

purposes of subdivisions 6a through 9, "person" has the meaning given in section 245.782, subdivision 2.

Sec. 7. Minnesota Statutes 1982, section 462.357, subdivision 7, is amended to read:

Subd. 7. **PERMITTED SINGLE FAMILY USE.** ~~In order to implement the policy of this state that mentally retarded and physically handicapped persons should not be excluded by municipal zoning ordinances from the benefits of normal residential surroundings, A state licensed group home or foster home residential facility serving six or fewer mentally retarded or physically handicapped persons or a licensed day care facility serving 12 or fewer persons shall be considered a permitted single family residential use of property for the purposes of zoning.~~

Sec. 8. Minnesota Statutes 1982, section 462.357, subdivision 8, is amended to read:

Subd. 8. **PERMITTED MULTI-FAMILY USE.** Unless otherwise provided in any town, municipal or county zoning regulation as authorized by this subdivision, a state licensed residential facility serving from 7 through 16 ~~mentally retarded or physically handicapped persons or a licensed day care facility serving from 13 through 16 persons~~ shall be considered a permitted multi-family residential use of property for purposes of zoning. A township, municipal or county zoning authority may require a conditional use or special use permit in order to assure proper maintenance and operation of a facility, provided that no conditions shall be imposed on the homes facility which are more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the residents of the residential facility ~~for the mentally retarded or the physically handicapped.~~ Nothing herein shall be construed to exclude or prohibit residential ~~homes for the mentally retarded or physically handicapped or day care facilities~~ from single family zones if otherwise permitted by a local zoning regulation.

Sec. 9. **EFFECTIVE DATE.**

Sections 1 to 8 are effective the day after final enactment.

Approved May 2, 1984

CHAPTER 618 — S.F.No. 2016

An act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating or transferring certain filings; providing for uniform standards for the filing of names of limited partnerships, corporations, cooperatives, and assumed names and marks; eliminating the requirement of publication after incorporation; shifting the time of publication of certificate of assumed name; providing for the filing

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and enforcement of security interests; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the modification in bylaws of a certain provision relating to the voting power of shares; providing a time limit on claims to shareholders; delaying the effective date of the corporate registration requirement; providing for the transition of preemptive rights; amending Minnesota Statutes 1982, sections 35.14; 66A.08, subdivision 4; 72A.43, subdivisions 1 and 2; 121.212, subdivision 3; 169.966, subdivision 7; 272.483; 297.04, subdivision 3; 302A.031; 302A.111, subdivisions 2 and 3; 302A.115, subdivision 1; 302A.131; 302A.445, subdivision 3; 302A.729, subdivisions 1 and 2; 302A.733, subdivision 2; 303.06, subdivision 1; 303.13, subdivisions 1 and 3; 303.17, subdivision 3; 315.15; 315.20, subdivisions 2 and 3; 315.23, subdivision 2; 315.32; 315.365, subdivision 2; 317.09, subdivision 2; 318.02, subdivision 1; 322A.02; 322A.86; 325D.67, subdivisions 5 and 6; 331.02, subdivision 1; 333.001, subdivisions 3 and 4; 333.01; 333.02; 333.035; 333.055, subdivision 1; 333.06; 333.19, subdivision 1; 333.21, subdivision 1; 336.9-402; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 362A.01, subdivision 1; 365.46; 379.05; 507.10; 540.152; 543.08; Minnesota Statutes 1983 Supplement, sections 300.083, subdivision 6; 302A.521, subdivision 6; 336.9-401; 507.09; and 648.39, subdivision 1; Laws 1981, chapter 270, section 144; repealing Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2.

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

Section 1. Minnesota Statutes 1982, section 35.14, is amended to read:

35.14 LIVESTOCK DETECTIVES FROM OTHER STATES.

Any person duly commissioned by the governor, or the livestock commission, or any other proper authority of another state to act as a livestock detective, may exercise his powers as such in this state, consistently with the laws thereof, upon paying a fee of \$5 and filing with the secretary of state department of agriculture:

- (1) His commission or a certified copy thereof;
- (2) A bond to the state in the penal sum of \$2,000, approved by the secretary commissioner of agriculture, and conditioned for the payment of all damages resulting to any person from any wrongful seizure of property within the state, or other unlawful act done therein by him or by any of his deputies; and
- (3) A stipulation that service upon such secretary the commissioner of agriculture of any summons, order, notice, or process in a civil action upon such bond shall be a sufficient service upon him or his deputies.

Thereupon the secretary of state commissioner of agriculture shall issue certificates to him, and to not exceeding three deputies appointed by him, and for whose acts he shall be responsible, authorizing the holder to perform the duties herein referred to while such commission is in force; and each may seize and hold any animal which he may know, or have reason to believe, has strayed or been stolen from the state whence the commission issued.

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Sec. 2. Minnesota Statutes 1982, section 66A.08, subdivision 4, is amended to read:

Subd. 4. **EMPLOYERS' LIABILITY AND WORKERS' COMPENSATION.** (1) **ORGANIZATION.** (a) **SUBSCRIBERS AND ARTICLES OF INCORPORATION.** Twenty or more persons may form an incorporated mutual employers' liability insurance association for the purpose of insuring themselves and such other persons, firms, or corporations as may become subscribers to the association against liability for compensation payable under the terms of the workers' compensation law and for the purpose of insuring against loss or damage by the sickness, bodily injury, or death by accident of any person employed by the insured or for whose injury or death the insured is responsible.

They shall subscribe and acknowledge a certificate specifying:

(aa) The name, general nature of its business, and the principal place of transacting the same; (such name shall distinguish it from all other corporations, domestic or foreign, authorized to do business in this state and end with "company," "corporation," "association," or the word "incorporated");

(bb) The period of its duration;

(cc) The names and places of residence of the incorporators;

(dd) In what board its management shall be vested and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of the state;

(ee) The highest amount of indebtedness or liability to which the corporation shall at any time be subject; and

(ff) The territory within which the association may do business.

It may contain any other lawful provisions defining and regulating the powers or business of the corporation, its officers, directors, trustees, and members.

The certificate of incorporation of every such corporation shall be submitted to the commissioner for his approval and, if he approves the same, one copy thereof shall be filed with the secretary of state and one copy with the commissioner. ~~After this record the certificate shall be filed for record with the county recorder of the county of the principal place of business, as specified in the certificate.~~

~~Corporations may be formed under this subdivision for not to exceed 30 years in the first instance.~~

(b) **BYLAWS AND SEAL.** Such association shall have the power to make bylaws for the government of its officers and the conduct of its affairs, to alter and amend the same, and to adopt a common seal.

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(c) **ANNUAL MEETING; VOTING RIGHTS.** The annual meeting for the election of directors shall be held at such time in the month of January as the bylaws of the association may direct. Of the time and place of the meeting at least 30 days previous written or printed notice shall be given to the subscribers, or the notice may be given by publication, not less than three times, in at least two daily or weekly newspapers published in the city or county wherein the association has its principal office and in the legal periodical, if any, designated by the rules of court of the proper county for the publication of legal notices. Subscribers who, during the preceding calendar year, have paid into the treasury of the association premiums amounting to more than one-half of the total premiums received by it during that year, shall constitute a quorum. At this annual meeting the subscribers shall elect, by ballot, from their own number, not less than five directors, a majority of whom shall be residents of this state, to serve for at least one year and until their successors are duly chosen. The association may provide in its bylaws for the division of its board of directors into two, three, or four classes, and for the election thereof at its annual meetings in such manner that the members of one class only shall retire and their successors be chosen each year. Vacancies may be filled by election by the board until the next annual meeting. In the choice of directors and in all meetings of the association, each subscriber shall be entitled to one vote for every \$100, or any fraction thereof, paid by him in premiums into the treasury of the association during the preceding calendar year. Subscribers may vote by proxy and the record of all votes shall be made by the secretary and show whether the same were cast in person or by proxy and shall be evidence of all these elections. Not less than three directors shall constitute a quorum. The directors shall annually choose by ballot a president, who shall be a member of the board; a secretary; a treasurer, who may be either the president or secretary; and such other officers as the bylaws may provide; and fix the salaries of the president and the secretary, as well as the salaries or compensation of such other officers and agents as the bylaws prescribe. Vacancies in any office may be filled by the directors or by the subscribers, as the bylaws shall prescribe.

