

(b) no filing is required to perfect the security interest; and

(c) the rights of the secured party on default by the debtor are governed (i) by the article on sales (article 2) in the case of a security interest arising solely under such article or (ii) by the article on leases (article 2A) in the case of a security interest arising solely under such article.

ARTICLE 3

Section 1. EFFECTIVE DATE; APPLICATION.

This act is effective January 1, 1990, and applies to lease contracts that first become effective on or after that date. This act does not apply to a lease contract that first became effective before January 1, 1990, or to an extension, amendment, modification, renewal, or supplement of or to the lease contract, unless the parties agree in writing to be governed by this act.

Presented to the governor May 19, 1989

Signed by the governor May 22, 1989, 8:30 p.m.

CHAPTER 233—H.F.No. 1143

An act relating to taxation; permitting the city of Rochester to continue levying a general sales tax for flood control costs; amending Laws 1983, chapter 342, article 19, sections 4 and 5.

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

Section 1. Laws 1983, chapter 342, article 19, section 4, is amended to read:

Sec. 4. ALLOCATION OF REVENUES.

Subdivision 1. USE OF PROCEEDS. Revenues received from taxes authorized by sections 1 and 2 shall be used to pay the costs of collecting the taxes, capital and administrative costs of improvements to the city park and recreation system and flood control improvements for which the city voters at a special election held on November 2, 1982, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 1 and 2, excluding investment earnings thereon, shall not exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. PROCEEDS OF CONTINUED LEVY. Notwithstanding subdivision 1, if the city council elects under section 5, subdivision 2, to continue imposing the tax after \$16,000,000 has been collected for the park and recreation system and \$16,000,000 for flood control improvements, the revenues must be used to pay the city's share of the flood control project or for other flood control purposes, including additional construction or restoration, repairs, and maintenance of existing flood control improvements, or to pay the cost of cleanup and repair of flood damages.

Sec. 2. Laws 1983, chapter 342, article 19, section 5, is amended to read:

Sec. 5. **TERMINATION OF TAXES.**

Subdivision 1. MAXIMUM REVENUES. The taxes imposed pursuant to sections 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. ~~Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city~~ If the city elects to extend the tax under subdivision 2, the funds must be allocated as provided in section 4, subdivision 2.

Subd. 2. ELECTION TO CONTINUE TAX. Upon termination of the taxes under subdivision 1, the city council may, by resolution, continue to impose the taxes. If the city elects to continue imposing the taxes, the taxes terminate on December 31, 1992.

Sec. 3. **EFFECTIVE DATE.**

This act is effective upon compliance by the city council of the city of Rochester with Minnesota Statutes, section 645.021.

Presented to the governor May 19, 1989

Signed by the governor May 22, 1989, 8:25 p.m.

CHAPTER 234—S.F.No. 169

An act relating to motor vehicles; allowing custodial parent of handicapped minor to obtain special license plates for the handicapped; allowing second set of handicapped license plates to be issued to physically handicapped person who is furnished a vehicle as part of employment; defining a handicapped person for purposes of parking privileges; allowing commissioner of public safety to waive requirement of physician's statement in certain

New language is indicated by underline, deletions by ~~strikeout~~.