

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 5: BUSINESS REGULATION**

**§ 51527. Satisfaction of Lien: Notice; Sale by Auction; Disposition of Proceeds.**

A lien created pursuant to 4 CMC § 51524 may be satisfied as follows:

(a) The lienholder shall give written notice to the person on whose account the charges secured by the lien were incurred and to any other person known to have or claim an interest in the vessel upon which the lien is asserted.

(b) The notice must be given by delivery in person or by registered or certified letter addressed to the last known place of business or abode of the person or persons to be notified, and if no address is known then addressed to the person or persons at the place where the lienholder has his place of business.

(c) The notice must contain:

(1) A statement of the claim, showing the sum due at the time of the notice and the date or dates when it became due.

(2) A description of the vessel against which the lien exists.

(3) A demand that the amount of the claim as stated in the notice, and of such further claim as may accrue, must be paid on or before a day mentioned.

(4) A statement that unless the claim is paid within the time specified the vessel will be advertised for sale, and sold by auction at a specified time and place.

(d) The lienholder shall determine a day for the purposes of the demand in subsection (c)(3). The day mentioned must be:

(1) Not less than 10 days after the delivery of the notice if it is personally delivered; or

(2) Not less than 10 days after the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail.

(e) In accordance with the terms of a notice so given, a sale by auction may be held to satisfy any valid claim which has become a lien on the vessel. The sale must be held in the place where the lien was acquired, or, if the place is manifestly unsuitable for the purpose, at the nearest suitable place.

(f) After the time for the payment of the claim specified in the notice has elapsed, an advertisement of the sale, describing the boat or vessel to be sold, and stating the name of the owner or person on whose account the sale is held, and the time and place of the sale, must be published once a week for 3 consecutive weeks in a newspaper published in the place where the sale is to be held, but if no newspaper is published in that place then in a newspaper having a general circulation in that place. The sale must not be held less than 22 days from the time of the first publication.

(g) From the proceeds of the sale the lienholder shall satisfy his lien, including the reasonable charges of notice, advertisement and sale. The balance, if any, of the proceeds must be delivered, on demand, to the person to whom he would have been bound to deliver, or justified in delivering, the vessel.

**Source:** PL 15-117, § 2(51427), modified.

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**Commission Comment:** The Commission modified this section pursuant to 1 CMC § 3806(c) by changing a reference number to agree with the renumbered section.