

Minnesota Statutes 1988, section 290.01, subdivision 6a, is repealed.

Sec. 27. EFFECTIVE DATE.

Section 5 is effective for taxable years beginning after December 31, 1987. Sections 2, 3, 4, and 10 to 18 are effective for taxable years beginning after December 31, 1988. Sections 19 to 21 are effective after December 31, 1989. Section 22 is effective for contracts entered into after December 31, 1989. Section 23 is effective for dates of death after December 31, 1988. Section 1 and sections 6 to 9 are effective for taxable years beginning after December 31, 1986. The part of section 17 pertaining to goodwill and covenants not to compete are only in effect on contracts entered into after the day of final enactment.

Presented to the governor April 7, 1989

Signed by the governor April 7, 1989, 4:55 p.m.

CHAPTER 29—H.F.No. 106

An act relating to game and fish; selection process for wild turkey license holders; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

Section 1. [97B.723] COMMISSIONER MAY LIMIT NUMBER OF TURKEY HUNTERS.

The commissioner may establish a method, including a drawing, to impartially select persons eligible to take turkeys in an area. Preference must be given to persons that have previously applied in the general selection but have not been selected.

Presented to the governor April 12, 1989

Signed by the governor April 13, 1989, 5:57 p.m.

CHAPTER 30—H.F.No. 508

An act relating to local government; permitting statutory cities to have seven member councils; amending Minnesota Statutes 1988, sections 412.02, subdivision 1, and by adding a subdivision; 412.021, subdivision 2; 412.191, subdivisions 1 and 2; 412.541, subdivision 4; 412.571, subdivisions 1 and 4; 412.581; and 412.631.

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

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

Section 1. Minnesota Statutes 1988, section 412.02, subdivision 1, is amended to read:

Subdivision 1. **OFFICERS ELECTED.** The following officers shall be elected for the terms and in the years shown and in the cities described in the table.

Officer	Number of Years in Term	Year Elected	City Elected
Mayor	Two or four	Every two years except where four years is otherwise provided pursuant to statute	Every statutory city
Clerk	Four	Every four years in year when treasurer is not elected	Every statutory standard plan city in which there is no clerk-treasurer
Treasurer	Four	Every four years in year in which clerk is not elected	Every statutory standard plan city in which there is no clerk-treasurer
Clerk- Treasurer	Four	Every four years in year in which one council member is elected	Every statutory standard plan city where such office exists pursuant to subdivision 3
Three Council members	Four	Two every four years and one in alternative election	Every statutory standard plan city with a council of <u>five</u>
Four Council members	Four	Two each election	Every statutory optional plan city with a council of <u>five</u>
<u>Five Council members</u>	<u>Four</u>	<u>Three every four years and two in alternative election</u>	Every statutory standard plan city with a council of <u>seven</u>
<u>Six Council members</u>	<u>Four</u>	<u>Three each election</u>	Every statutory optional plan city with a council of <u>seven</u>

Sec. 2. Minnesota Statutes 1988, section 412.02, is amended by adding a subdivision to read:

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

Subd. 6. The council may by ordinance adopted at least 60 days before the next regular city election submit to the voters of the city the question of whether the city council should be increased or reduced to seven or five members. The ordinance shall include a schedule of elections and terms to accomplish the change. The proposal shall be voted on at the next city general election and, if approved by a majority of those voting on the question, go into effect in accordance with the schedule.

Sec. 3. Minnesota Statutes 1988, section 412.021, subdivision 2, is amended to read:

Subd. 2. **OFFICERS TO BE ELECTED.** There shall be elected at the election a mayor for a term expiring the first business day of January of the next odd-numbered year and four or six council members, for terms so arranged that ~~two~~ half expire the first business day of January of the next odd-numbered year and ~~two~~ half the first business day of January of the second odd-numbered year. No candidate for council member shall run for a particular term but the number of years in the term of each successful candidate shall be determined by the relative standing among the candidates for office, the longest terms going to the ~~two half of the elected~~ candidates ~~receiving~~ who received the highest number of votes. If the election occurs in the last four months of the even-numbered year, no election shall be held in the city on the annual city election day that year, and the next following year shall be disregarded in fixing the expiration of terms of officers chosen under this subdivision at the initial election.

Sec. 4. Minnesota Statutes 1988, section 412.191, subdivision 1, is amended to read:

Subdivision 1. **COMPOSITION OF CITY COUNCIL.** The city council in a standard plan city shall consist of the mayor, the clerk, and the three or five council members. In optional plan cities, except those cities having a larger council under section 412.023, subdivision 4, the council shall consist of the mayor and the four council members. A majority of all the members shall constitute a quorum although a smaller number may adjourn from time to time.