(2) **REQUIREMENTS.** (a) **NUMBER OF RISKS TO QUALIFY.** These associations shall not begin to issue policies until a list of subscribers with the number of employees of each which, in the aggregate, must number not less than 5,000, together with such other information as the commissioner may require, shall have been filed at the insurance department, nor until the president and secretary of the association shall have certified under oath that every subscription in the list so filed is genuine and made with an agreement of all the subscribers that they will take the policies subscribed for within 30 days of the granting of a license by the commissioner. In case of associations organized exclusively for the purpose of insuring creameries, cheese factories, and livestock shipping associations, these associations may begin to issue policies when the number of employees insured aggregates 300.

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Upon the filing of the certificate provided for in this section, the commissioner shall make such investigations as he may deem proper and, if his findings warrant it, grant a license to the association to issue policies.

(b) NUMBER OF RISKS REQUIRED TO CONTINUE IN BUSINESS. If at any time the number of subscribers falls below 20, or the number of subscribers' employees within the state falls below 5,000, no further policies shall be issued until the total number of subscribers amounts to not less than 20, whose employees within the state are not less than 5,000. In case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, the number of subscribers must not fall below 200, nor the number of subscribers' employees within the state below 300.

(3) ADDITIONAL POWERS. (a) MAY WRITE AUTOMOBILE INSURANCE. Any such company authorized to write workers' compensation or liability insurance under this subdivision, when its articles of incorporation so provide, shall be permitted to insure against loss or damage to automobiles or other vehicles and their contents by collision, fire, burglary, or theft, and other perils of operation, and against liability for damage to persons or property of others by collision with such vehicles, and to insure against any loss or hazard incident to the ownership, operation, or use of motor or other vehicles, as specified in section 60A.06, subdivision 1, clause (12).

(b) MAY WRITE GLASS INSURANCE. Any company authorized to write workers' compensation or liability insurance under this subdivision when its articles of incorporation so provide shall be permitted to insure against loss or damage by breakage of glass located or in transit.

(c) SPECIAL POWERS. Any company organized under this subdivision which, for 15 years prior to the passage of Laws 1935, Chapter 136, has exclusively insured creameries, cheese factories, and livestock shipping associations, and which has assets of \$100,000 or more, may write public liability and compensation insurance coverage of creameries, cheese factories, shipping associations, farmers' elevators, cooperatively owned warehouses, cooperative filling stations, cooperative oil companies and all cooperatively owned or organized enterprises.

(4) INTERNAL OPERATION. (a) POLICIES. Policies of insurance issued by any such association may be made either with or without the seal thereof and they shall be signed by the president, or such other officers as may be designated by the directors for that purpose, and attested by the secretary.

(b) CLASSIFICATION OF RISKS. The board of directors may divide the subscribers into groups in accordance with the nature of their business and the probable risk of injury therein. In such case they shall fix all premiums, make all assessments, and determine and pay all dividends by and for each group in accordance with the experience thereof, but all funds of the association and the

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contingent liability of all subscribers shall be available for the payment of any claim against the association; provided, that (as between the association and its subscribers) until the whole of the contingent liability of the members of any group shall be exhausted, the general funds of the association and the contingent liability of the members of other groups shall not be available for the payment of losses and expenses incurred by such group in excess of the earned premiums paid by the members thereof.

(c) **CLASSIFICATION TO BE FILED.** A statement of any proposed distribution of subscribers into groups shall be filed with the insurance department.

(d) **RATES.** The board of directors shall determine the amount of premiums which the subscribers of the association shall pay for their insurance in accordance with the nature of the business in which the subscribers are engaged and the probable risk of injury to their employees under existing conditions, and it shall fix premiums at such amounts as in its judgment shall be sufficient to enable the association to pay to its subscribers all sums which may become due and payable to their employees under provisions of law and the expenses of conducting the business of the association. In fixing the premium payable by any subscriber, the board of directors may take into account the condition of the plant, workroom, shop, farm, or premises of the subscriber in respect to the safety of those employed therein as shown by the report of any inspector appointed by the board and it may from time to time change the amount of premiums payable by any of the subscribers as circumstances may require and the condition of the plant, workroom, shop, farm, or premises of the subscribers in respect to the safety of their employees may justify and may increase the premiums of any subscriber neglecting to provide safety devices required by law, or disobeying the rules or regulations made by the board of directors in accordance with the provisions of clause (4) (g) of this subdivision.

(e) **PREMIUMS; CONTINGENT LIABILITY.** Every such company shall charge and collect on each policy a premium equal to one year's premium on the policy issued and state in the policy the estimated annual premium and provide in its bylaws for the determination of the actual premium and for the payment of same when determined. The premium thus determined shall be known as the annual premium on the policy. The company shall provide in its bylaws and specify in its policies the maximum contingent mutual liability of its members for the payment of losses and expenses not provided for by its cash fund. The contingent liability of a member shall not be less than a sum equal and in addition to one annual premium, nor more than a sum equal to five times the amount of the annual premium or, in case of a policy written for less than one year, the contingent liability shall not be less than the proportionate fractional part of the annual premium, nor more than five times the proportionate fractional part of the annual premium. The contingent liability of the policyholder shall be plainly and legibly stated in each policy as follows: "The

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maximum contingent liability of the policyholder under this policy shall be a sum equal to annual premium (or premiums).”

(f) **ASSESSMENTS.** When the liabilities, including unearned premiums and such other reserves as are or may be required by law and the commissioner, are in excess of the admitted assets computed on the basis allowed for its annual statement, it shall make an assessment upon its policyholders based upon the amount of one annual premium as written in the policy and not to exceed the amount of five annual premiums.

If it becomes necessary to levy the assessment, as provided by this section, no policies shall be issued until the admitted assets of the association are in excess of its liabilities.

(g) **POWER OF BOARD OF DIRECTORS.** The board of directors shall be entitled to inspect the plant, workroom, shop, farm, or premises of any subscriber and for this purpose to appoint inspectors, who shall have free access to all such premises during regular working hours, and the board of directors shall likewise from time to time be entitled to examine by their auditor or other agent the books, records, and payrolls of any subscribers for the purpose of determining the amount of premium chargeable to the subscriber.

The board of directors shall make reasonable rules and regulations for the prevention of injuries upon the premises of subscribers; and may refuse to insure, or may terminate the insurance of, any subscriber who refuses to permit these examinations and disregards such rules or regulations, and forfeit all premiums previously paid by him, but the termination of the insurance of any subscriber shall not release him from liability for the payment of assessments then or thereafter made by the board of directors to make up deficiencies existing at the termination of his insurance.

(h) **INVESTMENTS.** The association shall invest and keep invested all its funds of every description, excepting such cash as may be required in the transaction of its business, in accordance with the laws of this state or relating to the investment of funds of domestic insurance companies.

No such association shall purchase, hold, or convey real estate except as provided by section 60A.11, subdivision 6.

(i) **WITHDRAWAL OF SUBSCRIBER.** Any subscriber of the association who has complied with all its rules and regulations may withdraw therefrom by written notice to that effect sent by the subscriber by certified mail to the association and this withdrawal shall become effective on the first day of the month immediately following the tenth day after the receipt of the notice, but the withdrawal shall not release the subscriber from liability for the payment of assessments thereafter made by the board of directors to make up deficiencies existing at the date of his withdrawal and the subscriber shall be entitled to his share of any dividends earned at the date of his withdrawal.

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(5) **MISCELLANEOUS.** (a) **PERJURY BY OFFICER.** If any officer of the association shall falsely make oath to any certificate required to be filed with the commissioner, he shall be guilty of perjury.

(b) **FOREIGN MUTUAL EMPLOYERS' LIABILITY ASSOCIATION.** Any mutual employers' liability insurance association of another state, upon compliance with all laws governing such corporations in general and the provisions of this subdivision may be admitted to transact business in this state. These associations shall pay to the department of insurance the fees prescribed by section 60A.14, subdivision 1.

(c) **WINDING UP AFFAIRS.** When the contracts of insurance issued by these associations shall cover in the aggregate less than 5,000 employees or, in the case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, less than 300 employees, the association shall forthwith notify the commissioner of that fact and if, at the expiration of six months from the notice, the aggregate number of employees covered by the contracts of insurance shall be less than 5,000, or, in the case of associations organized for the purpose of insuring creameries, cheese factories, and livestock shipping associations, less than 300 employees, the commissioner shall proceed under the provisions of chapter 60B.

Sec. 3. Minnesota Statutes 1982, section 72A.43, subdivision 1, is amended to read:

Subdivision 1. Any act of entering into a contract of insurance or annuity as an insurer or transacting insurance business in this state as set forth in subdivision 2 of section 72A.41, by an unauthorized company is equivalent to and shall constitute an appointment by such company of the secretary of state commissioner of commerce and his successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action or proceeding against it, arising out of a violation of section 72A.41, and any of such acts shall be a signification of its agreement that any such process against it which is so served shall be of the same legal force and validity as personal service of process in this state upon such company.

