

CHAPTER 514

LIENS; LABOR, MATERIAL

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IMPROVEMENT OF REAL ESTATE

514.01 MECHANICS, LABORERS AND MATERIAL SUPPLIERS.

Whoever performs engineering or land surveying services with respect to real estate, or contributes to the improvement of real estate by performing labor, or furnishing skill, material or machinery for any of the purposes hereinafter stated, whether under contract with the owner of such real estate or at the instance of any agent, trustee, contractor or subcontractor of such owner, shall have a lien upon the improvement, and upon the land on which it is situated or to which it may be removed, that is to say, for the erection, alteration, repair, or removal of any building, fixture, bridge, wharf, fence, or other structure thereon, or for grading, filling in, or excavating the same, or for clearing, grubbing, or first breaking, or for furnishing and placing soil or sod, or for furnishing and planting of trees, shrubs, or plant materials, or for labor performed in placing soil or sod, or for labor performed in planting trees, shrubs, or plant materials, or for digging or repairing any ditch, drain, well, fountain, cistern, reservoir, or vault thereon, or for laying, altering or repairing any sidewalk, curb, gutter, paving, sewer, pipe, or conduit in or upon the same, or in or upon the adjoining half of any highway, street, or alley upon which the same abuts.

History: (8490) *RL s 3505; 1917 c 285 s 1; 1921 c 229 s 1; 1925 c 274 s 1; 1973 c 247 s 1; 1974 c 381 s 1; 1986 c 444*

514.011 NOTICE.

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) Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.

(b) Under Minnesota law, you have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due them from us until 120 days after completion of the improvement unless we give you a lien waiver signed by persons who supplied any labor or material for the improvement and who 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.

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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:

"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 this improvement may file a lien against your property if that person or company is not paid for the contributions.

We
(name and address of subcontractor)

have been hired by your contractor
(name of your contractor)

to provide or for this improvement.
(type of service) (material)

To the best of our knowledge, we estimate our charges will be.....
(value of service or material)

If we are not paid by your contractor, we can file a claim against your property for the price of our services.

You have the right to pay us directly and deduct this amount from the contract price, or withhold the amount due us from your contractor until 120 days after completion of the improvement unless your contractor gives you a lien waiver signed by me (us).

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.

Subd. 3. **Material suppliers, may request information.** A contractor who contracts with any subcontractors or material suppliers to provide labor, skill or materials for the improvement shall upon request provide the subcontractor or material supplier with the name and address of the owner within 10 days of the initial request. Any contractor who fails to supply the information requested pursuant to this subdivision, is liable for any actual damages sustained or expenses incurred by the subcontractor or material supplier because of the contractor's failure to provide the information, plus reasonable attorney fees and costs.

Subd. 4. [Repealed, 1981 c 213 s 4]

Subd. 4a. **Exceptions; same ownership.** The notice required by this section shall not be required to be given where the contractor is managed or controlled by substantially the same persons who manage or control the owner of the improved real estate.

Subd. 4b. **Exceptions; multiple dwelling.** The notice required by this section shall not be required to be given in connection with an improvement to real property consisting of or providing more than four family units when the improvement is wholly residential in character.

Subd. 4c. **Exceptions; nonagricultural and nonresidential real estate.** The notice required by this section shall not be required to be given in connection with an improvement to real property which is not in agricultural use and which is wholly or partially nonresidential in use if the work or improvement:

(a) is to provide or add more than 5,000 total usable square feet of floor space; or

(b) is an improvement to real property where the existing property contains more than 5,000 total usable square feet of floor space; or

(c) is an improvement to real property which contains more than 5,000 square feet and does not involve the construction of a new building or an addition to or the improvement of an existing building.

For the purposes of this subdivision, "agricultural use" shall have the meaning given to it in section 473H.02, subdivision 3.

For the purposes of clause (c), improvements include, but are not limited to, clearing, excavating, grading, filling in, landscaping, well digging, drilling or repairing, paving, surfacing or striping parking lots, digging or repairing a ditch, drain, or reservoir.

Subd. 5. Owner defined. For the purposes of this section, "owner" means the owner of any legal or equitable interest in real property whose interest in the property (1) is known to one who contributes to the improvement of the real property, or (2) has been recorded or filed for record if registered land, and who enters into a contract for the improvement of the real property.

Subd. 6. [Repealed, 1989 c 160 s 4]

History: 1973 c 247 s 2; 1978 c 703 s 1-4; 1981 c 213 s 1-3; 1982 c 424 s 132; 1982 c 433 s 1,2; 1983 c 296 s 1,2; 1986 c 444; 1989 c 160 s 1-3

514.02 NONPAYMENT FOR IMPROVEMENT; PENALTY.

Subdivision 1. Acts constituting. If a person, on any improvement to real estate within the meaning of section 514.01, fails to use the proceeds of any payment made to that person on account of such improvement by the owner of such real estate or person having any improvement made, for the payment for labor, skill, material, and machinery contributed to such improvement, knowing that the cost of any such labor performed, or skill, material, or machinery furnished for such improvement remains unpaid, and who has not furnished to the person making such payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for such improvement, or a payment bond in the basic amount of the contract price for such improvement, conditioned for the prompt payment to any person or persons entitled thereto for the performance of labor or the furnishing of skill, material, or machinery for the improvement, shall be guilty of theft of the proceeds of such payment and upon conviction shall be fined not more than \$3,000 or imprisoned not more than one year, or both.

Subd. 2. Notice of nonpayment. Notice of nonpayment of the cost of labor, skill, material, and machinery contributing to the improvement of the real estate to the person paid for such improvement may be given by the person who made payment for such improvement, or by any person furnishing the labor, skill, material, or machinery contributing to the improvement and who has not been paid for the contribution. Notice may be given in any reasonable manner. Notice shall be in writing and in any terms that identify the real estate improved and the nonpayment complained of.

