Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013

HOUSE BILL NO. 1136
(Representative Klemin)
(Senator Hogue)

AN ACT to amend and reenact sections 11-18-01, 11-18-05, 35-13-02, 35-17-04, 35-17-07, 35-17-08, 35-20-15.1, 35-20-16, 35-29-02, 35-29-04, 35-29-05, 35-30-02, 35-30-05, 35-30-06, 35-31-02, 35-31-05, 35-31-06, 35-34-04, 35-34-06, 35-35-03, 35-37-04, 41-09-72, 41-09-73, and 41-09-84, subsection 2 of section 41-09-87, sections 41-09-94 and 41-09-96, subsection 3 of section 41-09-135, sections 41-10-01, 41-10-05, 47-16-03, 54-09-08, 54-09-09, 54-09-10, and 54-09-11, subsection 5 of section 57-34-10, subsection 4 of section 57-36-09.5, section 57-38-49, subsection 4 of section 57-39.2-13, subsection 4 of section 57-40.2-16, subsection 3 of section 57-40.3-07.1, subsection 4 of section 57-43.1-17.4, subsection 4 of section 57-43.2-16.3, subsection 4 of section 57-43.3-22, subsection 2 of section 57-51-11, and subsection 4 of section 57-63-10 of the North Dakota Century Code, relating to filing liens and security interests electronically; to repeal section 57-28-29 of the North Dakota Century Code, relating to filing tax liens; to provide for application; to provide for a report to the legislative assembly; and to provide a contingent effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-18-01 of the North Dakota Century Code is amended and reenacted as follows:

11-18-01. Recorder's duties - Recording and filing instruments - Abstracts.

The recorder shall:

1. Keep a full and true record, in proper books or other storage media provided for that purpose, of each patent, deed, mortgage, bill of sale, security agreement, judgment, decree, lien, certificate of sale, and other instrument required to be filed or admitted to record, if the person offering the instrument for filing or recording pays to the recorder the fees provided by law for the filing or recording.

2. Endorse upon each instrument filed with the recorder for record or otherwise the date and the hour and minute of the day of the filing or recording.

3. When the instrument is recorded or filed, endorse on the instrument the book and page or document number, the date, and the hour and minute of the date when it was recorded or filed with the recorder.

4. Prepare a security agreement abstract whenever any person requests the agreement and pays the required fee.

~~5. Furnish upon written or telephonic request to persons the information contained in financing statements filed to perfect a security interest pursuant to chapter 41-09 when the collateral is farm products, and to provide written confirmation of the oral information provided upon receipt of a fee which shall be the same as for recording that instrument.~~

SECTION 2. AMENDMENT. Section 11-18-05 of the North Dakota Century Code is amended and reenacted as follows:

11-18-05. Fees of recorder.

The recorder shall charge and collect the following fees:

1. For recording an instrument affecting title to real estate:

   a. Deeds, mortgages, and all other instruments not specifically provided for in this subsection, ten dollars for the first page and three dollars for each additional page. In addition, for all documents recorded under this section that list more than five sections of land, a fee of one dollar for each additional section listed which is to be recorded in the tract index. Three dollars of the fee collected for the first page of each instrument recorded under this subdivision must be placed in the document preservation fund.

      (1) "Page" means one side of a single legal size sheet of paper not exceeding eight and one-half inches [21.59 centimeters] in width and fourteen inches [35.56 centimeters] in length.

      (2) The printed, written, or typed words must be considered legible by the recorder before the page will be accepted for recording.

      (3) Each real estate instrument must have a legal description considered to be adequate by the recorder before such instrument will be accepted for recording.

      (4) A space of at least four inches by three and one-half inches [10.16 by 8.89 centimeters] square must be provided on the first or last page of each instrument for the recorder's recording information. If recording information can only be placed on the reverse side of an instrument, an additional page charge must be levied.

   b. Instruments satisfying, releasing, assigning, subordinating, continuing, amending, or extending more than one instrument previously recorded in the county in which recording is requested, ten dollars for the first page and three dollars for each additional page plus three dollars for each such additional document number or book and page. In addition, for all documents recorded under this section which list more than five separate sections of land, a fee of one dollar for each additional section listed which is to be recorded in the tract index. Three dollars of the fee collected for the first page of each instrument recorded under this subdivision must be placed in the document preservation fund.

   c. Plats, irregular tracts, or annexations, ten dollars for one lot plus ten cents for each additional lot, with the exception of auditor's lots which must be a single charge of seven dollars.

   d. All instruments presented for recording after June 30, 2001, must contain a one-inch [2.54-centimeter] top, bottom, or side margin on each page of the instrument for the placement of computerized recording labels. An instrument that does not conform to this margin requirement may be recorded upon payment of an additional fee of ten dollars.

2. For filing any ~~non-central indexing system~~ instrument, ten dollars.

3. For making certified copies of any recorded instrument or filed ~~non-central indexing system~~ instrument, the charge is five dollars for the first page and two dollars for each additional page. For making a noncertified copy of any recorded instrument or filed ~~non-central indexing system~~ instrument, a fee of not more than one dollar per instrument page. For providing any electronic data extracted from the recorded instrument, a fee of not more than fifty cents per instrument.

4. ~~For filing, indexing, making, or completing any statement, abstract, or certificate under the Uniform Commercial Code central filing database, the computerized central notice system or the computerized statutory liens database, for receiving printouts, and for other services provided through the computerized system, the fee is the same as that provided in sections 41-09-96 and 54-09-11.~~

~~5.~~ The recorder may establish procedures for providing access for duplicating records under the recorder's control. Such records include paper, photostat, microfilm, microfiche, and electronic or computer-generated instruments created by governmental employees.

~~6.~~5. Duplicate recorders' records stored offsite as a security measure are not accessible for reproduction.

SECTION 3. AMENDMENT. Section 35-13-02 of the North Dakota Century Code, as amended by House Bill No. 1340, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

35-13-02. Lien statement - Contents - When required - Filing.

