

fees, or products provided by or available through the licensee, including, but not limited to, interest rates, loan origination fees, types of available loans, discount points, closing costs, or sample mortgage terms.

Sec. 9. [58.136] RATES AND CHARGES.

Notwithstanding any other law to the contrary, a residential mortgage originator making a residential mortgage loan to a borrower located in this state must comply with any applicable limits on the rate and amount of interest, discount points, finance charges, fees, and other charges as found in the laws of this state.

Nothing in this section authorizes a residential mortgage originator to make loans on terms and conditions that would not be available to it in the absence of this section.

This section applies to residential mortgage originators located in this state and residential mortgage originators located outside this state.

Sec. 10. Minnesota Statutes 2000, section 58.14, subdivision 5, is amended to read:

Subd. 5. **RECORD RETENTION.** A licensee or exempt person must keep and maintain for 26 months the business records, including advertisements, regarding residential mortgage loans applied for, originated, or serviced in the course of its business.

Sec. 11. Minnesota Statutes 2000, section 58.15, subdivision 1, is amended to read:

Subdivision 1. **NONAGENCY DISCLOSURE.** If a residential mortgage originator or exempt person does not contract or offer to contract to act as an agent of a borrower, or accept an advance fee, it must, within ~~72 hours~~ three business days of accepting an application for a residential mortgage loan, provide the borrower with a written disclosure as provided in subdivision 2.

Sec. 12. REPEALER.

Minnesota Statutes 2000, sections 48.03, subdivision 3; and 58.135, are repealed.

Sec. 13. EFFECTIVE DATE.

Sections 1 to 7, 11, and 12 are effective the day following final enactment.

Presented to the governor April 26, 2001

Signed by the governor April 30, 2001, 2:58 p.m.

CHAPTER 57—H.F.No. 285

An act relating to liens; regulating agricultural liens; revising and consolidating crop liens and agricultural liens on livestock; amending Minnesota Statutes 2000, section 514.19; proposing coding for new law in Minnesota Statutes, chapter 514; repealing Minnesota Statutes 2000,

New language is indicated by underline, deletions by strikeout.

sections 514.23; 514.24; 514.25; 514.26; 514.27; 514.28; 514.29; 514.30; 514.31; 514.32; 514.33; 514.34; 514.62; 514.63; 514.65; 514.66; 514.92; 514.950; 514.952; 514.954; 514.956; 514.958; 514.959; 514.960; 557.12; and 559.2091; Minnesota Rules, parts 8271.0010; 8271.0020; 8271.0030; 8271.0040; 8271.0050; 8271.0060; 8271.0070; 8271.0080; 8271.0090; 8271.0100; 8271.0200; 8271.0300; and 8271.0350.

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

Section 1. Minnesota Statutes 2000, section 514.19, is amended to read:

514.19 RIGHT OF DETAINER.

A lien and right of detainer exists for:

- (1) transporting property, other than harvested crops or livestock, from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;
- (2) keeping or storing property, other than harvested crops or livestock, as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;
- (3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;
- (4) the use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;
- (~~5~~) (4) making, altering or repairing any article, other than livestock, or expending any labor, skill or material on it;
- (~~6~~) (5) reasonable charges for a vehicle rented as a replacement for a vehicle serviced or repaired and being retained as provided by this section.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Sec. 2. [514.963] CROP LIEN DEFINITIONS.

Subdivision 1. SCOPE. For the purposes of this section and section 514.964, the terms defined in subdivisions 2 to 12 have the meanings given them.

Subd. 2. AGRICULTURAL CHEMICAL. "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or to land used for raising crops, including fertilizer material, plant amendment, plant food. The term includes a soil amendment as defined in section 18C.005, and a pesticide and a plant regulator as defined in section 18B.01.

Subd. 3. AGRICULTURAL LIEN. "Agricultural lien" means an agricultural lien as defined by section 336.9-102(a)(5), and includes a landlord's lien, harvester's lien, and crop production input lien under this section.

Subd. 4. AGRICULTURAL LIENHOLDER. "Agricultural lienholder" means a person holding an agricultural lien.

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

Subd. 5. CROP PRODUCTION INPUT. “Crop production input” means agricultural chemicals, seeds, petroleum products, the custom application of agricultural chemicals and seeds, and labor used in preparing the land for planting, cultivating, growing, producing, harvesting, drying, and storing crops or crop products.

Subd. 6. FARM PRODUCTS. “Farm products” means farm products as defined in section 336.9-102(a)(34).

Subd. 7. LENDER. “Lender” means a secured party as defined in section 336.9-102(a)(72), holding a perfected security interest in the farm products of the obligor.

