

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1256

Introduced by

Representative Wardner

Senator Urlacher

1 A BILL for an Act to amend and reenact section 57-51-11 of the North Dakota Century Code,
2 relating to oil and gas gross production and oil extraction tax, liens, penalty, and interest.

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

4 **SECTION 1. AMENDMENT.** Section 57-51-11 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **57-51-11. Lien for tax - Preservation of lien - Satisfaction of lien.**

7 1. The tax ~~herein referred to~~, penalty, and interest provided for in this chapter is, at all
8 times, ~~and constitutes~~ a first and paramount lien against the purchaser's or
9 producer's property as the case may be, both real and personal; ~~and the~~. The
10 provisions ~~hereof~~, of this chapter making the purchaser liable to pay ~~such~~ the tax;
11 and ~~the provisions~~ requiring the producer to pay the royalty owner's tax, ~~in no way~~
12 ~~releases~~ do not release the producer or purchaser from that liability ~~to pay same~~,
13 ~~in all cases where such~~. If the tax, penalty, and interest is not paid, ~~and~~ it may be
14 recovered at the suit of the state, upon relation to the commissioner, in any court of
15 competent jurisdiction of the county where any such property, assets, and effects
16 are located.

17 2. To preserve the lien under this section against subsequent mortgagees,
18 purchasers, or judgment creditors, for value and without notice of the lien, on any
19 property situated in this state, the commissioner shall file a notice of the lien with
20 the secretary of state. The secretary of state shall enter in the central indexing
21 system the following data, under the alphabetically arranged names of the
22 producers or purchasers:

23 a. The name of the taxpayer.

24 b. The name "State of North Dakota" as claimant.

- 1 c. The time the notice of lien was received.
- 2 d. The date of the notice.
- 3 e. The amount of the lien when due.
- 4 f. When the lien is satisfied.
- 5 The secretary of state shall endorse on each notice of lien the day, hour, and
- 6 minute when received and shall preserve the notice and index it in the central
- 7 indexing system. The lien is effective as against subsequent creditors, purchasers,
- 8 and encumbrancers from the time of the indexing. A notice of lien filed by the
- 9 commissioner with a register of deeds before the effective date of this Act, may be
- 10 refiled with the secretary of state without changing its original priority in the county
- 11 where the lien was filed.
- 12 3. Upon the payment of tax, penalty, and interest, if applicable, or a penalty assessed
- 13 under section 57-51-06, as to which the commissioner has filed a notice of lien with
- 14 the secretary of state, the commissioner shall file a satisfaction of the lien with the
- 15 secretary of state.
- 16 4. The commissioner is exempt from the payment of the filing fees otherwise provided
- 17 for by law for the filing of the lien or satisfaction.