1. The secretary of state shall prescribe ~~one form~~an electronic system that can be used to obtain a lien under this section and also be entered in the central indexing system. A person entitled to a lien under this chapter who retains possession of the property made, altered, or repaired is not required to file any statement to perfect the lien. If the possession of the property so made, altered, or repaired is relinquished, the person shall file electronically, within ninety days, or if the property is used for agricultural purposes within one hundred twenty days, or in the exploration for or the production of oil or gas within six months, after the materials are furnished or the labor is completed, in the ~~office of the recorder of the county in which the owner or legal possessor of the property resides~~central indexing system, a ~~verified written~~ statement showing:

   a. The labor performed.

   b. The materials furnished.

   c. The price agreed upon for the labor performed or materials furnished, or, if no price was agreed upon, the reasonable value thereof.

   d. The name and address of the person for whom the labor was performed or to whom the materials were furnished.

   e. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the labor was performed or to whom the materials were furnished.

   f. The name and address of the person claiming the lien.

   ~~f.~~g. A description of the property upon which the lien is claimed.

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

3. A lienholder may file electronically an amendment to add or correct the social security number or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~provide a means to amend electronically the repairman's lien that has been filed pursuant to this section. The amendment of the lien does not affect the priority of the lien.

SECTION 4. AMENDMENT. Section 35-17-04 of the North Dakota Century Code is amended and reenacted as follows:

35-17-04. Procedure to obtain lien - Statement filed - Contents - Waiver.

Any person entitled to an agister's lien, within ninety days after taking possession of the animal, may file electronically in the ~~office of the recorder in any county in this state or in the office of the secretary of state~~central indexing system, a statement ~~signed by the filer~~ containing the following information:

1. The number of and a description of the animals subject to the lien and the legal description as to the location of the animals.
2. The name and address of the person for whom the animals are kept.
3. The name and address of the lienholder.
4. The price agreed upon for keeping the animals and, if no price was agreed upon, the reasonable value of the services.
5. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the animals are kept.

The secretary of state shall ~~prescribe one form that can be used~~provide a means to obtain electronically a lien under this section or gain protection under the central notice system, or both. If the statement is not filed within ninety days as required by this section, the person entitled to the lien under section 35-17-03 waives the lien.

SECTION 5. AMENDMENT. Section 35-17-07 of the North Dakota Century Code is amended and reenacted as follows:

35-17-07. Amendment of lien.

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used to~~provide a means to electronically amend or assign the agister's lien that has been filed pursuant to section 35-17-04. The amendment or assignment of a lien does not affect the priority of the lien.

SECTION 6. AMENDMENT. Section 35-17-08 of the North Dakota Century Code is amended and reenacted as follows:

35-17-08. Fees - Penalty.

The fee for filing electronically an agister's lien and related documents ~~with the secretary of state or the county recorder~~in the central notice system is the same as that provided for in section 41-09-96. If a lienholder fails to file electronically a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 7. AMENDMENT. Section 35-20-15.1 of the North Dakota Century Code is amended and reenacted as follows:

35-20-15.1. Amendment of lien for unpaid earned property or casualty insurance premiums.

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

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

35-20-16. Procedure to obtain unpaid earned property or casualty insurance premium lien - Filing.

The secretary of state shall ~~prescribe a form that can be used~~provide a means to obtain electronically a lien under this section and also be entered in the central indexing system. Any person entitled to an unpaid earned property or casualty insurance premium lien, within ninety days after termination of coverage, shall file in the ~~office of the recorder of the county or counties in which the property covered by the policy is located~~central indexing system and with any loss payee named in the policy, ~~a verified~~an electronic statement ~~in writing~~ stating all of the following:

1. The name and address of the policyholder.
2. The name and address of the lienholder.
3. The nature and quantity of insurance coverage provided.
4. The amount of unpaid earned premium.
5. A description of the property covered by the insurance and subject to the lien.
6. That a lien is claimed upon the property described.
7. The name of the county or counties where the property is located.
8. The social security number of the debtor, or in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of that person.

SECTION 9. AMENDMENT. Section 35-29-02 of the North Dakota Century Code is amended and reenacted as follows:

35-29-02. Place of filing.

1. Notices of liens, certificates, and other notices affecting federal tax liens or other federal liens must be filed in accordance with this chapter.
2. Notices of liens upon real property for obligations payable to the United States and certificates and notices affecting the liens must be filed in the ~~office of the recorder of~~central indexing system and associated to the county in which the real property subject to the liens is situated.
3. Notices of federal liens upon personal property, whether tangible or intangible, for obligations payable to the United States and certificates and notices affecting the liens must be filed as follows:
    a. If the person against whose interest the lien applies is a corporation, limited liability company, or a partnership whose principal executive office is in this state, as these entities are defined in the internal revenue laws of the United States, in the office of the secretary of state.
    b. If the person against whose interest the lien applies is a trust that is not covered by subdivision a, in the office of the secretary of state.
    c. If the person against whose interest the lien applies is the estate of a decedent, in the office of the secretary of state.
    d. In all other cases, in the office of the recorder of the county where the person against whose interest the lien applies resides at the time of filing of the notice of lien.

4. The secretary of state shall provide a means for the United States to file any documentation according to this chapter.

SECTION 10. AMENDMENT. Section 35-29-04 of the North Dakota Century Code is amended and reenacted as follows:

35-29-04. Duties of filing officer.

1. If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in subsection 2 is presented ~~to a filing officer who is~~:

   a. The secretary of state~~, the secretary~~ shall cause the notice to be marked, held, and indexed in accordance with the provisions of section 41-09-90 as if the notice were a financing statement within the meaning of title 41; or

   b. ~~Any other officer described in section 35-29-02, the officer~~The secretary of state shall endorse thereon the officer's identification and the date and time of receipt and immediately file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the title and address of the official or entity certifying the lien, and the total amount appearing on the notice of lien.

2. If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the secretary of state for filing, the secretary shall do all of the following:

   a. Cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of title 41, but the notice of lien to which the certificate relates may not be removed from the files.

   b. Cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of title 41.

3. If a refiled notice of federal lien referred to in subsection 1 or any certificate or notice referred to in subsection 2 is presented for filing ~~to any other filing officer specified in section 35-29-02~~, the ~~officer~~secretary of state shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where original notice of lien is entered.