Sec. 5. Minnesota Statutes 1988, section 412.191, subdivision 2, is amended to read:

Subd. 2. **MEETINGS OF THE COUNCIL.** Regular meetings of the council shall be held at such times and places as may be prescribed by its rules. Special meetings may be called by the mayor or by any two members of the five member council or three members of a seven member council by writing filed with the clerk who shall then mail a notice to all the members of the time and place of meeting at least one day before the meeting. The mayor or, in the mayor's absence, the acting mayor, shall preside. All meetings of the council shall be open to the public. The council may preserve order at its meetings, compel the attendance of members, and punish nonattendance and shall be the judge of the election and qualification of its members. The council shall have power to regulate its own procedure.

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

Sec. 6. Minnesota Statutes 1988, section 412.541, subdivision 4, is amended to read:

Subd. 4. **ADOPTION OR ABANDONMENT; STANDARD FORM.** Any one of such plans may be adopted or abandoned in a city by following the procedures set forth in section 412.551. Until the adoption of an optional plan, and except as provided in section 412.572, every city shall operate under the standard form of government earlier provided in this chapter under which the voters elect the treasurer, if there is one, and a council consisting of a mayor, three or five council members, and the clerk or clerk-treasurer.

Sec. 7. Minnesota Statutes 1988, section 412.571, subdivision 1, is amended to read:

Subdivision 1. **COMPOSITION OF COUNCIL.** When an optional plan is first adopted in any statutory city in which the standard plan of statutory city government is then in operation, the council shall continue as then constituted until the expiration of the term of the incumbent clerk. At the city election preceding expiration of the term of the incumbent clerk, one council member shall be elected in addition to the council member or council members who would otherwise be chosen at the election. If ~~one~~ a minority of the other council ~~member~~ members is chosen at the election, the term of the additional council member chosen at the election shall be four years, but if ~~two~~ a majority of the other council members ~~are~~ is chosen at the election, the initial term of the additional council member chosen at the election shall be two years. At each regular election thereafter, ~~two~~ council members shall be elected for four-year terms. If the optional plan is adopted at the regular city election at which the office of clerk is to be filled, the candidate elected to that office at the election shall not assume the office of clerk in January, but shall become the ~~fourth~~ additional council member unless appointed clerk under the optional plan, in which case the unfilled office of council member shall be considered vacant.

Sec. 8. Minnesota Statutes 1988, section 412.571, subdivision 4, is amended to read:

Subd. 4. **ABANDONMENT; INCUMBENT COUNCIL MEMBERS CONTINUE.** When any optional plan is abandoned and the standard form of city government is resumed, terms of then incumbent council members shall not be affected by the abandonment; but until the first business day of January following the next regular city election, the clerk shall not serve as a member of the council. At the city election preceding that date ~~only~~ one council member less shall be elected.

Sec. 9. Minnesota Statutes 1988, section 412.581, is amended to read:

412.581 OPTIONAL PLAN A; OFFICERS.

In any city operating under Optional Plan A except a city having a larger council under section 412.023, subdivision 4, the council shall be composed of

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

five or seven members consisting, except during the initial period of its operation as provided in section 412.571, of the mayor and four or six council members and, except as provided in that section, the clerk and treasurer or clerk-treasurer shall be appointed by the council for indefinite terms.

Sec. 10. Minnesota Statutes 1988, section 412.631, is amended to read:

412.631 COMPOSITION OF COUNCIL.

In any city operating under Optional Plan B, the council shall, except as provided in sections 412.023, subdivision 4, and 412.571, be composed of a mayor and four or six council members.

Presented to the governor April 12, 1989

Signed by the governor April 13, 1989, 5:56 p.m.

CHAPTER 31—H.F.No. 937

An act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

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

Section 1. Minnesota Statutes 1988, section 336.9-313, is amended to read:

336.9-313 PRIORITY OF SECURITY INTERESTS IN FIXTURES.

(1) In this section and in the provisions of part 4 of this article referring to fixture filing, unless the context otherwise requires

(a) goods are "fixtures" when they become so related to particular real estate that an interest in them arises under real estate law.

(b) a "fixture filing" is the filing in the office where a mortgage on the real estate would be filed or recorded of a financing statement covering goods which are or are to become fixtures and conforming to the requirements of subsection (5) of section 336.9-402 except in the case of a fixture filing by a transmitting utility, which shall be governed by subsection (5) of section 336.9-401.

(c) a mortgage is a "construction mortgage" to the extent that it secures an obligation incurred for the construction of an improvement on land including the acquisition cost of the land, if the recorded writing so indicates.

(2) A security interest under this article may be created in goods which are fixtures or may continue in goods which become fixtures, but no security interest exists under this article in ordinary building materials incorporated into an improvement on land.

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