

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 3678

(SENATE AUTHORS: DRAHEIM)

DATE	D-PG	OFFICIAL STATUS
02/27/2020	5025	Introduction and first reading Referred to Judiciary and Public Safety Finance and Policy

1.1 A bill for an act

1.2 relating to agriculture; modifying and updating certain provisions relating to real

1.3 property; repealing obsolete provisions; making clarifying and technical changes;

1.4 amending Minnesota Statutes 2018, sections 550.365, subdivision 2; 582.039,

1.5 subdivision 2; 583.25; 583.26, subdivision 2; repealing Minnesota Statutes 2018,

1.6 section 346.02.

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

1.8 Section 1. Minnesota Statutes 2018, section 550.365, subdivision 2, is amended to read:

1.9 Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks

1.10 properly filled in.

1.11 "TO:(Name of Judgment Debtor)....

1.12 A JUDGMENT WAS ORDERED AGAINST YOU BY(Name of Court).... ON

1.13(Date of Judgment).

1.14 AS A JUDGMENT CREDITOR,(Name of Judgment Creditor).... INTENDS TO

1.15 TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED

1.16 AS....(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE

1.17 AMOUNT OF(Amount of Debt)....

1.18 YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION.

1.19 IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE

1.20 MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT

1.21 WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY

1.22 ENFORCES THE DEBT.

2.1 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
 2.2 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION
 2.3 MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL
 2.4 INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE
 2.5 TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION
 2.6 RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS
 2.7 POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR
 2.8 HANDLING FUTURE FINANCIAL RELATIONS.

2.9 TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A
 2.10 MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU
 2.11 RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE ~~AT~~
 2.12 ~~ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE~~ FROM THE
 2.13 DIRECTOR OF THE FARMER LENDER MEDIATION PROGRAM.

2.14 FROM:(Name and Address of Judgment Creditor)...."

2.15 Sec. 2. Minnesota Statutes 2018, section 582.039, subdivision 2, is amended to read:

2.16 Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks
 2.17 properly filled in.

2.18 "TO:(Name of Record Owner)....

2.19 YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL
 2.20 PROPERTY DESCRIBED AS(Size and Reasonable Location, Not Legal Description).
 2.21 THE AMOUNT OF THE OUTSTANDING DEBT ON THIS PROPERTY IS(Amount
 2.22 of Debt)....

2.23 AS HOLDER OF THE MORTGAGE,(Name of Holder of Mortgage).... INTENDS
 2.24 TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

2.25 YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR
 2.26 MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL
 2.27 BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT
 2.28 WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY
 2.29 ENFORCES THE DEBT.

2.30 IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE
 2.31 AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION
 2.32 MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL
 2.33 INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE

3.1 TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION
 3.2 RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS
 3.3 POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR
 3.4 HANDLING FUTURE FINANCIAL RELATIONS.

3.5 TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST
 3.6 FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER
 3.7 YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE
 3.8 ~~AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE~~ FROM THE
 3.9 DIRECTOR OF THE FARMER LENDER MEDIATION PROGRAM.

3.10 FROM:(Name and Address of Holder of Mortgage)...."

3.11 Sec. 3. Minnesota Statutes 2018, section 583.25, is amended to read:

3.12 **583.25 VOLUNTARY MEDIATION PROCEEDINGS.**

3.13 A debtor that owns agricultural property or a creditor of the debtor may request mediation
 3.14 of the indebtedness by a farm mediator by applying to the director. The director shall ~~make~~
 3.15 provide voluntary mediation application forms ~~available at the county recorder's and county~~
 3.16 ~~extension office in each county~~ when requested. The director must evaluate each request
 3.17 and may direct a mediator to meet with the debtor and creditor to assist in mediation.

3.18 Sec. 4. Minnesota Statutes 2018, section 583.26, subdivision 2, is amended to read:

3.19 Subd. 2. **Mediation request.** (a) A debtor must file a mediation request form with the
 3.20 director by 14 days after receiving a mediation notice. The debtor must state all known
 3.21 creditors with debts secured for agricultural property and must authorize the director to
 3.22 obtain the debtor's credit report from one or more credit reporting agencies. The mediation
 3.23 request form must include an instruction that the debtor must state all known creditors with
 3.24 debts secured by agricultural property and unsecured creditors that are necessary for the
 3.25 farm operation of the debtor. It is the debtor's discretion as to which unsecured creditors
 3.26 are necessary for the farm operation but the mediation request form must notify the debtor
 3.27 that omission of a significant unsecured creditor could result in a bad-faith determination
 3.28 pursuant to section 583.27, subdivisions 1, paragraph (a), clause (2), and 2. The mediation
 3.29 request must state the date that the notice was served on the debtor. The director shall ~~make~~
 3.30 provide mediation request forms ~~available in the county recorder's and county extension~~
 3.31 ~~office of each county~~ when requested.

4.1 (b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a
4.2 debtor who fails to file a timely mediation request waives the right to mediation for that
4.3 debt under the Farmer-Lender Mediation Act. The director shall notify the creditor who
4.4 served the mediation notice stating that the creditor may proceed against the agricultural
4.5 property because the debtor has failed to file a mediation request.

4.6 (c) If a debtor has not received a mediation notice and is subject to a proceeding of a
4.7 creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections
4.8 336.9-601 to 336.9-628, terminating a contract for deed to purchase agricultural property
4.9 under section 559.21, or garnishing, levying on, executing on, seizing, or attaching
4.10 agricultural property, the debtor may file a mediation request with the director. The mediation
4.11 request form must indicate that the debtor has not received a mediation notice.

4.12 Sec. 5. **REPEALER.**

4.13 Minnesota Statutes 2018, section 346.02, is repealed.

346.02 FINDER TO GIVE NOTICE; PENALTY.

A person who finds an estray and knows who owns it shall notify the owner within seven days after finding the estray and request the owner to pay all reasonable charges and take such estray away. A finder who does not know who owns the estray shall within ten days file a notice with the town clerk. The clerk shall transmit a copy thereof to the county recorder, who shall record the same in a book designated "estrays book." The finder shall give posted notice of the finding of the estray in said town. The notice shall briefly describe the estray, giving its marks, natural and artificial, as nearly as practicable, naming the residence of the finder, and specifying the town, section, and time when taken up. For failure to give such notice, the finder shall be liable to the owner of the estray in double the amount of damages sustained by the owner thereby.