4. ~~Upon request of any~~Any person~~, the filing officer shall issue the officer's certificate showing~~ may search the central indexing system to determine whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed under this chapter or chapter 35-28 as it existed prior to enactment of this chapter, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. ~~The fee for a certificate is one dollar and twenty-five cents for each notice or certificate reported therein. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of one dollar, plus seventy-five cents for the second and each succeeding page.~~

5. The secretary of state shall fulfill any of the functions described in this section by electronic means with the same legal effect as if the function had been completed on a physical document.

SECTION 11. AMENDMENT. Section 35-29-05 of the North Dakota Century Code is amended and reenacted as follows:

35-29-05. Fees.

1. The fee for filing and indexing each notice of lien ~~is:~~

~~a. For a lien on real estate, ten dollars, plus three dollars for the second and each succeeding page.~~

~~b. For a lien on tangible and intangible personal property, ten dollars, plus five dollars to record if filed with a county recorder.~~

~~c. For all other notices, including a certificate of discharge, nonattachment, or subordination, ten dollars, plus ten dollars if filed toward a lien on real estate with a county recorder.~~

~~d. For a nonstandard statement when presented for filing, an additional fee of five dollars plus one dollar per page, and if filed on a real estate lien with a county recorder, an additional ten dollars plus three dollars for the second and each succeeding page.~~

~~e. For a certificate of release, five dollars, which must be paid at the time the lien is filed~~in the central indexing system is established according to section 41-09-96. Fees to record liens with a county recorder are the same as provided for under section 11-18-05.

2. The officer may not file or record an instrument under this chapter unless the person offering the instrument for filing or recording has first paid the requisite filing or recording fee.

SECTION 12. AMENDMENT. Section 35-30-02 of the North Dakota Century Code is amended and reenacted as follows:

35-30-02. Procedure to obtain lien.

1. To obtain an agricultural processor's lien, the person entitled to the lien, within ninety days after the processing is completed, shall file electronically a statement ~~signed by the filer~~ in the ~~office of the recorder in any county in this state or in the office of the secretary of state~~central indexing system. The statement must contain the following information:

   a. The name and address of the person for whom the processing was done.

   b. The name and address of the processor.

   c. A description of the crops or agricultural products and their amount, if known, subject to the lien together with a reasonable description, including the county as to the location where the crops or agricultural products were grown and the year the crop is to be harvested or was harvested.

   d. The price agreed upon for processing, or if no price was agreed upon, the reasonable value of the processing.

   e. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the processing was done.

   f. A description of the processing services and the first date the services were furnished.

2. ~~The secretary of state and the office of the recorder in any county in this state with which a statement signed by the filer under subsection 1 is submitted for filing shall reject the statement unless proof of mailing of notification of the lien to the debtor's last-known address by registered or certified mail with return receipt requested is filed with the statement.~~

~~3.~~ The secretary of state shall ~~prescribe one form that can be used~~provide an electronic means to obtain a lien under this section or gain protection under the central notice system, or both. Before a processor's lien is filed, a billing statement for the services performed must include notice to the agricultural producer that if the amount due to the agricultural processor is not satisfied a lien may be filed.

SECTION 13. AMENDMENT. Section 35-30-05 of the North Dakota Century Code is amended and reenacted as follows:

35-30-05. Amendment of lien.

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~provide an electronic means to amend or assign the agricultural processor's lien that has been filed pursuant to section 35-30-02. The amendment or assignment of a lien does not affect the priority of the lien.

SECTION 14. AMENDMENT. Section 35-30-06 of the North Dakota Century Code is amended and reenacted as follows:

35-30-06. Fees - Penalty.

The fee for filing electronically an agricultural processor's lien and related documents ~~with the secretary of state or the county recorder~~in the central indexing system is the same as that provided for in section 41-09-96. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 15. AMENDMENT. Section 35-31-02 of the North Dakota Century Code is amended and reenacted as follows:

35-31-02. Procedure to obtain lien.

To obtain an agricultural supplier's lien, except an agricultural supplier's lien for furnishing petroleum products, the person entitled to the lien, within one hundred twenty days after the supplies are furnished or the services performed, shall file electronically a statement ~~signed by the filer~~ in the ~~office of the recorder of any county in this state or in the office of the secretary of state~~central notice system. To obtain an agricultural supplier's lien for furnishing and delivering petroleum products, the person entitled to the lien, within one hundred fifty days after the petroleum products are furnished or delivered, shall file electronically a statement ~~signed by the filer~~ in the ~~office of the recorder of any county in the state or in the office of the secretary of state~~central notice system. The statement must contain the following information:

1. The name and address of the person to whom the supplies were furnished.
2. The name and address of the supplier.
3. A description of the crops, agricultural products, or livestock and their amount or number, if known, subject to the lien together with a reasonable description, including the county as to the location of the crops, agricultural products, or livestock and the year the crop is to be harvested or was harvested.
4. A description and value of the supplies and the first date furnished.
5. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person to whom the supplies were furnished.

The secretary of state shall ~~prescribe one form that can be used~~provide an electronic means to obtain a lien under this section or gain protection under the central notice system, or both. Before a supplier's lien is filed, a billing statement for the supplies furnished must include notice to the agricultural producer that if the amount due to the agricultural supplier is not satisfied a lien may be filed.

SECTION 16. AMENDMENT. Section 35-31-05 of the North Dakota Century Code is amended and reenacted as follows:

35-31-05. Amendment of lien.

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~provide an electronic means to amend or assign the agricultural supplier's lien that has been filed pursuant to section 35-31-02. The amendment or assignment of a lien does not affect the priority of the lien.

SECTION 17. AMENDMENT. Section 35-31-06 of the North Dakota Century Code is amended and reenacted as follows:

35-31-06. Fees - Penalty.

The fee for filing an agricultural supplier's lien and related documents ~~with the secretary of state or the county recorder~~in the central notice system is the same as that provided for in section 41-09-96. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

SECTION 18. AMENDMENT. Section 35-34-04 of the North Dakota Century Code is amended and reenacted as follows:

35-34-04. Vessel lien.

