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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH SESSION

HOUSE FILE NO. 208

January 22, 2009

Authored by Dill

The bill was read for the first time and referred to the Committee on Commerce and Labor

February 19, 2009

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Civil Justice

February 26, 2009

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

May 18, 2009

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Pursuant to Rule 4.20, re-referred to the Committee on Civil Justice

February 11, 2010

Committee Recommendation and Adoption of Report:

To Pass

Read Second Time

1.1 A bill for an act

relating to creditors' remedies; changing the type of mailed notification to secured creditors required in connection with foreclosure of a mechanics lien on a motor vehicle; amending Minnesota Statutes 2008, section 514.20.

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

Section 1. Minnesota Statutes 2008, section 514.20, is amended to read:

514.20 SALE.

If any sum secured by such lien be not paid within 90 days after it becomes due, the lienholder may sell the property and out of the proceeds of such sale there shall be paid, first, the disbursements aforesaid; second, all charges against the property paid by such person to any other person; and, third, the total indebtedness then secured by the lien. The remainder, if any, shall be paid on demand to the owner or other person entitled thereto. If the property subject to the lien is a motor vehicle registered in this state and subject to a certificate of title, then the lienholder must provide written notice, by registered certified mail, to all secured creditors listed on the certificate of title 45 days before the lienholder's right to sell the motor vehicle is considered effective. The notice must state the name, address, and telephone number of the lienholder, the amount of money owed, and the rate at which storage charges, if any, are accruing. Costs for registered certified mail and other reasonable costs related to complying with this notice provision constitute "lawful charges" pursuant to section 514.19. Failure to comply with the notice provision in this section renders any lien created by this chapter ineffective against any secured party listed on the certificate of title of the motor vehicle involved.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to notices mailed on or after that date, provided however that it is also

Section 1.

01/14/09 REVISOR XX/AA 09-1184

2.1 permissible to send notices under this section by registered mail prior to August 1, 2009,

2.2 and the costs of those notices are lawful charges under this section.

Section 1. 2