

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2729

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DATE	D-PG	OFFICIAL STATUS
03/17/2014	6283	Introduction and first reading Referred to Judiciary
03/24/2014		Comm report: To pass as amended Second reading

A bill for an act

1.1 relating to business organizations; regulating certain filings, recordings, and
 1.2 registrations with the secretary of state; amending Minnesota Statutes 2012,
 1.3 sections 49.215, subdivision 3; 270C.63, subdivision 6; 321.0810; 323A.0903;
 1.4 336A.01, subdivision 16; 336A.08, subdivision 4; 336A.11; repealing Minnesota
 1.5 Statutes 2012, sections 336A.031; 336A.08, subdivision 3.
 1.6

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

1.8 Section 1. Minnesota Statutes 2012, section 49.215, subdivision 3, is amended to read:

1.9 Subd. 3. **Certificate of liquidation.** Upon compliance with the foregoing and
 1.10 upon filing with the commissioner an affidavit of the president and cashier or vice
 1.11 president conducting the duties of cashier of said financial institution that the provisions
 1.12 of subdivision 4 have been complied with and that all depositors and other creditors
 1.13 have been paid in full, or, if any dividends or any moneys set apart for the payment of
 1.14 claims remain unpaid and the places of residence of the depositors or other creditors
 1.15 are unknown to the persons making the affidavit, that sufficient funds have been turned
 1.16 over to the commissioner for payment into the state treasury to pay said depositors and
 1.17 other creditors, in the manner provided by subdivision 5, the commissioner shall issue a
 1.18 certificate of liquidation, and, ~~upon the filing for record of said certificate of liquidation in~~
 1.19 ~~the Office of the Secretary of State and the recording in the office of the county recorder of~~
 1.20 ~~the county of the principal place of business of such financial institution immediately prior~~
 1.21 ~~to its voluntary liquidation,~~ the liquidation of said financial institution shall be complete,
 1.22 and its corporate existence shall thereupon terminate.

1.23 Sec. 2. Minnesota Statutes 2012, section 270C.63, subdivision 6, is amended to read:

2.1 Subd. 6. **Payment of recording fees.** Notwithstanding any other law to the
2.2 contrary, the department is exempt from payment of fees when a lien, lien renewal, or
2.3 lien transcription is offered for recording. The recording fees must be paid along with the
2.4 release fee at the end of the month in which the release of lien is recorded, after receipt of
2.5 a monthly statement from a county recorder or the secretary of state. The department shall
2.6 add the recording fees to the delinquent tax liability of the taxpayer. Notwithstanding any
2.7 other law to the contrary, the fee for filing or recording a notice of lien, or lien release,
2.8 transcription, or renewal is \$15, but for filings with the secretary of state there shall be no
2.9 fee for renewals or transcriptions.

2.10 **EFFECTIVE DATE.** This section is effective upon certification by the secretary
2.11 of state that the United States Department of Agriculture, Grain Inspectors, Packers
2.12 & Stockyards Administration has approved the Minnesota central notification system
2.13 2014 proposal. The secretary of state shall notify the revisor of statutes when federal
2.14 certification is obtained.

2.15 Sec. 3. Minnesota Statutes 2012, section 321.0810, is amended to read:

2.16 **321.0810 REINSTATEMENT FOLLOWING ADMINISTRATIVE**
2.17 **DISSOLUTION OR REVOCATION.**

2.18 (a) A limited partnership that has been administratively dissolved or a foreign
2.19 limited partnership that has had its certificate of authority revoked may reinstate after
2.20 the effective date of dissolution.

2.21 (1) To reinstate for failure to file the annual renewal, the annual renewal required by
2.22 section 5.34 must be delivered to the secretary of state for filing with the reinstatement
2.23 fee of \$25.

2.24 (2) To reinstate for failure to appoint a registered agent after a prior registered agent
2.25 has resigned pursuant to section 321.0116, subdivision 1, when the limited partnership
2.26 has filed all previously required annual renewals, the limited partnership may appoint
2.27 a new agent meeting the requirements of section 5.36 by filing with the secretary of
2.28 state an appointment signed by one or more of the general partners at the time of the
2.29 administrative dissolution.

