

**CHAPTER 136—S.F.No. 1136**

*An act relating to capital improvements; providing for acquisition of a family practice residency program by the city of Duluth or the Duluth economic development authority; amending Laws 1996, chapter 463, section 24, subdivision 3.*

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

Section 1. Laws 1996, chapter 463, section 24, subdivision 3, is amended to read:

Subd. 3. Family Practice Residency Program Grant	1,400,000
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For a grant to the city of Duluth for ~~Miller-Dwan hospital, the establishment, administration, management, maintenance, improvement, and financing of which is authorized under Laws 1994, chapter 471. The grant is for remodeling a clinic building used by a family practice residency program that places two-thirds of its graduates in Minnesota communities outside the seven-county metropolitan area. The grant is contingent upon a local match of \$1 for each \$2 of state money.~~

**Sec. 2. CITY OF DULUTH; DULUTH ECONOMIC DEVELOPMENT AUTHORITY; POWERS.**

In addition to the powers granted by the home rule charter of the city of Duluth and Minnesota Statutes, sections 469.090 to 469.1081, and to further the exercise of economic development and redevelopment powers in order to stabilize neighborhoods, provide jobs, and encourage the development of the city of Duluth as a regional medical center, the city of Duluth or the Duluth economic development authority may acquire in whatever manner deemed necessary, own, lease, and make contracts with respect to a family practice residency program. To further the program, the city of Duluth or the Duluth economic development authority may accept land, money, or other assistance, whether by gift, loan, or otherwise, in any form from the federal or state government or an agency of either, or from a political subdivision.

**Sec. 3. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 9, 1997

Signed by the governor May 12, 1997, 11:04 a.m.

**CHAPTER 137—H.F.No. 156**

*An act relating to state government; secretary of state; regulating filing fees and procedures; amending Minnesota Statutes 1996, sections 5.12; 5.23; 5.25, subdivision 1; 5A.03; 5A.04;*

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302A.821, subdivision 5; 303.14, subdivision 1; 308A.005, by adding a subdivision; 317A.821, subdivision 3; 317A.827, subdivision 1; 322A.03; 331A.02, subdivision 1; 333.035; 336.9-403; 336.9-404; 336A.04, subdivision 4; and 514.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 5; repealing Minnesota Rules, part 3650.0030, subpart 8.

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

Section 1. Minnesota Statutes 1996, section 5.12, is amended to read:

**5.12 CERTIFICATE; CERTIFIED COPY OF DOCUMENT; FEE CERTIFICATES AND CERTIFICATIONS.**

Subdivision 1. FEES. The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy of any document filed in the office of the secretary of state. The secretary of state shall charge a fee of \$3 for a copy of an original filing of a corporation, limited partnership, trade or service mark, or for the complete record of a certificate of assumed name. The secretary of state shall charge a fee of \$3 for a copy of any or all subsequent filings of a corporation, limited partnership, or trade or service mark. The secretary of state shall charge a fee of \$1 per page for copies of other nonuniform commercial code documents filed with the secretary of state.

Subd. 2. CERTIFICATE OF GOOD STANDING. Upon payment of the proper fee, the secretary of state shall issue a certificate of good standing to a person when a business entity is in good standing as defined in section 5.26.

Subd. 3. CERTIFICATE OF NOT IN GOOD STANDING. Upon payment of the proper fee, the secretary of state shall issue a certificate of not in good standing to a person when a business entity is not in good standing as defined in section 5.26.

Subd. 4. CERTIFICATE OF REGISTRATION. Upon payment of the proper fee, the secretary of state shall issue a certificate of registration to a person when a business filing with the secretary has been made that does not create a separate legal entity.