Subd. 3. Proof of knowledge of nonpayment. Proof that such person failed to pay for labor performed, or skill, material, or machinery furnished within 15 days after receiving notice that the cost of such labor performed, or skill, material, or machinery furnished remains unpaid will be sufficient to sustain a finding that the proceeds of such payment were used for a purpose other than the payment for labor, skill, material, and machinery for such improvement, knowing that the costs of labor performed, or skill, material, or machinery furnished remains unpaid, unless the person;

(1) Establishes that all proceeds received from the person making such payment have been applied to the cost of labor, skill, material, or machinery furnished for the improvement; or

(2) Within 15 days after receiving notice shall give a bond or make a deposit with the court administrator of district court, in an amount and form approved by a judge of district court, to hold harmless the owner or person having the improvement made from any claim for payment of anyone furnishing labor, skill, material, or machinery for such improvement.

History: (8491) 1915 c 105 s 1; 1965 c 35 s 9; 1971 c 914 s 1; 1984 c 628 art 3 s 11; 1986 c 444; 1Sp1986 c 3 art 1 s 82

514.03 EXTENT AND AMOUNT OF LIEN.

Subdivision 1. With respect to any contract or improvement as to which notice is not required by section 514.011, the lien shall be as follows:

(a) If the contribution is made under a contract with the owner and for an agreed price, the lien as against the owner shall be for the sum agreed upon.

(b) In all other cases, it shall be for the reasonable value of the work done, and of the skill, material, and machinery furnished.

Subd. 2. With respect to any contract or improvement as to which notice is required by section 514.011, the lien shall be as follows:

(a) If the contribution is made under a contract with the owner and for an agreed price, the lien as against the owner shall be for the sum agreed upon;

(b) In all other cases, it shall be for the reasonable value of the work done, and of the skill, material, and machinery furnished. Provided, however:

(c) The total sum of all liens, whether the contribution is made under a contract with the owner or otherwise, shall not exceed the total of said contract price plus the contract price or reasonable value of any additional contract or contracts between the owner and the contractor or additional work ordered by the owner, less the total of the following:

(i) Payments made by the owner or the owner's agent to the contractor prior to receiving any notice prescribed by section 514.011, subdivision 2;

(ii) Payments made by the owner or the owner's agent to discharge any lien claims as authorized by section 514.07; and

(iii) Payments made by the owner or the owner's agent pursuant to presentation of valid lien waivers from persons or companies contributing to the improvement who have previously given the notice required by section 514.011, subdivision 2.

Subd. 3. The lien shall extend to all the interest and title of the owner in and to the premises improved, not exceeding 80 acres, except in the case of homesteaded agricultural land as used in section 273.13, subdivision 23, where the lien shall be limited to 40 acres.

History: (8492) *RL s 3506; 1973 c 247 s 3; 1976 c 32 s 1; 1Sp1985 c 14 art 4 s 96; 1986 c 444*

514.04 LINES OF RAILWAY, TELEGRAPH, OR SIMILAR PROJECTS.

If such contribution be thus made for the construction, alteration, or repair of any line of railway, or any structure or appurtenance of such railway, or of any telegraph, telephone, or electric light line, or of any line of pipe, conduit, or subway, or any appliance or fixture pertaining to either, the person performing such labor, or furnishing such skill, material, or machinery, shall have a like lien upon the lines so improved, and upon all the rights, franchises, and privileges of the owner appertaining thereto.

History: (8493) *RL s 3507*

514.05 WHEN LIEN ATTACHES; NOTICE.

Subdivision 1. **Generally.** All liens, as against the owner of the land, shall attach and take effect from the time the first item of material or labor is furnished upon the premises for the beginning of the improvement, and shall be preferred to any mortgage or other encumbrance not then of record, unless the lienholder had actual notice thereof. As against a bona fide purchaser, mortgagee, or encumbrancer without actual or record notice, no lien shall attach prior to the actual and visible beginning of the improvement on the ground, but a person having a contract for the furnishing of labor, skill, material, or machinery for the improvement, may file for record with the county recorder of the county within which the premises are situated, or, if claimed under section 514.04, with the secretary of state, a brief statement of the nature of the contract, which statement shall be notice of that person's lien only.

Subd. 2. **Exception.** Visible staking, engineering, land surveying, and soil testing

services do not constitute the actual and visible beginning of the improvement on the ground referred to in this section. This subdivision does not affect the validity of the liens of a person or the notice provision provided in this chapter and affects only the determination of when the actual and visible beginning of the improvement on the ground, as the term is used in subdivision 1, has commenced.

History: (8494) *RL s 3508; 1973 c 247 s 4; 1974 c 381 s 2; 1976 c 181 s 2; 1986 c 444; 1987 c 95 s 1*

514.06 TITLE OF VENDOR OR CONSENTING OWNER, SUBJECT TO.

When land is sold under an executory contract requiring the vendee to improve the same, and such contract is forfeited or surrendered after liens have attached by reason of such improvements, the title of the vendor shall be subject thereto; but the vendor shall not be personally liable if the contract was made in good faith. When improvements are made by one person upon the land of another, all persons interested therein otherwise than as bona fide prior encumbrancers or lienors shall be deemed to have authorized such improvements, in so far as to subject their interests to liens therefor. Any person who has not authorized the same may protect that person's interest from such liens by serving upon the persons doing work or otherwise contributing to such improvement within five days after knowledge thereof, written notice that the improvement is not being made at that person's instance, or by posting like notice, and keeping the same posted, in a conspicuous place on the premises. As against a lessor no lien is given for repairs made by or at the instance of the lessee.