Subd. 8. OBLIGOR. “Obligor” means obligor as defined in section 336.9-102(a)(59).

Subd. 9. PERSON. “Person” means an individual or an organization as defined in section 336.1-201(30).

Subd. 10. PETROLEUM PRODUCTS. “Petroleum products” means motor fuels and special fuels used in the production of crops and livestock, including petroleum products as defined in section 296A.01, and alcohol fuels, propane, lubes, and oils.

Subd. 11. SEED. “Seed” means agricultural seeds used to produce crops, including agricultural seeds defined in section 21.72.

Subd. 12. SUPPLIER. “Supplier” means a person furnishing crop production inputs.

Sec. 3. [514.964] AGRICULTURAL LIEN ON CROPS.

Subdivision 1. LANDLORD’S LIEN. A person leasing real property for agricultural production has a lien for unpaid rent on the crops produced on the real property in the crop year that is the subject of the lease. A landlord’s lien becomes effective when the crops become growing crops.

Subd. 2. HARVESTER’S LIEN. (a) A person providing combining, picking, harvesting, hauling, baling, drying, or storing services in the ordinary course of business has a lien upon the crops combined, picked, harvested, hauled, baled, dried, or stored, as the case may be, for the reasonable amount and kind of service provided.

(b) A harvester’s lien becomes effective upon the services being provided the obligor by the harvester.

(c) A person asserting a harvester’s lien may not assert a crop production input lien for the same goods or services provided the obligor.

Subd. 3. CROP PRODUCTION INPUT LIEN. (a) A supplier furnishing crop production inputs in the ordinary course of business has an agricultural lien for the unpaid retail cost of the crop production inputs. The lien attaches to:

(1) the existing crops upon the land where a furnished agricultural chemical was applied, or if crops are not planted, to the next production crop within 16 months

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following the last date on which the agricultural chemical was applied;

(2) the crops produced from furnished seed; or

(3) the crops produced, harvested, or processed using a furnished petroleum product.

If the crops are grown on leased land and the lease provides for payment in crops, the lien does not attach to the lessor's portion of the crops. A crop production input lien becomes effective when the crop production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a crop production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT - LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

(c) The lien-notification statement must disclose the following:

(1) the name and address of the lender that is to receive notification;

(2) the name and address of the supplier claiming the lien;

(3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the crop production input;

(4) the name and address of the person to whom the crop production input was furnished; and

(5) the name and address of the owner.

(d) Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

(1) a letter of commitment for part or all of the retail cost or anticipated costs of the crop production input as set forth in the lien-notification statement; or

(2) a written refusal to issue a letter of commitment.

A copy of the lender's response must be provided to the person for whom the financing was requested.

(e) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment. If a lender responds with a refusal to provide a letter of commitment, the rights of the lender and the supplier are not affected.

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected crop production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

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(2) the unpaid retail cost of the crop production input identified in the lien-notification statement.

Subd. 4. **SCOPE.** A landlord's lien, harvester's lien, or crop production input lien attaches to the crops serviced, produced, or harvested by the agricultural lienholder, and the products and proceeds thereof to the extent of the price or value of the goods or services provided.

Subd. 5. **PERFECTION.** (a) A landlord's lien, harvester's lien, or crop production input lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to (d).

(b) A landlord's lien must be perfected on or before 30 days after the crops become growing crops.

(c) A harvester's lien must be perfected on or before 15 days after the last date that harvesting services are provided the obligor.

(d) A crop production input lien must be perfected by six months after the last date that crop production inputs are furnished the obligor.

Subd. 6. **GOVERNING LAW.** Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code - Secured Transactions, sections 336.9-101 to 336.9-709.

Subd. 7. **PRIORITY.** (a) A perfected landlord's lien under this section has priority over all competing security interests and all agricultural liens in crops and the products or proceeds thereof.

(b) Except as provided in paragraph (c), a perfected harvester's lien under this section has priority over all competing security interests and all agricultural liens except a perfected landlord's lien in crops and the products or proceeds thereof, and except for a perfected crop production input lien for the reasonable cost of the seed in crops and products and the proceeds thereof.

(c) If more than one harvester's lien is perfected under this section, the conflicting perfected harvester's liens rank equally in proportion to the value of the service provided.

(d) Except as provided in paragraph (e), a perfected crop production lien under this section has priority against all competing agricultural liens except a perfected landlord's lien and a perfected harvester's lien in the crops and products or proceeds thereof.

