

Sixty-eighth  
Legislative Assembly  
of North Dakota

ENGROSSED SENATE BILL NO. 2311

Introduced by

Senators Beard, Bekkedahl, Kessel, Patten

Representatives Dyk, Rios

1 A BILL for an Act to amend and reenact sections 35-24-02 and 35-27-02 of the North Dakota  
2 Century Code, relating to well or pipeline construction liens and construction liens.

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

4 **SECTION 1. AMENDMENT.** Section 35-24-02 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **35-24-02. Who entitled to lien - Amount of lien.**

7 1. Any person who shall, under contract with the owner of any leasehold for oil or gas  
8 purposes or any pipeline, perform any labor or furnish any material or services used or  
9 employed, or furnished to be used or employed in the drilling or operating of any oil or  
10 gas well upon such leasehold, or in the construction of any pipeline, or in the  
11 constructing, putting together, or repairing of any material so used or employed, or  
12 furnished to be used or employed, is entitled to a lien under this chapter, whether or  
13 not a producing well is obtained and whether or not such material is incorporated in or  
14 becomes a part of the completed oil or gas well, or pipeline, for the amount due that  
15 person for the performance of such labor or the furnishing of such material or services,  
16 including without limitation transportation and mileage charges connected therewith,  
17 and interest from the date the same was due.

18 2. Notwithstanding any provision in this section, a lien created under this section does  
19 not apply to or constitute a lien against the owner of the surface estate where the oil  
20 and gas well or pipeline is located, or against a mineral owner's royalty interest subject  
21 to an oil and gas lease.

22 **SECTION 2. AMENDMENT.** Section 35-27-02 of the North Dakota Century Code is  
23 amended and reenacted as follows:

1       **35-27-02. Persons entitled to construction lien - Notice.**

2       1. Any person that improves real estate, whether under contract with the owner of such  
3       real estate or under contract with any agent, trustee, contractor, or subcontractor of  
4       the owner, has a lien upon the improvement and upon the land on which the  
5       improvement is situated or to which the improvement may be removed for the price or  
6       value of such contribution. Provided, however, that the amount of the lien is only for  
7       the difference between the price paid by the owner or agent and the price or value of  
8       the contribution. If the owner or agent has paid the full price or value of the  
9       contribution, no lien is allowed. Provided further that if the owner or an agent of the  
10      owner has received a waiver of lien signed by the person that improves the real  
11      estate, a lien is not allowed.

12      2. Any person that extends credit or makes a contract with any agent, trustee, contractor,  
13      or subcontractor of the owner for the improvement of real estate, upon demand, has  
14      the right to request and secure evidence of the legal description of the real estate  
15      upon which the improvement is located, including the name of the title owner of the  
16      real estate. Written notice that a lien will be claimed must be given to the owner of the  
17      real estate by certified mail at least ten days before the recording of the construction  
18      lien.

19      3. Notwithstanding any provision in this section, a lien created under this section does  
20      not apply to or constitute a lien against the owner of the surface estate where the oil  
21      and gas well or pipeline is located, or against a mineral owner's royalty interest subject  
22      to an oil and gas lease.