

UNIFORM COMMERCIAL CODE

CHAPTER 506

SENATE BILL NO. 2487
(Langley)

CROP MORTGAGE FILING

AN ACT to amend and reenact section 41-09-40 of the North Dakota Century Code, relating to place of filing of crop mortgages.

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

SECTION 1. AMENDMENT. Section 41-09-40 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

41-09-40. (9-401) Place of filing - Erroneous filing - Removal of collateral.

1. The proper place to file in order to perfect a security interest is as follows:
 - a. When the collateral is equipment used in farming operations, or farm products, or growing crops, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or consumer goods, then in the office of the register of deeds in the county of the debtor's residence or if the debtor is not a resident of this state then in the office of the register of deeds in the county where the goods are kept, and in addition when the collateral is crops, as provided in subdivision b.
 - b. When the collateral is ~~crops growing or to be grown~~, timber to be cut, or is minerals or the like (including oil and gas), or accounts subject to subsection 5 of section 41-09-03, or when the financing statement is filed as a fixture filing (section 41-09-34) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate concerned would be filed or recorded.
 - c. In all other cases, in the office of the secretary of state.

2. A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this chapter and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.
3. Filing which is made in the proper place in this state continues effective even though the debtor's residence or place of business or the location of the collateral or its use, whichever controlled the original filing, is thereafter changed.
4. If collateral is brought into this state from another jurisdiction, the rules stated in section 41-09-03 determine whether filing is necessary in this state.
5. Notwithstanding subsections 1, 2, 3, and 4, and subject to subsection 3 of section 41-09-23, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is in the office of the secretary of state. This filing constitutes a fixture filing (section 41-09-34) as to the collateral described therein which is or is to become fixtures.
6. For the purposes of this section, the residence of an organization is its place of business, if it has one, or its chief executive office, if it has more than one place of business.

Approved March 20, 1987
Filed March 23, 1987

CHAPTER 507

SENATE BILL NO. 2272
(Committee on Industry, Business and Labor)
(At the request of the Secretary of State)

UCC FORMS AND FILING FEES

AN ACT to amend and reenact subsections 1 and 3 of section 41-09-41 and subsection 5 of section 41-09-42 of the North Dakota Century Code, relating to Uniform Commercial Code form requirements and fees for those filings.

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

SECTION 1. AMENDMENT. Subsections 1 and 3 of section 41-09-41 of the North Dakota Century Code are hereby amended and reenacted to read as follows:

1. A financing statement is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor, and contains a statement indicating the types, or describing the items, of collateral. In addition, to be sufficient a financing statement filed after July 1, 1987, must include either the social security number or federal tax identification number of the debtor. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection 5 of section 41-09-03, or when the financing statement is filed as a fixture filing (section 41-09-34), and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection 5. A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic, or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the

security agreement so provides or if the original has been filed in this state.

- 3. A form substantially as follows is sufficient to comply with subsection 1:

Name of debtor (or assignor) -----

Address -----

Debtor's social security number or federal tax identification number-----

Name of secured party (or assignee) -----

Address -----

- a. This financing statement covers the following types (or items) of property:

(Describe) -----

- b. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate) -----

- c. (If applicable) The above goods are to become fixtures on:

(Describe real estate) -----

and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record.) The name of a record owner is -----.

- d. (If products of collateral are claimed)

Products of the collateral are also covered.

(use) -----
 whichever) Signature of Debtor (or Assignor)
 is) -----
 applicable)) Signature of Secured Party (or Assignor)

SECTION 2. AMENDMENT. Subsection 5 of section 41-09-42 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

- 5. The fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be as follows:

- a. For filing and indexing any statement under the uniform commercial code, ~~three~~ five dollars, and when a nonstandard statement is presented for filing, an additional fee of ~~two dollars~~ one dollar per page shall be made.

- b. For making certified copies of any recorded instrument, ~~three~~ five dollars.

- c. For completing a certificate requesting information, ~~three~~ five dollars for the first five entries and one dollar for each additional five entries or fraction thereof.
- d. For completing a certificate requesting copies, ~~three~~ five dollars for the first three copies or fraction thereof, and one dollar for each additional copy.
- e. For furnishing copies only of any filed instrument, one dollar.

Approved March 20, 1987

Filed March 23, 1987

CHAPTER 508

SENATE BILL NO. 2205
(Committee on Agriculture)
(At the request of the Secretary of State)

CENTRAL NOTICE SYSTEM FEES

AN ACT to amend and reenact subsections 8, 9 and 11 of section 41-09-42 of the North Dakota Century Code, relating to fees of the central notice system.

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

SECTION 1. AMENDMENT. Subsections 8, 9 and 11 of section 41-09-42 of the 1985 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

8. The fee for filing a form with the secretary of state pursuant to subsection 9 of section 41-09-28 is not to exceed five dollars. This fee may not directly be charged to the person to whom the loan is made.
9. The fee for furnishing information on a verbal request pursuant to subsection 5 of section 41-09-46 is ~~two~~ five dollars.
11. The fee for furnishing lists pursuant to subsection 4 of section 41-09-46 shall be established by the secretary of state, but not to exceed ~~eight~~ twenty-five dollars for a microfiche list and ~~twenty-five dollars~~ actual cost for a printed list.

Approved March 27, 1987
Filed March 30, 1987

CHAPTER 509

HOUSE BILL NO. 1370
(Representatives Stofferahn, O'Connell, Almie)
(Senator Hiiken)

MOTOR VEHICLE AS COLLATERAL

AN ACT to create and enact a new subsection to section 41-09-50 of the North Dakota Century Code, relating to disposition of motor vehicles under secured transactions and liability of debtor for any deficiency; and to amend and reenact subsection 2 of section 41-09-50 of the North Dakota Century Code, relating to disposition of collateral by secured parties.

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

SECTION 1. AMENDMENT. Subsection 2 of section 41-09-50 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. If the security interest secures an indebtedness, the secured party must account to the debtor for any surplus; and. If the collateral is a motor vehicle that is consumer goods, the debtor is not liable for any deficiency unless the secured party has provided the notice required under section 2 of this Act. In all other cases, unless otherwise agreed, the debtor is liable for any deficiency. But if the underlying transaction was a sale of accounts or chattel paper, the debtor is entitled to any surplus or is liable for any deficiency only if the security agreement so provides.

SECTION 2. A new subsection to section 41-09-50 of the North Dakota Century Code is hereby created and enacted to read as follows:

If the collateral is a motor vehicle that is consumer goods, the secured party shall, in the security agreement, provide the following notice to the debtor: "NOTICE: THE MOTOR VEHICLE IN THIS TRANSACTION MAY BE SUBJECT TO REPOSSESSION. IF IT IS REPOSSESSED AND SOLD TO SOMEONE ELSE, AND ALL AMOUNTS DUE TO THE SECURED PARTY ARE NOT RECEIVED IN THAT SALE, YOU MAY HAVE TO PAY THE DIFFERENCE." The notice must be set forth in a conspicuous manner.