

Sections 1 to 67, 72, and 73 are effective the day following final enactment. Sections 68 to 70 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of both Ramsey and Washington counties. Section 71 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Austin.

Approved June 14, 1983

CHAPTER 374 — S.F.No. 1097

An act relating to agriculture; making certain changes in the grain buyers act; providing additional protection to grain producers selling on cash sales and voluntary extensions of credit; setting license fees and bonding requirements; requiring filing of financial statements; retaining certain bonding requirements for public grain warehouses; changing the place of filing of farm product liens; imposing a penalty; appropriating money; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 4, 7, 11, and by adding subdivisions; 223.17; 223.18; 223.19; 232.22, subdivisions 4 and 7; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223; repealing Minnesota Statutes 1982, section 223.16, subdivision 8.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1982, section 223.16, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** For the purpose of sections 223.15 to 223.19 and sections 13 to 15, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 2a. CASH SALE. “Cash sale” means:

(a) a sale for which payment is tendered to the seller not later than the close of business on the next business day after the sale, either in cash or by check, or by mailing or wiring funds to the seller’s account in the amount of at least 80 percent of the value of the grain at delivery; or

(b) a sale of a shipment of grain which is part of a multiple shipment sale, for which a scale ticket clearly marked “CASH” has been received by the seller before completion of the entire sale, and for which payment is tendered in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment is tendered in cash or by check not later

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than the close of business on the next business day, or within 48 hours, whichever is later.

Sec. 3. Minnesota Statutes 1982, section 223.16, subdivision 4, is amended to read:

Subd. 4. **GRAIN.** "Grain" means any cereal grain, coarse grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards, or any other agricultural crop which the commissioner may designate by rule.

Sec. 4. Minnesota Statutes 1982, section 223.16, subdivision 7, is amended to read:

Subd. 7. ~~ITINERANT INDEPENDENT GRAIN BUYER.~~ "Itinerant Independent grain buyer" means a person who travels from place to place to purchase grain for resale using a truck, semitrailer or trailer owned or operated by that person without a private or public grain warehouse license who is licensed to engage in the business of purchasing grain for resale.

Sec. 5. Minnesota Statutes 1982, section 223.16, subdivision 11, is amended to read:

Subd. 11. **PRODUCER.** "Producer" means a person who owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing the grain produced grows grain on land that he owns or leases.

Sec. 6. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 12a. **SCALE TICKET.** "Scale ticket" means a memorandum issued by a grain elevator or warehouse operator to a depositor at the time grain is delivered, showing the weight and kind of grain.

Sec. 7. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 16. **VOLUNTARY EXTENSION OF CREDIT CONTRACT.** "Voluntary extension of credit contract" means a contract for the purchase of a specific amount of grain from a producer in which the title to the grain passes to the grain buyer upon delivery, but the price is to be determined or payment for the grain is to be made at a date later than the date of delivery of the grain to the grain buyer. Voluntary extension of credit contracts include deferred or delayed payment contracts, unpriced sales, no price established contracts, average pricing contracts, and all other contractual arrangements with the exception of cash sales and grain storage agreements evidenced by a grain warehouse receipt.

Sec. 8. Minnesota Statutes 1982, section 223.17, is amended to read:

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223.17 LICENSES; BONDING; CLAIMS; DISBURSEMENTS.

Subdivision 1. **LICENSES.** An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. The types of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) nonwarehouse grain buyer's license; and
- (d) itinerant independent grain buyer's license.

Public grain warehouse operators' licenses cover both grain buying and grain storage. The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.

Subd. 2. **LICENSE RENEWAL.** A license must be renewed annually. Beginning July 1, 1984, the commissioner may stagger the renewal dates of licenses issued under this chapter, subject to the policy expressed in section 116J.69, subdivision 2, paragraph (d). If a person receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. Multiple licenses should be combined into one license if possible.

Subd. 3. **GRAIN BUYERS AND STORAGE FUND; FEES.** The commissioner shall set the fees for inspections and licenses under sections 223.15 to 223.19 and sections 13 to 15 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.19 and sections 13 to 15. These fees may be adjusted pursuant to the provisions of section 16A.128.

The fee for any license issued or renewed prior to June 30, 1984, is \$100. The fee for any license issued or renewed after June 30, 1984, shall be set according to the following schedule:

- (a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$1,500,000;

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(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$1,500,000, but not more than \$3,000,000; and

(c) \$300 plus \$50 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.19 and sections 13 to 15.