Sec. 4. Minnesota Statutes 1982, section 72A.43, subdivision 2, is amended to read:

Subd. 2. Service of such process shall be made by delivering and leaving with the secretary of state commissioner two copies thereof and the payment to the secretary of state commissioner of the a \$15 filing fee prescribed by law. The secretary of state commissioner shall forthwith mail by certified mail one of the copies of such process to such company at its last known principal place of business registered office, and shall keep a record of all process so served upon him. Such process shall be sufficient service upon such company provided notice of such service and a copy of the process are, within ten days thereafter, sent by

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~~certified mail by or on behalf of the commissioner to such company at its last known principal place of business, and such~~ The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, ~~are~~ shall be filed with the clerk of the court in which such action or proceeding is pending on or before the return date of such process or within such further time as the court may allow.

Sec. 5. Minnesota Statutes 1982, section 121.212, subdivision 3, is amended to read:

Subd. 3. Before the adoption of any rule authorized by subdivision 1, the board shall hold a public hearing. Notice of the hearing shall be published at least once in a legal newspaper in the county in which the property affected by the rule, regulation, or ordinance is located. Publication shall be no more than 45 days and no less than 15 days prior to the date of the hearing.

After a public hearing, a majority of the members of the board must approve a rule, regulation, or ordinance before it is effective. A copy of the adopted rule, regulation, or ordinance shall be signed by the superintendent of the district or joint district and filed with the secretary of state county recorder of each county in which the rule, regulation, or ordinance was adopted, together with proof of publication. Upon filing, the rule, regulation, or ordinance shall be in full force and effect.

Sec. 6. Minnesota Statutes 1982, section 169.966, subdivision 7, is amended to read:

Subd. 7. The state university board shall fix a date for a public hearing on the adoption of any such proposed rule, regulation, or ordinance. Notice of such hearing shall be published in a legal newspaper in the county in which the property affected by the rule, regulation, or ordinance is located. The publication shall be at least 15 days and not more than 45 days before the date of the hearing.

If, after the public hearing, the proposed rule, regulation, or ordinance shall be adopted by a majority of the members of the board, the same shall be considered to have been enacted by the board. A copy of the same shall be signed by the president and filed with the secretary of state county recorder of each county where the rule, regulation, or ordinance shall be in effect, together with proof of publication. Upon such filing, the rule, regulation, or ordinance, as the case may be, shall thenceforth be in full force and effect.

Sec. 7. Minnesota Statutes 1982, section 272.483, is amended to read:
272.483 DUTIES OF FILING OFFICER.

(a) If a notice of federal lien, a refile of a notice of federal lien, or a notice of revocation of any certificate described in clause (b) is presented to a filing officer who is:

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(1) the secretary of state, he shall cause the notice to be marked, held, and indexed in accordance with the provisions of section 336.9-403, clause (4) of the uniform commercial code as if the notice were a financing statement within the meaning of that code; or

(2) any other officer described in section 272.481, he shall endorse thereon his identification and the date and time of receipt and forthwith file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the file number of the lien, and the total amount appearing on the notice of lien.

(b) If a certificate of release, non-attachment, discharge, or subordination of any lien is presented to the secretary of state for filing he shall:

(1) cause a certificate of release or non-attachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of the uniform commercial code, but the notice of lien to which the certificate relates may not be removed from the files; and

(2) cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of the uniform commercial code.

(c) If a refiled notice of federal lien referred to in clause (a) or any of the certificates or notices referred to in clause (b) is presented for filing to any other filing officer specified in section 272.481, he shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where the original notice of lien is entered.

(d) Upon request of any person, the filing officer shall issue his certificate showing whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed on or after July 1, 1971, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. The fee for a certificate is ~~\$1 for each name appearing on the certificate with a minimum fee of \$2~~ \$5 per name appearing on the search request, if on the standard form prescribed by the secretary of state, and otherwise, \$10 for the first name and \$5 for each name in excess of one. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of 50 cents per page.

Sec. 8. Minnesota Statutes 1982, section 297.04, subdivision 3, is amended to read:

Subd. 3. **NON-RESIDENT.** A person without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers, may make application for license as a distributor, be granted such a license by the

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commissioner, and thereafter be subject to all the provisions of sections 297.01 to 297.13 and entitled to act as a licensed distributor, provided he files proof with his application that he has appointed the secretary of state for service of process relating to any matter of issue arising under sections 297.01 to 297.13. ~~A foreign corporation applying for a distributor's license need not qualify as such if it files the proof of appointment of the secretary of state for service of process as provided in this subdivision.~~

Sec. 9. Minnesota Statutes 1983 Supplement, section 300.083, subdivision 6, is amended to read:

Subd. 6. **DETERMINATION OF ELIGIBILITY.** (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2

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have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

Sec. 10. Minnesota Statutes 1982, section 302A.031, is amended to read:
302A.031 **TRANSITION.**

Subdivision 1. CONTINUATION OF LEGAL ACTS. The continuation or completion of any act by a corporation that has not incorporated under, but has become governed by, this chapter, and the continuation or performance of any executed or wholly or partially executory contract, conveyance, or transfer to or by the corporation, shall, if otherwise lawful before the corporation became governed by this chapter, remain valid, and may be continued, completed, consummated, enforced, or terminated as required or permitted by a statute applicable prior to the date on which the corporation became governed by this chapter.

Subd. 2. TRANSITION OF PREEMPTIVE RIGHTS. For purposes of denial of preemptive rights under section 302A.413, subdivision 1, the articles of a corporation formed under chapter 301 shall be construed to deny completely preemptive rights for all shares, rights to purchase shares, securities other than shares or rights to purchase securities other than shares, if those articles deny shareholders the preemptive right to purchase or subscribe to shares.

Sec. 11. Minnesota Statutes 1982, section 302A.111, subdivision 2, is amended to read:

Subd. 2. STATUTORY PROVISIONS THAT MAY BE MODIFIED ONLY IN ARTICLES. The following provisions govern a corporation unless modified in the articles:

- (a) A corporation has general business purposes (section 302A.101);
- (b) A corporation has perpetual existence and certain powers (section 302A.161);
- (c) The power to adopt, amend, or repeal the bylaws is vested in the board (section 302A.181);
- (d) A corporation must allow cumulative voting for directors (section 302A.215);
- (e) The affirmative vote of a majority of directors present is required for an action of the board (section 302A.237);
- (f) A written action by the board taken without a meeting must be signed by all directors (section 302A.239);

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(g) The board may authorize the issuance of securities and rights to purchase securities (section 302A.401, subdivision 1);

(h) All shares are common shares entitled to vote and are of one class and one series (section 302A.401, subdivision 2, clauses (a) and (b));

(i) All shares have equal rights and preferences in all matters not otherwise provided for by the board (section 302A.401, subdivision 2, clause (b));

(j) The par value of shares is fixed at one cent per share for certain purposes and may be fixed by the board for certain other purposes (section 302A.401, subdivision 2, clause (c));

(k) The board or the shareholders may issue shares for any consideration or for no consideration to effectuate share dividends or splits, and determine the value of nonmonetary consideration (section 302A.405, subdivision 1);

(l) Shares of a class or series must not be issued to holders of shares of another class or series to effectuate share dividends or splits, unless authorized by a majority of the voting power of the shares of the same class or series as the shares to be issued (section 302A.405, subdivision 1);

(m) A corporation may issue rights to purchase securities whose terms, provisions, and conditions are fixed by the board (section 302A.409);

(n) A shareholder has certain preemptive rights, unless otherwise provided by the board (section 302A.413);

(o) The affirmative vote of the holders of a majority of the voting power of the shares present and entitled to vote at a duly held meeting is required for an action of the shareholders, except where this chapter requires the affirmative vote of a majority of the voting power of all shares entitled to vote (section 302A.437, subdivision 1);

(p) Shares of a corporation acquired by the corporation may be reissued (section 302A.553, subdivision 1);

(q) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding shares entitled to vote of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (c)); and

(r) An exchange need not be approved by shareholders of the acquiring corporation unless the outstanding participating shares of that corporation will be increased by more than 20 percent immediately after the exchange (section 302A.613, subdivision 3, clause (d)); and

(s) Each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3).