History: (8495) *RL s 3509; 1986 c 444*

514.07 PAYMENTS WITHHELD; LIEN WAIVERS.

The owner may withhold from the owner's contractor as much of the contract price as may be necessary to meet the demands of all persons, other than the contractor, having a lien upon the premises for labor, skill, or material furnished for the improvement, and for which the contractor is liable. The owner may pay and discharge all these liens and deduct the cost of them from the contract price. No owner shall be required to pay the owner's contractor until the expiration of 120 days from the completion of the improvement, except to the extent that the contractor furnishes to the owner waivers of claims for mechanics' liens signed by persons who furnished labor, skill or material for the improvement and who have given the notice required by section 514.011, subdivision 2. The owner, within 15 days after the completion of the contract, may require any person having a lien hereunder, by written request therefor, to furnish to the owner an itemized and verified account of the person's lien claim, the amount of it, and the person's name and address. No action or other proceeding may be commenced for the enforcement of the lien until ten days after the statement is furnished. The word "owner," as used in this section, includes any person interested in the premises other than as a lienor.

History: (8496) *RL s 3510; 1973 c 247 s 5; 1983 c 296 s 3; 1986 c 444*

514.08 STATEMENT; NOTICE; NECESSITY FOR RECORDING; CONTENTS.

Subdivision 1. **Notice required.** The lien ceases at the end of 120 days after doing the last of the work, or furnishing the last item of skill, material, or machinery, unless within this period:

(1) a statement of the claim is filed for record with the county recorder of the county in which the improved premises are situated, or, if the claim is made under section 514.04, with the secretary of state; and

(2) a copy of the statement is served personally or by certified mail on the owner or the owner's authorized agent or the person who entered into the contract with the contractor.

Subd. 2. Such statement shall be made by or at the instance of the lien claimant, be verified by the oath of some person shown by such verification to have knowledge of the facts stated, and shall set forth:

- (1) A notice of intention to claim and hold a lien, and the amount thereof;
- (2) That such amount is due and owing to the claimant for labor performed, or for skill, material, or machinery furnished, and for what improvement the same was done or supplied;
- (3) The names of the claimant, and of the person for or to whom performed or furnished;
- (4) The dates when the first and last items of the claimant's contribution to the improvement were made;
- (5) A description of the premises to be charged, identifying the same with reasonable certainty;
- (6) The name of the owner thereof at the time of making such statement, according to the best information then had;
- (7) The post office address of the claimant. (The failure to insert such post office address shall not invalidate the lien statement);
- (8) That a copy of such statement has been served or mailed to the owner, the owner's authorized agent or the person who entered into the contract with the contractor as provided herein; and
- (9) That notice as required by section 514.011, subdivision 2, if any, was given.

History: (8497) *RL s 3511; 1921 c 521 s 1; 1973 c 247 s 6; 1976 c 181 s 2; 1983 c 296 s 4; 1986 c 444*

514.09 TWO OR MORE BUILDINGS.

A lienholder who has contributed to the erection, alteration, removal, or repair of two or more buildings or other improvements situated upon or removed to one lot, or upon or to adjoining lots, under or pursuant to the purposes of one general contract with the owner, may file one statement for the entire claim, embracing the whole area so improved; or, if so electing, the lienholder may apportion the demand between the several improvements, and assert a lien for a proportionate part upon each, and upon the ground appurtenant to each, respectively.

History: (8498) *RL s 3512; 1986 c 444*

514.10 FORECLOSURE OF LIENS.

Such liens may be enforced by action in the district court of the county in which the improved premises or some part thereof are situated, or, if claimed under section 514.04, of any county through or into which the railway or other line extends, which action shall be begun and conducted in the same manner as actions for the foreclosure of mortgages upon real estate, except as herein otherwise provided, but the owner or any person or party having an interest in or lien upon the property against which a lien has been filed under the provisions of this chapter may bring an action to remove the lien in the nature of an action to determine adverse claims and subject to all the provisions of law regarding actions to determine adverse claims.

When an action has been brought, either by the lien claimant to enforce the lien or by the owner, person or party having an interest in or a lien upon the property against which a lien claim has been filed to determine adverse claims, as provided herein, application may be made at any time after such action has been commenced by any of the persons or parties above mentioned to have the property affected by any such lien, released from the lien by giving ten days' notice, or such other and shorter notice as the court may order and direct, to the lien claimant, or the lien claimant's attorney, of intention to apply to the district court for the release of such lien and of the time and place of hearing. Upon a hearing upon an application the court shall fix a sum of money to be deposited by the applicant with the court administrator of the district court, which sum shall not be less than the aggregate amount of, (1) the amount claimed in the lien statement, (2) \$18 for every \$100 or fraction thereof, to cover interest, (3) the probable disbursements in an action to enforce the claim for which the lien statement was filed,

(4) an amount not less than double the amount of attorneys' fees allowed upon the foreclosure under section 582.01, to cover any allowance the court may make upon the trial for costs and attorneys' fees in the action or upon appeal. Upon making a deposit in the amount so fixed in the order of court, an order shall be made by the court releasing the premises described in the statement thereof from the effect of such lien. The lien claimant shall have the same right of lien against such money deposit as against the property released. The order releasing the lien may be filed in the office of the county recorder or registrar of titles, if registered land, of the county in which the lien statement is recorded or filed, and thereupon the premises affected shall be released therefrom. The court shall by the same order discharge any notice of lis pendens filed in any action in which such lien may be asserted if it appears that all mechanics' liens filed or recorded against the property covered by the lis pendens have been released.