Subd. 4. **BOND.** Before a grain buyer's license is issued, the applicant for a grain buyers the license shall must file with the commissioner a bond in a penal sum prescribed by the commissioner but not ~~more~~ less than the following amounts:

(a) \$10,000 for each private or public grain warehouse up to a maximum of five grain warehouses;

(b) \$10,000 for each semitrailer used by an itinerant grain buyer up to a maximum of five semitrailers;

(c) \$5,000 for each truck used by an itinerant grain buyer up to a maximum of five trucks;

(d) \$5,000 for each trailer used by an itinerant grain buyer up to a maximum of five trailers; and

(e) \$50,000 for each nonwarehouse grain buyer \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

(b) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;

(c) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$50,000 for grain buyers whose gross annual purchases exceed \$3,000,000. A grain buyer who has filed a bond with the commissioner prior to July 1, 1983 is not required to increase the amount of the bond to comply with this section until July 1, 1984. The commissioner may postpone an increase in the amount of the bond until July 1, 1985, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed.

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The amount of the bond shall be based on the most recent financial statement of the grain buyer filed under subdivision 6.

A first-time applicant for a grain buyer's license after July 1, 1983 shall file a \$20,000 bond with the commissioner. This bond shall remain in effect for the first year of his license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in clauses (a) to (e) of this section.

In lieu of the bond required by this subdivision the applicant may deposit with the state treasurer cash, a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-103, in the same amount as would be required for a bond.

Subd. 5. VOLUNTARY EXTENSION OF CREDIT CASH SALES; MANNER OF PAYMENT. Upon demand by a seller of grain, a grain buyer shall pay 90 percent of the estimated or actual value of grain purchased at the time the physical possession of the grain is conveyed from the seller to the grain buyer. For a cash sale of a shipment of grain which is part of a multiple shipment sale, the grain buyer shall tender payment to the seller in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment shall be tendered not later than the close of business on the next day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the close of business on the next business day after the sale, shall tender payment to the seller in cash or by check, or shall wire or mail funds to the seller's account in the amount of at least 80 percent of the value of the grain at the time of delivery. The grain buyer shall complete final settlement as rapidly as possible through ordinary diligence. Any transaction wherein this demand is not exercised which is not a cash sale in compliance with the provisions of this subdivision constitutes a voluntary extension of credit and which is not afforded protection under the grain buyer's bond, and which must comply with sections 9 and 10.

Subd. 5a. GRAIN PURCHASES FROM UNLICENSED PRODUCERS. No grain buyer may refuse to purchase grain from a producer solely because the producer is not bonded or is not licensed by the commissioner; provided, that any producer who buys grain from other producers shall be licensed and bonded as required by this chapter.

Subd. 6. CONFIDENTIAL STATEMENTS REQUIRED FINANCIAL STATEMENTS. For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner shall require an annual financial statements statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:

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(a) The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.

(b) The financial statement shall be accompanied by a compilation report of the financial statement which is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants.

(c) The financial statement shall be accompanied by a certification by the chief executive officer or his designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

Subd. 6a. SUSPENSION, REVOCATION, OR REFUSAL TO ISSUE LICENSE. (a) If the a license applicant or a licensee fails to furnish financial statements or to furnish any new bond required, the commissioner may immediately refuse to issue or renew the license or may suspend the license and the licensee shall surrender the license to the commissioner. Within 15 days the

(b) The commissioner may refuse to issue or renew a license or may suspend a license if he determines, based upon the financial statement filed under this section or other financial information obtained by him, that the applicant or licensee is not financially able to properly perform the services and operate the business for which the license is issued.

(c) When a license is suspended the licensee shall surrender the license to the commissioner. An applicant or licensee may request an administrative hearing subject to chapter 14 within 15 days after the commissioner suspends a license or refuses to issue or renew a license under clause (b) to determine whether the license should be issued, renewed, or revoked. If no request is made within 15 days after suspension, the commissioner shall revoke the license. All financial statements submitted to the commissioner are confidential.

Subd. 7. PRODUCER BOND AND CONTRACT CLAIMS. A producer claiming to be damaged by a breach of the conditions of a bond of a contract for the purchase of grain by a licensed grain buyer may file a written claim with

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the commissioner. The claim must state the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond contract. If the commissioner believes that a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Subd. 8. **BOND DISBURSEMENT.** (a) The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. ~~The bond shall not cover any transaction which constitutes a voluntary extension of credit.~~

(b) ~~Upon notification of default,~~ The commissioner shall promptly determine the validity of all claims filed with him and notify all parties having filed claims the claimants of the determination. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment promptly to those claimants entitled to payment. ~~When the commissioner determines it necessary,~~ The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

Subd. 9. **DEFAULTS; VIOLATIONS.** If the commissioner finds, after an investigation is conducted, that a complaint is valid or that a licensee is in violation of the provisions of this chapter, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days, the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

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Sec. 9. [223.175] WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS; FORM.