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Sec. 12. Minnesota Statutes 1982, section 302A.111, subdivision 3, is amended to read:

Subd. 3. **STATUTORY PROVISIONS THAT MAY BE MODIFIED EITHER IN ARTICLES OR IN BYLAWS.** The following provisions govern a corporation unless modified either in the articles or in the bylaws:

- (a) Directors serve for an indefinite term that expires at the next regular meeting of shareholders (section 302A.207);
- (b) The compensation of directors is fixed by the board (section 302A.211);
- (c) A certain method must be used for removal of directors (section 302A.223);
- (d) A certain method must be used for filling board vacancies (section 302A.225);
- (e) If the board fails to select a place for a board meeting, it must be held at the principal executive office (section 302A.231, subdivision 1);
- (f) A director may call a board meeting, and the notice of the meeting need not state the purpose of the meeting (section 302A.231, subdivision 3);
- (g) A majority of the board is a quorum for a board meeting (section 302A.235);
- (h) A committee shall consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present (section 302A.241, subdivision 2);
- (i) A majority of a committee is a quorum for a committee meeting, unless otherwise provided by a resolution of the board (section 302A.241, subdivision 3);
- (j) The board may establish a committee of disinterested persons (section 302A.243);
- (k) The chief executive officer and chief financial officer have specified duties, until the board determines otherwise (section 302A.305);
- (l) Officers may delegate some or all of their duties and powers, if not prohibited by the board from doing so (section 302A.351);
- (m) The board may establish uncertificated shares (section 302A.417, subdivision 7);
- (n) Regular meetings of shareholders need not be held, unless demanded by a shareholder under certain conditions (section 302A.431);
- (o) Not less than 10-days nor more than 60-days notice is required for a meeting of shareholders (section 302A.435, subdivision 2);

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(p) The number of shares required for a quorum at a shareholders' meeting is a majority of the voting power of the shares entitled to vote at the meeting (section 302A.443);

(q) The board may fix a date up to 60 days before the date of a shareholders' meeting as the date for the determination of the holders of shares entitled to notice of and entitled to vote at the meeting (section 302A.445, subdivision 1);

(r) ~~Each share has one vote unless otherwise provided in the terms of the share (section 302A.445, subdivision 3); and~~

(s) Indemnification of certain persons is required (section 302A.521); and

(t) (s) The board may authorize, and the corporation may make, distributions not prohibited, limited, or restricted by an agreement (section 302A.551, subdivision 1).

Sec. 13. Minnesota Statutes 1982, section 302A.115, subdivision 1, is amended to read:

Subdivision 1. **REQUIREMENTS; PROHIBITIONS.** The corporate name:

(a) Shall be in the English language or in any other language expressed in English letters or characters;

(b) Shall contain the word "corporation", "incorporated", or "limited", or shall contain an abbreviation of one or more of these words, or the word "company" or the abbreviation "Co." if that word or abbreviation is not immediately preceded by the word "and" or the character "&"

(c) Shall not contain a word or phrase that indicates or implies that it is incorporated for a purpose other than one or more business purposes for which a corporation may be incorporated under this chapter;

(d) Shall not be the same as, or deceptively similar to, the name of a domestic corporation or limited partnership, or a foreign corporation or limited partnership authorized or registered to do business in this state, or a name the right to which is, at the time of incorporation, reserved or provided for in the manner provided in ~~section sections~~ sections 302A.117 ~~or in sections, 322A.03, or 333.001~~ to 333.54, unless there is filed with the articles one of the following:

(1) The written consent of the domestic corporation or limited partnership or foreign corporation or limited partnership authorized or registered to do business in this state or the holder of a reserved name or a name filed by or registered with the secretary of state under sections 333.001 to 333.54 having the same or a deceptively similar name ~~or the holder of a reserved name to use the same or deceptively similar name;~~

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(2) A certified copy of a final decree of a court in this state establishing the prior right of the applicant to the use of the name in this state; or

(3) The applicant's affidavit that the corporation or limited partnership with the same or deceptively similar name has been incorporated or on file in this state for at least three years prior to the affidavit, if it is a domestic corporation or limited partnership, or has been authorized or registered to do business in this state for at least three years prior to the affidavit, if it is a foreign corporation or limited partnership, or that the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 filed or registered that name at least three years prior to the affidavit, and has not during the three year period filed any document with the secretary of state; that the applicant has mailed written notice to the corporation or limited partnership or the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 by certified mail, return receipt requested, properly addressed to the registered office of the corporation or in care of the agent of the limited partnership, or the address of the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54, shown in the records of the secretary of state, that the applicant intends to use the same or deceptively similar name and the notice has been returned to the applicant as undeliverable to the addressee corporation or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54; that the applicant, after diligent inquiry, has been unable to find any telephone listing for the corporation or limited partnership with the same or deceptively similar name in the county in which is located the registered office of the corporation shown in the records of the secretary of state or has been unable to find any telephone listing for the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 in the county in which is located the address of the holder shown in the records of the secretary of state; and that the applicant has no knowledge that the corporation or limited partnership or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 is currently engaged in business in this state.

Sec. 14. Minnesota Statutes 1982, section 302A.131, is amended to read:

302A.131 AMENDMENT OF ARTICLES.

The articles of a corporation may be amended at any time to include or modify any provision that is required or permitted to appear in the articles or to omit any provision not required to be included in the articles, except that when articles are amended to restate them, the name and address of each incorporator may be omitted. Unless otherwise provided in this chapter, the articles may be amended or modified only in accordance with sections 302A.133 to 302A.139. An amendment which merely restates the then-existing articles of incorporation, as amended, is not an amendment for the purposes of sections 302A.215, subdivision 2, or 302A.413, subdivision 9.

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Sec. 15. Minnesota Statutes 1982, section 302A.445, subdivision 3, is amended to read:

Subd. 3. **ONE VOTE PER SHARE.** Unless otherwise provided in the articles or bylaws or in the terms of the shares, a shareholder has one vote for each share held.

Sec. 16. Minnesota Statutes 1983 Supplement, section 302A.521, subdivision 6, is amended to read:

Subd. 6. **DETERMINATION OF ELIGIBILITY.** (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4) or under paragraph (b), or if no determination is made under clauses (1) to (4) or under paragraph (b) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided

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in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

Sec. 17. Minnesota Statutes 1982, section 302A.729, subdivision 1, is amended to read:

Subdivision 1. **PROCEDURE.** If the corporation gives proper notice to creditors and claimants pursuant to section 302A.727:

(a) The claim of a creditor or claimant to whom notice is given who fails to file a claim according to the procedures set forth by the corporation on or before the date set forth in the notice is subject to the provisions of section 302A.781;

(b) The corporation has 30 days from the receipt of each claim to accept or reject the claim by giving written notice to the person submitting it; a claim not expressly rejected in this manner is deemed accepted; and

(c) A creditor or claimant to whom notice is given and whose claim is rejected by the corporation has 60 days from the date of rejection, or 180 days from the date the corporation filed with the secretary of state the notice of intent to dissolve, or 90 days after the date on which notice was given to the creditor or claimant, whichever is longer, to pursue any other remedies with respect to the claim. If the creditor or claimant does not initiate legal, administrative, or arbitration proceedings with respect to the claim during that period, the claim is subject to the provisions of section 302A.781.

Sec. 18. Minnesota Statutes 1982, section 302A.729, subdivision 2, is amended to read:

Subd. 2. **STATUTE OF LIMITATIONS.** The claim of a creditor or claimant to whom notice is not given and for whom payment of any debt is not made or provided for and who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is thereafter subject to the provisions of 302A.781.

Sec. 19. Minnesota Statutes 1982, section 302A.733, subdivision 2, is amended to read:

Subd. 2. **CONTENTS OF ARTICLES.** The articles of dissolution shall state:

(a) Whether notice has been given to all creditors and claimants of the corporation in the manner provided in section 103, and, if notice has been given, the last date on which the notice was given and the date on which the longer of the periods described in section 302A.729, subdivision 1, clause (c) expired; or

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(b) If notice was not given that all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provisions have been made therefor; and

(c) That the remaining property, assets, and claims of the corporation have been distributed among its shareholders in accordance with section 302A.551, subdivision 4, or that adequate provision has been made for that distribution; and

(d) That there are no pending legal, administrative, or arbitration proceedings by or against the corporation, or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered against it in a pending proceeding, and that all other claims are barred under section 302A.781.

