

SENATE BILL NO. 2323

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

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

- 1 2. A person filing a verified statement shall within thirty days serve notice of the filing,
2 by registered mail, upon the owner or legal possessor of the property. A person
3 entitled to the lien who fails to file a verified statement within the time limited in this
4 section is deemed to have waived the right to a lien.

5 **SECTION 2. AMENDMENT.** Subsection 3 of section 41-09-46 of the 1995 Supplement
6 to the North Dakota Century Code is amended and reenacted as follows:

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

- 1 according to county, regions as designated by the secretary of state, or on a
- 2 statewide basis. If requested, the lists must be in printed form and on microfiche.
- 3 Each list must conspicuously note its effective date.