2.30 (3) To reinstate for both a failure to file the annual renewal and appoint a new
2.31 registered agent following the resignation of the registered agent, the limited partnership
2.32 must comply with clauses (1) and (2).

2.33 (b) If the secretary of state determines that an annual renewal contains the
2.34 information required by subsection (a) and that the information is correct and is

3.1 accompanied by the appropriate fee, the secretary of state shall file the renewal and
 3.2 reinstate the limited partnership or foreign limited partnership.

3.3 (c) When reinstatement becomes effective, it relates back to and takes effect as of the
 3.4 effective date of the administrative dissolution or revocation and the limited partnership
 3.5 may resume its activities as if the administrative dissolution or revocation had never
 3.6 occurred, except that for the purposes of section 321.0103(c) and (d) the reinstatement
 3.7 is effective only as of the date the reinstatement is filed.

3.8 Sec. 4. Minnesota Statutes 2012, section 323A.0903, is amended to read:

3.9 **323A.0903 CONVERSION OF LIMITED PARTNERSHIP TO PARTNERSHIP.**

3.10 (a) A limited partnership may be converted to a partnership pursuant to this section.

3.11 (b) Notwithstanding a provision to the contrary in a limited partnership agreement,
 3.12 the terms and conditions of a conversion of a limited partnership to a partnership must be
 3.13 approved by all of the partners.

3.14 (c) After the conversion is approved by the partners, the limited partnership shall
 3.15 ~~cancel its certificate of limited partnership~~ file a statement of termination pursuant to
 3.16 section 321.0203 including a description of the conversion.

3.17 (d) The conversion takes effect when the ~~certificate of limited partnership is canceled~~
 3.18 statement of termination is effective.

3.19 (e) A limited partner who becomes a general partner as a result of the conversion
 3.20 remains liable only as a limited partner for an obligation incurred by the limited
 3.21 partnership before the conversion takes effect. Except as otherwise provided in section
 3.22 323A.0306, the partner is liable as a general partner for an obligation of the partnership
 3.23 incurred after the conversion takes effect.

3.24 Sec. 5. Minnesota Statutes 2012, section 336A.01, subdivision 16, is amended to read:

3.25 Subd. 16. **Monthly list.** "Monthly list" means information about debtors, secured
 3.26 parties, lienholders, and farm products that is produced by the secretary of state and
 3.27 distributed once a month ~~in the form of master or partial master lists.~~

3.28 **EFFECTIVE DATE.** This section is effective upon certification by the secretary
 3.29 of state that the United States Department of Agriculture, Grain Inspectors, Packers
 3.30 & Stockyards Administration has approved the Minnesota central notification system
 3.31 2014 proposal. The secretary of state shall notify the revisor of statutes when federal
 3.32 certification is obtained.

4.1 Sec. 6. Minnesota Statutes 2012, section 336A.08, subdivision 4, is amended to read:

4.2 Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall
4.3 maintain and distribute the information on the effective financing statement master list to
4.4 allow the buyer to sort:

4.5 (1) by farm product arranged alphabetically by debtor; ~~and~~

4.6 (2) by farm product arranged numerically by the unique identifier assigned by the
4.7 secretary of state to, and associated with, the Social Security number or tax identification
4.8 number of the debtor; and

4.9 (3) by county arranged alphabetically by debtor.

4.10 (b) ~~The secretary of state shall maintain the information in the farm products~~
4.11 ~~statutory lien master list by county arranged alphabetically by debtor~~ Information in
4.12 the farm products statutory lien master list must be included in the effective financing
4.13 statement master list, subject to the sort options in paragraphs (a), clauses (1) and (3).

4.14 (c) The secretary of state shall distribute or make available the requested ~~master and~~
4.15 ~~partial master~~ lists on a monthly basis to farm product dealers registered under section
4.16 336A.11. Lists will be distributed or made available on or before the tenth day of each
4.17 month or on the next business day thereafter if the tenth day is not a business day.

4.18 (d) The secretary of state shall make the ~~master and partial master~~ lists available as
4.19 written or printed paper documents and ~~may make lists available in other forms or media,~~
4.20 ~~including:~~ in an electronically transmitted medium.

