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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3646

02/23/2026

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The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to business organizations; modernizing and correcting provisions governing
1.3 business services; amending Minnesota Statutes 2024, sections 5.23, subdivision
1.4 1; 268.058, subdivision 1; 336A.08, subdivisions 1, 4; 336A.09, subdivision 1;
1.5 336A.13; repealing Minnesota Statutes 2024, section 5.23, subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2024, section 5.23, subdivision 1, is amended to read:

1.8 Subdivision 1. **Failure to pay filing fee.** (a) If a person files an instrument authorized
1.9 to be filed with the secretary of state with a payment order or item that is rejected or
1.10 dishonored, the secretary of state ~~is~~ may take the actions authorized under this subdivision.

1.11 (b) The secretary of state is authorized to refuse the filing of further instruments submitted
1.12 by that person or on behalf of the business entity or notary on whose behalf the prior
1.13 instrument was filed or relating to the same assumed name or trademark filing.

1.14 (c) If a person makes a filing related to a business entity with a payment order or item
1.15 that is rejected or dishonored, the secretary of state is authorized to terminate the business
1.16 entity and change the business entity's filing status to inactive.

1.17 (d) The secretary may also pursue collection of the rejected or dishonored payment order
1.18 or item and recover the face amount of the payment order or item, any service fee, and any
1.19 additional collection costs incurred to collect the amount. If the payment order or item is
1.20 honored, or the delinquent amount is paid, the secretary of state must resume filing
1.21 instruments submitted by that person or on behalf of that business entity or notary or relating
1.22 to the same assumed name or trademark filing as of the date the payment order or item is
1.23 honored and an instrument is presented for filing.

2.1 (e) The secretary may impose restrictions on the manner of payment that will be accepted
2.2 for any future filings.

2.3 (f) This subdivision does not apply to financing statements filed under chapter 336 or
2.4 to an effective financing statement or lien notice filed under chapter 336A.

2.5 Sec. 2. Minnesota Statutes 2024, section 268.058, subdivision 1, is amended to read:

2.6 Subdivision 1. **Lien.** (a) Any amount due under this chapter or section 116L.20, from
2.7 an applicant or an employer, becomes a lien upon all the property, within this state, both
2.8 real and personal, of the person liable, from the date of assessment. The term "date of
2.9 assessment" means the date the obligation was due.

2.10 (b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a
2.11 Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor,
2.12 until a notice of lien has been filed with the county recorder of the county where the property
2.13 is situated, or in the case of personal property belonging to a nonresident person in the Office
2.14 of the Secretary of State. When the notice of lien is filed with the county recorder, the fee
2.15 for filing and indexing is as provided in sections 272.483 and 272.484.

2.16 (c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the
2.17 commissioner, may be filed with the county recorder or the secretary of state by mail; or
2.18 ~~personal delivery, or by electronic transmission into the computerized filing system of the~~
2.19 ~~secretary of state. The secretary of state must, on any notice filed with that office, transmit~~
2.20 ~~the notice electronically to the appropriate county recorder. The filing officer, whether the~~
2.21 ~~county recorder or the secretary of state, must endorse and index a printout of the notice as~~
2.22 ~~if the notice had been mailed or delivered.~~

2.23 (d) County recorders and the secretary of state must enter information on lien notices,
2.24 renewals, and releases into the ~~central database of the secretary of state~~ respective databases
2.25 established for lien notices, renewals, and releases. ~~For notices filed electronically with the~~
2.26 ~~county recorders, the date and time of receipt of the notice and county recorder's file number,~~
2.27 ~~and for notices filed electronically with the secretary of state, the secretary of state's recording~~
2.28 ~~information, must be entered into the central database before the close of the working day~~
2.29 ~~following the day of the original data entry by the commissioner.~~

2.30 (e) The lien imposed on personal property, even though properly filed, is not enforceable
2.31 against a purchaser of tangible personal property purchased at retail or personal property
2.32 listed as exempt in sections 550.37, 550.38, and 550.39.

3.1 (f) A notice of lien filed has priority over any security interest arising under chapter 336,
3.2 article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

3.3 (1) the perfected security interest secures property not in existence at the time the notice
3.4 of lien is filed; and

3.5 (2) the property comes into existence after the 45th calendar day following the day the
3.6 notice of lien is filed, or after the secured party has actual notice or knowledge of the lien
3.7 filing, whichever is earlier.

3.8 (g) The lien is enforceable from the time the lien arises and for ten years from the date
3.9 of filing the notice of lien. A notice of lien may be renewed before expiration for an additional
3.10 ten years.

3.11 (h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure
3.12 under chapter 550.

3.13 (i) The lien may be imposed upon property defined as homestead property in chapter
3.14 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead
3.15 property.

3.16 (j) The commissioner may sell and assign to a third party the commissioner's right of
3.17 redemption in specific real property for liens filed under this subdivision. The assignee is
3.18 limited to the same rights of redemption as the commissioner, except that in a bankruptcy
3.19 proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from
3.20 the sale of the right of redemption are credited to the contingent account.

