

CHAPTER 41-11
TRANSITIONAL PROVISIONS FOR UNIFORM COMMERCIAL CODE AMENDMENTS (2022)

41-11-01. (A-101) Title.

This chapter may be cited as Transitional Provisions for Uniform Commercial Code Amendments (2022).

41-11-02. (A-102) Definitions.

1. In this chapter:
 - a. "Adjustment date" means July 1, 2025.
 - b. "Article 12 property" means a controllable account, controllable electronic record, or controllable payment intangible.
2. The following definitions in other chapters of this title apply to this chapter.
 - a. "Controllable account". Section 41-09-02.
 - b. "Controllable electronic record". Section 41-12-02.
 - c. "Controllable payment intangible". Section 41-09-02.
 - d. "Electronic money". Section 41-09-02.
 - e. "Financing statement". Section 41-09-02.
3. Chapter 41-01 contains general definitions and principles of construction and interpretation applicable throughout this chapter.

41-11-03. (A-201) Saving clause.

Except as provided in sections 41-11-04 through 41-11-09, a transaction validly entered before August 1, 2023, and the rights, duties, and interests flowing from the transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than this title or, if applicable, this title, as though this Act had not taken effect.

41-11-04. (A-301) Saving clause.

1. Except as provided in sections 41-11-04 through 41-11-09, chapter 41-09 as amended by this Act and chapter 41-12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered, created, or acquired before August 1, 2023.
2. Except as provided in subsection 3 and sections 41-11-05 through 41-11-09:
 - a. A transaction, lien, or interest in property that was validly entered, created, or transferred before August 1, 2023, and was not governed by this title, but would be subject to chapter 41-09 as amended by this Act or chapter 41-12 if it had been entered, created, or transferred after July 31, 2023, including the rights, duties, and interests flowing from the transaction, lien, or interest, remains valid after July 31, 2023; and
 - b. The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by this Act or by the law that would apply if this Act had not taken effect.
3. This Act does not affect an action, case, or proceeding commenced before August 1, 2023.

41-11-05. (A-302) Security interest perfected before effective date.

1. A security interest that is enforceable and perfected immediately before August 1, 2023, is a perfected security interest under this Act if, on August 1, 2023, the requirements for enforceability and perfection under this Act are satisfied without further action.
2. If a security interest is enforceable and perfected immediately before August 1, 2023, but the requirements for enforceability or perfection under this Act are not satisfied on August 1, 2023, the security interest:

- a. Is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before August 1, 2023, or the adjustment date;
- b. Remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under section 41-09-13, as amended by this Act, before the adjustment date; and
- c. Remains perfected thereafter only if the requirements for perfection under this Act are satisfied before the time specified in subdivision a.

41-11-06. (A-303) Security interest unperfected before effective date.

A security interest that is enforceable immediately before August 1, 2023, but is unperfected at that time:

1. Remains an enforceable security interest until the adjustment date;
2. Remains enforceable thereafter if the security interest becomes enforceable under section 41-09-13, as amended by this Act, on August 1, 2023, or before the adjustment date; and
3. Becomes perfected:
 - a. Without further action, on August 1, 2023, if the requirements for perfection under this Act are satisfied before or at that time; or
 - b. When the requirements for perfection are satisfied if the requirements are satisfied after that time.

41-11-07. (A-304) Effectiveness of actions taken before effective date.

1. If action, other than the filing of a financing statement, is taken before August 1, 2023, and the action would have resulted in perfection of the security interest had the security interest become enforceable before August 1, 2023, the action is effective to perfect a security interest that attaches under this Act before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this Act before the adjustment date.
2. The filing of a financing statement before August 1, 2023, is effective to perfect a security interest on August 1, 2023, to the extent the filing would satisfy the requirements for perfection under this Act.
3. The taking of an action before August 1, 2023, is sufficient for the enforceability of a security interest on August 1, 2023, if the action would satisfy the requirements for enforceability under this Act.

41-11-08. (A-305) Priority.

1. Subject to subsections 2 and 3, this Act determines the priority of conflicting claims to collateral.
2. Subject to subsection 3, if the priorities of claims to collateral were established before August 1, 2023, chapter 41-09 as in effect before August 1, 2023, determines priority.
3. On the adjustment date, to the extent the priorities determined by chapter 41-09 as amended by this Act modify the priorities established before August 1, 2023, the priorities of claims to Article 12 property and electronic money established before August 1, 2023, cease to apply.

41-11-09. (A-306) Priority of claims when priority rules of chapter 41-09 do not apply.

1. Subject to subsections 2 and 3, chapter 41-12 determines the priority of conflicting claims to Article 12 property when the priority rules of chapter 41-09 as amended by this Act do not apply.
2. Subject to subsection 3, when the priority rules of chapter 41-09 as amended by this Act do not apply and the priorities of claims to Article 12 property were established before August 1, 2023, law other than chapter 41-12 determines priority.

3. When the priority rules of chapter 41-09 as amended by this Act do not apply, to the extent the priorities determined by this Act modify the priorities established before August 1, 2023, the priorities of claims to Article 12 property established before August 1, 2023, cease to apply on the adjustment date.