(e) If more than one crop production input lien is perfected under this section, conflicting perfected crop production input liens have priority in order of the effectiveness of the liens.

(f) Except as provided in paragraph (g), a perfected crop production input lien under this section has priority against all competing security interest as provided in subdivision 3 in crops and the products and proceeds thereof.

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(g) A perfected crop production input lien has priority over a competing security interest in the crops and proceeds and products thereof if the crop production input lien is effective before the secured party has given value to the debtor.

Subd. 8. **DEFAULT.** Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 9. **ENFORCEMENT.** The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9-601 to 336.9-628.

Sec. 4. [514.965] LIVESTOCK LIEN DEFINITIONS.

Subdivision 1. **SCOPE.** For the purposes of this section and section 514.966, the terms defined in subdivisions 2 to 11 have the meanings given them.

Subd. 2. **AGRICULTURAL LIEN.** "Agricultural lien" means an agricultural lien as defined in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock production input lien, and feeder's lien under this section.

Subd. 3. **AGRICULTURAL LIENHOLDER.** "Agricultural lienholder" means a person holding an agricultural lien.

Subd. 4. **EMERGENCY VETERINARY SERVICES.** "Emergency veterinary services" includes surgical procedures, administering vaccines, antisera, and antibiotics, and other veterinary medicines, treatments, and services performed primarily to protect human health, prevent the spread of animal diseases, or preserve the health of the animal or animals treated.

Subd. 5. **FARM PRODUCTS.** "Farm products" means farm products as defined in section 336.9-102(a)(34).

Subd. 6. **FEED.** "Feed" means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer-formula feeds used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 7. **LENDER.** "Lender" means a secured party as defined in section 336.9-102(a)(72) holding a perfected security interest in the farm products of the obligor.

Subd. 8. **LIVESTOCK PRODUCTION INPUT.** "Livestock production input" means feed and labor used in raising livestock.

Subd. 9. **OBLIGOR.** "Obligor" means an obligor as defined in section 336.9-102(a)(59).

Subd. 10. **PERSON.** "Person" means an individual or an organization as defined in section 336.1-201(30).

Subd. 11. **SUPPLIER.** "Supplier" means a person furnishing agricultural production inputs.

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

Sec. 5. [514.966] AGRICULTURAL LIEN ON LIVESTOCK.

Subdivision 1. VETERINARIAN'S LIEN. A licensed veterinarian performing emergency veterinary services in the ordinary course of business that cost more than \$25 for animals at the request of the owner or a person in possession of the animals has a lien on the animals for the value of the services. A lien under this section does not secure any veterinary services performed more than one year before the date on which the last item of the veterinary service is performed. A veterinarian's lien becomes effective upon the services being provided the obligor by the veterinarian.

Subd. 2. BREEDER'S LIEN. The owner of any livestock used for breeding services in the ordinary course of business, or any provider, in the ordinary course of business, of semen or ova used in fertilizer, artificial insemination, or any other artificial means of impregnating livestock, has a lien upon the livestock bred and any resulting offspring for the price or value of the service provided. A breeder's lien becomes effective when the services are provided the obligor by the breeder.

Subd. 3. LIVESTOCK PRODUCTION INPUT LIEN. (a) A supplier furnishing livestock production inputs in the ordinary course of business has a livestock production input lien for the unpaid retail cost of the livestock production input. A perfected livestock production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock. A livestock production input lien becomes effective when the agricultural production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a livestock production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT-LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

(c) The lien-notification statement must be in a form approved by the secretary of state and disclose the following:

- (1) the name and business address of the lender that is to receive notification;
- (2) the name and address of the supplier claiming the lien;
- (3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the livestock production input;
- (4) the name, residential address, and signature of the person to whom the livestock production input was furnished;
- (5) the name and residential address of the owner of the livestock, the location where the livestock will be raised, and a description of the livestock; and
- (6) a statement that products and proceeds of the livestock are covered by the livestock input lien.

(d) Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

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(1) a letter of commitment for part or all of the amount in the lien-notification statement; or

(2) a written refusal to issue a letter of commitment.

A copy of the response must be mailed to the person for whom the financing was requested.

(e) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment. If a lender responds with a refusal to provide a letter of commitment, the rights of the lender and the supplier are not affected.

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected livestock production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

(2) the unpaid retail cost of the livestock production input identified in the lien-notification statement, subject to any limitation in paragraph (a).

Subd. 4. FEEDER'S LIEN. (a) A person has a feeder's lien on livestock if the person (1) stores, cares for, or contributes to the keeping, feeding, pasturing, or other care of livestock, including medical or surgical treatment and shoeing, and (2) does so in the ordinary course of business, at the request of the owner or legal possessor of the livestock.

