

# LIENS

## CHAPTER 301

### SENATE BILL NO. 2218

(Senator Urlacher)

## CROP MORTGAGES AND LIENS

AN ACT to amend and reenact sections 35-05-01 and 35-05-01.1 of the North Dakota Century Code, relating to crop mortgages; and to repeal section 35-05-04 of the North Dakota Century Code, relating to security agreements covering specific crops.

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

**SECTION 1. AMENDMENT.** Section 35-05-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-05-01. Security agreement on crops prohibited - Exceptions.** Security interests in growing and unharvested crops are prohibited, and any security agreement purporting to create a security interest therein is void. The provisions of this section do not apply to any security interest or lien in favor of the United States, this state, any county, or any department or agency of any of them, including the Bank of North Dakota, nor to any financial institution as defined by section 6-01-02 or 21-04-01, nor to any ~~other~~ agricultural cooperative or agricultural lending agency, nor to any security interest created by contract to secure money advanced or loaned for the purpose of paying government crop insurance premiums or to secure the purchase price or the rental or improvement of the land upon which the crops covered by the contract are to be grown.

**SECTION 2. AMENDMENT.** Section 35-05-01.1 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-05-01.1. Crop liens - Limitations - Exceptions - Remedies - Penalty.** A security interest upon crops attaches only to the crop next maturing after the delivery of the security agreement. The financing statement covering a crop cannot be used to enforce a security interest on any crop other than the crop listed in the security agreement. If the court finds a willful violation of this section, the court shall award a producer the reasonable expenses of maintaining an action, including reasonable attorney's fees. The provisions of this section do 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 or to a security interest upon crops created by a security agreement that contains an after-acquired property clause and the following wording or its equivalent, in boldface print or set forth in some other conspicuous manner, is in the agreement: "This security agreement covers crops now growing. This security agreement also covers future crops to be grown in the current year or any year hereafter." The lien on future crops maintains its priority as to crops grown in future years only so long as the lienholder continues to provide operating funds to the borrower. If, in any subsequent year, another entity entitled to a crop security interest under section 35-05-01 advances operating funds to a borrower, the entity

has a first priority purchase money security interest in the crops grown by the borrower during the year in which the funds are advanced.

**SECTION 3. REPEAL.** Section 35-05-04 of the 1995 Supplement to the North Dakota Century Code is repealed.

Approved April 2, 1997

Filed April 3, 1997

## CHAPTER 302

### SENATE BILL NO. 2323

(Senators Mathern, Heitkamp)

## CENTRAL NOTICE SYSTEM REPAIRMAN'S LIEN ENTRY

AN ACT to amend and reenact section 35-13-02 and subsection 3 of section 41-09-46 of the North Dakota Century Code, relating to entering liens for repairman's liens in the central notice system.

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

**SECTION 1. AMENDMENT.** Section 35-13-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

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

1. The secretary of state shall prescribe one form that must be used to obtain a lien under this section and gain protection under the central notice 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, 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 register of deeds of the county in which the owner or legal possessor of the property resides, a verified written statement showing:
  - ~~4.~~ a. The labor performed.
  - ~~2.~~ b. The materials furnished.
  - ~~3.~~ c. The price agreed upon for the labor performed or materials furnished, or, if no price was agreed upon, the reasonable value thereof.
  - ~~4.~~ d. The name of the person for whom the labor was performed or to whom the materials were furnished.
  - ~~5.~~ e. The social security number, if available, or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number, if available, 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.
  - 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 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 lienholder. The secretary of state shall prescribe a form that may be used to amend 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.

<sup>1</sup> **SECTION 2. AMENDMENT.** Subsection 3 of section 41-09-46 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The secretary of state shall develop and implement a computerized central notice system which must contain the information filed with the office of the secretary of state or with any of the offices of the registers of deeds in this state pursuant to sections 35-13-02, 35-17-04, 35-30-02, 35-31-02, and 41-09-40. The system must connect each ~~registers~~ register of deeds' office to the secretary of state's office through the information services division. The system must allow access to financing statement information by equipment that conforms to requirements determined by the information services division. 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. Within one working day of receipt of a financing statement, continuation statement, amendment, or termination statement filed pursuant to this chapter or a statement filed pursuant to section 35-13-02, 35-17-04, 35-30-02, or 35-31-02, the register of deeds or secretary of state shall record the information contained in the statement in the computerized central notice 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. From the computerized central notice system, the secretary of state or a designee shall produce each month one list for crops and one list for livestock which contain the information as filed on the forms pursuant to section 41-09-40. The secretary of state shall also include the information filed for crops and livestock pursuant to sections 35-17-04, 35-30-02, and 35-31-02. The list 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.

