

# LIENS

## CHAPTER 411

SENATE BILL NO. 2455  
(Lashkowitz, Maxson)

### LIEN STATEMENT ADDRESSES

AN ACT to create and enact a new section to chapter 35-01 of the North Dakota Century Code, relating to lien statement requirements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. A new section to chapter 35-01 of the North Dakota Century Code is hereby created and enacted to read as follows:

**Last known address required for valid lien statement.** Notwithstanding any other provision of law concerning the filing of lien statements, the lien statement filed against an individual must contain the last known address of the debtor in order to be valid.

Approved March 27, 1987  
Filed March 30, 1987

## CHAPTER 412

HOUSE BILL NO. 1349  
(Representatives A. Hausauer, Gunsch, A. Olson)  
(Senator W. Meyer)

## AGRICULTURAL LIENS

AN ACT to create and enact two new chapters to title 35 of the North Dakota Century Code, relating to statutory agricultural liens; to amend and reenact sections 11-18-14, 11-29-24, 35-21-01, and subsection 9 of section 41-09-28 of the North Dakota Century Code, relating to duties of the county register of deeds, county seed, feed, and fuel liens, release of liens, and to information that must be filed with the secretary of state under the central notice system; to repeal chapters 35-07, 35-08, 35-09, and 35-10 of the North Dakota Century Code, relating to threshing or drying liens, crop production liens, motor fuel liens, fertilizer, farm chemicals, or seed liens, and sugar beet production liens; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 11-18-14 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

11-18-14. Register of deeds to remove and destroy certain documents - Records to be made. The register of deeds in each county in this state, unless otherwise earlier permitted by law, shall remove from the files in ~~his~~ the register's office, and destroy, all seed liens, ~~labor liens, stallion liens,~~ chattel mortgages, threshing or drying liens, crop production liens, combining liens, agricultural processor's liens, agricultural supplier's liens, mechanic's liens, repairman's liens, unpaid earned insurance premium liens, and sales contracts together with any releases for the same upon which a claim for relief has accrued and which claim for relief is more than ten years old. At the time of destroying the files the register of deeds shall note on the margin of the index opposite the record of each instrument so removed and destroyed the date when the same was destroyed.

SECTION 2. AMENDMENT. Section 11-29-24 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

11-29-24. Lien on crops for seed, feed, or fuel furnished by county - How obtained. In order to secure a lien upon crops for seed, feed, or fuel furnished by the county under this chapter, the county, through the county auditor, shall comply with the provisions of chapter 35-08 section 4 of this Act.

SECTION 3. A new chapter to title 35 of the North Dakota Century Code is hereby created and enacted to read as follows:

Agricultural processor's lien authorized. Any person who processes any crop or agricultural product is entitled to a lien upon the crop or product processed for the reasonable value of the services performed. As used in this chapter, the term "processor" includes persons threshing, combining, drying, or harvesting any crop or agricultural product. The agricultural processor's lien is effective from the date the processing is completed.

Procedure to obtain lien. To obtain an agricultural processor's lien, the person entitled to the lien, within ninety days after the processing is completed, shall file a verified statement in the office of the register of deeds in the county or counties in which the crop or agricultural product was grown. The statement must contain the following information:

1. The name and address of the person for whom the processing was done.
2. The name and address of the processor.
3. A description of the crops or agricultural products and their amount, if known, subject to the lien together with the legal description as to the location where the crops or agricultural products were grown.
4. The price agreed upon for processing, or if no price was agreed upon, the reasonable value of the processing.

Priority. An agricultural processor's lien obtained under this chapter has priority, as to the crops or agricultural products covered thereby, over all other liens or encumbrances.

SECTION 4. A new chapter to title 35 of the North Dakota Century Code is hereby created and enacted to read as follows:

Agricultural supplier's lien authorized. Any person who furnishes supplies used in the production of crops, agricultural products, or livestock is entitled to a lien upon the crops, products produced by the use of the supplies, and livestock and their products including milk. As used in this chapter, the term "supplies" includes seed, petroleum products, fertilizer, farm chemicals, insecticide, feed, hay, pasturage, veterinary services, or the furnishing of services in delivering or applying the supplies. The agricultural supplier's lien is effective from the date the supplies are furnished or the services performed.

Procedure to obtain lien. To obtain an agricultural supplier's lien, the person entitled to the lien, within ninety days after the supplies are furnished or the services performed, shall file a verified statement in the office of the register of deeds of the county or counties in which the crop, agricultural product, or livestock was grown. 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 the legal description as to the location of the crops, agricultural products, or livestock.
4. A description and value of the supplies furnished.

