



JOAN ANDERSON GROWE
Secretary of State

ELAINE V. VOSS
Deputy Secretary of State

State of Minnesota

OFFICE OF THE SECRETARY OF STATE

St. Paul 55155

180 STATE OFFICE BUILDING
Corporation Division: 612/296-2803
UCC Division: 612/296-2434
Election Division: 612/296-2805
Office of the Secretary: 612/296-3266
Office of Deputy Secy.: 612/296-2309

STATE OF MINNESOTA
COUNTY OF RAMSEY

In the Matter of the Proposed Adoption
of Rules of the Office of the Secretary
of State Governing Uniform Commercial
Code Forms

STATEMENT OF NEED AND REASONABLENESS

Introduction

The Secretary of State is to prescribe uniform forms for all statements dealing with the perfection of security agreements by public filing pursuant to the Uniform Commercial Code - Secured Transactions, M.S. 336.9-101 et seq. Minn.Stat. 14.06 (1982), requires adoption of rules to the extent that changes in procedures affect the rights of or procedures available to the public.

The Secretary of State rules governing Uniform Commercial Code forms became effective February 25, 1985. These rules are being proposed to be modified to correct two referenced citations.

Statutory Authority

Minn. Stat. 336.9-403 subd 5 (1984).

Futhermore, M.S. 336.9-407, requires that upon request, the filing officer provide certain information and charge a fee based on whether the request is on a standard or non-standard form as prescribed by the Secretary of State.

Taken together, the Secretary of State has the authority to promulgate rules to prescribe the standard forms.

Need and Reasonableness of Modifications

The purpose of the modification is to correct two citation references in the Rules governing Uniform Commercial Code Forms, Minn Rules 8260.0100 through 8260.0500:

8260.0100 Subpart 1: Subpart 1 contains an incorrect statute citation. Minn. Stat. 336.9-402 subsection (1), paragraph (a) and (c), which is non-existent, is corrected to 336.9-401, subsection (1), paragraphs (a) and (b). The need is to correct the wrong statutory citation and it is reasonable to refer to the correct citation.

8260.0200 Subpart 1: Subpart 1 contains an incorrect statute citation. Minn. Stat. 336.9-402, subsection (1), paragraph (b), which is non-existent, is corrected to 336.9-401, subsection (1), paragraph (c). The need is to correct the wrong statutory citation and it is reasonable to refer to the correct citation.

Consideration of Small Business Needs

The Office of the Secretary of State has considered the requirements of M.S. 14.115 Subd 1 and has determined that no authority has been granted to the Agency to modify the reporting requirements of the Uniform Commercial Code, and that exemption of small businesses from requirements of the rule would be contrary to the statutory objectives that are the basis of the proposed rule-making. In fact, these rules reduce the impact on a small business by providing that if the small business files the information in substantially the form set out in the rule, a lesser fee will be charged.

To comply with M.S. 14.115 Subd 4, the Agency published in the State Register a Notice of Intent To Adopt Rules Without a Public Hearing, in which the Agency gave notice that the proposed rule will affect small businesses, and discussed the probable quantitative and qualitative impact of rule in compliance with M.S. 14.115 Subd 4 (a).