

HOUSE BILL NO. 1185

Introduced by

Representative Klemin

1 A BILL for an Act to amend and reenact subsection 6 of section 41-09-73 and section 41-09-84
2 of the North Dakota Century Code, relating to financing statements and termination statements
3 under the Uniform Commercial Code.

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

5 **SECTION 1. AMENDMENT.** Subsection 6 of section 41-09-73 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 6. ~~Effective January 1, 2002, any~~ A social security number or federal tax identification
8 number submitted under subdivision e of subsection 1 as a central indexing filing is
9 ~~not a public~~ an exempt record as defined by subsection 5 of section 44-04-17.1
10 and, for documents submitted after January 1, 2002, may not be disclosed as part
11 of any search under section 41-09-94 or 41-09-96 or as part of a copy of the
12 record.

13 **SECTION 2. AMENDMENT.** Section 41-09-84 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **41-09-84. Termination statement - Remedies - Fees.**

16 1. If a financing statement covering consumer goods is filed after December 31, 1973,
17 then within one month or within ten days following written demand by the debtor
18 after there is no outstanding secured obligation and no commitment to make
19 advances, incur obligations, or otherwise give value, the secured party shall file
20 with each filing officer with whom the financing statement was filed, a termination
21 statement to the effect that the secured party no longer claims a security interest
22 under the financing statement, which must be identified by file number. In other
23 cases when there is no outstanding secured obligation and no written commitment
24 between the secured party and the debtor to make advances, incur obligations, or

1 otherwise give value, the secured party, unless requested by the debtor in writing
2 to continue the filing, must send to each filing officer with whom the financing
3 statement was filed, a termination statement to the effect that the secured party no
4 longer claims a security interest under the financing statement nor under the
5 central notice system, which shall be identified by file number. ~~A termination~~
6 ~~statement submitted by a person other than the secured party of record must be~~
7 ~~accompanied by a separate written statement of assignment complying with~~
8 ~~section 41-09-85, including payment of the required fee, if any.~~ If the affected
9 secured party fails to file a termination statement as required by this subsection
10 within sixty days of when the secured obligation is fully satisfied, and the debtor
11 has not requested in writing that the filing be continued, then under
12 section 41-09-120 the secured party is liable to the debtor for one hundred dollars
13 and for any loss caused to the debtor by such failure. The debtor's written request
14 for a filing to be continued may be made at any time and be effective under this
15 section. If the affected secured party fails to file a termination statement within ten
16 days after proper written demand by the debtor, then under section 41-09-120 the
17 secured party is liable to the debtor for one hundred dollars and for any loss
18 caused to the debtor by such failure.

19 2. ~~On presentation to the filing officer of a termination statement, the filing officer shall~~
20 ~~note the termination statement in the index. If the filing officer receives the~~
21 ~~termination statement in duplicate, the filing officer shall return one copy of the~~
22 ~~termination statement to the secured party stamped to show the time of receipt of~~
23 ~~the termination statement. If the filing officer has a microfilm or other photographic~~
24 ~~record or an optical disk of the financing statement, and of any related continuation~~
25 ~~statement, statement of assignment, and statement of release, the filing officer~~
26 ~~may remove the originals from the files at any time after receipt of the termination~~
27 ~~statement, or if the filing officer has no such record, the filing officer may remove~~
28 ~~the originals from the files at any time after one year after receipt of the termination~~
29 ~~statement.~~

30 3. The fee for filing and indexing a termination statement, including sending or
31 delivering the financing statement, is five dollars. For any financing statement filed

Fifty-eighth
Legislative Assembly

- 1 after April 8, 1991, the fee must be paid at the time the fee for filing the financing
- 2 statement is paid.