

6-0913. COLLECTION ITEMS MUST BE PAID TO BANK OF NORTH DAKOTA AT PAR; VIOLATION A MISDEMEANOR.) All checks and other instruments and items of exchange payable on demand issued in payment of public bills to the state of North Dakota and its political subdivisions or any department of either sent by the Bank of North Dakota to any state bank or banking association in North Dakota, for collection, shall be remitted for at par by such state bank or banking association to the Bank of North Dakota if good on the day presented. Any person or corporation who shall violate any of the provisions of this section shall be guilty of a misdemeanor.

SECTION 2. EMERGENCY.) This act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved February 25, 1949.

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## CONTRACTS AND OBLIGATIONS

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### CHAPTER 113

House Bill No. 114  
(Klefstad and Murray)

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#### ASSIGNMENTS OF ACCOUNTS RECEIVABLE

#### AN ACT

Relating to notice of assignments of accounts receivable, defining "account receivable" and setting forth the effect of such assignments as against creditors and subsequent purchasers and encumbrancers of such account.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

SECTION 1. DEFINITIONS.) As used in this Act, the following words and phrases shall have the meaning hereinafter set forth:

1. "Accounts receivable" means an obligation for the payment of money, due or which may become due, arising out of,
  - a. The sale, conditional sale, manufacture, lease, repair, processing or fabrication of personal property;
  - b. The improvement of real estate;

- c. The improvement or construction of private or public works;
  - d. The rendering of services, or
  - e. A loan or advance, but excluding any obligation for which a party indebted or obligated has given or shall give a negotiable instrument, or which has been reduced to judgment, or secured by a lien on real estate or by a written conditional contract of sale of personal property.
2. "Assignor" means any person, firm or corporation who or which, by written instrument, assigns an account receivable for a past or present valuable consideration, by way of sale, pledge or otherwise, and
  3. "Assignee" means any person, firm or corporation to whom an account receivable is so assigned.

SECTION 2.) Whenever an assignor or an assignee of an account receivable, within thirty days after the assignment thereof, shall have made or caused to be made upon the books of account or other records maintained by the assignor evidencing or showing the account receivable, a notation in such form or wording as to disclose, upon an inspection of such books or records, that such account receivable has been assigned and the name and address of the assignee, such notation shall validate the assignment as of the date of its making and shall constitute full and sufficient notice of the assignment as against the creditors of the assignor and subsequent purchasers and encumbrancers of the account receivable, notwithstanding that notice of such assignment may not have been given to the party or parties indebted or obligated to pay the account receivable, but such notation shall not in anywise be notice to, or affect the rights and powers of any party so indebted or obligated. Where the instrument of assignment assigns or agrees to assign additions to assigned accounts receivable or future accounts receivable contracted by the same debtor, the notation herein provided for may be entered upon the books of account or records of the assignor which pertain or will pertain to such additions or future accounts and in such case shall be effective as notice, as aforesaid, as of the date of the instrument of assignment. Where a party indebted or obligated to pay the account receivable has given or shall give a promise to pay the same which is in the form of a non-negotiable bond, bill of exchange, note, or certificate of indebtedness, which is treated as negotiable in fact by common business practice, the notation shall constitute such notice only if such instrument is legally transferred to the assignee. This Act shall not be construed as requiring such notation in order to create a valid and effective assignment of an account receivable which, without such notation, would be valid and effective in law or in equity.

Approved February 21, 1949.