



Child Support Enforcement
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Jack Dalrymple, Governor
Carol K. Olson, Executive Director

December 13, 2011

Matthew C. Larsgaard
Automobile Dealers Association of North Dakota
P.O. Box 2524
Fargo, ND 58108-2524

Re: Child Support Legislation Affecting Titled Personal Property

Dear Mr. Larsgaard:

I would like to provide you with some information about a new child support law that will take effect soon and that will affect your members. Effective March 1, 2012, Child Support Enforcement (CSE) will implement a child support Lien Registry using an interactive Web site that will be available to, and searchable by, the public. The Lien Registry will be a listing of all obligors who owe any amount of past-due child support that is being enforced by CSE.

For an obligor listed on the Lien Registry, a lien is automatically created on any titled personal property (except property that is absolutely exempt under state law) that the obligor has or later acquires in North Dakota. The lien will be perfected as of the date the obligor is listed on the Lien Registry but, in the case of titled personal property, will not be effective against a good faith purchaser of the property unless the lien is recorded on the title. In certain situations, to protect the interests of third parties who also are trying to perfect an interest in property of the obligor, CSE will be required to subordinate its lien to the third party upon request.

Since the Lien Registry will apply to titled personal property, it will apply to vehicles of all kinds. Thus, the Lien Registry may be of interest to your members, such as when they are considering taking a trade-in on a vehicle that may have a child support lien against it or when considering extending credit to an individual who may owe past-due support.

The Lien Registry law may be found at N.D.C.C. § 35-34-02.1 as follows:

35-34-02.1. (Effective after December 31, 2011) Child support lien registry.

The child support agency shall create a child support lien registry using an interactive website. The registry shall include a listing of any obligor who owes past-due support that is being enforced by the child support enforcement agency, the obligor's date of birth, and the amount of past-due support that is being enforced by the child support enforcement agency. The lien registry website must be available to the public and support a search by last name of the obligor and other

information provided by the person using the website. Any real or titled personal property, except the homestead or other property that is exempt under section 28-22-02, of an obligor who is listed on the lien registry or which the obligor thereafter acquires in this state is subject to a lien. A lien under this section is perfected as of the date the lien is first listed on the child support lien registry, but is not effective against a good-faith purchaser of titled personal property unless the lien is recorded on that title. The child support agency must subordinate its lien under this section upon request of a third party if:

1. The request is accompanied by documentation from the lien registry website showing the child support lien balance as of the date the third party perfected its interest in the property, to the extent that the current balance of the child support lien exceeds the balance when the third party perfected its interest; or
2. The request is made within ninety days of the date the lien is first listed on the child support lien registry and the third party proves that it attempted to perfect an interest in the property prior to the creation of the child support lien.

Although the Lien Registry is authorized by law as of January 1, 2012, CSE will not claim any liens under the Lien Registry between January 1, 2012, and February 29, 2012.

The Lien Registry Web site is under development. It is being patterned after a similar lien docket operated by the Wisconsin child support enforcement program. Here is a link to the Wisconsin lien docket, if you would like to check it out: <http://www.dwd.state.wi.us/liendocketweb/Default.aspx>.

CSE would appreciate if you would share this information about the Lien Registry with your members as you think appropriate. If you have any questions about the Lien Registry or if you would like to discuss how it may affect CSE's interactions with your members, feel free to contact me. My direct phone number is 328-7533.

Thank you for your time.

Sincerely,

Paulette Oberst
Policy Administrator