

amending Minnesota Statutes 2002, section 118A.03, subdivision 1; Minnesota Statutes 2003 Supplement, section 118A.03, subdivision 3.

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

Section 1. Minnesota Statutes 2002, section 118A.03, subdivision 1, is amended to read:

Subdivision 1. **FOR DEPOSITS BEYOND INSURANCE.** To the extent that funds deposited are ~~in excess of~~ on deposit at the close of the financial institution's banking day exceed available federal deposit insurance, the government entity shall require the financial institution to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the state. For the purposes of this section, "banking day" has the meaning given in Federal Reserve Board Regulation CC, Code of Federal Regulations, title 12, section 229.2(f), and incorporates a financial institution's cutoff hour established under section 336.4-108.

Sec. 2. Minnesota Statutes 2003 Supplement, section 118A.03, subdivision 3, is amended to read:

Subd. 3. **AMOUNT.** The total amount of the collateral computed at its market value shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the ~~business~~ financial institution's banking day, except that where the collateral is irrevocable standby letters of credit issued by Federal Home Loan Banks, the amount of collateral shall be at least equal to the amount on deposit plus accrued interest at the close of the ~~business~~ financial institution's banking day. The financial institution may furnish both a surety bond and collateral aggregating the required amount.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective retroactively from the beginning of a government entity's fiscal year 2003 and apply to each fiscal year thereafter.

Presented to the governor March 30, 2004

Signed by the governor April 2, 2004, 12:40 p.m.

CHAPTER 152—S.F.No. 1958

An act relating to local government; authorizing townships to make payments by electronic or wire transfer, and accept payment by credit card or other methods; authorizing townships to use electronic approvals; amending Minnesota Statutes 2002, section 471.381.

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

Section 1. Minnesota Statutes 2002, section 471.381, is amended to read:

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

471.381 CITY, TOWN, AND COUNTY OBLIGATIONS AND PAYMENTS.

Subdivision 1. **PAYMENT METHODS.** Payments of claims and obligations of a statutory or home rule charter city, town, or county may be made by warrant, check, or all forms of electronic or wire funds transfer. If the city, town, or county may make investments, it may make electronic or wire transfers of funds notwithstanding any other law to the contrary.

Subd. 2. **AUTHORITY TO ACCEPT PAYMENT BY CREDIT CARD OR OTHER METHODS.** A statutory or home rule charter city, town, or a county may accept payment by use of a credit card, debit card, or all forms of electronic or wire funds transfer. Subject to any other law to the contrary, the city, town, or county may add to the amount due a service charge for the acceptance of a payment method authorized in this subdivision. The city, town, or county shall adopt policies and procedures regarding the payments. The payment of property taxes by credit card is subject to section 276.02.

Subd. 3. **ELECTRONIC APPROVAL.** "Electronic approval" means any electronic identifier intended by the person making, executing, or adopting it to authenticate and validate a city, town, or county administrative action. Notwithstanding any other general or special law to the contrary, a statutory or home rule charter city, a town, or a county may use electronic approvals, which have the same validity and consequences as an actual signature. The city, town, or county must establish policies and procedures to ensure the validity of electronic approvals.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor April 2, 2004

Signed by the governor April 6, 2004, 10:40 a.m.

CHAPTER 153—S.F.No. 1621

An act relating to real estate; providing for a certificate of mortgage satisfaction; proposing coding for new law in Minnesota Statutes, chapter 507.

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

Section 1. **[507.403] CERTIFICATE OF MORTGAGE SATISFACTION BY ASSIGNEE.**

Subdivision 1. CERTIFICATE OF SATISFACTION. A certificate of satisfaction of mortgage that complies with this section is effective to discharge the mortgage even if one or more assignments of the mortgage have not been recorded or filed.

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