Sec. 20. Minnesota Statutes 1982, section 303.06, subdivision 1, is amended to read:

Subdivision 1. **CONTENTS.** In order to procure a certificate of authority to transact business in this state, a foreign corporation shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is organized;

(2) If the name of the corporation does not end with the word "Corporation" or the word "Incorporated," or the abbreviation "Inc.," or does not contain the word "Company" or the abbreviation "Co." not immediately preceded by the word "and" or the character "&," and such words or abbreviations are required by comply with section 303.05 to be included in or added to the name of the corporation, then the name of the corporation with the word or abbreviation which it agrees to add thereto for use in this state;

(3) The date of its incorporation and the period of its duration;

(4) The address of its principal office in the state or country under the laws of which it is organized;

(5) The address of its proposed registered office in this state and the name of its proposed registered agent in this state;

(6) That it irrevocably consents to the service of process upon it as set forth in section 303.13, or any amendment thereto;

(7) The names and respective addresses of its directors and officers;

(8) A statement of the aggregate number of shares having par value and of shares without par value which it shall have authority to issue, itemized by classes and series;

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(9) A statement of the aggregate number of its issued or allotted shares ~~having par value and of shares without par value~~, itemized by classes and series; and

(10) A statement that the officers executing the application have been duly authorized so to do by the board of directors of the corporation.

Sec. 21. Minnesota Statutes 1982, section 303.13, subdivision 1, is amended to read:

Subdivision 1. **FOREIGN CORPORATION.** A foreign corporation shall be subject to service of process, as follows:

(1) By service ~~thereof~~ on its registered agent;

(2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated, or by an affidavit of attempted service by any person not a party, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any deputy or clerk in the corporation department of his office, three copies thereof and a fee of \$15; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.

(3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and his successors to be its true and lawful attorney upon whom may be served all lawful process in any actions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with a fee of \$15 and the secretary of state shall mail one copy thereof to the corporation at its last known address, and the corporation shall have ~~20~~ 30 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of

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state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 22. Minnesota Statutes 1982, section 303.13, subdivision 3, is amended to read:

Subd. 3. **TIME TO ANSWER.** If any summons is so served upon the secretary of state, the corporation so served shall have 30 days from the date of mailing by the secretary in which to answer the complaint.

Sec. 23. Minnesota Statutes 1982, section 303.17, subdivision 3, is amended to read:

Subd. 3. **REVOCATION AFTER 30 DAYS.** The secretary of state shall revoke the certificate of authority of such corporation to do business in this state if such default shall not be cured with such period of 30 days; provided, that for good cause shown the secretary of state may enlarge the period from time to time, but the aggregate of such enlargements shall not exceed ~~three months~~ 180 days or the period of any applicable extension granted by the department of revenue of time for filing the income tax return of the corporation, whichever is greater.

Sec. 24. Minnesota Statutes 1982, section 315.15, is amended to read:

315.15 PARISH CORPORATIONS, ORGANIZATION.

The bishop of any religious denomination may associate with him the vicar general of the same diocese and the pastor of such denomination of the parish wherein a corporation is to be located, which shall be within the diocese of such bishop, and the bishop, vicar general, and pastor, or a majority of them, shall designate and associate with them two lay members of any such denomination; and, upon adopting, signing, and acknowledging, ~~in duplicate,~~ a certificate of incorporation reciting the fact of such association, and of the selection of such laymen, and containing the name, general purpose, and place of location of such corporation, and having ~~one such~~ the certificate recorded with the county recorder of the county of its location ~~and the other filed with the secretary of state,~~ the said five persons and their successors shall become a corporation, subject to all the requirements, and vested with all the rights, powers, and privileges, of a religious corporation. The persons at any time holding the offices hereinbefore specified in any diocese shall, by virtue of their respective offices, be members of and, with the two laymen aforesaid, constitute such corporation, but every such person, on ceasing to hold such office, shall cease to be a member thereof, and his successor in office shall become a member in his place. The two laymen designated as aforesaid shall remain members for the term of two years from the date of the certificate, and thereafter their term of office shall be two years, and in either case until their successors are chosen. They shall always be designated and appointed by the three first named incorporators, who shall also fill all vacancies in their number. Their appointment shall be in writing and entered

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upon the records of the corporation. Should there at any time be a vacancy in the office of bishop of any diocese, or should any other person be appointed in his stead to administer the spiritual and temporal affairs of such diocese, then, during such vacancy or suspension of the authority of such bishop, such administrator of the affairs of the diocese, or any other person appointed under the rules of such denomination to preside over and administer its affairs, shall, while acting as such administrator or appointee, be a member of such corporation, with all the rights and powers incident thereto; but his membership shall at once cease when such vacancy has been filled or suspension of authority removed. If any diocese in which any such corporation is located shall be subdivided according to the rules and practice of such denomination, and one or more new dioceses formed therefrom, or from parts thereof, the bishop and vicar general of any such new diocese and their successors in office, as soon as appointed and instituted, shall, by virtue of their respective offices, forthwith become members of any such corporation within such new diocese, with all the rights, duties, privileges, powers, and obligations of such members, and the bishop and vicar general of the diocese in which such corporation was located prior to such subdivision shall cease to be members thereof.

Sec. 25. Minnesota Statutes 1982, section 315.20, subdivision 2, is amended to read:

Subd. 2. **CERTIFICATE, BY WHOM SIGNED.** The certificate shall be signed and duly acknowledged by the bishop of the diocese and by a majority of the members of the chapter, and filed for record in the office of the county recorder of the county in which the cathedral is located ~~and in the office of the secretary of state.~~

Sec. 26. Minnesota Statutes 1982, section 315.20, subdivision 3, is amended to read:

Subd. 3. **CERTIFICATE FILED; POWERS.** Upon the signing, acknowledging, and filing of such certificate for record with the county recorder of the county of its location, ~~and with the secretary of state,~~ such cathedral shall become a corporation by the name specified in its certificate; and, by and through its chapter, may transact all the business of such cathedral; and, in its corporate name, may acquire or receive, by purchase, gift, grant, devise, or bequest, any property, real, personal, or mixed, and hold, sell, transfer, mortgage, convey, loan, let, or otherwise use the same for the use and benefit of the cathedral; provided, that such use shall not contravene the laws and usages of the Protestant Episcopal Church in the United States of America of this state; but it shall not have power to divert any gift, grant, or bequest from the purpose specified in writing by the donor or deviser, nor to sell, convey, or mortgage its church or church site, except with the consent of the bishop, in writing, and when first authorized to do so at a meeting of the chapter called for that purpose,

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nor in contravention of the canons of the diocese or of the general convention of the Protestant Episcopal Church in the United States of America.

Sec. 27. Minnesota Statutes 1982, section 315.23, subdivision 2, is amended to read:

Subd. 2. **CANON OR RESOLUTION, APPROVAL, RECORDING.** A copy of such resolution or canon, certified by the presiding officer of the body adopting it and verified by the affidavit of its secretary or clerk, with the certificate of the attorney general that the same conforms to law endorsed thereon, shall be filed with the secretary of state county recorder of the county in which the body is located, who shall record the same at length, including such endorsement, and issue his certificate that, the provisions of the law having been complied with, said body has become duly incorporated according to law. The ~~secretary of state~~ county recorder shall keep in a book in his office an alphabetical index of all such corporations.

Sec. 28. Minnesota Statutes 1982, section 315.32, is amended to read:

315.32 TRUSTEES, POWERS; CERTIFICATE, RECORDING.

The board of trustees, the board of administration, or other governing body of any such religious organization may, by unanimous vote of all its members, so alter or amend such articles of incorporation, when authorized so to do at any special meeting of such religious organization called for such expressly stated purpose, at which such special meeting a majority of the members of such religious organization are present, which authority shall be, by resolution, passed by vote of a majority of the members present and voting at such meeting of such religious organization. The board of trustees, the board of administration, or other governing body of any such religious organization shall cause such resolution to be embraced in a certificate duly executed and acknowledged by its president and secretary, or by its other presiding and recording officers, under the corporate seal of the religious organization, and such certificate shall be presumptive evidence of the facts therein stated. The certificate shall be recorded in the office of the county recorder of the county in which the religious organization is located ~~and in the office of the secretary of state~~, and thereupon such alteration or amendment shall become effective.

Sec. 29. Minnesota Statutes 1982, section 315.365, subdivision 2, is amended to read:

Subd. 2. **HOW MERGER EFFECTED.** Any said merger and consolidation shall be effected by the execution by the property corporations who are parties thereto of an agreement of merger and consolidation containing:

- (a) The names of the property corporations who are parties thereto.

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(b) The name and location of the principal office of the surviving corporation with and into which the property corporations who are parties to said merger are to be merged and consolidated.

(c) The persons who shall constitute the governing board of the surviving corporation until their successors are duly elected and shall qualify.

(d) The general purposes of said surviving corporation and the general description of the area to be served by it.

(e) The date of adoption of the authorization for said merger and consolidation by the meeting of the united, reunited, merged, or consolidated religious body to which said merging or consolidating property corporations pertain.