A written confirmation required under section 10, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath the statement.

Sec. 10. [223.177] PURCHASE BY VOLUNTARY EXTENSION OF CREDIT CONTRACTS.

Subdivision 1. INDICATION OF INTENTION. Every grain buyer who intends to purchase grain by voluntary extension of credit contracts shall indicate his intention to do so annually to the commissioner on a form provided by the commissioner.

Subd. 2. ORAL CONTRACTS. Any grain buyer entering into a voluntary extension of credit contract orally or by phone shall give or mail to the seller a written confirmation conforming to the requirements of section 9 before the close of the next business day.

Subd. 3. CONTRACTS REDUCED TO WRITING. A voluntary extension of credit contract must be reduced to writing by the grain buyer and mailed or given to the seller before the close of the next business day after the contract is entered into or, in the case of an oral or phone contract, after the written confirmation is received by the seller. Provided, however, that if a scale ticket has been received by the seller prior to the completion of the grain shipment, the contract must be reduced to writing within ten days after the sale, but not later than the close of the next business day after the completion of the entire sale. The form of the contract shall comply with the requirements of section 9.

Subd. 4. GRAIN, RIGHTS, OR PROCEEDS HELD. A licensed grain buyer purchasing grain by voluntary extension of credit contracts shall at all times maintain grain, rights in grain, or proceeds from the sale of grain totaling 90 percent of the grain buyer's obligation for grain purchased by voluntary extension of credit contracts. That amount must be evidenced or represented by one or more of the following:

(a) grain owned and actually held by the grain buyer in a grain warehouse owned or controlled by the grain buyer;

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(b) rights in grain evidenced or represented by warehouse receipts issued by a state or federally licensed grain warehouse;

(c) cash on hand or cash held on account in federally or state licensed institutions;

(d) short-term investments held in time accounts with federally or state licensed institutions;

(e) balances on grain margin accounts;

(f) voluntary extension of credit contracts for grain shipped to a processor or terminal as purchaser, less any payment or advance that has been received;

(g) an irrevocable letter of credit, as defined in section 336.5-103; or

(h) other evidence of proceeds from the sale of grain acceptable to the commissioner.

Subd. 5. **VALUE OF GRAIN.** For the purpose of computing the dollar value of inventories of voluntary extension of credit obligations, the value of grain must be figured at the current market price on the day of delivery.

Subd. 6. **TRANSFER OF TITLE.** The title to grain delivered on a voluntary extension of credit contract transfers to the grain buyer upon delivery.

Subd. 7. **STORAGE CHARGES PROHIBITED.** No storage charges may be charged with respect to grain purchased on voluntary extension of credit contracts.

Subd. 8. **RECORDS.** A grain buyer shall keep sufficiently detailed books and records of voluntary extension of credit contracts and evidences of grain, rights in grain, and the proceeds from the sale of grain so as to clearly show compliance with this section. The commissioner or his authorized agent may inspect these books and records to determine whether grain buyers are complying with the provisions of this chapter, and for this purpose the commissioner may enter upon any public or private premises during regular business hours.

Sec. 11. Minnesota Statutes 1982, section 223.18, is amended to read:

223.18 PENALTY.

A person buying grain without first obtaining a grain buyer's license is guilty of a misdemeanor. Each day of operation without a grain buyer's license constitutes a separate offense. In case of license revocation, no new license shall be granted to the person whose license was revoked nor to anyone either directly or indirectly engaged with him in the licensed business for two years. A grain dealer who withholds records from the commissioner, keeps or files records which he knows to be false, alters records fraudulently, or presents to the

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commissioner any records which he knows to be false, is guilty of a gross misdemeanor.

Sec. 12. Minnesota Statutes 1982, section 223.19, is amended to read:
223.19 RULES.

The commissioner may ~~promulgate~~ make temporary or permanent rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to 223.19, and sections 13 to 15.

Sec. 13. [223.20] **REGULATION OF GRAIN BUYERS AND GRAIN STORAGE.**

The commissioner may create a separate division within the department of agriculture for the purpose of administering this chapter and chapter 232.