4.21 (1) ~~any electronically transmitted medium; or~~

4.22 (2) ~~any form of digital media.~~

4.23 (e) There shall be no fee for ~~partial or master~~ lists distributed via an electronically
4.24 transmitted medium. ~~The annual fee for any other form of digital media is \$200.~~ The
4.25 annual fee for paper partial lists is \$250 and \$400 for paper master lists.

4.26 (f) A farm products dealer shall register pursuant to section 336A.11 ~~by the last~~
4.27 ~~business day of the month~~ to receive the monthly lists requested by the farm products
4.28 dealer ~~for that month~~ starting with the lists created in the month following the month
4.29 in which registration takes place.

4.30 (g) If a registered farm products dealer receives a monthly list that cannot be read or
4.31 is incomplete, the farm products dealer must immediately inform the secretary of state
4.32 by telephone or e-mail of the problem. The registered farm products dealer shall confirm
4.33 the existence of the problem by writing to the secretary of state. The secretary of state
4.34 shall provide the registered farm products dealer with new monthly lists in the medium
4.35 chosen by the registered farm products dealer no later than five business days after receipt
4.36 of the oral notice from the registered farm products dealer. A registered farm products

5.1 dealer is not considered to have received notice of the information on the monthly lists
 5.2 until the duplicate list is received from the secretary of state or until five days have passed
 5.3 since the duplicate lists were deposited in the mail or delivered electronically by the
 5.4 secretary of state, whichever comes first.

5.5 (h) On receipt of a written notice pursuant to section 336A.13, the secretary of state
 5.6 shall duplicate the monthly lists requested by the registered farm products dealer. The
 5.7 duplicate monthly lists must be ~~sent~~ deposited in the mail or delivered electronically to the
 5.8 registered farm products dealer no later than five business days after receipt of the written
 5.9 notice from the registered farm products dealer.

5.10 (i) A registered farm products dealer may request monthly lists in one medium
 5.11 per registration.

5.12 (j) Registered farm products dealers must ~~have renewed~~ renew their registration
 5.13 ~~before the first day of July each year~~ on or before the 12-month anniversary of their
 5.14 registration or subsequent 12-month anniversaries. Failure to ~~send in the registration~~
 5.15 ~~before that date~~ renew will result in the farm products dealer not receiving the requested
 5.16 monthly lists.

5.17 (k) Registered farm products dealers ~~choosing to obtain monthly lists via an~~
 5.18 ~~electronically transmitted medium or in any form of digital media may choose to receive~~
 5.19 will receive all of the information for the monthly lists ~~requested the first month and then~~
 5.20 ~~only additions and deletions to the database for the remaining 11 months of the year.~~
 5.21 ~~Following the first year of registration, the registered farm products dealer may choose to~~
 5.22 ~~continue to receive one copy of the full monthly list at the beginning of each year or may~~
 5.23 ~~choose to receive only additions and deletions.~~ New registrants shall receive monthly lists
 5.24 starting with the list created in the month following registration.

5.25 **EFFECTIVE DATE.** This section is effective upon certification by the secretary
 5.26 of state that the United States Department of Agriculture, Grain Inspectors, Packers
 5.27 & Stockyards Administration has approved the Minnesota central notification system
 5.28 2014 proposal. The secretary of state shall notify the revisor of statutes when federal
 5.29 certification is obtained.

5.30 Sec. 7. Minnesota Statutes 2012, section 336A.11, is amended to read:

5.31 **336A.11 REGISTRATION OF FARM PRODUCT DEALERS.**

5.32 Subdivision 1. **Requirements.** Farm product dealers may register with the secretary
 5.33 of state to receive master lists of notices of security interests in farm products or farm
 5.34 products statutory liens. Registration must be made ~~on an annual calendar year basis~~ for a

6.1 12-month period. A registration is not complete until the online registration form or format
6.2 process is properly completed and received by the secretary of state and accompanied by
6.3 the registration fee. ~~Registration entitles a farm product dealer to receive lists for those~~
6.4 ~~farm products specified by the registrant at the time of registration.~~

6.5 Subd. 2. **Registration forms or format.** The secretary of state shall make
6.6 registration forms or format available to farm product dealers. The registration form or
6.7 format must include provisions for the name and address of the farm product dealer,
6.8 including the e-mail address for list delivery, and a request for the master or partial master
6.9 lists, and the medium on which the farm product dealer desires to receive the master list.