(f) Any other provisions appropriate for the certificate of incorporation of property corporations of said character which may be formed pursuant to the laws of this state.

(g) Said agreement of merger and consolidation shall be executed by the corporate officers of each of the property corporations which are parties thereto and shall be accompanied by the certificate of the secretary or other recording officer of said united, reunited, merged, or consolidated religious body certifying to the adoption by said religious body, in accordance with its constitution, canon law, or other general provisions for the governance of its affairs, of a resolution authorizing said merger and consolidation, and shall also be accompanied by a certificate of the secretary or other recording officer of each of the property corporations who are parties thereto of the adoption by the members and the board of trustees or other governing body of each said property corporation of resolutions authorizing and directing the execution of said agreement of merger and consolidation.

(h) Said agreement of merger and consolidation, when executed as aforesaid and when certified as aforesaid, shall be filed for record ~~in the office of the secretary of state and~~ in the office of the county recorder of the county in which the principal place of business of said surviving corporation is to locate, and shall also be filed for record in the office of the county recorder of each other county of this state in which the principal place of business of any of the property corporations who are parties to said merger and consolidation shall theretofore, by the provisions of its certificate of incorporation, have been located.

(i) Said merger and consolidation shall be and become effective for all purposes upon filing for record the said agreement of merger and consolidation and the certificates as aforesaid in the office of the ~~secretary of state~~ county recorder.

Sec. 30. Minnesota Statutes 1982, section 317.09, subdivision 2, is amended to read:

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Subd. 2. **USE OF SIMILAR NAME FORBIDDEN.** The corporate name shall not be the same as, nor deceptively similar to, the name of any other assumed name, trade or service mark, or limited partnership, or domestic corporation, whether profit or nonprofit, or of any foreign corporation or foreign limited partnership, whether profit or nonprofit, authorized or registered to do business in this state or to any name reserved under section 302A.117 or 322A.03, unless:

(1) the domestic or foreign corporation is about to change its name, or to cease to do business, or is being wound up, or the foreign corporation is about to withdraw from doing business in this state; and

(2) the there is filed with the articles a written consent, court decree of prior right, or affidavit of non-use of such domestic or foreign corporation to the adoption of its name, or of a deceptively similar name, has been given and is filed with the articles of incorporation the kind required by section 302A.115, subdivision 1, paragraph (d).

The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

Sec. 31. Minnesota Statutes 1982, section 318.02, subdivision 1, is amended to read:

Subdivision 1. The term "declaration of trust" as used in this section means the declaration of trust, business trust instrument, trust indenture, contract of custodianship, or other instrument pursuant to which such association is organized. Every such association organized after April 20, 1961, for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the office of the secretary of state a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business, which copy shall be sworn to, as being a true and correct copy, by the chairman of the board of trustees of such association, or by one of the trustees of such association, or by one of the persons or parties to the "declaration of trust." The said sworn statement shall also contain a statement that the true and correct copy of the "declaration of trust" is being filed in the office of the secretary of state of the state of Minnesota pursuant to Minnesota Statutes 1961, chapter 318, and all acts amendatory thereof and shall also include the full name and street address of an agent of the business trust in this state. That agent shall be the agent for service of process which shall be made pursuant to the provisions of section 543.08. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy

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of the "declaration of trust" and the payment of a filing fee of \$150 to the secretary of state, the secretary of state shall issue to such association, or to the trustees named in the said "declaration of trust," or to the persons or parties to the "declaration of trust," a certificate showing that such "declaration of trust" has been duly filed in his office; whereupon, such association in its name shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but a true and correct copy of all amendments to the "declaration of trust," which copy shall be sworn to in like manner as provided above in filing a true and correct copy of the "declaration of trust," shall be filed in the office of the secretary of state upon the payment of a filing fee of \$50 to the secretary of state and all amendments shall become effective at the time of said filing. When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the office of the secretary of state it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

Sec. 32. Minnesota Statutes 1982, section 322A.02, is amended to read:
322A.02 NAME.

The name of each limited partnership as set forth in its certificate of limited partnership:

- (1) shall contain without abbreviation the words "limited partnership";
- (2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;
- (3) may not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its certificate of limited partnership;
- (4) may not be the same as, or deceptively similar to, the name of any a domestic corporation or limited partnership organized under the laws of this state or a foreign corporation or limited partnership authorized licensed or registered as a foreign corporation or limited partnership to do business in this state or a name the right to which is reserved or provided for in the manner provided for in sections 302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of non-use, of the kind required by section 302A.115, subdivision 1, paragraph (d); and
- (5) may not contain the following words: corporation, incorporated.

The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with

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respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

Sec. 33. Minnesota Statutes 1982, section 322A.86, is amended to read:

322A.86 RELATIONSHIP TO SECTIONS 322.01 TO 322.31.

A domestic limited partnership existing on January 1, 1981, shall be governed by sections 322.01 to 322.31 unless (1) the limited partnership elects to come under the provisions of sections 322A.01 to 322A.85, and the certificate of limited partnership is amended to reflect the intention ~~and~~, the election and a certified copy of all previously filed limited partnership documents is filed with the secretary of state, and the election is filed with the county recorder; and (2) to so elect is not prohibited by the terms of the certificate of limited partnership in effect prior to January 1, 1981. A domestic limited partnership formed after December 31, 1980 shall be governed by sections 322A.01 to 322A.85.

Sec. 34. Minnesota Statutes 1982, section 325D.67, subdivision 5, is amended to read:

Subd. 5. **DUTY OF SECRETARY OF STATE ATTORNEY GENERAL.** If complaint shall be made to the ~~secretary of state~~ that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall be the duty of the ~~secretary of state to refer the matter to the attorney general, who may, to review the complaint and~~ if the facts justify it in his judgment, institute proceedings in the courts against such corporation.

Sec. 35. Minnesota Statutes 1982, section 325D.67, subdivision 6, is amended to read:

Subd. 6. **REVOCAION OF PERMIT.** If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of subdivisions 1 to 8, it shall be the duty of the attorney general to request the secretary of state to immediately revoke the permit of such corporation to do business in this state.

Sec. 36. Minnesota Statutes 1982, section 331.02, subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATIONS.** In order to be qualified as a medium of official and legal publication, a newspaper shall:

- (1) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,200 square inches;
- (2) If a weekly, be distributed at least once each week for 50 weeks each year, or if a daily, at least five days each week; but in any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

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(3) In at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid legal notices; and in all of its issues each year, have 25 percent if published more often than weekly or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve, but not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(4) Be circulated in and near the municipality which it purports to serve, and have at least 500 copies regularly delivered to paying subscribers and have entry as second-class matter in its local post office, or have at least 500 copies regularly distributed without charge to local residents;

(5) Have its known office of issue established in the county in which lies, in whole or in part, the municipality which the newspaper purports to serve;

(6) File a copy of each issue immediately with the state historical society;

(6a) Be made available at single or subscription prices to any person, corporation, partnership or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(7) Have complied with all the foregoing conditions of this subdivision for at least one year last past;

(8) The newspaper must annually publish and submit to the secretary of state a sworn United States Post Office second-class statement of ownership and circulation or in the absence of a permit must annually publish and submit a comparable statement of ownership and circulation covering a one year period ending not more than three months prior to publication verified by a recognized independent circulation auditing agency;

(9) The newspaper shall, between October 1 and December 31 of each year, submit to the secretary of state a sworn printers affidavit of publication accompanied by the published statement required by section 331.02, subdivision 1, clause (8), that it has complied with all of the requirements of this subdivision. A newspaper which files the affidavit shall be qualified as a legal newspaper for the calendar year following filing.

Sec. 37. Minnesota Statutes 1982, section 333.001, subdivision 3, is amended to read:

Subd. 3. **TRUE NAME.** "True name" means the true full name of the natural person, if a proprietorship; the true full name of at least one each partner, if a partnership; the full corporate name as stated in its articles, if a corporation; the full name of the limited partnership, if a limited partnership;

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the true full name of at least one trustee, if a trust; or the true full name of at least one beneficial owner, if any other form of business organization.

Sec. 38. Minnesota Statutes 1982, section 333.001, subdivision 4, is amended to read:

Subd. 4. "Address" means the full residential address of each natural person, trustee or beneficial owner, or ~~any~~ corporation, included in subdivision 3, and the address of the principal place in Minnesota where the business is conducted or transacted, ~~if different~~.