(b) A feeder's lien is a lien upon the livestock for the price or value of the storage, care, or contribution, and for any legal charges against the same paid by the person to any other person.

(c) A feeder's lien becomes effective when the services or contributions are provided the obligor.

Subd. 5. SCOPE. A veterinarian's lien, breeder's lien, livestock production input lien, or feeder's lien attaches to the livestock serviced by the agricultural lienholder, and products and proceeds thereof to the extent of the price or value of the service provided.

Subd. 6. PERFECTION. (a) An agricultural lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to (e).

(b) A veterinarian's lien must be perfected on or before 180 days after the last item of the veterinary service is performed.

(c) A breeder's lien must be perfected by six months after the last date that breeding services are provided the obligor.

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(d) A livestock production input lien must be perfected by six months after the last date that livestock production inputs are furnished the obligor.

(e) A feeder's lien must be perfected on or before 60 days after the last date that feeding services are furnished the obligor.

Subd. 7. GOVERNING LAW. Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code - Secured Transactions, sections 336.9-101 to 336.9-709.

Subd. 8. PRIORITY. (a) Except as provided in paragraph (b), a perfected veterinarian's lien under this section has priority over all competing security interests and all agricultural liens on the same animals.

(b) If more than one veterinarian's lien is perfected under this section, the conflicting perfected veterinarian's liens have priority in order of the effectiveness of the liens.

(c) Except as provided in paragraph (d), a perfected feeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien in the livestock and the products or proceeds thereof.

(d) If more than one feeder's lien is perfected under this section, the conflicting perfected feeder's liens have priority in order of the effectiveness of the liens.

(e) A perfected breeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien and a perfected feeder's lien in the livestock and the products and proceeds thereof.

(f) Except as provided in paragraph (g), a perfected livestock production input lien under this section has priority against all agricultural liens except a perfected veterinarian's lien, feeder's lien, and breeder's lien in the livestock and the products or proceeds thereof.

(g) If more than one livestock production input lien is perfected under this section, conflicting perfected livestock production input liens have priority in order of the effectiveness of the liens.

(h) Except as provided in paragraph (i), a perfected livestock production input lien under this section has priority against all competing security interests as provided in subdivision 3 in livestock and the products and proceeds thereof.

(i) A perfected livestock production input lien has priority over a competing security interest in the livestock and proceeds and products thereof if the livestock production input lien is effective before the secured party has given value to the debtor.

Subd. 9. DEFAULT. Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 10. ENFORCEMENT. The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9-601 to 336.9-628.

New language is indicated by underline, deletions by strikeout.

Sec. 6. TRANSITION RULE FOR LIVESTOCK AND CROP STATUTES.

(a) Agricultural liens in crops or livestock or the products or proceeds thereof created before July 1, 2001, based on statutes repealed by this act, or based on Minnesota Statutes, section 514.19, prior to its amendment by this act, remain in effect for the duration provided by the law in effect before July 1, 2001.

(b) Lien statements properly filed prior to July 1, 2001, under statutes repealed by this act remain effective for the period of time allowed under those statutes.

(c) Records of agricultural liens based upon statutes repealed by this act will exist in the central filing system operated by the office of the secretary of state.

Sec. 7. REPEALER.

(a) Minnesota Statutes 2000, sections 514.23; 514.24; 514.25; 514.26; 514.27; 514.28; 514.29; 514.30; 514.31; 514.32; 514.33; 514.34; 514.62; 514.63; 514.65; 514.66; 514.92; 514.950; 514.952; 514.954; 514.956; 514.958; 514.959; 514.960; 557.12; and 559.2091, are repealed.

(b) Minnesota Rules, parts 8271.0010; 8271.0020; 8271.0030; 8271.0040; 8271.0050; 8271.0060; 8271.0070; 8271.0080; 8271.0090; 8271.0100; 8271.0200; 8271.0300; and 8271.0350, are repealed.

Sec. 8. EFFECTIVE DATE.

Sections 1 to 7 are effective July 1, 2001.

Presented to the governor April 26, 2001

Signed by the governor April 30, 2001, 3:02 p.m.

CHAPTER 58—H.F.No. 550**VETOED**

CHAPTER 59—H.F.No. 995

An act relating to horse racing; modifying license applicant requirements; modifying medication requirements; amending Minnesota Statutes 2000, sections 240.08, subdivision 2; and 240.24, subdivision 2.

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

Section 1. Minnesota Statutes 2000, section 240.08, subdivision 2, is amended to read:

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