

penalty, a public agency elects its remedy by commencing either an action under this section or a criminal prosecution, and the commencement of one type of action by a public agency is a bar to its bringing of the other.

Subd. 7. PAYMENT. Any county or county municipal court may establish a schedule of costs and civil damages, and procedures for payment, in cases brought by a public agency under which the defendant may consent to default judgment and make payment according to the schedule without making a personal appearance in court.

Subd. 8. CITATION. This section may be cited as the civil litter act.

Approved May 29, 1979.

CHAPTER 236—S.F.No.420

An act relating to agriculture; changing the eligibility requirements for a family farm security loan; changing the eligibility standards for payment adjustments received pursuant to a family farm security loan; allowing guarantees to purchasers of the mortgage executed by an original lender; amending Minnesota Statutes 1978, Sections 41.55; 41.56, by adding a subdivision; and 41.57, Subdivision 3.

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

Section 1. Minnesota Statutes 1978, Section 41.55, is amended to read:

41.55 **ELIGIBILITY.** A family farm security loan approval may be granted if the following criteria are satisfied:

(a) That the applicant is a resident of the state of Minnesota, or shows sufficient evidence that he intends to become a resident;

(b) That the applicant has sufficient education, training, or experience in the type of farming for which he wishes the loan and continued participation in a farm management program, approved by the commissioner, for the duration of the family farm security loan;

(c) That the applicant, his dependents and spouse have total net worth valued at less than ~~\$50,000~~ \$75,000 and has demonstrated a need for the loan;

(d) That the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;

(e) That the applicant is credit worthy according to standards prescribed by the commissioner;

(f) That the seller has not acquired the farm land for purposes of obtaining the

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income tax exemption allowed by sections 41.58 and Laws 1976, Chapter 210, Section 12.

Sec. 2. Minnesota Statutes 1978, Section 41.56, is amended by adding a subdivision to read:

Subd. 6. SECONDARY MARKET GUARANTEES WITHOUT RECOURSE. In the case of all family farm loan guarantees, except seller-sponsored loan guarantees, the commissioner is authorized to extend said guarantees to a bona fide purchaser of the guaranteed portion of the note and mortgage executed by an original lender and borrower without recourse by the state of Minnesota against said bona fide purchaser of said guaranteed portion, provided the state of Minnesota is made the named beneficiary of a title insurance policy insuring marketable title to the farm land in question and the state of Minnesota is given the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. In the event title insurance is, as a practical matter, unavailable or an undue hardship, the commissioner is authorized to provide said guarantee without recourse by the state of Minnesota against said bona fide purchaser provided the state of Minnesota is given the written opinion of competent local counsel concerning marketable title and the written opinion of original lender's counsel that the original loan transaction was fully closed, that disbursements were made correctly, that lender's security was properly perfected and constitutes a valid first lien upon the property, that original borrower's note is a valid and binding obligation, and that all conditions deemed desirable to assure the validity and legal enforceability of the note and mortgage and all agreements delivered to the original lender in connection with the original loan have been complied with satisfactorily. The making of such a guarantee without recourse shall not affect the rights the state of Minnesota may have with respect to the original lender, mortgagor, or any other party.

Sec. 3. Minnesota Statutes 1978, Section 41.57, Subdivision 3, is amended to read:

Subd. 3. ANNUAL REVIEW OF NET WORTH. The applicant, his dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of ~~\$100,000~~ \$135,000, the applicant shall be ineligible for a payment adjustment in that year.

Approved May 29, 1979.

CHAPTER 237—S.F.No.432

An act relating to general assistance and general assistance medical care; eliminating the notarizing requirement for general assistance and general assistance medical care applications; amending Minnesota Statutes 1978, Section 256D.07.

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