3.21 Sec. 3. Minnesota Statutes 2024, section 336A.08, subdivision 1, is amended to read:

3.22 Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information on
3.23 effective financing statements and statutory liens in the computerized filing system into a
3.24 master list, organized as provided in this subdivision.

3.25 (b) The information on an effective filing statement must:

3.26 (1) be organized according to farm product;

3.27 (2) be arranged within each product:

3.28 (i) in alphabetical order according to the last name of the individual debtor or, in the
3.29 case of debtors doing business other than as individuals, the first word in the name of the
3.30 debtors;

4.1 (ii) in numerical order according to the unique identifier assigned by the secretary of
 4.2 state to, and associated with, the Social Security number or tax identification central
 4.3 notification system number of the debtor;

4.4 (iii) geographically by county; and

4.5 (iv) by crop year;

4.6 (3) ~~containing~~ contain the information provided on an effective financing statement; and

4.7 (4) ~~designating~~ designate any applicable terminations of the effective financing statement.

4.8 ~~(b) The secretary of state shall compile information from lien notices recorded in the~~
 4.9 ~~computerized filing system into a statutory lien master list~~ (c) Information on statutory liens
 4.10 must be compiled in alphabetical order according to the last name of the individual debtor
 4.11 or, in the case of debtors doing business other than as individuals, the first word in the name
 4.12 of the debtors. The secretary of state may also organize ~~the~~ information on statutory lien
 4.13 ~~master list~~ liens according to one or more of the categories of information ~~established in~~
 4.14 under paragraph (a) (b). Any terminations of lien notices must be noted.

4.15 **EFFECTIVE DATE.** This section is effective upon certification by the secretary of
 4.16 state that the United States Department of Agriculture, Grain Inspectors, Packers and
 4.17 Stockyards Administration has approved the 2025 Minnesota central notification system
 4.18 proposal. The secretary of state must notify the revisor of statutes when federal certification
 4.19 is obtained.

4.20 Sec. 4. Minnesota Statutes 2024, section 336A.08, subdivision 4, is amended to read:

4.21 Subd. 4. **Distribution of lists.** (a) The secretary of state shall maintain and distribute
 4.22 the information on the effective financing statement and farm products statutory lien master
 4.23 list to allow the buyer to sort:

4.24 (1) by farm product arranged alphabetically by debtor;

4.25 (2) by farm product arranged numerically by the unique identifier assigned by the
 4.26 secretary of state to, and associated with, the ~~Social Security number or tax~~ central
 4.27 notification system identification number of the debtor; and

4.28 (3) by county arranged alphabetically by debtor.

4.29 ~~(b) Information in the farm products statutory lien master list must be included in the~~
 4.30 ~~effective financing statement master list, subject to the sort options in paragraph (a), clauses~~
 4.31 ~~(1) and (3).~~

5.1 ~~(e)~~ (b) The secretary of state shall distribute or make available the requested lists on a
 5.2 monthly basis to farm product dealers registered under section 336A.11. ~~Lists will~~ The list
 5.3 must be distributed or made available on or before the tenth day of each month or on the
 5.4 next business day thereafter if the tenth day is not a business day.

5.5 ~~(d)~~ (c) The secretary of state shall make the lists available ~~as written or printed paper~~
 5.6 ~~documents and~~ in an electronically transmitted medium.

5.7 ~~(e)~~ ~~There shall be no fee for lists distributed via an electronically transmitted medium.~~
 5.8 ~~The annual fee for paper partial lists is \$250 and \$400 for paper master lists.~~

5.9 ~~(f)~~ (d) A farm products dealer shall register pursuant to section 336A.11 to receive the
 5.10 monthly lists requested by the farm products dealer starting with the lists created in the
 5.11 month following the month in which registration takes place.

5.12 ~~(g)~~ (e) If a registered farm products dealer receives a monthly list that cannot be read or
 5.13 is incomplete, the farm products dealer must immediately inform the secretary of state of
 5.14 the problem by ~~telephone or email of the problem.~~ ~~The registered farm products dealer shall~~
 5.15 ~~confirm the existence of the problem by writing to the secretary of state.~~ The secretary of
 5.16 state shall provide the registered farm products dealer with new monthly lists ~~in the medium~~
 5.17 ~~chosen by the registered farm products dealer~~ no later than five business days after receipt
 5.18 of the oral notice from the registered farm products dealer. A registered farm products dealer
 5.19 is not considered to have received notice of the information on the monthly lists until the
 5.20 duplicate list is received from the secretary of state or until five days have passed since the
 5.21 duplicate lists were ~~deposited in the mail or~~ delivered electronically by the secretary of state,
 5.22 whichever comes first.

5.23 ~~(h)~~ (f) On receipt of ~~a written~~ an electronic notice submitted pursuant to section 336A.13,
 5.24 the secretary of state shall duplicate the monthly lists requested by the registered farm
 5.25 products dealer. The duplicate monthly lists must be ~~deposited in the mail or~~ delivered
 5.26 electronically to the registered farm products dealer no later than five business days after
 5.27 receipt of the written notice from the registered farm products dealer.