Sec. 2. Minnesota Statutes 1996, section 5.23, is amended to read:

**5.23 REMOVAL OF DOCUMENTS FROM THE PUBLIC RECORD.**

Subdivision 1. FAILURE TO PAY FILING FEE. If an instrument authorized to be filed with the secretary of state has been submitted with a draft or other negotiable instrument payment order or item that is returned without being honored, rejected or dishonored, the secretary may ~~must~~ remove the instrument from the public record. The secretary may also pursue collection of the rejected or dishonored draft or negotiable instrument payment order or item and recover the face amount of the draft or negotiable instrument payment order or item, any service fee, and any additional collection costs incurred to collect the amount. ~~If the draft or negotiable instrument payment order or item is honored,~~ the instrument must be returned to the public record as of the date the draft or negotiable instrument payment order or item is honored and the secretary may impose restrictions on the manner of payment that will be accepted for any future filings. This subdivision does not apply to financing statements filed under chapter 336.

Subd. 2. FAILURE TO PAY FEE. If a party enters into a continuing agreement with the secretary of state for the receipt of information or products containing information and payment for services or products is made by a draft or other negotiable instru-

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ment payment order or item that is returned without being honored rejected or dishonored, the secretary shall immediately terminate the agreement. The secretary may also pursue collection of the rejected or dishonored draft or negotiable instrument payment order or item and recover the face amount of the draft or negotiable instrument payment order or item and any additional costs incurred to collect the amount. If the draft or negotiable instrument payment order or item is honored, the agreement may be reinstated and the secretary may impose restrictions on the manner of payment that will be accepted during the course of the agreement.

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 data bases makes payment for information received with a draft or other negotiable instrument payment order or item that is returned without being honored rejected or dishonored, the secretary shall immediately terminate the customer's access to the data bases. The secretary may also pursue collection of the rejected or dishonored draft or negotiable instrument payment order or item and recover the face amount of the draft or negotiable instrument payment order or item and any additional costs incurred to collect the amount. If the draft or negotiable instrument 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.

Subd. 4. **COLLECTION OF ALL AMOUNTS.** The secretary of state must collect the face amount of the rejected or dishonored draft or negotiable instrument payment order or item, any service fee, and all costs of collection in every possible instance. Collection must occur whether or not the instrument is returned to the public record or the customer continues to receive the information products or access to the data base. Uncollectible drafts payment orders and items must be processed according to applicable Minnesota law.

Sec. 3. Minnesota Statutes 1996, section 5.25, subdivision 1, is amended to read:

Subdivision 1. **WHO MAY BE SERVED.** A process, notice, or demand required or permitted by law to be served upon an entity governed by chapter 221, 302A, 303, 317A, 322A, 322B, 323, 330, 540, or 543 may be served on: (1) the registered agent, if any; (2) if no agent has been appointed then on an officer, manager, or partner of the entity; or (3) if no agent, officer, manager, or partner can be found at the address on file with the secretary of state, on the secretary of state as provided in this section.

Sec. 4. **[5.26] GOOD STANDING.**

Subdivision 1. **DEFINITION.** "Good standing" means that a business entity has complied with all of the filing and registration requirements with the office of the secretary of state described in the entity's governing chapter.

Subd. 2. **EFFECT OF STATUS.** (a) When a business entity is in good standing it may amend its organizing document that is on file with the secretary of state.

(b) When a business entity is in good standing, the secretary of state shall issue a certificate of good standing as described in section 5.12.

(c) A business entity that is not in good standing may participate in a merger where it does not survive the merger transaction or may dissolve or terminate its existence. It may not amend its organizing document or file other documents with the secretary of state, other than documents required to return the business entity to good standing.

New language is indicated by underline, deletions by strikeout.

(d) When a business entity is not in good standing, the secretary of state shall issue a certificate of not in good standing as described in section 5.12. The secretary of state shall not issue a certificate of good standing with respect to a business entity that is not in good standing.

Subd. 3. REINSTATEMENT. Reinstatement of good standing is controlled by the provisions of the chapter that governs the business entity.