1. In the case of a vessel, the child support agency may file electronically a notice of lien ~~with the secretary of state~~in the central indexing system if the value of the vessel is estimated to be at least twice the cost of establishing the lien. The notice must contain a description of the make, model designation, and serial number of the vessel, including its identification or registration number, if any, and the name, social security number, and last-known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last-known address.

2. Upon filing of the notice of lien in accordance with this section, the notice of lien must be indexed ~~by the secretary of state~~ in the central indexing system and may be enforced and foreclosed in the same manner as a security agreement under the provisions of title 41.

3. The secretary of state shall remove and destroy the lien notification statement in the same manner as provided for other liens in section 11-18-14 for the recorder.

4. The child support agency may file electronically an amendment to correct the spelling of the obligor's name, to correct the obligor's social security number, or to correct or change the address of the obligor.

SECTION 19. AMENDMENT. Section 35-34-06 of the North Dakota Century Code is amended and reenacted as follows:

35-34-06. Lien on other personal property.

1. In the case of untitled personal property other than an account maintained in a financial institution, the child support agency may establish a lien on such personal property by filing electronically a notice of lien ~~with the office of the recorder in the county in which the personal property may be found, with the secretary of state,~~in the central indexing system or with a third party who is in possession of the personal property. The notice must particularly describe the property to be subjected to the lien and the name and last-known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last-known address.

2. The information filed ~~with a recorder or with the secretary of state~~ under this section must be included in the computerized central indexing system maintained by the secretary of state under section 54-09-09 and must be accessible to the public on the same terms and conditions that apply to access other statutory lien information maintained in the computerized central indexing system.

3. Upon filing of the notice of lien in accordance with this section, the lien attaches to and is perfected against all personal property described in the notice.

SECTION 20. AMENDMENT. Section 35-35-03 of the North Dakota Century Code is amended and reenacted as follows:

35-35-03. Filing officer may reject lien - Filing officer to accept notice of invalid lien - Filing officer not liable.

1. Any filing officer may reject for filing or recording any nonconsensual common-law lien.

2. If a nonconsensual common-law lien has been accepted for filing or recording, the filing officer shall accept for filing any ~~sworn~~ notice of invalid lien ~~signed and~~ submitted electronically by the person against whom such a lien was filed or that person's attorney. The notice must be captioned "Notice of Invalid Lien" and must state the name and address of the person on whose behalf the notice is filed, the name and address of the lien claimant, and a clear reference to the document or documents the person believes constitute a nonconsensual common-law lien. The notice must be filed in such a manner that any search of the records which reveals the lien the notice refers to will also reveal the notice of invalid lien. The filing officer shall mail or deliver electronically a copy of the notice of invalid lien to the lien claimant at the lien claimant's last-known address within one business day.

3. A filing officer, county, or the state may not be held liable for filing a nonconsensual common-law lien, or for filing a ~~sworn~~ notice of invalid lien pursuant to this section.

4. A fee may not be charged for the filing of a notice of invalid lien against a filed nonconsensual common-law lien.

SECTION 21. AMENDMENT. Section 35-37-04 of the North Dakota Century Code is amended and reenacted as follows:

35-37-04. Perfection of lien - Verified notice - Effect of instruments - Effective date of lien.

1. If the proceeds for oil or gas which are required to be paid are not paid to the interest owner when due, the interest owner may perfect the security interest and lien by filing electronically a ~~form~~ UCC-1A in the central indexing system and recording the lien in the real estate records in the office of the county recorder of the county in which the well is located. If the oil and gas owner's lien is not filed within ninety days from the date of production, the security interest is not perfected and does not give the interest owner priority over a perfected security interest in the same oil, gas, or proceeds of the oil or gas.

2. ~~All instruments that are presented to a county recorder for filing in accordance with subsection 1 are effective as financing statements even though the signature of the debtor may not appear on the lien.~~ Liens must be filed electronically in the central indexing system and recorded in the real estate records of the county according to sections 11-18-01 and 11-18-05. Liens may be terminated in the same manner as financing statements.

3. Upon perfection by filing, the security interest and lien of the interest owner takes priority over the rights of all persons whose rights or claims arise or attach thereafter to the oil or gas unpaid for, or the proceeds of oil or gas if the oil or gas has been sold, including those that arise or attach between the time the security interest and lien attaches and the time of filing. The security interest and lien created pursuant to this chapter do not have priority over the

security interest and lien rights previously created and perfected or an operating agreement or other voluntary agreement for the development and operation of the property.

SECTION 22. AMENDMENT. Section 41-09-72 of the North Dakota Century Code is amended and reenacted as follows:

41-09-72. (9-501) Filing office.

1. Except as otherwise provided in subsection 2, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:

   a. The office designated for the filing or recording of a record of a mortgage on the related real property, if:

      (1) The collateral is as-extracted collateral or timber to be cut; or

      (2) The financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or

   b. The office of the recorder in any county in this state or in the office of the secretary of state, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.

2. The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.

3. The secretary of state shall provide an electronic means for filing any record required or permitted to be filed by this title. This may include use of business-to-business methods using a common data format and must include a web-based application. Any record that is not filed electronically must be rejected.

SECTION 23. AMENDMENT. Section 41-09-73 of the North Dakota Century Code is amended and reenacted as follows:

41-09-73. (9-502) (Effective through June 30, 2013) Contents of financing statement - Record of mortgage as financing statement - Time of filing financing statement - Amending financing statement.

1. Subject to subsection 2, a financing statement is sufficient only if the statement:

   a. Provides the name of the debtor;

   b. Provides the name of the secured party or a representative of the secured party;

   c. Indicates the collateral covered by the financing statement;

   d. If it is a financing statement that is to be filed to gain protection under the central notice system, includes a reasonable description of the property, including the county in which the property is located, and any other additional information required by the Food Security Act of 1985 [Pub. L. 99-198; Stat. 1535; 7 U.S.C. 1631], as prescribed by the secretary of state, and, to be sufficient a financing statement must include the name and address of the secured party; and unless electronically filed, the signatures of the debtor and secured parties;

   e. Provides a mailing address for the secured party; and

f. Provides a mailing address for the debtor.