Sec. 39. Minnesota Statutes 1982, section 333.01, is amended to read:

333.01 COMMERCIAL ASSUMED NAMES; CERTIFICATE.

No person shall hereafter carry on or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the true name of every person interested in such business unless such person shall file in the office of the secretary of state, a certificate setting forth the name and business address under which the business is conducted or transacted, or is to be conducted or transacted, and the true name of ~~the~~ each person conducting or transacting the same, with the address of such person. The certificate shall be executed and duly acknowledged by one of the persons conducting, or intending to conduct, the business. The certificate shall be published after it has been filed with the secretary of state in a qualified newspaper in the county in which the person has a principal or registered office for two successive issues.

Sec. 40. Minnesota Statutes 1982, section 333.02, is amended to read:

333.02 FILING OF CERTIFICATE.

Persons conducting or transacting any business under any designation, name, or style referred to in section 333.01 shall, before commencing such business, file such certificate and ~~proof of publication~~ shall publish the certificate in the manner prescribed in section 333.01.

Sec. 41. Minnesota Statutes 1982, section 333.035, is amended to read:

333.035 AMENDMENT OF CERTIFICATE.

Within 60 days after the occurrence of any event which makes any statement in the last previous statement filed incorrect, an amended certificate shall be filed ~~with proof of publication~~ and the amended certificate shall be published by the person conducting the business in the same manner as provided by section 333.01.

Sec. 42. Minnesota Statutes 1982, section 333.055, subdivision 1, is amended to read:

Subdivision 1. Filing of a certificate ~~with proof of publication~~ hereunder shall be effective for a term of ten years from the date of filing and upon

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application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal.

The secretary of state shall notify each person filing a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the person at least six months prior to the certificate's expiration date.

Sec. 43. Minnesota Statutes 1982, section 333.06, is amended to read:

333.06 PLEADING FAILURE TO FILE CERTIFICATE; COSTS.

If any person conducting a business contrary to the terms of sections 333.001 to 333.06 shall, prior to the filing of the certificate ~~and proof of publication~~ therein prescribed, commence a civil action, including an action to recover possession of real property in any court of this state on account of any contract made by, or transaction had on behalf of the business, the defendant may plead such failure in abatement of the action; and all proceedings had in the action shall thereupon be stayed until the certificate provided for by sections 333.001 to 333.06 is duly filed, and the defendant, in case he prevails in the action, shall also be entitled to tax \$50 costs, in addition to such other statutory costs as may be allowed by law, and, in case he does not prevail in the action, shall be entitled to deduct \$50 from the judgment otherwise recoverable therein and if a judgment for money is not otherwise recoverable therein, he shall be entitled to tax \$50 costs. If such a person defends against a civil action, the plaintiff shall be entitled to tax \$50 costs, regardless of which party prevails upon the merits.

Sec. 44. Minnesota Statutes 1982, section 333.19, subdivision 1, is amended to read:

Subdivision 1. A trademark or service mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it;

- (1) consists of or comprises immoral, deceptive or scandalous matter; or
- (2) consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or
- (3) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or
- (4) consists of or comprises the name, signature or portrait of any living individual, except with his written consent; or

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(5) consists of a mark which, (a) when applied to the goods or used to identify the services of the applicant, is merely descriptive or deceptively misdescriptive of them, or (b) when applied to the goods or used to identify the services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or (c) is primarily merely a surname provided, however, that nothing in this subsection (5) shall prevent the registration of a mark used in this state by the applicant which has become distinctive of the applicant's goods or services. The secretary of state may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or used to identify the services, proof of substantially exclusive and continuous use thereof as a mark by the applicant in this state for the five years next preceding the date of the filing of the application for registration; or

(6) consists of or comprises a mark which so resembles a mark registered in this state or a corporate or limited partnership name in use or reserved in this state by another, or a mark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods or used to identify the services of the applicant, to cause confusion or mistake or to deceive. The secretary of state may require affidavits by both the applicant and by the holder of the previously registered name or mark in making this determination.

Sec. 45. Minnesota Statutes 1982, section 333.21, subdivision 1, is amended to read:

Subdivision 1. Upon a finding by the secretary of state that the mark and application for registration comply with the requirements of sections 333.18 to 333.31, and that the class indicated, if any, in which the mark is to be registered is not clearly incorrect, he shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the secretary of state and the seal of the state, and shall show the registrant's name and business address and, if a corporation, the state of incorporation, the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services in connection with which the mark is used, a reproduction of the mark, the registration date and the term of the registration.

Sec. 46. Minnesota Statutes 1983 Supplement, 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 consumer goods, or motor vehicles which are not inventory covered by a certificate of title, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who

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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;

(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;

(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.

(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

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may be transported or drawn upon a highway, excepting building and road construction equipment and vehicles that are inventory of licensed dealers.

Sec. 47. Minnesota Statutes 1982, section 336.9-402, is amended to read:

**336.9-402 FORMAL REQUISITES OF FINANCING STATEMENT;
AMENDMENTS; MORTGAGE AS FINANCING STATEMENT.**

(1) A financing statement is sufficient if it gives the name of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof. When the financing statement covers timber to be cut or covers 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, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

(a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) proceeds under section 336.9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) collateral as to which the filing has lapsed within one year; or

(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)); or

(e) a lien filed pursuant to Minnesota Statutes, chapter 514; or

(f) collateral which is subject to a filed judgment.

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(2a) Except for documents filed under clauses (e) and (f), the reason for the omission of the debtor signature must be stated on the front of the financing statement.

(3) A form substantially as follows is sufficient to comply with subsection (1):

Name of debtor (or assignor)

.....

Address

.....

Name of secured party (or assignee)

.....

Address

.....

1. This financing statement covers the following types (or items) of property:

(Describe)

.....

2. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate and the name of the record owner thereof)

.....

3. (If applicable) The above goods are to become fixtures on

(Describe real estate)..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

4. (If products of collateral are claimed)

Products of the collateral are also covered.

Use whichever signature line is applicable.

Signature of debtor (or assignor)

.....

Signature of secured party (or assignee)

.....

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(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. If the sole purpose of the amendment is to change the name or address of the secured party, only the secured party need sign the amendment. A writing is sufficient if it sets forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, the file number and date of filing of the financing statement. An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or a financing statement filed as a fixture filing (section 336.9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. No description of the real estate or the name of the record owner thereof is required for a fixture filing where the debtor is a transmitting utility. Notwithstanding the foregoing a general description of the real estate is sufficient for a fixture filing where a railroad is the record owner of the real estate on which the fixtures are or are to be located; and for the purposes of this subsection, the requirement of a general description is satisfied if the fixture filing (1) identifies the section, township and range numbers of the county in which the land is located; (2) identifies the quarter-quarter of the section that the land is located in; (3) indicates the name of the record owner of the real estate; and (4) states the street address of the real estate if one exists.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing

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is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement, amendment, continuation, assignment, release, or termination substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading.

Sec. 48. Minnesota Statutes 1982, section 336.9-403, is amended to read:

336.9-403 WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five year period specified in subsection (2). Any such continuation statement must be signed by the secured party, set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding

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continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$5 shall be collected if more than one name is required to be indexed or if the secured party, at his option, shows a trade name for any debtor listed. There shall be no fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and ~~otherwise it shall be \$5~~ does not add additional debtor names to the financing statement. The fee for an amendment adding additional debtor names shall be \$5 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$10. The fee for an amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$5.

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a

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fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

Sec. 49. Minnesota Statutes 1982, section 336.9-404, is amended to read:

336.9-404 TERMINATION STATEMENT.

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, ~~which shall be identified by file number.~~ The termination statement must set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment; identify the original financing statement by file number and filing date; and be signed by the secured party. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than

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the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 50. Minnesota Statutes 1982, section 336.9-405, is amended to read:

336.9-405 ASSIGNMENT OF SECURITY INTEREST; DUTIES OF FILING OFFICER; FEES.

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face ~~or back~~ of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 336.9-403(4). The uniform fee for filing, indexing, and furnishing filing data for a financing statement so indicating an assignment shall be the same as the fee prescribed in section 336.9-403, clause (5).

(2) A secured party ~~may assign~~ of record ~~may record an assignment of~~ all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record ~~and~~, setting forth the name and address of the secured party of record and the debtor as those items appear on the original financing statement or the most recently filed amendment, identifying the file number and the date of filing of the financing statement, and the giving the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement

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if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing, and furnishing filing data about such a separate statement of assignment shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). An additional fee of \$5 shall be charged if there is more than one name against which the statement of assignment is required to be indexed. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 336.9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than Laws 1976, chapter 135.

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

Sec. 51. Minnesota Statutes 1982, section 336.9-406, is amended to read:

336.9-406 RELEASE OF COLLATERAL; DUTIES OF FILING OFFICER; FEES.