After the release of the property affected, the judgment ordered in any action either to enforce such lien or determine adverse claims and remove such lien, in the event that the lien is established, shall provide that it be paid, and it shall be paid without further proceedings out of the deposit made as provided herein. The judgment of the district court establishing a lien, unless a written notice of intention to appeal therefrom is served on the court administrator of the district court within 30 days from the entry of such judgment, shall be authority to such court administrator to pay the amount specified in such judgment to the persons entitled thereto, or their attorney of record in the action. The balance of deposits, if any, shall be returned to the depositor. If the lien was not a valid and enforceable one, the judgment shall direct the return of the whole deposit to the depositor unless the claimant obtains judgment against such depositor personally and in such case the judgment shall be paid as hereinbefore specified.

History: (8499) *RL s 3513; 1921 c 521 s 2; 1976 c 181 s 2; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

514.11 COMMENCEMENT OF ACTION; PROCEEDINGS.

The action may be commenced by any lienholder who has filed a lien statement for record and served a copy thereof on the owner pursuant to section 514.08, and all other such lienholders shall be made defendants therein. The summons shall state that the complaint has been filed with the court administrator and shall be of no effect unless such complaint be in fact so filed. It shall contain a notice that the action is brought to foreclose a lien, giving the amount thereof, and a brief description of the premises affected, and of the improvement out of which the lien arose, and shall require each defendant to file an answer to the complaint with the court administrator within 20 days after service on the defendant. Such answer, in addition to all other matters proper to be pleaded, shall set up any lien claimed by the defendant, and demand the enforcement thereof. No copies of such complaint or answer need be served on any party, upon demand or otherwise, and all averments of the answer shall be taken as denied without further pleading.

History: (8500) *RL s 3514; 1973 c 247 s 7; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

514.12 NOTICE OF LIS PENDENS.

Subdivision 1. Recording. At the beginning of the action the plaintiff shall file for record with the county recorder of the county in which it is brought, and of the several counties if the lien be claimed under section 514.04 a notice of the pendency thereof, embracing therein a copy of the summons, omitting the caption.

Subd. 2. Intervention and limitation on number of actions. After such filing, no other action shall be commenced for the enforcement of any lien arising from the improvement described, but all such lienholders shall intervene in the original action by answer, as provided in section 514.11. Any such lienholder not named as a defendant may answer the complaint and be admitted as a party. If more than one action shall be commenced in good faith, all shall be consolidated and tried as one, under such order of the court as may best protect the rights of all parties concerned.

Subd. 3. **One-year limitation.** No lien shall be enforced in any case unless the holder thereof shall assert the same, either by filing a complaint or answer with the court administrator, within one year after the date of the last item of the claim as set forth in the recorded lien statement; and, no person shall be bound by any judgment in such action unless made a party thereto within the year; and, as to a bona fide purchaser, mortgagee, or encumbrancer without notice, the absence from the record of a notice of lis pendens of an action after the expiration of the year in which the lien could be so asserted shall be conclusive evidence that the lien may no longer be enforced and, in the case of registered land, the registrar of titles shall refrain from carrying forward to new certificates of title the memorials of lien statements when no such notice of lis pendens has been registered within the period.

History: (8501) *RL s 3515; 1933 c 362 s 1; 1945 c 4 s 1; 1975 c 116 s 1; 1976 c 181 s 2; 1986 c 444; 1990 c 575 s 6*

514.13 BILL OF PARTICULARS.

Each lienholder shall attach to and file with a complaint or answer a bill of the items of the lienholder's claim, verified by the oath of some person having knowledge thereof, and shall file such further and more particular account, as the court may at any time direct. Upon failure to file such original or further bill, the lienholder's pleading shall be stricken out and that claim disallowed. No failure to comply with any of the provisions of this chapter shall affect the right of any person to recover, in an ordinary civil action, from the party with whom a contract was made.

History: (8502) *RL s 3516; 1986 c 444*

514.135 COMPUTATION OF INTEREST ON CLAIMS.

Except as otherwise provided by contract, interest awarded on mechanics' lien claims shall be calculated at the legal rate, as provided in section 334.01, from the time the underlying obligation arises until the expiration of 30 days after the claimant's last item of labor, skill, or materials was furnished to the improvement and shall be calculated thereafter at the rate computed for verdicts and judgments, as provided in section 549.09.

History: 1984 c 472 s 1

514.14 POSTPONEMENT, JUDGMENT, SUBROGATION.

If upon the trial of such action, or at any time before the execution of final judgment therein, it shall transpire that any proper party who may still be brought in has been omitted, or that any party then entitled to answer has not yet appeared, or that for any other reason the trial or judgment should be delayed, or the judgment as ordered or entered be modified, the court may postpone the trial, or make such other or further order in the premises as shall be just. If it be found that any indebtedness for which a lien is demanded be not then due, the same shall be allowed for the amount of its present worth. Judgment shall be given in favor of each lienholder for the amount demanded and proved, with costs and disbursements to be fixed by the court at the trial, and such amount shall not be included in the lien of any other party; but if, after judgment, a lienholder who is personally indebted for the amount of any lien so adjudged in favor of another shall pay such indebtedness, the lienholder shall thereby become subrogated to the rights of the person so paid.

History: (8503) *RL s 3517; 1986 c 444*

514.15 JUDGMENT, SALE, REDEMPTION.

The judgment shall direct a sale of the real estate or other property for the satisfaction of all liens charged thereon, and the manner of such sale, subject to the rights of all persons which are paramount to such liens or any of them. It shall require the officer making such sale to pay over and distribute the proceeds of the sale, after deducting all lawful charges and expenses, to and among the lienors to the amount of their respec-

tive claims, if there is sufficient therefor; and if there is not sufficient then to divide and distribute the same among the several lienors in proportion to the amount due to each, and without priority among themselves. If the estate sold be a leasehold having not more than two years to run, or be the interest of a vendee under an executory contract of sale the conditions whereof are to be performed within the same period, no redemption shall be allowed; in all other cases the right of redemption shall be the same as upon execution sales. No sale shall be deemed complete until reported to and confirmed by the court.