Sec. 5. Minnesota Statutes 1996, section 5A.03, is amended to read:

**5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.**

(a) An application for registration as an international student exchange visitor placement organization must be submitted in the form prescribed by the secretary of state. The application must include:

(1) evidence that the organization meets the standards established by the secretary of state by rule;

(2) the name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;

(3) the organization's unified business identification number, if any;

(4) the organization's United States Information Agency number, if any;

(5) evidence of Council on Standards for International Educational Travel listing, if any;

(6) whether the organization is exempt from federal income tax; and

(7) a list of the organization's placements in Minnesota for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(b) The application must be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising placements within Minnesota. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(c) Organizations that have registered shall inform the secretary of state of any changes in the information required under paragraph (a), clause (1), within 30 days of the change. There is no fee to amend a registration.

(d) Registration under this chapter is valid for one year. The registration may be renewed annually. The fee to renew a registration is \$50 per year.

(e) Organizations registering for the first time in Minnesota must pay an initial registration fee of \$150.

(f) Fees collected by the secretary of state under this section must be deposited in the state treasury and credited to the general fund and are added to the appropriation from which registration costs are paid.

Sec. 6. Minnesota Statutes 1996, section 5A.04, is amended to read:

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**5A.04 RULES.**

(a) The secretary of state shall adopt by rule standards for international student exchange visitor placement organizations. In adopting the rules, the secretary of state may adopt standards established by the United States Information Agency and the Council on Standards for International Educational Travel. The secretary of state may incorporate standards established by the United States Information Agency or the Council on Standards for International Educational Travel by reference and may accept an organization's designation by the United States Information Agency or acceptance for listing by the Council on Standards for International Educational Travel as evidence of compliance with the standards.

(b) The secretary of state may adopt rules as necessary to carry out its duties under this chapter. The rules may provide for a reasonable registration fee not to exceed \$150 for each initial registration and \$50 for each annual renewal to defray the costs of processing registrations. Fees collected by the secretary of state under this provision shall be deposited in the state treasury and credited to the general fund and are added to the appropriation from which registration costs are paid.

(c) The secretary of state must require that an international student exchange visitor placement organization's application form for participation as a host family include a signed document complying with section 299C.62, subdivision 2, that gives the organization permission to conduct a background check on members of the host family. Sections 299C.60 to 299C.64 apply to the background check, except that for purposes of this section the term "background check crime" includes any felony.

Sec. 7. Minnesota Statutes 1996, section 302A.821, subdivision 5, is amended to read:

Subd. 5. **PENALTY.** (a) A corporation that has failed for three consecutive years to file a registration pursuant to the requirements of subdivision 1, has been notified of the failure pursuant to subdivision 4, and has failed to file the delinquent registration during the 60-day period described in subdivision 4, shall be dissolved by the secretary of state as described in paragraph (b).

(b) Immediately after the expiration of the 60-day period described in paragraph (a), if the corporation has not filed the delinquent registration, the secretary of state shall issue a certificate of involuntary dissolution, and a copy of the certificate shall be filed in the office of the secretary of state. The original certificate shall be sent to the registered office of the corporation. The secretary of state shall annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

Sec. 8. Minnesota Statutes 1996, section 303.14, subdivision 1, is amended to read:

Subdivision 1. **FILED WITH SECRETARY OF STATE; CONTENTS.** Between January 15 and May 15, in each calendar year, every foreign corporation which holds a certificate of authority shall make and file with the secretary of state a report for the previous calendar year, setting forth:

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(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 "&," then the name of the corporation with the word or abbreviation which it has agreed to add thereto for use in this state;

(3) the address of its registered office in this state and the name of its registered agent at such address;

(4) additional information necessary or appropriate to enable the secretary of state to determine the additional license fee, if any, payable by the corporation;

(5) a statement of the corporate taxable net income as stated in its appropriate Minnesota ~~corporate~~ income tax return that was due in the previous year; and

(6) the fee required by section 303.07, subdivision 2. This fee shall be submitted with the annual report.

Sec. 9. Minnesota Statutes 1996, section 308A.005, is amended by adding a subdivision to read:

Subd. 1a. ADDRESS. "Address" means mailing address, including a zip code. In the case of a registered address, the term means the mailing address and the actual office location, which may not be a post office box.