Priority. An agricultural supplier's lien obtained under the provisions of this chapter has priority, as to the crops or agricultural products covered thereby, over all other liens or encumbrances except any agricultural processor's lien.

**SECTION 5. AMENDMENT.** Section 35-21-01 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

35-21-01. Release of lien by undertaking authorized. When any mechanic's lien, garage storage lien, repairman's lien, seed lien, sugar beet production lien, crop production lien, threshing lien, agricultural processor's lien, agricultural supplier's lien, unpaid earned insurance premium lien, or miner's lien is filed against the ~~real property or personal~~ property of a resident of this state, the property affected may be released by an undertaking in the manner provided in this chapter.

**SECTION 6. AMENDMENT.** Subsection 9 of section 41-09-28 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

9. If a secured party who has perfected a security interest in crops or livestock, or if a lienholder who has created a lien by statute or otherwise; which includes, but is not limited to, liens for threshing; crop or agricultural product processing; crop production; fertilizer, farm chemicals, and seed; agricultural supplies; and landlord's lien; intends to impose liability for such security interest or lien against a crop or livestock buyer, the name of the secured party or lienholder must appear on the most current list or lists distributed by the secretary of state pursuant to subsection 4 of section 41-09-46. In

order to appear on the list or lists, secured parties or lienholders must file with the secretary of state a form prescribed by him the secretary of state which contains all of the following information:

- a. The name and address of the person engaged in farming operations.
- b. The county of residence of the person engaged in farming operations.
- c. The social security number of the person engaged in farming operations or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the debtor except that the social security number is not required for a crop, agricultural processor's or agricultural supplier's lien obtained under section 3 or 4 of this Act unless the social security number is required for certification of the central notice system pursuant to section 1324 of the Food Security Act of 1985 [Pub. L. 99-198; 99 Stat. 1535; 7 U.S.C. 1631].
- d. The name and address of the secured party or lienholder.
- e. A description of the crops or livestock and their amount, if known, subject to the security interest or lien.
- f. The legal description as to the location of the crops or livestock.
- g. The signature of the debtor against whom the loan or lien is filed is not required unless the signature is required for certification of the central notice system pursuant to section 1324 of the Food Security Act of 1985 [Pub.L. 99-198; 99 Stat. 1535; 7 U.S.C. 1631].
- h. The signature of the secured party or lienholder.

A form filed pursuant to this section is effective for a period of five years. The effectiveness and continuation of the form filed is to be treated as if it were filed as a financing statement.

**SECTION 7. REPEAL.** Chapters 35-08, 35-09, and 35-10 of the North Dakota Century Code, and chapter 35-07 of the 1985 Supplement to the North Dakota Century Code are hereby repealed.

**SECTION 8. EMERGENCY.** This Act is declared to be an emergency measure and is in effect upon its filing with the secretary of state or on a date specified in this Act.

Approved April 7, 1987  
Filed April 9, 1987

## CHAPTER 413

SENATE BILL NO. 2433  
(Lips)

## CROP MORTGAGE FINANCING STATEMENTS

AN ACT to amend and reenact section 35-05-01.1 of the North Dakota Century Code, relating to duration of financing statements on crop mortgages.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 35-05-01.1 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

35-05-01.1. Crop liens - Limitations - Exceptions. A security interest upon crops shall attach only to the crop next maturing after the delivery of the security agreement. The effectiveness of a financing statement covering the crop lapses on the expiration of a period of five years from the date of filing unless terminated. The provisions of this section shall not apply to liens by contract given to secure the purchase price or the rental of land upon which the crops covered by the lien are to be grown.

Approved March 20, 1987  
Filed March 23, 1987

## CHAPTER 414

HOUSE BILL NO. 1266  
(Representatives Opedahl, J. Nelson)  
(Senators Bakewell, Yockim)

## REPAIRMEN'S LIEN STATEMENTS

AN ACT to amend and reenact sections 35-13-02 and 35-13-03 of the North Dakota Century Code, relating to filing of repairman's lien statements.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 35-13-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

35-13-02. Lien statement - Contents - When required - Filing. A person entitled to a lien under this chapter who retains possession of the property made, altered, or repaired shall not be 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, within ninety days, or if the property is used 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 register of deeds of the county in which the owner or legal possessor of the property resides, a verified written statement showing:

1. The labor performed.
2. The materials furnished.
3. The price agreed upon for the labor performed or materials furnished, or, if no price was agreed upon, the reasonable value thereof.
4. The name of the person for whom the labor was performed or to whom the materials were furnished.
5. A description of the property upon which the lien is claimed.

A person filing a verified statement shall within twenty days serve notice of the filing, by registered ~~or certified~~ 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.