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<sup>1</sup> Section 41-09-46 was also amended by section 3 of Senate Bill No. 2279, chapter 304.

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 and on microfiche. Each list must conspicuously note its effective date.

Approved April 2, 1997

Filed April 3, 1997

## CHAPTER 303

### SENATE BILL NO. 2272

(Senators Solberg, Kinnoin, Sand)  
(Representatives Aarsvold, D. Johnson, Nelson)

## CENTRAL NOTICE SYSTEM LIEN TERMINATION

AN ACT to amend and reenact sections 35-17-08, 35-30-06, 35-31-06, and subsection 1 of section 41-09-43 of the North Dakota Century Code, relating to termination of statutory liens filed under the central notice system; and to provide a penalty.

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

**SECTION 1. AMENDMENT.** Section 35-17-08 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-17-08. Fees - Penalty.** The fee for filing an agister's lien with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agister's lien is five dollars. If a lienholder fails to file a termination statement within sixty days after the lien is satisfied, the lienholder is liable to the debtor for one hundred dollars.

**SECTION 2. AMENDMENT.** Section 35-30-06 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-30-06. Fees - Penalty.** The fee for filing an agricultural processor's lien with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural processor's lien is five dollars. 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 3. AMENDMENT.** Section 35-31-06 of the 1995 Supplement to 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 with the secretary of state or the county register of deeds is five dollars. The fee for filing a termination statement is five dollars. The termination fee must be paid at the time the fee for filing the lien is paid. The fee for filing an amendment or assignment of an agricultural supplier's lien is five dollars. 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 4. AMENDMENT.** Subsection 1 of section 41-09-43 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. If a financing statement covering consumer goods is filed on or after January 1, 1974, 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 must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases where 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 the debtor on written demand by the debtor, for each filing officer with whom the financing statement was filed, 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. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record complying with subsection 2 of section 41-09-44, including payment of the required fee, if any. If the affected secured party fails to file a termination statement as required by this subsection; ~~or to send a termination statement within ten days after proper demand,~~ 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 the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure. If the affected secured party fails to file a termination statement within ten days after proper written demand by the debtor, then the secured party is liable to the debtor for one hundred dollars, and in addition, for any loss caused to the debtor by such failure.

Approved April 2, 1997  
Filed April 3, 1997

## CHAPTER 304

### SENATE BILL NO. 2279

(Senator Tallackson)  
(Representative Wald)

### UNPAID INSURANCE PREMIUM LIEN

AN ACT to create and enact a new section to chapter 35-20 of the North Dakota Century Code, relating to liens for unpaid earned property or casualty insurance premiums; and to amend and reenact section 35-20-16 and subsection 3 of section 41-09-46 of the North Dakota Century Code, relating to entering liens for unpaid earned property or casualty insurance premiums in the central notice system.

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

**SECTION 1. 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 to obtain a lien under this section and also be entered in the central notice 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 register of deeds of the county or counties in which the property covered by the policy is located and with any loss payee named in the policy, a verified 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 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.
4. The nature and quantity of insurance coverage provided.
- ~~3.~~ 5. The amount of unpaid earned premium.
- ~~4.~~ 6. A description of the property covered by the insurance and subject to the lien.
- ~~5.~~ 7. That a lien is claimed upon the property described.

**SECTION 2.** A new section to chapter 35-20 of the North Dakota Century Code is created and enacted as follows:

**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

to amend 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.

<sup>2</sup> **SECTION 3. AMENDMENT.** Subsection 3 of section 41-09-46 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. The secretary of state shall develop and implement a computerized central notice system which must contain the information filed with the office of the secretary of state or with any of the offices of the registers of deeds in this state pursuant to sections 35-17-04, 35-20-16, 35-30-02, 35-31-02, and 41-09-40. The system must connect each ~~registers~~ register of deeds' office to the secretary of state's office through the information services division. The system must allow access to financing statement information by equipment that conforms to requirements determined by the information services division. 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. Within one working day of receipt of a financing statement, continuation statement, amendment, or termination statement filed pursuant to this chapter or a statement filed pursuant to section 35-17-04, 35-20-16, 35-30-02, or 35-31-02, the register of deeds or secretary of state shall record the information contained in the statement in the computerized central notice 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. From the computerized central notice system, the secretary of state or a designee shall produce each month one list for crops and one list for livestock which contain the information as filed on the forms pursuant to section 41-09-40. The secretary of state shall also include the information filed for crops and livestock pursuant to sections 35-17-04, 35-30-02, and 35-31-02. The list 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 and on microfiche. Each list must conspicuously note its effective date.