Sec. 10. Minnesota Statutes 1996, section 317A.821, subdivision 3, is amended to read:

**Subd. 3. DISSOLUTION; EXTENSION.** If a corporation fails to regain its good standing under subdivision 2 on or before December 31, 1997, the corporation is dissolved under section 317A.827. After December 31, 1997, the corporate existence of a corporation dissolved under this subdivision may be extended by filing the initial corporate registration with the secretary of state and payment of a \$1,000 \$25 fee. The extension relates back to December 31, 1997.

Sec. 11. Minnesota Statutes 1996, section 317A.827, subdivision 1, is amended to read:

**Subdivision 1. PROCEDURE.** If a corporation fails to file the initial registration by December 31, 1997, or if it fails to file the delinquent registration before expiration of the 60-day period in section 317A.823, subdivision 3, the secretary of state shall immediately issue a certificate of involuntary dissolution. The secretary of state shall send the original certificate to the registered office of the corporation and file a copy in the office of the secretary of state. The secretary of state shall annually inform the attorney general of the methods by which the names of corporations dissolved under this section during the previous year may be determined. A corporation dissolved under this section is not entitled to the benefits of section 317A.781, subdivision 1.

Sec. 12. Minnesota Statutes 1996, section 322A.03, is amended to read:

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### 322A.03 RESERVATION OF NAME.

(a) The exclusive right to the use of a name may be reserved by:

(1) any person intending to organize a limited partnership under sections 322A.01 to 322A.87 and to adopt that name;

(2) any domestic limited partnership or any foreign limited partnership registered in this state which, in either case, intends to adopt that name;

(3) any foreign limited partnership intending to register in this state and adopt that name; and

(4) any person intending to organize a foreign limited partnership and intending to have it register in this state and adopt that name.

(b) The reservation shall be made by filing with the secretary of state an application, executed by the applicant, to reserve a specified name. On finding that the name is available for use by a domestic or foreign limited partnership, the secretary of state shall reserve the name for the exclusive use of the applicant for a period of ~~120 days~~. Once having so reserved a name, the same applicant may not again reserve the same name until more than 60 days after the expiration of the last 120-day period for which that applicant reserved that name 12 months. The reservation may be renewed for successive 12-month periods. The right to the exclusive use of a reserved name may be transferred to any other person by filing in the office of the secretary of state a notice of the transfer, executed by the applicant for whom the name was reserved and specifying the name and address of the transferee.

Sec. 13. Minnesota Statutes 1996, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. **QUALIFICATION.** No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. A newspaper that is not qualified must inform a public body that presents a public notice for publication that it is not qualified. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily, be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) 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 public notices. 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. 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;

(d) be circulated in the local public corporation which it purports to serve, and either have at least 500 copies regularly delivered to paying subscribers, or have at least 500 copies regularly distributed without charge to local residents;

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(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) 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;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication; and

(i) ~~between September 1 and December 31 of each year publish and submit to the secretary of state, along with a filing fee of \$25, a sworn United States Post Office second-class periodicals-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency covering a period of not less than at least one year ending no earlier than the June 30 preceding the filing publication deadline, provided that a filing published and submitted. When publication occurs after December 31 and before July 1, qualification shall be effective from the date of the filing described in paragraph (j) through December 31 of that year. The secretary of state shall make the list of newspapers whose filings have been accepted available for public inspection. The acceptance of a filing does not constitute a guarantee by the state that any other qualification requirement has been met.; and~~

(j) after publication, submit to the secretary of state by December 31 a filing containing the newspaper's name, address of its known office of issue, telephone number, and a statement that it has complied with all of the requirements of this section. The filing must be accompanied by a fee of \$25. The secretary of state shall make available for public inspection a list of newspapers that have filed. Acceptance of a filing does not constitute a guarantee by the state that any other qualification has been met.

Sec. 14. Minnesota Statutes 1996, 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~~ certificate filed incorrect, an amended certificate shall be filed and the amended certificate shall be published by the person conducting the business in the same manner as provided by section 333.01. If the amendment is made only to comply with a change in the law that occurred since the previous date of filing, publication is not required.