2. Except as otherwise provided in subsection 2 of section 41-09-72, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:

   a. Indicate that it covers this type of collateral;

   b. Indicate that it is to be filed for record in the real property records;

   c. Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and

   d. If the debtor does not have an interest of record in the real property, provide the name of a record owner.

3. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

   a. The record indicates the goods or accounts that it covers;

   b. The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;

   c. The record satisfies the requirements for a financing statement in this section other than an indication that it is to be filed in the real property records; and

   d. The record is duly recorded.

4. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

5. A financing statement filed to gain protection under the central notice system must be amended within three months of a material change to reflect that change. The amended financing statement must be signed by both the debtor and secured party and filed in the same manner as the original financing statement. An electronically filed amendment does not need to be signed.

6. Any social security number or federal tax identification number submitted on a financing statement filed pursuant to this chapter as a central indexing filing prior to January 1, 2012, is an exempt record as defined by subsection 5 of section 44-04-17.1 and may not be disclosed as part of any search under section 41-09-94 or 41-09-96 or as part of a copy of the record. After December 31, 2011, a debtor's social security number or federal tax identification number may not be filed pursuant to this chapter in the filing office with the central indexing system and may not be recorded in the real property records.

(Effective after June 30, 2013) Contents of financing statement - Record of mortgage as financing statement - Time of filing financing statement - Amending financing statement.

1. Subject to subsection 2, a financing statement is sufficient only if the statement:

   a. Provides the name of the debtor;

   b. Provides the name of the secured party or a representative of the secured party;

   c. Indicates the collateral covered by the financing statement; and

d. If it is a financing statement that is to be filed to gain protection under the central notice system, includes a reasonable description of the property, including the county in which the property is located, and any other additional information required by the Food Security Act of 1985 [Pub. L. 99-198; Stat. 1535; 7 U.S.C. 1631], as prescribed by the secretary of state, and, to be sufficient a financing statement must include the name and address of the secured party; and unless electronically filed, the signatures of the debtor and secured parties~~;~~

~~e. Provides a mailing address for the secured party; and~~

~~f. Provides a mailing address for the debtor~~.

2. Except as otherwise provided in subsection 2 of section 41-09-72, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:

a. Indicate that it covers this type of collateral;

b. Indicate that it is to be filed for record in the real property records;

c. Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and

d. If the debtor does not have an interest of record in the real property, provide the name of a record owner.

3. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

a. The record indicates the goods or accounts that it covers;

b. The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;

c. The record satisfies the requirements for a financing statement in this section, but:

(1) The record need not indicate that it is to be filed in the real property records; ~~and~~

(2) The record sufficiently provides the name of a debtor who is an individual if the record provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom subdivision d of subsection 1 of section 41-09-74 applies; and

(3) The mortgage may not include a social security number or internal revenue service taxpayer identification number; and

d. The record is duly recorded.

4. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

5. A financing statement filed to gain protection under the central notice system must be amended within three months of a material change to reflect that change. The amended financing statement must be signed by both the debtor and secured party and filed in the same manner as the original financing statement. An electronically filed amendment does not need to be signed.

6. Any social security number or ~~federal tax~~internal revenue service taxpayer identification number submitted on a financing statement filed pursuant to this chapter as a central indexing filing ~~prior to January 1, 2012,~~ is an exempt record as defined by subsection 5 of section 44-04-17.1 and may not be disclosed as part of any search under section 41-09-94 or 41-09-96 or as part of a copy of the record. ~~After December 31, 2011, a~~A debtor's social security number or ~~federal tax~~internal revenue service taxpayer identification number ~~may not be filed pursuant to this chapter in the filing office with the central indexing system and~~ may not be recorded in the real property records as provided for under section 11-18-23.2.

SECTION 24. AMENDMENT. Section 41-09-84 of the North Dakota Century Code is amended and reenacted as follows:

41-09-84. (9-513) Termination statement - Remedies - Fees.

1. If a financing statement covering consumer goods is filed after December 31, 1973, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party shall file ~~with each filing officer with whom the financing statement was filed~~electronically in the central indexing system, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which must be identified by file number. In other cases when there is no outstanding secured obligation and no written commitment between the secured party and the debtor to make advances, incur obligations, or otherwise give value, the secured party, unless requested by the debtor in writing to continue the filing, ~~must send to each filing officer with whom the financing statement was filed,~~shall file electronically a termination statement to the effect that the secured party no longer claims a security interest under the financing statement nor under the central notice system, which shall be identified by file number. If the affected secured party fails to file a termination statement as required by this subsection within sixty days of when the secured obligation is fully satisfied, and the debtor has not requested in writing that the filing be continued, then under section 41-09-120 the secured party is liable to the debtor for one hundred dollars and for any loss caused to the debtor by such failure. The debtor's written request for a filing to be continued may be made at any time and be effective under this section. If the affected secured party fails to file a termination statement within ten days after proper written demand by the debtor, then under section 41-09-120 the secured party is liable to the debtor for one hundred dollars and for any loss caused to the debtor by such failure.

2. Except as otherwise provided in section 41-09-81, upon the filing of a termination statement ~~with the filing office~~, the financing statement to which the termination statement relates ceases to be effective. Except as provided in section 41-09-81, for purposes of subsection 7 of section 41-09-90, subsection 1 of section 41-09-93, and subsection ~~3~~2 of section 41-09-94, the electronic filing ~~with the filing office~~ of a termination statement relating to a financing statement that indicates that the debtor is a transmitting utility also causes the effectiveness of the financing statement to lapse.

3. The fee for filing and indexing a termination statement~~, including sending or delivering the financing statement, is five dollars. For any financing statement filed after April 8, 1991, the fee must be paid at the time~~ is included in the fee for filing the financing statement ~~is paid~~.