Sec. 14. [223.21] **ATTORNEY GENERAL; ENFORCEMENT.**

The attorney general, upon request of the commissioner, shall assist the commissioner in enforcing this chapter.

Sec. 15. [223.22] **INVESTIGATION; EDUCATION.**

Subdivision 1. LEGISLATIVE INVESTIGATION. The legislature recommends that the standing committees of the house and senate with jurisdiction over agriculture investigate methods of protecting producers when marketing grain using voluntary extension of credit contracts, including establishment of a state administered trust fund, private insurance, or reinsurance, and methods which grain buyers can use to protect themselves and grain producers from grain price fluctuations.

Subd. 2. EDUCATION. The commissioner shall make every effort to inform grain producers and grain buyers of the protections and exposures which result from application of this chapter.

Sec. 16. Minnesota Statutes 1982, section 232.22, subdivision 4, is amended to read:

Subd. 4. **BONDING.** Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 14 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than \$10,000 for each location up to a maximum of five locations. ~~No condition two bond shall be required under this subdivision after June 30, 1983.~~

Sec. 17. Minnesota Statutes 1982, section 232.22, subdivision 7, is amended to read:

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Subd. 7. **BOND DISBURSEMENT.** (a) The condition one bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) The condition two bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit. ~~This clause expires July 1, 1983.~~

(c) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(d) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(e) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(f) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

Sec. 18. Minnesota Statutes 1982, section 336.9-401, is amended to read:

336.9-401 PLACE OF FILING; ERRONEOUS FILING; REMOVAL OF COLLATERAL.

(1) The proper place to file in order to perfect a security interest is as follows:

(a) When the collateral is ~~equipment used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of~~

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farm products by a farmer, or consumer goods, or motor vehicles which are not inventory, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who is a resident of this state but if the debtor is an individual who is not a resident of this state or is a corporation, partnership or other organization then in the office of the secretary of state, and in addition when the collateral is crops growing or to be grown in the office of the county recorder in the county where the land is located;

(b) When the collateral is equipment to be used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or crops growing or to be grown, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state, but if the debtor is not a resident of this state, then in the office of the secretary of state;

(c) When the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;

(e) (d) In all other cases, in the office of the secretary of state.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in this state continues effective even though the debtor's residence in this state or the use of the collateral, whichever controlled the original filing, is thereafter changed.

(4) The rules stated in section 336.9-103 determine whether filing is necessary in this state.

(5) Notwithstanding the preceding subsections, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. Such a filing shall not be deemed a separate filing from the filings required by other laws, if applicable, set forth in subsection (3) of section 336.9-302. This filing constitutes a fixture filing (section 336.9-313) as to the collateral described therein which is or is to become fixtures.

(6) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

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(7) "Motor vehicle" means any device propelled or drawn by any power other than muscular power in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting building and road construction equipment.

Sec. 19. Laws 1982, chapter 635, section 9, is amended to read:

Sec. 9. REPEALER.

Minnesota Statutes 1980, sections 223.04; 223.07; 223.08; 223.09; 223.10; 223.11; 232.01; 232.02, subdivisions 4, 5, 6, 7, 8 and 9; 232.03; 232.04; and 232.06, subdivision 5; Minnesota Statutes 1981 Supplement, sections 223.01; 223.02; 223.03; 223.05; and 232.02, subdivisions 1, 2 and 3, are repealed. Sections 1 to 6 are repealed July 1, 1983. Any claims under sections 1 to 6 which are not settled before July 1, 1983, may be settled under the provisions of section 4, subdivisions 7 and 8, as they existed prior to July 1, 1983.

Sec. 20. STATUTES REMAIN IN EFFECT.

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes, sections 223.15 to 223.19, and section 232.22, subdivision 7, clause (b), remain in effect without interruption.

Sec. 21. APPROPRIATION.

The sum of \$95,000 is appropriated from the general fund for the biennium ending June 30, 1985, to the commissioner of agriculture for the purposes of administering and enforcing this chapter. The personnel complement of the department of agriculture is increased by two.

Sec. 22. REPEALER.

Minnesota Statutes 1982, section 223.16, subdivision 8, is repealed.

Sec. 23. EFFECTIVE DATE.

Sections 1 to 23 are effective July 1, 1983.

Approved June 14, 1983

CHAPTER 375 — S.F.No. 1189

An act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; prohibiting certain practices; requiring certain practices; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; 184.37; 184.38, subdivisions 6, 8, 9, 10, 11, 17, 18, 19, and by adding a subdivision; and 184.41.

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