Sec. 15. Minnesota Statutes 1996, 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

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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, social security number or other tax identification number of the debtor, 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 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 the officer has retained a microfilm or other photographic record copy in a format which meets archival standards, 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 the officer 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 in a format that meets archival standards 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, the address of the debtor given in the statement, and the social security number or other tax identification number 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

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indexing and for stamping a copy furnished by the secured party to show the date and place of filing:

(a) for an original financing statement or statement of continuation on a standard form prescribed by the secretary of state, is \$15 for up to two debtor names and \$15 for each additional name thereafter;

(b) for an original financing statement or statement of continuation that is not on a standard form prescribed by the secretary of state, is \$20 for up to two debtor names and \$20 for each additional name thereafter;

(c) for an amendment on a standard form prescribed by the secretary of state that does not add debtor names, is \$15;

(d) for an amendment that is not on a standard form prescribed by the secretary of state and that does not add debtor names, is \$20;

(e) for an amendment on a standard form prescribed by the secretary of state that adds more than one debtor name, is \$15 per debtor name; and

(f) for an amendment that is not on a standard form prescribed by the secretary of state that adds more than one debtor name, is \$20 per debtor name.

In no case will a filing officer accept more than four additional pages per financing statement for filing in the uniform commercial code records.

The secretary of state shall adopt rules for filing, amendment, continuation, termination, removal, and destruction of financing statements.

(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 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 the secured party 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.

(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.

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Sec. 16. Minnesota Statutes 1996, 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 the secured party no longer claims a security interest under the financing statement. 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 the secured party 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 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 the secured party shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On being presented with such a termination statement the filing officer must note it in the index. If a duplicate termination statement is provided, the filing officer 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 in a format that meets archival standards, and of any related continuation statement, statement of assignment and statement of release, the filing officer may remove the originals from the files at any time after receipt of the termination statement, or having no such record, the filing officer 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. The fee for filing a termination statement on a form that is not the standard form prescribed by the secretary of state is \$5. 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), is also required.

Sec. 17. Minnesota Statutes 1996, section 336A.04, subdivision 4, is amended to read:

Subd. 4. **FILING PROCEDURE.** (a) The filing officer shall mark the effective financing statement or lien notice with a consecutive file number and the date and hour of filing.

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(b) The filing office shall maintain the original filed document or a ~~microfilm~~ or other ~~photographic~~ copy of the filed document in a format that meets archival standards for public inspection as provided in rule by the secretary of state.

(c) The filing office shall index filed documents according to the file number of the document.

Sec. 18. Minnesota Statutes 1996, section 514.08, subdivision 2, is amended to read:

Subd. 2. **STATEMENT BY LIEN CLAIMANT; REQUIREMENTS.** Such statement shall be made by or at the instance of the lien claimant, be verified by the oath of some person shown by such verification to have knowledge of the facts stated, and shall set forth:

- (1) a notice of intention to claim and hold a lien, and the amount thereof;
- (2) that such amount is due and owing to the claimant for labor performed, or for skill, material, or machinery furnished, and for what improvement the same was done or supplied;
- (3) the names of the claimant, and of the person for or to whom performed or furnished;
- (4) the dates when the first and last items of the claimant's contribution to the improvement were made;
- (5) a description of the premises to be charged, identifying the same with reasonable certainty;
- (6) the name of the owner thereof at the time of making such statement, according to the best information then had;
- (7) the post office address of the claimant. (The failure to insert such post office address shall not invalidate the lien statement);
- (8) that claimant acknowledges that a copy of the statement must be served personally or by certified mail within the 120-day period provided in this section on the owner, the owner's authorized agent or the person who entered into the contract with the contractor as provided herein; and
- (9) that notice as required by section 514.011, subdivision 2, if any, was given.

When the claimant files the notice, the social security number of an individual owner or the Internal Revenue Service taxpayer identification number for an owner other than an individual is not required.

**Sec. 19. RULES REPEALER.**

Minnesota Rules, part 3650.0030, subpart 8, is repealed.

Presented to the governor May 9, 1997

Signed by the governor May 12, 1997, 11:13 a.m.

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