History: (8504) *RL s 3518*

514.16 SEVERANCE OF BUILDING, RESALE, RECEIVER.

If, without material injury to the building or other improvement to which the lienholder has contributed, the same can be severed and removed from the land, the judgment, in the discretion of the court, may direct the sale of such improvement, with the privilege to the purchaser of removing the same at any time within 60 days, unless before such removal the owner or other person interested in the land shall pay to the sheriff, for the purchaser, the amount realized from the sale, with interest and all expenses incurred toward such removal. If in any case the sale be not confirmed, the court may direct a resale, or, if deemed best, may appoint a receiver to lease or otherwise handle the property, under its direction, in the interests of all persons concerned. And in all cases of liens arising under section 514.04, such receivership may be created in the first instance instead of directing a sale of the property.

History: (8505) *RL s 3519*

514.17 MINERS.

Whoever performs labor, or furnishes any skill, material, or machinery, in or about the opening or working of any mine, at the request of the owner thereof, or of the lessee of such owner, or of any contractor with either, shall have a lien for the value thereof upon the interest of such owner or lessee, as the case may be, in the mine and its appurtenances, which lien may be asserted and enforced as in this chapter prescribed in respect to other liens upon real estate.

History: (8506) *RL s 3520*

NOTE: Sections 514.01 to 514.17 are excepted from the rules of civil procedure governing the procedure in the district courts in all suits of a civil nature insofar as they are inconsistent with the procedure and practice provided by the Rules.

PERSONALTY IN POSSESSION

514.18 RETAINING.

Subdivision 1. Mechanics' lien on personal property; property in possession. Whoever, at the request of the owner or legal possessor of any personal property, shall store or care for or contribute in any of the modes mentioned in section 514.19 to its preservation, care, or to the enhancement of its value, shall have a lien upon such property for the price or value of such storage, care, or contribution, and for any legal charges against the same paid by such person to any other person, and the right to retain possession of the property until such lien is lawfully discharged.

Subd. 1a. Towed motor vehicles. A person who tows and stores a motor vehicle at the request of a law enforcement officer shall have a lien on the motor vehicle for the value of the storage and towing and the right to retain possession of the motor vehicle until the lien is lawfully discharged. This section does not apply to tows authorized in section 169.041, subdivision 4, clause (1).

Subd. 2. Nonpossessory lien; notice. Notwithstanding the voluntary surrender or other loss of possession of the property on which the lien is claimed, the person entitled thereto may preserve the lien upon giving notice of the lien at any time within 60 days after the surrender or loss of possession, by filing in the appropriate filing office under the uniform commercial code, Minnesota Statutes, section 336.9-401 a verified state-

ment and notice of intention to claim a lien. The statement shall contain a description of the property upon which the lien is claimed, the work performed or materials furnished and the amount due.

Subd. 3. **Priority; security; interest; foreclosure.** The lien shall be valid against everyone except a purchaser or encumbrancer in good faith without notice and for value whose rights were acquired prior to the filing of the lien statement and who has filed a statement of interest in the appropriate filing office. The lien shall be considered a security interest under the uniform commercial code and foreclosure thereon shall be in the manner prescribed for security interests under article 9 of the uniform commercial code.

Subd. 4. **Motor vehicles excluded.** Subdivisions 2 and 3 shall apply to machinery, implements and tools of all kinds but shall not apply to motor vehicles.

History: (8507) *RL s 3521; 1905 c 328 s 1; 1907 c 114 s 1; 1984 c 479 s 1; 1986 c 444; 1989 c 256 s 2*

514.19 RIGHT OF DETAINER.

A lien and right of detainer exists for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) Keeping or storing property as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;

(4) The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

(5) Making, altering or repairing any article, or expending any labor, skill or material on it.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

History: (8508) *RL s 3522; 1905 c 328 s 2; 1907 c 114 s 2; 1965 c 812 s 12; 1983 c 301 s 217; 1986 c 444*

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.

History: (8509) *RL s 3523; 1905 c 328 s 3; 1907 c 114 s 3*

514.21 SALE, WHEN AND WHERE MADE; NOTICE.

The sale herein provided for shall be made at public auction between nine o'clock in the morning and five o'clock in the afternoon in the county where the property or some part thereof is situated. A notice stating the time and place of sale, the amount which will be due on the date of sale exclusive of the expenses of advertising and sale, and the grounds of the lien, giving a general description of the property to be sold, shall be served personally upon the owner of the property if the owner can be found within the county in which the property is stored, and if not, then it shall be mailed to the owner thereof at least three weeks before the time fixed for such sale if the place of residence or post office address of such owner is known by, or with due diligence can be learned by, the person claiming such lien, and shall be published once in each week for

three successive weeks in a newspaper printed and published in the county where the property, or some part thereof, is situated, the last publication of such notice to be at least one week prior to the date of sale; or, if there is no newspaper printed and published in the county, then the notice of sale shall be posted in three of the most public places in the county at least three weeks before the time of sale. In case neither the place of residence nor the post office address of such owner is known to the person claiming such lien and cannot with reasonable diligence be learned, the publication or posting of notice, as herein provided, shall be sufficient to authorize such sale.