SECTION 25. AMENDMENT. Subsection 2 of section 41-09-87 of the North Dakota Century Code is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:

   a. The record is not communicated by a method or medium of communication authorized by the filing office;

   b. An amount equal to or greater than the applicable filing fee is not tendered;

c. The filing office is unable to index the record because:

(1) In the case of an initial financing statement, the record does not provide a name for the debtor;

(2) In the case of an amendment or correction statement, the record:

(a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or

(b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;

(3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;

d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(1) Provide a mailing address for the debtor;

(2) Indicate whether the debtor is an individual or an organization; or

(3) If the financing statement indicates that the debtor is an organization, provide:

(a) A type of organization for the debtor;

(b) A jurisdiction of organization for the debtor; or

(c) An organizational identification number for the debtor or indicate that the debtor has none;

f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; ~~or~~

g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86~~.~~; or

h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor.

SECTION 26. AMENDMENT. Section 41-09-94 of the North Dakota Century Code is amended and reenacted as follows:

41-09-94. (9-523) Information from filing office - Sale or license of records.

1. ~~If a~~Any person ~~that files a written record requests~~may request electronically an acknowledgment of ~~the filing, the filing office~~a filing. The central indexing system shall ~~send~~provide to the person detailed information and an image of the record, if not filed electronically, showing the number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90 and the date and time of the filing of the record. ~~However, if the person furnishes a copy of the record to the filing office, the filing office may instead:~~

   ~~a. Note upon the copy the number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90 and the date and time of the filing of the record; and~~

   ~~b. Send the copy to the person.~~

2. ~~If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:~~

   ~~a. The information in the record;~~

   ~~b. The number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90; and~~

   ~~c. The date and time of the filing of the record.~~

~~3.~~ The ~~filing office~~central indexing system shall communicate ~~or otherwise make available in a record~~electronically the following information to any person that requests it:

   a. Whether there is on file on a date and time specified by the ~~filing office~~central indexing system, ~~but not a date earlier than three business days before the filing office receives the request,~~ any ~~verified~~ statement of an agricultural lien created under chapter 35-17, 35-30, or 35-31 or any financing statement that:

      (1) Designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;

      (2) Has not lapsed under section 41-09-86 with respect to all secured parties of record; and

      (3) Effective January 1, 2002, if the request so states, has lapsed under section 41-09-86 and a record of which is maintained by the ~~filing office~~central indexing system under subsection 1 of section 41-09-93;

   b. The date and time of filing of each ~~verified~~ statement and each financing statement; and

   c. The information provided in each ~~verified~~ statement and each financing statement.

~~4.~~ ~~In complying with its duty under subsection 3, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a written certificate.~~

~~5.~~3. ~~The filing office~~If a request to the central indexing system cannot be automatically accepted, the secretary of state shall perform the acts required by subsections 1 ~~through 4 at the time and in the manner prescribed by filing-office rule, but~~and 2 not later than two business days after the ~~filing office~~central indexing system receives the request.

~~6.~~4. At least weekly, the secretary of state shall offer to sell or license to the public on a nonexclusive basis, in bulk, ~~copies~~detailed information of all records filed ~~in it under this part, in every medium from time to time filed within the central indexing system~~.

SECTION 27. AMENDMENT. Section 41-09-96 of the North Dakota Century Code is amended and reenacted as follows:

41-09-96. (9-525) Fees.

1. The fee for filing and indexing an original statement under this title is ~~fifteen~~forty dollars ~~plus one dollar per additional page. When a nonstandard statement is presented for filing, an additional fee of five dollars must be paid~~. An additional fee may not be charged for the same statement to gain protection under the central notice system.

2. The fee for filing and indexing an amendment, ~~including continuations,~~ assignments, releases, or correction statements under this title is ~~ten~~forty dollars ~~plus one dollar per additional page~~. An additional fee may not be charged for the same document to gain protection under the central notice system.

3. The fee for filing and indexing a continuation under this title is thirty dollars. An additional fee may not be charged for the same document to gain protection under the central notice system.

4. A fee may not be charged for ~~responding to~~ a central indexing system response to an electronic request for ~~information~~:

   a. Information from the ~~filing office~~central indexing system communicating whether there is on file any financing statement or ~~verified~~ statement naming a particular debtor.

   b. Information on specific filings on a particular debtor.

   c. Copies of each filing on a particular debtor.

   d. Certified copies of filings on a particular debtor.

~~4.~~5. The fee for a ~~filing office~~central indexing response providing information on specific filings ~~on~~submitted by a particular ~~debtor~~secured party is ~~seven~~five hundred dollars ~~per debtor for the first five entries, plus two dollars for each additional five entries or fraction thereafter~~.

~~5. The fee for a filing office providing copies of each filing for a particular debtor is seven dollars per debtor plus two dollars per page for each page over three pages.~~

~~6. The fee for a filing office providing certified copies of filings on a particular debtor is ten dollars plus two dollars per page for attachments.~~

~~7.~~6. Any fees collected by the secretary of state pursuant to this chapter and all other filings entered into the central indexing system must be deposited in the general fund in the state treasury, ~~except~~with the exception of the fees collected under subsection ~~6~~4 of section 41-09-94, subsection 4 of this section, and a portion of the filing fees specifically identified in section 54-09-11, which must be deposited in the secretary of state's general services operating fund.

SECTION 28. AMENDMENT. Subsection 3 of section 41-09-135 of the North Dakota Century Code is amended and reenacted as follows:

3. The filing of a continuation statement after this Act takes effect does not continue the effectiveness of the financing statement filed before this Act takes effect. However, upon the timely filing of a continuation statement after this Act takes effect, no later than is required by section 41-09-86, and in accordance with the law of the jurisdiction governing perfection as provided in this chapter as amended by this Act, the effectiveness of a financing statement filed in the same office in that jurisdiction before this Act takes effect continues for the period provided by the law of that jurisdiction.

SECTION 29. AMENDMENT. Section 41-10-01 of the North Dakota Century Code is amended and reenacted as follows:

41-10-01. Definitions.

As used in this chapter:

1. "Authorized", when used with reference to a financing statement record, means that the financing statement record was filed by a person authorized to do so as provided in sections 41-09-80 and 41-09-130.

2. "Debtor" means a natural person whose name was provided in a financing statement record as an individual debtor or one of the types of persons listed in section 41-09-76.

3. "Filing office" or "filing officer" refers to the ~~appropriate office or officer~~central indexing system, which must be provided by the secretary of state, where a financing statement record is to be filed electronically as provided by section 41-09-72~~, including the county recorder, the secretary of state, and other designated filing officers~~.

