

Introduced by

Senator W. Stenehjem

Representatives R. Kelsch, Mahoney, Wentz

1 A BILL for an Act to create and enact a new section to chapter 28-20 of the North Dakota
2 Century Code, relating to application of a partial payment on a judgment; to provide for
3 retroactive application; and to declare an emergency.

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

5 **SECTION 1.** A new section to chapter 28-20 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Application of partial payments on judgments.** A partial payment made on a
8 judgment must be applied first to post-judgment costs. If the payment exceeds the costs, the
9 excess amount must be applied toward satisfying the interest due. If the payment exceeds the
10 costs and interest, the excess amount must be applied toward discharging the principal, and the
11 subsequent interest is to be computed on the balance of the principal remaining due. If the
12 payment falls short of satisfying the costs and interest, interest continues to accrue on the
13 former principal until a payment is made that exceeds the sum of the costs and interest due at
14 the time of payment, and then the excess amount must be applied toward discharging the
15 principal, and interest accrues thereafter on the balance of the principal remaining due.

16 **SECTION 2. RETROACTIVE APPLICATION OF ACT.** This Act applies to each partial
17 payment made on or after the effective date of this Act on a judgment regardless of the date the
18 judgment was entered in the judgment docket.

19 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.