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Filed April 3, 1997

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<sup>2</sup> Section 41-09-46 was also amended by section 2 of Senate Bill No. 2323, chapter 302.

**CHAPTER 305****SENATE BILL NO. 2198**  
(Senator Holmberg)**MOBILE HOME LANDLORD'S LIEN**

AN ACT to create and enact a new section to chapter 35-20 of the North Dakota Century Code, relating to creation of a landlord's lien on a mobile home.

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

**SECTION 1.** A new section to chapter 35-20 of the North Dakota Century Code is created and enacted as follows:

**Landlord's mobile home lien.** A landlord of a mobile home lot has a lien for storage and removal of any mobile home left on the lot after the tenant has vacated the premises after an eviction or the expiration of the lease term. A lien under this section does not have priority over a prior perfected security interest in the property. A holder of a lien under this section may retain possession of the mobile home subject to the lien until the amount due is paid. A lienholder may sell a mobile home thirty days after the lienholder mails notice of the lien to the owner of the mobile home and secured parties of record. After the sale, the lienholder shall forward to the former owner any money resulting from the sale of the mobile home in excess of the amount owed to the lienholder for storage and removal of the mobile home. If the location of the former mobile home owner is not known, any money from a sale in excess of the amount owed is presumed abandoned under chapter 47-30.1.

Approved April 2, 1997  
Filed April 3, 1997

## CHAPTER 306

### SENATE BILL NO. 2324

(Senators Thompson, Traynor)  
(Representatives D. Johnson, Nichols)

## AGRICULTURAL PROCESSOR AND SUPPLIER LIEN FILING

AN ACT to amend and reenact sections 35-30-01, 35-30-02, 35-31-01, and 35-31-02 of the North Dakota Century Code, relating to the filing of agricultural processor's liens and agricultural supplier's liens.

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

**SECTION 1. AMENDMENT.** Section 35-30-01 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-30-01. 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. A lien taken pursuant to this section upon anything other than the crop or product processed is void. 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. An agricultural processor's lien filed as a security interest created by contract to secure money advanced or loaned for any purpose is not effective to secure a priority over liens filed under section 35-05-01.

**SECTION 2. AMENDMENT.** Section 35-30-02 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**35-30-02. 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 any county in this state or in the office of the secretary of state. 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~~ 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.
4. The price agreed upon for processing, or if no price was agreed upon, the reasonable value of the processing.

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 processing was done.
6. A description of the processing services and the first date the services were furnished.

The secretary of state shall prescribe one form that can be used 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 3. AMENDMENT.** Section 35-31-01 of the North Dakota Century Code is amended and reenacted as follows:

**35-31-01. 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 An agricultural supplier's lien filed in accordance with section 35-31-02 is effective from the date the supplies are furnished or the services performed. An agricultural supplier's lien filed as a security interest created by contract to secure money advanced or loaned for any purposes is not effective to secure a priority over liens filed under section 35-05-01.

**SECTION 4. AMENDMENT.** Section 35-31-02 of the 1995 Supplement to 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 a verified statement in the office of the register of deeds of any county in this state or in the office of the secretary of state. To obtain an agricultural supplier's lien for furnishing and delivering petroleum products, the person entitled to the lien, within one hundred ~~eighty~~ fifty days after the petroleum products are furnished or delivered, shall file a verified statement in the office of the register of deeds of any county in the state or in the office of the secretary of state. 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 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 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.

Approved April 11, 1997  
Filed April 11, 1997

## CHAPTER 307

### SENATE BILL NO. 2248

(Senators Krebsbach, Grindberg, W. Stenehjem)  
(Representatives Axtman, Poolman)

### SELF-SERVICE STORAGE FACILITY LIEN

AN ACT to create and enact a new chapter to title 35 of the North Dakota Century Code, relating to creation and enforcement of liens on property in self-service storage facilities.