History: (8510) 1905 c 328 s 4; 1907 c 114 s 4; 1986 c 444

514.22 CONDUCT OF SALE.

The property sold, as herein provided, shall be in view at the time of the sale. Under the power of sale hereby given enough of the property may be sold to satisfy the amount due at the time of sale, including expenses, and the property, if under cover, may be offered for sale and sold in the original packages in the form and condition that the same was received by the lienholder; but, after sufficient property has been so sold to satisfy the amount so due, no more shall be sold. The lienholder, the lienholder's representatives or assigns, may fairly and in good faith purchase any property sold under the provisions of sections 514.18 to 514.22, provided the sale is conducted by the sheriff, the sheriff's deputy, or any constable of the county where such sale is made.

History: (8511) 1905 c 328 s 5; 1986 c 444

NONPOSSESSORY AIRCRAFT MECHANICS' LIEN

514.221 NONPOSSESSORY MECHANICS' LIEN CREATED; PERFECTION AND ENFORCEABILITY.

Subdivision 1. Lien created. Upon compliance with the requirements of subdivision 2, any person who makes, alters, repairs, or otherwise enhances the value of any aircraft at the request of the owner or legal possessor, and who parts with possession of the aircraft, has a lien upon the aircraft for that person's reasonable or agreed charges and for work done or materials furnished.

Subd. 2. Perfection of lien. A person claiming a lien created by this section shall, within 90 days after performing the work or furnishing the materials, file in the appropriate filing office under the uniform commercial code, section 336.9-401, a verified statement and description of the aircraft and the work done or material furnished. The lien shall be in force from and after the date on which it is filed.

Subd. 3. Priority, foreclosure; limitation. A lien created by this section is prior and paramount to all other liens upon the aircraft except those previously filed in the appropriate filing office. The lien shall be treated in all respects as a secured transaction under the uniform commercial code, sections 336.9-401 to 336.9-508, except that:

(a) any foreclosure proceedings must be instituted within one year of the date the lien was filed; and

(b) the lien is subject to the rights of a purchaser of the aircraft in cases where the purchaser acquired the aircraft prior to the filing of the lien without knowledge or notice of the rights of the person performing the work or furnishing the material.

History: 1983 c 109 s 1; 1984 c 655 art 1 s 71

SHOEING ANIMALS

514.23 LIEN UPON ANIMAL.

Every person who shall shoe or cause to be shod by the person's employees any horse, mule, ox, or other animal shall have a lien upon the animal shod for the reasonable charge for the shoeing of the same, and each lien conferred by sections 514.23 to 514.34 shall take precedence of all other claims or liens thereon, not duly recorded prior

to the recording of the claim of lien, as provided in sections 514.24 to 514.34, but such lien shall not attach where the property has changed ownership prior to the filing of such lien.

History: (8512) 1907 c 47 s 1; 1986 c 444

514.24 STATEMENT AND NOTICE, WHEN AND WHERE FILED.

Any person desiring to secure the benefit of sections 514.23 to 514.34, shall, within six months after the shoeing of such horse, mule, ox, or other animal, or in case the person has shod such animal more than once within that time, then within six months of the last shoeing, file in the appropriate filing office under the uniform commercial code, Minnesota Statutes, section 336.9-401, a statement made under oath by the claimant, or someone in the claimant's behalf, and a notice of intention to claim a lien upon such animal for the charges for the shoeing of the same.

History: (8513) 1907 c 47 s 2; 1965 c 812 s 13; 1986 c 444

514.25 CONTENTS OF STATEMENT.

Such statement and notice shall state the name of the person claiming the lien, the name of the owner or reputed owner of the animal sought to be charged with the lien, and a description sufficient for identification of the animal upon which the lien is claimed, and the amount due the claimant, as near as may be, over and above all legal offsets.

History: (8514) 1907 c 47 s 3

514.26 SUCCESSIVE LIENS.

Any person may file successive liens upon the same animal for charges for shoeing the same, and may include in any one claim of lien the charges for any number of times of shoeing such animal; provided, that no lien shall be had for any shoeing of any animal done more than six months prior to the filing of the notice of lien.

History: (8515) 1907 c 47 s 4; 1986 c 444

514.27 DUTY OF FILING OFFICER.

It shall be the duty of the filing officer, upon the presentation to the officer of any such statement and notice of lien, to file the same in the office of the filing officer in the same manner as provided by law for the filing of financing statements under the uniform commercial code.

History: (8516) 1907 c 47 s 5; 1965 c 812 s 14; 1986 c 444

514.28 CERTIFIED COPY; EVIDENCE.

A copy of such statement and notice of lien, filed as aforesaid, certified by the filing officer shall be received in evidence in any proceeding to enforce the lien provided for in sections 514.23 to 514.34, but only of the fact that such statement and notice of lien was received and filed according to the endorsements of the filing officer thereon and of no other fact.

History: (8517) 1907 c 47 s 6; 1965 c 812 s 15

514.29 ACTION TO ENFORCE; NOTICE.

Within six months after the date of filing the lien statement, the person having a lien shall commence suit for the recovery of the charges by summons, in the usual form, before the appropriate court against the person liable for the payment. Before commencing any action to foreclose it, a lien claimant shall give the person against whom the claimant proposes to bring the action at least 20 days' notice in writing of intention to foreclose it.

History: (8518) 1907 c 47 s 7; 1983 c 359 s 74; 1986 c 444

514.30 PERSONAL SERVICE.

If such summons be returned personally served upon the defendant, the same proceedings shall thereon be had in all respects as in other suits commenced by summons, in which there is a personal service of process; and the judgment shall be rendered in such suit in like manner as judgments are now rendered in civil actions.