A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, ~~the name and address of the secured party as~~ those items appear on the original financing statement or the most recently filed amendment, and the file number of ~~identifies the original financing statement by~~ file number and filing date. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. There shall be no fee for filing and noting such a statement of release if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each

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case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 52. Minnesota Statutes 1982, section 362A.01, subdivision 1, is amended to read:

Subdivision 1. Any county or combination of counties by resolution of the county board or boards may establish a rural development financing authority as a public nonprofit corporation with the same powers and duties as those conferred and imposed on a private nonprofit corporation by chapter 317, and all present and future laws amending or supplementing that chapter, except as otherwise or additionally provided herein. No such authority shall transact any business or exercise any powers until a certified copy of the resolutions of each participating county board has been submitted to the secretary of state and a certificate of incorporation issued pursuant to section 317.10. Each resolution shall include all of the provisions required by section 317.08, subdivision 2.

Sec. 53. Minnesota Statutes 1982, section 365.46, is amended to read:

365.46 COPY OF RESOLUTION FILED WITH SECRETARY OF STATE.

A certified copy of the resolution of the county board declaring such town to be dissolved shall forthwith be forwarded by the county auditor to the secretary of state, who shall, on receipt thereof, make appropriate entry in the records of his office of the dissolution of such town. The county auditor shall also provide notice of the dissolution to the state demographer, the land management information center, the Minnesota municipal board, and the commissioner of transportation.

Sec. 54. Minnesota Statutes 1982, section 379.05, is amended to read:

379.05 RECORD OF DESCRIPTION OF TOWN, WHERE KEPT; ABSTRACT SENT TO COMMISSIONER OF REVENUE STATE AGENCIES.

Each county auditor shall within 30 days after any such town is organized transmit by mail to the commissioner of revenue, the secretary of state, the state demographer, the land management information center, the Minnesota municipal board, and the commissioner of transportation an abstract of such report, giving the name and boundaries of such town and record in a book kept for that purpose a full description of each such town.

Sec. 55. Minnesota Statutes 1983 Supplement, section 507.09, is amended to read:

507.09 FORMS APPROVED; AMENDMENTS.

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform

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conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, chapter 135, as amended by Laws 1931, chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the secretary of state commissioner of commerce as a public record. The commissioner of securities and real estate may appoint an advisory task force on uniform conveyancing forms to recommend to the commissioner of securities and real estate amendments to existing forms or the adoption of new forms. The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059. The commissioner of securities and real estate may adopt amended or new forms consistent with the laws of this state by rule in accordance with chapter 14.

Sec. 56. Minnesota Statutes 1982, section 507.10, is amended to read:

507.10 CERTIFIED COPIES OF FORMS TO BE PRESERVED.

The board of county commissioners of each county in this state shall provide the county recorder and the judge of probate of the county with one copy of each form so approved, a copy of sections 507.09 to 507.14, a copy of the certificate of the Minnesota uniform conveyancing blanks commission contained in the book of forms filed in the office of the secretary of state commissioner of commerce, and a copy of his filing certificate, to be certified as herein provided. Upon presentation to him of sufficient number of true copies of such forms, laws, and certificates in book form to carry out this provision, the secretary of state commissioner of commerce shall, without charge, certify the same to be true copies thereof. Each county recorder and each judge of probate shall thereafter preserve one such certified copy on file in their respective offices for the convenient use of the public.

Sec. 57. Minnesota Statutes 1982, section 540.152, is amended to read:

540.152 SERVICE OF PROCESS ON UNIONS, GROUPS OR ASSOCIATIONS.

The transaction of any acts, business or activities within the state of Minnesota by any officer, agent, representative, employee or member of any union or other groups or associations having officers, agents, members or property without the state on behalf of the union or other groups or associations or any of its members or affiliated local unions shall be deemed an appointment by the union or other groups or associations of the secretary of state of the state of Minnesota to be the true and lawful attorney of the union or other groups or associations, upon whom may be served all legal processes or notices in any action or proceeding against or involving the union or other groups or associations growing out of any acts, business or activities within the state of Minnesota resulting in damage or loss to person or property or giving rise to any cause of action under the laws of the state of Minnesota or to any matters or proceedings arising under the Minnesota Labor Relations Act. Such acts, business or

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activities shall be a signification of the agreement of the union or other groups or associations and its members that any process or notice in any action, matter or proceeding against or involving it, which is so served, shall be of the same legal force and validity as if served upon the union or other groups or associations and its members personally. Service of process or notice shall be made by filing a copy thereof in the office of the secretary of state, together with payment of a fee of \$15 and together with an affidavit stating that no officer or managing agent of the union or other group or association has been found in this state and setting forth an address to which the service shall be forwarded. The service shall be sufficient service upon the union or other groups or associations and its members. Notice of service and a copy of the process or notice shall, within ten days thereafter, be sent by mail by the person who caused it to be served on the union or other groups or associations at its last known address and an affidavit of compliance with the provisions of this chapter shall be filed with the court or other state agency or department before which the action, matter, or proceeding is pending.

Sec. 58. Minnesota Statutes 1982, section 543.08, is amended to read:

543.08 SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.

If a private domestic corporation has no officer at the registered office of the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in his that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of \$15 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by him to the corporation by certified mail, if the place of its main office is known to him or is disclosed by the files of his office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the insurance commissioner, who shall file one in his office and forthwith mail the other postage prepaid to the defendant at its home office.

Sec. 59. Minnesota Statutes 1983 Supplement, section 648.39, subdivision 1, is amended to read:

Subdivision 1. **FREE DISTRIBUTION.** The revisor of statutes shall without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies

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authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:

- (a) 30 copies to the supreme court;
- (b) 30 copies to the court of appeals;
- (c) 1 copy to each judge of a district court;
- (d) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (e) 100 copies to the state law library;
- (f) 100 copies to the law school of the University of Minnesota;
- (g) 100 copies to the office of the attorney general;
- (h) 10 copies each to the governor's office, the departments of agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (i) 1 copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (j) 1 copy to each member of the legislature;
- (k) 100 copies for the use of the senate and 150 copies for the use of the house of representatives;
- (l) 4 copies to the secretary of the senate;
- (m) 4 copies to the chief clerk of the house of representatives;
- (n) 1 copy to each judge, district attorney, clerk of court of the United States and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society;
- (o) 20 copies each to the department of administration, state auditor, and legislative auditor, and 5 copies to the office of the secretary of state;
- (p) 1 copy to each county library maintained pursuant to chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to chapter 134, the copy shall be provided to any public library in the county; and
- (q) 50 copies to the revisor of statutes.

Sec. 60. Laws 1981, chapter 270, section 144, is amended to read:

Sec. 144. **EFFECTIVE DATES.**

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Sections 1 to 121, 123, 124, 126, 129 to 138, 140, 141, and 143 are effective July 1, 1981. Sections 125, 127, 128, 139, and 142 are effective January 1, 1984. Section 122 is effective January 1, 1985 1987.

Sec. 61. **REPEALER.**

Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2 are repealed.

Approved May 2, 1984

CHAPTER 619 — S.F.No. 1736

An act relating to education; creating the Minnesota educational computing corporation as a public corporation; transferring assets of the Minnesota educational computing consortium to the corporation; amending Minnesota Statutes 1983 Supplement, section 3.732, subdivision 1; 10A.01, subdivision 18; 15A.081, subdivision 1; 135A.07, subdivision 2; 352D.02, subdivision 1; and proposing new law coded as Minnesota Statutes, chapter 119; repealing Minnesota Statutes 1982, section 120.83; Minnesota Statutes 1983 Supplement, sections 120.801; 120.802; 120.803; 120.804; 120.805; 120.806; and 120.81.

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

Section 1. **[119.01] MINNESOTA EDUCATIONAL COMPUTING CORPORATION, PURPOSE.**

The purpose of the Minnesota educational computing corporation is to provide cost-effective computing and technology related products and services to the educational programs of educational institutions and agencies in Minnesota and elsewhere. The legislature recognizes that computers are a major factor in the operation of educational institutions, both in terms of cost and in importance as an instructional tool. Furthermore, the legislature has historically supported the development of curricula for Minnesota educational institutions that include educational computing materials. While it is important that educational institutions be able to join together to gain economies in purchasing power, it is equally important that computer software and documentation be created, and that instructional and administrative computing services be provided to meet the needs of Minnesota educational institutions. The purpose of the public corporation known as the Minnesota educational computing corporation is to meet these needs.

The legislature intends to establish autonomy for the Minnesota educational computing corporation from state support, with the goal of limiting direct legislative funding of Minnesota educational computing corporation services.

Sec. 2. **[119.02] DEFINITIONS.**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.