4. "Financing statement record" means an initial financing statement, an amendment that adds collateral covered by a financing statement, and an amendment that adds a debtor to a financing statement as such terms are used in this title.

SECTION 30. AMENDMENT. Section 41-10-05 of the North Dakota Century Code is amended and reenacted as follows:

41-10-05. Venue.

An action under this chapter may be brought in any district court ~~in the county in which the financing statement record is presented for filing or~~ in a county where any of the persons who may bring an action under this chapter reside.

SECTION 31. AMENDMENT. Section 47-16-03 of the North Dakota Century Code is amended and reenacted as follows:

47-16-03. Filing farm lease containing reservation of title to crop - Waiver of rights on failure to file.

1. When a lease of a farm contains a provision reserving title in the lessor to any part of the crops in excess of the rental share of the lessor until the stated conditions of the lease have been complied with by the lessee, such lease must be filed in the office of the recorder in the county in which the land described therein is located if notice by a real estate recording is sought, and must be filed electronically in the central indexing system if recording in the central notice system is sought, prior to July first in the year in which the crops are raised to render such reservation of title effective as to subsequent purchasers or encumbrancers of any part of the grain over and above the lessor's rental share produced upon the land.

2. The failure to file such lease or contract in accordance with this section constitutes a waiver by the lessor of all rights reserved by that person over and above that person's rental share in such crops as against any subsequent purchaser or encumbrancer of the lessee.

3. The secretary of state ~~may prescribe a form which~~shall provide an electronic system that includes the pertinent information from the lease that may be filed in the central notice system. A lessor may file this ~~form with the recorder~~electronic statement and obtain the same rights under this section as if the lessor had filed the lease.

4. The fee required to file and index this notice of lease is:

   a. As provided in section 11-18-05, if the notice of lease is only a real estate recording;

b. As provided in section ~~41-09-06~~41-09-96, if the notice of lease is filed only to gain protection under the central notice system; or

c. As provided in section 11-18-05, if ~~the notice of lease is both a real estate recording and filed to gain protection under the central notice system. An additional fee may not be charged for the same statement~~a real estate recording is sought and according to section 41-09-96 if electronically filed to gain protection under the central notice system.

SECTION 32. AMENDMENT. Section 54-09-08 of the North Dakota Century Code is amended and reenacted as follows:

54-09-08. Secretary of state's general services operating fund.

The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under section 16.1-02-15, subsection ~~6~~4 of section 41-09-94, subsection 4 of section 41-09-96, subsection ~~8~~7 of section 54-09-04, and sections 10-35-33, 54-09-10, and 54-09-11. At the close of each biennium, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.

SECTION 33. AMENDMENT. Section 54-09-09 of the North Dakota Century Code is amended and reenacted as follows:

54-09-09. Computerized central indexing system - Rules.

1. The secretary of state shall maintain a computerized central indexing system that contains the information filed ~~with the office of the secretary of state or with any of the offices of the recorder in this state~~ pursuant to sections 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 35-34-06, 41-09-72, ~~57-28-29,~~ 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, 57-43.2-16.3, and 57-51-11. ~~The system must connect each recorder's office to the secretary of state's office through the information technology department.~~ The system must allow access to financing statement information by equipment that conforms to requirements determined by the information technology department. The system must have safeguards to allow access to information that is in the system relating to security interests or liens and to prevent unauthorized alteration or deletion of that information and to allow access to other information in the system as prescribed by the secretary of state.

2. Within two working days of receipt of a financing statement, continuation statement, amendment, or termination statement filed electronically pursuant to chapter 41-09 or a statement filed electronically pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, or 35-31-02, the ~~recorder or secretary of state shall file the~~ information contained in the statement must be filed in the computerized central indexing system. A computer printout of information from the system is prima facie evidence of the existence or nonexistence of the filing of a financing statement or lien. The secretary of state shall ~~prescribe one form~~provide an electronic means that can be used to perfect a security interest in farm products or gain protection under the central notice system, or both.

3. The secretary of state may adopt rules necessary to implement this section and sections 54-09-10 and 54-09-11.

SECTION 34. AMENDMENT. Section 54-09-10 of the North Dakota Century Code is amended and reenacted as follows:

54-09-10. Secretary of state to compile lists for crops and livestock - Distribution of lists.

1. From the computerized central indexing system, the secretary of state or a designee shall produce ~~each month one~~electronically a list for crops and ~~one~~a list for livestock that each contain the information as filed ~~on the forms~~ pursuant to section 41-09-72. The secretary of

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

2. The secretary of state shall distribute ~~monthly~~ by mail or deliver electronically the lists prepared pursuant to subsection 1~~, at least five business days in advance of the effective date of each of the lists~~. If requested, the secretary of state shall mail or deliver electronically the lists to any person making a request at a fee as provided in section 54-09-11.

3. Upon a verbal request of any person, the secretary of state~~,~~ or a designee of the secretary of state~~, or a recorder~~ shall verbally provide information contained on a list generated through the computerized central indexing system if the collateral is crops or livestock. The requesting party may request electronically a certificate from ~~the secretary of state or the recorder and the secretary of state or the recorder shall~~the central indexing system to confirm the information given. Direct computer access is equivalent to oral confirmation, and a computer printout constitutes the written confirmation of the secretary of state, if use of this method of confirmation does not cause the central indexing system to lose federal certification. A computer printout from the computerized central indexing system constitutes the certificate of the secretary of state ~~or the recorder~~ as to whether there is on file, on the date and hour stated on the computer printout, a financing statement.

SECTION 35. AMENDMENT. Section 54-09-11 of the North Dakota Century Code is amended and reenacted as follows:

54-09-11. Fees.

1. The secretary of state shall establish fees for ~~placing data in the computerized central indexing system; for obtaining computer access to the computerized central indexing system, to the computerized Uniform Commercial Code central filing database, or to the computerized statutory liens database; for receiving printouts; for direct access to all or parts of the central indexing system; for lists sold or licensed under subsection 6 of section 41-09-94; for any other list provided by the secretary of state; for~~ any programming charges specifically incurred to provide information requested by persons which is related to the central indexing system~~;~~ and for other services provided through the computerized system.

