Dakota Century Code is
2 created and enacted as follows:

3 **Amendment of lien for unpaid earned property or casualty insurance premiums.**

4 A lienholder may file an amendment to correct the social security or internal revenue service
5 taxpayer identification number of the debtor, to correct the spelling of the debtor's or
6 lienholder's name, or to correct or change the address of the debtor or lienholder. The
7 secretary of state shall prescribe a form that may be used to amend or assign the unpaid
8 earned property or casualty insurance premium lien that has been filed under section 35-20-15.
9 The amendment or assignment of a lien does not affect the priority of the lien.

10 **SECTION 3. AMENDMENT.** Subsection 3 of section 41-09-46 of the 1995
11 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 12 3. The secretary of state shall develop and implement a computerized central notice
13 system which must contain the information filed with the office of the secretary of
14 state or with any of the offices of the registers of deeds in this state pursuant to
15 sections 35-17-04, 35-20-16, 35-30-02, 35-31-02, and 41-09-40. The system must
16 connect each ~~registers~~ register of deeds' office to the secretary of state's office
17 through the information services division. The system must allow access to
18 financing statement information by equipment that conforms to requirements
19 determined by the information services division. The system must have
20 safeguards to allow access to information that is in the system relating to security
21 interests or liens and to prevent unauthorized alteration or deletion of that
22 information and to allow access to other information in the system as prescribed by
23 the secretary of state. Within one working day of receipt of a financing statement,
24 continuation statement, amendment, or termination statement filed pursuant to this
25 chapter or a statement filed pursuant to section 35-17-04, 35-20-16, 35-30-02, or
26 35-31-02, the register of deeds or secretary of state shall record the information
27 contained in the statement in the computerized central notice system. A computer
28 printout of information from the system is prima facie evidence of the existence or
29 nonexistence of the filing of a financing statement or lien. From the computerized
30 central notice system, the secretary of state or a designee shall produce each
31 month one list for crops and one list for livestock which contain the information as

1 filed on the forms pursuant to section 41-09-40. The secretary of state shall also
2 include the information filed for crops and livestock pursuant to sections 35-17-04,
3 35-30-02, and 35-31-02. The list must be in alphabetical order according to the
4 last name of, or in numerical order according to the social security number of, the
5 person engaged in farming operations. The lists may be prepared in categories
6 according to county, regions as designated by the secretary of state, or on a
7 statewide basis. If requested, the lists must be in printed form and on microfiche.
8 Each list must conspicuously note its effective date.