6.10 Subd. 3. **Registration fee.** The annual registration fee for farm product dealers is
6.11 \$25.

6.12 Subd. 4. **Record of registered farm product dealers.** The secretary of state shall
6.13 maintain a record of the registered farm product dealers and ~~the lists and~~ contents of
6.14 the lists received by the registered farm product dealers for a period of five years after
6.15 the lists are distributed.

6.16 **EFFECTIVE DATE.** This section is effective upon certification by the secretary
6.17 of state that the United States Department of Agriculture, Grain Inspectors, Packers
6.18 & Stockyards Administration has approved the Minnesota central notification system
6.19 2014 proposal. The secretary of state shall notify the revisor of statutes when federal
6.20 certification is obtained.

6.21 Sec. 8. **REPEALER.**

6.22 Minnesota Statutes 2012, sections 336A.031; and 336A.08, subdivision 3, are
6.23 repealed.

336A.031 SATELLITE OFFICES.

Subdivision 1. **Authority to establish.** The secretary of state may establish satellite offices by written agreements with public officials within the state for the purpose of meeting the filing officer responsibilities described in this chapter. The terms of the agreement must be set by, and may be renewed by, mutual agreement. The agreement may be terminated upon 60 days' notice. The secretary must maintain a list of those public officials authorized to act as satellite offices. The secretary of state must make this list available in an electronic format and the list must be updated at least monthly.

Subd. 2. **Duties.** Satellite offices must accept effective financing statements and lien notices and respond to requests for information pursuant to the provisions of this chapter. A filing made at a satellite office is filed and effective at the same time and under the same rules provided for filing in any other manner in the computerized filing system. The filing date, time, and file number for any effective financing statement or lien notice accepted at a satellite office must be automatically assigned by the computerized filing system operated by the secretary of state, and the file number must be the next available file number in the computerized filing system.

Subd. 3. **Filings on or after July 1, 2001.** This subdivision applies to all effective financing statements and lien notices filed on or after July 1, 2001. The secretary of state shall maintain all effective financing statements and lien notices and the database used to index them regardless of where or how the statement or notice was filed. The documents and database must be housed in the computerized filing system. These documents and data must be available from the secretary of state or any satellite office. Any filing office authorized to be a part of the computerized filing system may respond to requests for information, and the secretary of state shall establish and administer a system to facilitate those responses.

Subd. 4. **Filings before July 1, 2001.** This subdivision applies to all effective financing statements and lien notices filed before July 1, 2001. The database containing the information from the effective financing statements and lien notices must be housed in the computerized filing system.

Subd. 5. **Performance of filing officers.** (a) All filing officers must perform the responsibilities required under this chapter and rules adopted pursuant to this chapter in a uniform manner, whether services are provided by the secretary of state or at a satellite office location. Reports by citizens describing concerns with performance of filing officer responsibilities must be made to the secretary of state. The secretary of state is responsible for responding to reports about performance in a manner the secretary of state determines is appropriate.

(b) If, upon investigation of citizen reports described in subdivision 1, the secretary of state determines that performance by a satellite office of the filing officer responsibilities has been so unsatisfactory that customer service has been severely impaired, the secretary of state must terminate the satellite office's status and ability to perform filing office responsibilities. If a satellite office's ability to perform filing office responsibilities is terminated by the secretary of state, the change in status must be posted in the former satellite office and must also be publicly posted in the county courthouse in the county in which the former satellite office is located and must be made available in an electronic format.

Subd. 6. **Record retention.** Once the image of a paper record has been captured by the computerized filing system, the secretary of state may remove or direct the removal from the files and destroy the paper record.

336A.08 MASTER LIST.

Subd. 3. **Request for partial master list.** If requested by a buyer registered under section 336A.11, the secretary of state shall distribute partial master lists to the buyer that are limited to one or more of the categories in subdivision 1, paragraph (a).