5.28 ~~(i)~~ ~~A registered farm products dealer may request monthly lists in one medium per~~
 5.29 ~~registration.~~

5.30 ~~(j)~~ (g) A registered farm products ~~dealers~~ dealer must ~~renew their registration~~ purchase
 5.31 a new subscription for the central notification system Farm Product Monthly on or before
 5.32 the 12-month anniversary of their registration or subsequent 12-month anniversaries. Failure
 5.33 to ~~renew will result~~ purchase a new subscription results in the farm products dealer not

6.1 receiving the monthly lists. New subscriptions must be purchased on the secretary of state's
 6.2 website. An annual subscription costs \$25.

6.3 ~~(h)~~ (h) Registered farm products dealers will receive all of the information for the monthly
 6.4 lists. New registrants shall receive monthly lists starting with the list created in the month
 6.5 following registration.

6.6 **EFFECTIVE DATE.** This section is effective upon certification by the secretary of
 6.7 state that the United States Department of Agriculture, Grain Inspectors, Packers and
 6.8 Stockyards Administration has approved the 2025 Minnesota central notification system
 6.9 proposal. The secretary of state must notify the revisor of statutes when federal certification
 6.10 is obtained.

6.11 Sec. 5. Minnesota Statutes 2024, section 336A.09, subdivision 1, is amended to read:

6.12 Subdivision 1. **Procedure.** (a) ~~Online and written inquiries~~ An inquiry regarding
 6.13 information provided by the filing of effective financing statements or lien notices may be
 6.14 submitted ~~to~~ on the secretary of state ~~during regular business hours or, if submitted online,~~
 6.15 state's website at any time.

6.16 (b) The secretary of state must, upon receiving an inquiry, provide a prompt response
 6.17 to the inquiry.

6.18 (c) The secretary of state shall maintain a record of inquiries made under this section
 6.19 including:

6.20 (1) the date of the inquiry;

6.21 (2) the name of the debtor inquired about; and

6.22 (3) identification of the person making the request for inquiry.

6.23 **EFFECTIVE DATE.** This section is effective upon certification by the secretary of
 6.24 state that the United States Department of Agriculture, Grain Inspectors, Packers and
 6.25 Stockyards Administration has approved the 2025 Minnesota central notification system
 6.26 proposal. The secretary of state must notify the revisor of statutes when federal certification
 6.27 is obtained.

6.28 Sec. 6. Minnesota Statutes 2024, section 336A.13, is amended to read:

6.29 **336A.13 RECEIPT OF WRITTEN NOTICE.**

6.30 ~~For purposes of United States Code, title 7, section 1631, and this chapter, receipt of~~
 6.31 ~~written notice means the date the notice is actually received by a farm product dealer or the~~

7.1 ~~first date that delivery is attempted by a carrier. For a mailed notice, a farm product dealer~~
 7.2 ~~is presumed to have received the notice by five business days after it was mailed unless by~~
 7.3 ~~ten days after it was mailed the farm product dealer notifies the secretary of state in writing~~
 7.4 ~~that it has not received the notice by that time.~~ For a notice provided by electronic
 7.5 transmission or posting, a farm product dealer is presumed to have received the notice five
 7.6 business days after the list required to be distributed or made available by section 336A.08,
 7.7 subdivision 4, is posted on an electronic network or site accessible via the Internet, mobile
 7.8 application, computer, mobile device, tablet, or other electronic device, together with a
 7.9 separate notice of posting, which is provided by the secretary of state by electronic mail to
 7.10 the address at which the farm product dealer has consented to receive notice of posting.

7.11 **EFFECTIVE DATE.** This section is effective upon certification by the secretary of
 7.12 state that the United States Department of Agriculture, Grain Inspectors, Packers and
 7.13 Stockyards Administration has approved the 2025 Minnesota central notification system
 7.14 proposal. The secretary of state must notify the revisor of statutes when federal certification
 7.15 is obtained.

7.16 Sec. 7. **REVISOR INSTRUCTION.**

7.17 The revisor of statutes must change the term "master list" to "complete list" wherever
 7.18 the term appears in chapter 336A.

7.19 **EFFECTIVE DATE.** This section is effective upon certification by the secretary of
 7.20 state that the United States Department of Agriculture, Grain Inspectors, Packers and
 7.21 Stockyards Administration has approved the 2025 Minnesota central notification system
 7.22 proposal. The secretary of state must notify the revisor of statutes when federal certification
 7.23 is obtained.

7.24 Sec. 8. **REPEALER.**

7.25 Minnesota Statutes 2024, section 5.23, subdivision 3, is repealed.

5.23 REMOVAL OF DOCUMENTS FROM PUBLIC RECORD.

Subd. 3. **Failure to pay direct access charges.** If a customer who has subscribed with the secretary of state for direct computer access to the secretary's databases makes payment for information received with a payment order or item that is rejected or dishonored, the secretary shall immediately terminate the customer's access to the databases. The secretary may also pursue collection of the rejected or dishonored payment order or item and recover the face amount of the payment order or item and any additional costs incurred to collect the amount. If the payment order or item is honored, access may be restored and the secretary may impose restrictions on the methods of payment that will be acceptable.