2. ~~The~~A fee may not be required for furnishing information on a verbal request pursuant to subsection 3 of section 54-09-10 ~~is seven dollars~~, and the fee for furnishing a certificate under subsection 3 of section 54-09-10 is ~~seven~~fifteen dollars.

3. The secretary of state shall establish the fee for furnishing lists ~~under subsection 1 of section 54-09-10~~from the central indexing system based on actual costs to produce the lists for distribution.

4. Fees collected by the secretary of state under ~~subsections 1 and 3 and~~this section, under subsection ~~6~~4 of section 41-09-94, and subsection 4 of section 41-09-96, and ten dollars from each filing entered into the central indexing system must be deposited in the secretary of state's general services operating fund. Fees collected by the secretary of state under ~~subsection 2 must be deposited in the general fund in the state treasury~~this section must be used for the programming and maintenance of the central indexing system.

5. The secretary of state ~~may adopt rules regarding what portion of the filing fees and search fees collected by the recorder under section 41-09-96 must be submitted to the secretary of state for deposit into the secretary of state's general operating fund to meet the cost of the provision of services required under sections 54-09-09 and 54-09-10~~shall pay ten dollars to

the county recorder of the county of residence for the first debtor listed on each statement filed pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, or 41-09-72. The payment must be made monthly from the general fund in the state treasury.

SECTION 36. AMENDMENT. Subsection 5 of section 57-34-10 of the North Dakota Century Code is amended and reenacted as follows:

5. Any mortgagee, purchaser, judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in the state, prior to the tax commissioner filing in the central indexing system maintained by the secretary of state a notice of the lien provided for in subsection 4, takes free of, or has priority over, the lien. The tax commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. the next day following the indexing of the notice. The tax commissioner shall index any notice of lien with no payment of fees or costs to the secretary of state.

SECTION 37. AMENDMENT. Subsection 4 of section 57-36-09.5 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next day following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 38. AMENDMENT. Section 57-38-49 of the North Dakota Century Code is amended and reenacted as follows:

57-38-49. Preservation of lien.

Any mortgagee, purchaser, judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in the state, prior to the commissioner filing in the central indexing system maintained by the secretary of state a notice of the lien provided for in section 57-38-48, takes free of, or has priority over, the lien. The commissioner shall index in the central indexing system the following data:

1. The name of the taxpayer.
2. The name "State of North Dakota" as claimant.
3. The date and time the notice of lien was indexed.
4. The amount of the lien.
5. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed. The commissioner shall index any notice of lien with no payment of fees or costs to the secretary of state.

SECTION 39. AMENDMENT. Subsection 4 of section 57-39.2-13 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
   a. The name of the taxpayer.
   b. The name "State of North Dakota" as claimant.
   c. The date and time the notice of lien was indexed.
   d. The amount of the lien.
   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 40. AMENDMENT. Subsection 4 of section 57-40.2-16 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
   a. The name of the taxpayer.
   b. The name "State of North Dakota" as claimant.
   c. The date and time the notice of lien was indexed.
   d. The amount of the lien.
   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 41. AMENDMENT. Subsection 3 of section 57-40.3-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed. The commissioner is exempt from the payment of fees otherwise provided by law for the indexing or the satisfaction of the lien.

SECTION 42. AMENDMENT. Subsection 4 of section 57-43.1-17.4 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 43. AMENDMENT. Subsection 4 of section 57-43.2-16.3 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 44. AMENDMENT. Subsection 4 of section 57-43.3-22 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 45. AMENDMENT. Subsection 2 of section 57-51-11 of the North Dakota Century Code is amended and reenacted as follows:

2. Any judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in this state, prior to the commissioner filing in the central indexing system maintained by the secretary of state, a notice of the lien provided for in this section, takes free of, or has priority over, the lien. The commissioner shall index in the central indexing system the following data:

   a. The name of the taxpayer.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

   e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

   The notice of lien is effective as of eight a.m. of the first day following the indexing of the notice. A notice of lien filed by the commissioner ~~with a recorder~~ before August 1, 1997, may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 46. AMENDMENT. Subsection 4 of section 57-63-10 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:

   a. The name of the facility.

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

   c. The date and time the notice of lien was indexed.

   d. The amount of the lien.

e. The internal revenue service taxpayer identification number of the facility or the social security number of the owner, officer, or manager of the facility.

The notice of lien is effective as of eight a.m. the next day following the indexing of the notice. A notice of lien filed by the commissioner ~~with the recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

SECTION 47. REPEAL. Section 57-28-29 of the North Dakota Century Code is repealed.

SECTION 48. APPLICATION. During the 2013-15 biennium, the secretary of state shall provide an electronic means for the central indexing system to accept an amendment to a statement filed before July 1, 2014, pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 41-09-72, 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, or 57-43.2-16. Before July 1, 2015, a secured party or lienholder may amend a filing under this section without a fee if the amendment is limited in scope to correcting the name of the debtor as required under section 41-09-135, or adding or correcting the social security or internal revenue service taxpayer identification number of the debtor, or both.

SECTION 49. SECRETARY OF STATE REPORT TO LEGISLATIVE ASSEMBLY. The secretary of state shall report to the sixty-fourth legislative assembly regarding the change in filing fees provided under this Act, including a comparison of the revenue collected under the new fee system versus the revenues collected under the previous fee system.

SECTION 50. CONTINGENT EFFECTIVE DATE. Sections 1 through 27 and sections 29 through 47 of this Act become effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of those provisions of this Act, in which case those sections become effective ninety days following the completion of the certificate requirement.

Speaker of the House	President of the Senate
Chief Clerk of the House	Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1136.

House Vote:	Yeas 85	Nays 5	Absent 4
Senate Vote:	Yeas 42	Nays 3	Absent 2

Chief Clerk of the House

Received by the Governor at _____M. on _____, 2013.

Approved at _____M. on _____, 2013.

Governor

Filed in this office this _____day of _____, 2013,

at _____ o'clock _____M.

Secretary of State