

network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective August 1, 1989, and apply to crimes committed after that date.

Presented to the governor May 16, 1989

Signed by the governor May 17, 1989, 3:30 p.m.

CHAPTER 160—H.F.No. 1282

An act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; providing that failure to strictly comply with subcontractor notice requirements does not result in loss of lien under certain circumstances; amending Minnesota Statutes 1988, section 514.011, subdivisions 1, 2, and by adding a subdivision.

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

Section 1. Minnesota Statutes 1988, section 514.011, subdivision 1, is amended to read:

Subdivision 1. **CONTRACTORS.** Every person who enters into a contract with the owner for the improvement of real property and who has contracted or will contract with any subcontractors or material suppliers to provide labor, skill or materials for the improvement shall include in any written contract with the owner the notice required in this subdivision and shall provide the owner with a copy of the written contract. If no written contract for the improvement is entered into, the notice must be prepared separately and delivered personally or by certified mail to the owner or the owner's authorized agent within ten days after the work of improvement is agreed upon. The notice, whether included in a written contract or separately given, must be in at least 10-point bold type, if printed, or in capital letters, if typewritten and must state as follows:

"(a) persons or companies furnishing Any person or company supplying labor or materials for the this improvement of real to your property may enforce file a lien upon the improved land against your property if they are that person or company is not paid for their the contributions; even if the parties have no direct contractual relationship with the owner;

(b) Under Minnesota law permits the owner to withhold from the owner's contractor as much of the contract price as may be necessary to meet the demands of all other lien claimants, you have the right to pay persons who supplied labor or materials for this improvement directly the liens and deduct the cost of them this amount from the our contract price, or withhold the

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

amounts ~~due them~~ from the owner's contractor us until the expiration of 120 days ~~from the~~ after completion of the improvement unless the contractor furnishes to the owner wavers of claims for mechanics' liens ~~we give you a lien waiver~~ signed by persons who furnished ~~supplied~~ any labor or material for the improvement and who provided the owner with ~~gave you~~ timely notice."

A person who fails to provide the notice shall not have the lien and remedy provided by this chapter.

The notice required by this subdivision is not required of any person who is an owner of the improved real estate, to any corporate contractor of which the owner of the improved real estate is an officer or controlling shareholder, to any contractor who is an officer or controlling shareholder of a corporation which is the owner of the improved real estate, or to any corporate contractor managed or controlled by substantially the same persons who manage or control a corporation which is the owner of the improved real estate.

Sec. 2. Minnesota Statutes 1988, section 514.011, subdivision 2, is amended to read:

Subd. 2. **SUBCONTRACTOR TO GIVE NOTICE.** (a) Every person who contributes to the improvement of real property so as to be entitled to a lien pursuant to section 514.01, except a party under direct contract with the owner must, as a necessary prerequisite to the validity of any claim or lien, cause to be given to the owner or the owner's authorized agent, either by personal delivery or by certified mail, not later than 45 days after the lien claimant has first furnished labor, skill or materials for the improvement, a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which shall state:

"Please take notice that persons or companies furnishing This notice is to advise you of your rights under Minnesota law in connection with the improvement to your property.

Any person or company supplying labor or materials for the this improvement of real property may enforce file a lien upon the improved land against your property if they are that person or company is not paid for their the contributions; even if the parties have no direct contractual relationship with the owner.

We

(name and address of subcontractor)

have been hired by your contractor

(name of your contractor)

to provide or for

(type of service) (material)

use in improving your property this improvement.

To the best of our knowledge, we estimate our charges

will be

(value of service or material)

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If we are not paid by your contractor, we can file a claim against your property for the price of our services ~~unless, prior to your receipt of this notice, you have paid to your contractor the full amount of all improvements furnished.~~

~~To protect yourself, Minnesota law permits you, as the owner, to withhold from your contractor as much of the contract price as may be necessary to meet our demands; You have the right to pay us directly and deduct the cost of them this amount from the contract price, or withhold the amount of our claim due us from your contractor until the expiration of 120 days from the after completion of the improvement unless your contractor furnishes to gives you a lien waiver of claim for mechanics' liens signed by me (us).²~~

We may not file a lien if you paid your contractor in full before receiving this notice.

(b) A person entitled to a lien does not lose the right to the lien for failure to strictly comply with this subdivision if a good faith effort is made to comply, unless the owner or another lien claimant proves damage as a direct result of the failure to comply.

Sec. 3. Minnesota Statutes 1988, section 514.011, is amended by adding a subdivision to read:

Subd. 6. USE OF FORMER NOTICE PERMITTED. Until August 1, 1990, a notice given in conformity with subdivisions 1 and 2 of Minnesota Statutes 1988 is valid.

Sec. 4. REPEALER.

Section 3 is repealed effective August 1, 1990.

Sec. 5. EFFECTIVE DATE.

Sections 1 to 3 are effective August 1, 1989, and apply to notices given on or after that date.

Presented to the governor May 16, 1989

Signed by the governor May 17, 1989, 6:17 p.m.

CHAPTER 161—H.F.No. 1027

An act relating to state employees; authorizing the donation of accrued vacation time by state employees in 1989 to pay unreimbursed medical costs incurred by other state employees.

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

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