**SECTION 2. AMENDMENT.** Section 35-13-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**35-13-03. Separate articles of personal property may be included in one lien statement.** Any person entitled to a lien under this chapter who makes, alters, or repairs more than one article of personal property for the same owner or legal possessor may include all the articles of personal property so made, altered, or repaired within ninety days, or if the property is used in the exploration for or the production of oil or gas within six months, preceding the filing of the lien statement in the same statement, and the statement shall have the same force and effect as though a separate statement had been filed for each article.

Approved April 14, 1987  
Filed April 15, 1987



## CHAPTER 415

SENATE BILL NO. 2316  
(Senators D. Meyer, Langley)  
(Representative Tomac)

### AGISTER'S LIEN PROCEDURES

AN ACT to create and enact three new sections to chapter 35-17 of the North Dakota Century Code, relating to agister's liens.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

**SECTION 1.** A new section to chapter 35-17 of the North Dakota Century Code is hereby created and enacted to read as follows:

**Agister's lien by filing - Priority of lien.** In addition to sections 35-17-01 and 35-17-02, any person to whom any horses, mules, cattle, or sheep are entrusted by the owner for the purpose of feeding, herding, pasturing, or ranching, upon filing the statement prescribed in section 2 of this Act, is entitled to a lien upon the horses, mules, cattle, or sheep for the amount that may be due for feeding, herding, pasturing, or ranching, effective from the date the person entitled to the lien comes into possession of the horses, mules, cattle, or sheep. An agister's lien has priority, as to the animals covered by the lien, over all other liens or encumbrances, except agricultural processors' or agricultural suppliers' liens. This section does not apply to stolen stock.

**SECTION 2.** A new section to chapter 35-17 of the North Dakota Century Code is hereby created and enacted to read as follows:

**Procedure to obtain lien - Statement filed - Contents - Waiver.** Any person entitled to an agister's lien, within ninety days after taking possession of the horses, mules, cattle, or sheep, may file in the office of the register of deeds of the county in which the owner of the horses, mules, cattle, or sheep resides, a verified statement containing all of the following:

1. The number of and a description of the animals.
2. The name of the person for whom the horses, mules, cattle, or sheep are kept.

3. The price agreed upon for keeping the animals and, if no price was agreed upon, the reasonable value of the services.

If the statement is not filed within ninety days as required by this section, the person entitled to the lien under section 1 of this Act waives the lien.

**SECTION 3.** A new section to chapter 35-17 of the North Dakota Century Code is hereby created and enacted to read as follows:

**Information to be filed by a lienholder with the secretary of state.** If the lienholder intends to impose liability for a lien under section 1 of this Act against a livestock buyer, the name of the lienholder must appear on the most current list or lists distributed by the secretary of state pursuant to subsection 4 of section 41-09-46. In order to appear on the list or lists, lienholders must file with the secretary of state a form prescribed by him which contains all of the following information:

1. The name and address of the person for whom the livestock is kept.
2. The county of residence of the person for whom the livestock is kept.
3. The social security number of the person for whom the livestock is kept.
4. The name and address of the lienholder.
5. A description of the livestock and their number, if known, subject to the lien.
6. The county where the livestock are born or growing.
7. The signature of the debtor against whom the lien is filed.
8. The signature of the secured party or lienholder.

Approved April 4, 1987  
Filed April 6, 1987

## CHAPTER 416

HOUSE BILL NO. 1510  
(Representatives R. Berg, Gorman)  
(Senator Yockim)

## MECHANIC'S LIEN FORFEITURE

AN ACT to amend and reenact section 35-27-25 of the North Dakota Century Code, relating to information required to enforce a mechanic's lien.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE  
STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 35-27-25 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

35-27-25. Requiring suit to be commenced - Demand - Limitations of action. Upon written demand of the owner, ~~his that person's~~ agent, or contractor, served on the person holding the lien, suit ~~shall~~ must be commenced and filed with the clerk of court within thirty days thereafter or the lien ~~shall be is~~ forfeited. The demand must contain a provision informing the person holding the lien that if suit is not commenced within thirty days, the person holding the lien forfeits the lien. No lien ~~shall be is~~ valid or effective as such, nor ~~shall the same~~ may be enforced in any case, unless the holder thereof ~~shall assert~~ asserts the same by complaint filed with the clerk of court within three years after the date of recording of the verified notice of intention to claim a mechanic's lien. If a summons and complaint asserting the validity of the lien is not filed in the office of the clerk of court of the county in which the lien is recorded within the limitations provided by this section, the lien is deemed satisfied and the clerk of court shall, upon request of any interested person, certify to the register of deeds that no summons and complaint has been filed and the lien is deemed satisfied under this section, who then shall record the verified certificate.

Approved March 20, 1987  
Filed March 23, 1987