

Introduced by

Representative Klemin

1 A BILL for an Act to amend and reenact section 41-09-86 of the North Dakota Century Code,  
2 relating to the duration of filed financing statements.

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

4 **SECTION 1. AMENDMENT.** Section 41-09-86 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **41-09-86. (9-515) Duration and effectiveness of financing statement - Effect of**  
7 **lapsed financing statement.**

- 8 1. Except as otherwise provided in subsections 5, 6, and 7, a ~~filed~~ financing  
9 statement filed in the personal property records or recorded in real property  
10 records is effective for a period of five years after the date of filing.
- 11 2. ~~(Reserved)~~ Except as otherwise provided in subsections 5, 6, and 7, a financing  
12 statement recorded as a fixture filing against real property is effective for a period  
13 of five years after the date of recording.
- 14 3. The effectiveness of a filed financing statement lapses on the expiration of the  
15 period of its effectiveness unless before the lapse a continuation statement is filed  
16 pursuant to subsection 4. Upon lapse, a financing statement ceases to be effective  
17 and any security interest or agricultural lien that was perfected by the financing  
18 statement becomes unperfected, unless the security interest is perfected  
19 otherwise. If the security interest or agricultural lien becomes unperfected upon  
20 lapse, it is deemed never to have been perfected as against a purchaser of the  
21 collateral for value.
- 22 4. A continuation statement may be filed only within six months before the expiration  
23 of the five-year period specified in subsection 1.

- 1           5. Except as otherwise provided in section 41-09-81, upon timely filing of a  
2 continuation statement, the effectiveness of the initial financing statement  
3 continues for a period of five years commencing on the day on which the financing  
4 statement would have become ineffective in the absence of the filing. Upon the  
5 expiration of the five-year period, the financing statement lapses in the same  
6 manner as provided in subsection 3, unless, before the lapse, another continuation  
7 statement is filed pursuant to subsection 4. Succeeding continuation statements  
8 may be filed in the same manner to continue the effectiveness of the initial  
9 financing statement.
- 10          6. If a debtor is a transmitting utility and a filed financing statement so indicates, the  
11 financing statement is effective until a termination statement is filed.
- 12          7. A record of a mortgage that is effective as a financing statement filed as a fixture  
13 filing under subsection 3 of section 41-09-73 remains effective as a financing  
14 statement filed as a fixture filing until the mortgage is released or satisfied of record  
15 or its effectiveness otherwise terminates as to the real property.