History: (8519) 1907 c 47 s 8

514.31 DEFENDANT NOT FOUND.

If the officer return upon such summons that the defendant cannot be found in this county, the same proceedings shall be had in all respects, as near as may be, as in suits commenced by attachment in which there is not a personal service of the attachment upon the defendant, and judgment shall be rendered in such suits in like manner as judgments are now rendered in such actions.

History: (8520) 1907 c 47 s 9

514.32 EXECUTION AND SALE.

If the plaintiff recover judgment in such suit, execution shall be issued thereon in the same manner and with like effect as upon judgments now rendered in suits commenced by attachment, and the horse, mule, ox, or other animal upon which the plaintiff holds such lien shall not be exempt from execution but may be sold to satisfy such execution in the same manner as if it had been seized and held upon an attachment in such suit.

History: (8521) 1907 c 47 s 10

514.33 EXPENSES.

All expenses which shall have been incurred by the person having such lien after the same had accrued shall be an additional lien upon the property, and shall be computed and ascertained upon the trial or assessment of damages and included in the judgment.

History: (8522) 1907 c 47 s 11

514.34 FINDINGS; JUDGMENT.

In all suits or attachments prosecuted under the provisions of sections 514.23 to 514.34, the court or jury which tries it or makes an assessment of damages shall also determine whether or not the amount due for the cost of shoeing the animal described in plaintiff's declaration is a lien upon the animal. If the court or jury finds that the amount due the plaintiff is not a lien upon the property described in the plaintiff's declaration, the plaintiff shall be nonsuited, but shall be entitled to judgment, as in other civil actions and shall recover or tax only those costs allowed and taxable in the other case.

History: (8523) 1907 c 47 s 12; 1983 c 359 s 75

514.35 [Repealed, 1971 c 162 s 31]

514.36 [Repealed, 1971 c 162 s 31]

514.37 [Repealed, 1971 c 162 s 31]

514.38 [Repealed, 1971 c 162 s 31]

514.39 [Repealed, 1971 c 162 s 31]

LOGS, TIMBER**514.40 LIENS, PREFERENCE.**

Whoever performs manual labor or other personal service for hire, in or in aid of the cutting, sawing, piling, loading, peeling, hauling, banking, driving, rafting, towing,

cribbing, or booming any logs, crossties, poles, or other timber shall have a lien thereon for the price or value of such labor or service, which shall be preferred to all other claims on the same except those of the state of Minnesota and of the owner or occupant of the land from which the same may have been unlawfully removed, and no agreement to waive such lien shall be valid.

History: (8529) *RL s 3524*

514.41 LIEN STATEMENT, FILING; ASSIGNMENT OF LIEN.

If the indebtedness so due be not paid within five days after demand therefor made upon the debtor in person, or upon some agent or court administrator of the debtor at the debtor's business office, the lienholder may file for record with the commissioner of natural resources a statement, verified by the oath of some person having knowledge of the facts, setting forth the lienholder's post office address, the dates of beginning and ending the labor or service, the rate of compensation agreed upon or claimed, the sums, if any, paid thereon, the amount then due, a description of the logs or other timber on which the lien is claimed, and the fact of such claim. If such labor or service be terminated by the direction or act of the employer, or by the completion of the work in which the employee is engaged, then no demand for payment shall be necessary, and the lien statement may be filed at once. If no mark or description of such logs or other timber be filed for record with the commissioner of natural resources, the lien statement shall be filed, not with the commissioner, but with the court administrator of the district court of the county, in which the labor or service was performed. Any person having a claim upon logs, crossties, poles, or other timber, as provided in section 514.40, may assign the same in writing to any person either before or after the making and filing of the statement therefor as provided in this section; and the person to whom such claim may be assigned, or that person's agent or attorney, may make and file for record the statement for lien therefor required by this section, in case no such statement has been filed. When such statement and assignment have been made and filed in the office of the commissioner of natural resources or in the office of the court administrator of the district court, in case such statement is filed in the office of the court administrator of the district court, the person to whom the assignment is made shall be subrogated to all the rights of the original claimant, and is hereby authorized to enforce the lien against the logs, crossties, poles, and all other timber in the assignee's own name, in the same manner and with the same effect as the original claimant could have done had not such assignment been made; and any person holding the title to the logs or timber, or any lien by mortgage or otherwise thereon, as security for payment of any sum as stumpage thereon, may in like manner purchase and take an assignment of any or all such claims for labor, or may pay and discharge the same, and in either case may tack the same to that person's original claim and hold the same as an additional encumbrance thereon, and may enforce the payment of the same, with interest, in like manner as that person's original claim thereon, but in any case shall not be required to pay more than the reasonable and current value of such labor.

History: (8530) *RL s 3525; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

514.42 TERMINATION OF LIEN.

The lien shall cease unless said statement be so filed within 30 days after the termination of such labor or service, unless the same shall have been wholly performed between October 1 and April 1 next thereafter, in which case the statement may be filed on or before the last day of said April. Such filing shall continue the lien in force for 90 days thereafter, and no longer, unless within that period an action be commenced for its enforcement as provided in sections 514.40 to 514.58.

History: (8531) *RL s 3526*

514.43 ACTION; ATTACHMENT.

The lien shall be enforced by attaching the property subject thereto in a civil action

in the district court of any county of the judicial district in which the labor or service was performed, or within which judicial district is situated the office of the commissioner of natural resources wherein the marks of such property are recorded; such county to be determined by the plaintiff's choice, and such attachment to be governed by the rules regulating ordinary attachment proceedings in the district court, except as in sections 514.40 to 514.58 otherwise provided. No bond or other security shall be required of the plaintiff as a condition of obtaining such writ.