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

**SECTION 1.** A new chapter to title 35 of the North Dakota Century Code is created and enacted as follows:

**Definitions.** As used in this chapter, unless the context otherwise requires:

1. "Default" means failure of the occupant to pay the rent and other charges at the time and in the manner set forth in the rental agreement.
2. "Last known address" means the address provided by the occupant in the latest rental agreement or the address provided by the occupant in a subsequent written notice of a change of address.
3. "Occupant" means the person who rents storage space at a self-service storage facility under a rental agreement, or a sublessee, successor, or assignee.
4. "Owner" means any person who owns, leases, subleases, manages, or operates a self-service storage facility and receives rent from an occupant under a rental agreement.
5. "Personal property" means movable property not affixed to land including merchandise and household goods.
6. "Rental agreement" means a written agreement between the owner and the occupant which establishes or modifies the terms and conditions of the occupant's use of storage space at a self-service storage facility.
7. "Self-service storage facility" means any real property used for renting or leasing individual storage spaces in which occupants customarily store and remove their personal property. The term does not include a garage used principally for parking motor vehicles; any property of a financial institution which contains vaults, safe deposit boxes, or other receptacles for the purposes and benefits of the financial institution's customers; or a warehouse or a public warehouse where warehouse receipts, bills of lading, or other documents of title are issued for the personal property stored.
8. "Storage space" means an enclosure, cubicle, or room that is fully enclosed and equipped with a door designed to be locked for security by the occupant.

**Lien against property.** The owner of a self-service storage facility has a lien on all personal property stored under a rental agreement in a storage space at the self-service storage facility for rent, labor, and other charges, and for expenses reasonably incurred in the sale or other disposition of the property under law. This lien is superior to other security interests except those perfected before the date the lien attaches. The lien attaches upon default by the occupant as stated in the notice of default served on the occupant as provided in this Act.

**Denial of access - Disposal of property.** If the occupant is in default, the owner may deny the occupant access to the leased space and enforce the lien by selling the property stored in the leased space. Sale of the property may be by public or private proceeding and may also be as a unit or in parcels. After the proceeding, the owner may dispose of any property that was offered for sale but which remained unsold.

**Custody and control of property.** Unless the rental agreement provides otherwise, until a sale under this chapter, the occupant is responsible for the care, custody, and control of all property stored in the leased storage space, unless the owner secures the property elsewhere during the sale proceedings.

**Notice of proceedings.** Before conducting a sale, the owner shall:

1. Deliver in person or send by certified mail a notice of default to prior lienholders and to the occupant at the occupant's last known address. A notice under this section is presumed delivered if it is deposited with the United States postal service and properly addressed with postage prepaid. The notice must include:
  - a. A statement that the contents of the occupant's leased space are subject to the operator's lien and that the occupant is denied access to the property until the owner's claim is satisfied;
  - b. The address of the self-service storage facility, the number of the space where the personal property is located, and the name of the occupant;
  - c. A statement of the charges due, the date of default, and a demand for payment of the charges due within a specified time, not less than ten days after the date of notice;
  - d. A statement in bold type providing that, unless the claim is paid within the time stated, the contents of the occupant's leased space will be sold; and
  - e. The name, address, and telephone number of the owner or a designated agent whom the occupant may contact to respond to the notice.
2. Publish, once a week for two consecutive weeks, with the first publication not more than fifteen days before the sale and the last publication at least seven days before the sale, the time, place, and terms of the sale in a newspaper of general circulation in the county where the self-service storage facility is located.

**Sale of property - Application of proceeds.** At any time before the sale, the occupant may pay the amount necessary to satisfy the lien and redeem the

occupant's property. If a sale is held, the owner shall satisfy the lien from the proceeds of the sale and hold the balance, if any, for delivery on demand to the occupant or any other recorded lienholder for a period of two years from the date of sale. The owner may retain any balance unclaimed after the two-year period.

**Protection of purchaser in good faith.** A purchaser in good faith of any property sold under this chapter takes the property clear of any rights of persons against whom the lien was valid, subject to the rights of prior lienholders.

**Liability of owner.** If the owner complies with this chapter, the owner's liability to the occupant is limited to the application of the proceeds received from the sale of the property necessary to satisfy the lien. The owner's liability to other lienholders is limited to the proceeds received from the sale of any property covered by the other lien less the amount necessary to satisfy the owner's lien.

**Validity of certain rental agreements.** Any rental agreement entered before August 1, 1997, remains valid and may be enforced or terminated in accordance with its terms or as permitted by any other law of this state.

**Sale proceedings - Titled vehicles.** The sale proceedings in this Act are sufficient to provide the instruments or documents of authority necessary to obtain a transfer of title to vehicles under section 39-05-19.

Approved March 25, 1997  
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