History: (8532) *RL s 3527; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1*

514.44 ALLOWANCE AND ISSUE OF WRIT.

The affidavit for such attachment shall be made by or in behalf of the plaintiff, shall be entitled in the action, shall set forth the amount of indebtedness secured by the lien and then unpaid, with the name of the debtor, and a copy of the lien statement shall be attached thereto as an exhibit. No other averments shall be necessary therein. Any judge of the district or the court commissioner of any county therein may allow the writ, and upon the filing of the affidavit and order of allowance with the court administrator the writ shall issue forthwith.

History: (8533) *RL s 3528; 1Sp1986 c 3 art 1 s 82*

514.45 CONTENTS AND LEVY OF WRIT.

Such writ shall contain a description of the property, substantially as set forth in the lien statement and shall require the sheriff or other proper officer to attach and safely keep the same, or so much thereof as shall be sufficient to satisfy the plaintiff's demand, with such costs, disbursements, and charges as the plaintiff may recover. If the levy be made upon logs or other timber, the marks whereof have been filed with the commissioner of natural resources, the officer shall file for record with the commissioner of natural resources a copy of the writ and of the officer's return thereon, which return shall specify such marks and the quantity attached. In all cases a copy of such writ and return shall be filed with the court administrator in which the action is brought. No other filing or service thereof shall be necessary to perfect such levy.

History: (8534) *RL s 3529; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

514.46 LOGS SCALED TO OFFICER; WHERE HELD; FEES.

The officer serving such writ, if necessary to save the property from loss, shall have such logs or other timber scaled to the officer in any boom to which they may have arrived, but the officer shall not delay the driving thereof to their destination, if within the state. The boamage and scalage fees may be paid by the attaching officer, and the amount so paid returned as a part of the officer's charges. Whether paid before or after judgment, the amount of boamage and scalage shall be collected out of the property, as other costs and disbursements are collected.

History: (8535) *RL s 3530; 1986 c 444*

514.47 PLEADINGS; PRIORITY OF LIENS.

The complaint shall allege the facts upon which the plaintiff's right to a lien depends, and the averments thereof shall be taken as true unless expressly denied by answer. When more than one lien is claimed on the same property, they shall have priority in the order in which the attachments are levied.

History: (8536) *RL s 3531*

514.48 DISCHARGE OF ATTACHMENT; BOND.

The defendant, or any person entitled to defend, upon presenting an affidavit showing a valid defense to the whole or some part of the plaintiff's claim, and upon paying into court such part thereof as the defendant admits, with costs and disbursements

then incurred, may have the attachment dissolved by giving a bond, to be approved by the judge, conditioned for the payment of any sum that may be recovered in the action. At least five days' notice shall be given of the application for such dissolution, and at the hearing thereof the judge may require the sureties to justify orally at such time and place as the judge may direct. The bond so approved, the affidavit and notice, and the order of dissolution shall be filed with the court administrator, whereupon the property shall be released.

History: (8537) *RL s 3532; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

514.49 FINDINGS, JUDGMENT, COSTS.

Upon the trial of such action the court or jury, in addition to finding the sum due to plaintiff, shall find how much thereof is due for labor or service upon the property described in the complaint, and how much of such property is subject to plaintiff's lien. The judgment entered thereon shall include costs and disbursements as follows:

(1) The costs allowed in ordinary actions in the district court, and in addition an attorney's fee of \$20;

(2) The disbursements made by or in behalf of the plaintiff in enforcing the lien including all scalage, boomage, and officers' fees;

(3) If the plaintiff be the original lienholder the plaintiff's fees and mileage as a witness.

History: (8538) *RL s 3533; 1986 c 444*

514.50 EXECUTION SALE.

The judgment shall be enforced by execution sale of the property found subject to the lien, if any there be; if not, execution shall issue in ordinary form for the amount recovered. If a part only of the recovery be secured by the lien, separate executions may issue as the case shall require. The levy upon property covered by the lien shall be made in the manner provided for the levy of the attachment, and notice of the sale shall be given as in the case of ordinary execution sales, except that such notice shall also be posted in the office of the commissioner of natural resources; and if the sale be made in the county wherein the office of the commissioner of natural resources is situated, it shall take place at the commissioner's office. The officer making the sale shall give the certificate thereof to the purchaser, which shall vest in the purchaser the title of all parties to the action, and entitle the purchaser to a scale bill for such part of the property as is described by recorded marks.

History: (8539) *RL s 3534; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444*

514.51 OBSTRUCTING OR INTERMIXED LOGS.

Any person desiring to float logs or other timber in any of the streams or waters of this state, and being hindered or obstructed in so doing by the logs or timber of another, or any person whose logs or timber shall become so intermingled therein with those of another as to make it difficult to separate them without floating all to other waters, may drive all such obstructing or mingled logs or timber, with the person's own, to some point where the same can conveniently be assorted and the person's own separated from the mass. The person shall have a lien upon the logs or timber so driven for the reasonable value of the person's services in driving the same, which shall be asserted and enforced as in the case of other liens.

History: (8540) *RL s 3535; 1986 c 444*

514.52 SUBMERGED, BURIED OR SUNKEN LOGS; BOND; LIEN; CONVERSION.

Any person desiring to raise or float any submerged, buried or sunken logs or other timber owned by that person in any of the waters of this state and being hindered or obstructed in so doing by the logs or timber of another, and any person whose logs are

sunken, buried, or submerged, and so intermingled with those of another as to make it difficult to raise or float the person's own without raising and floating all, and who shall have filed in the office of the commissioner of natural resources a bond in the amount and with sureties approved by such commissioner of natural resources conditioned that such person will, on demand and on payment of any lien that person may have thereon, deliver to the owner thereof at the nearest convenient place of separation, or the nearest advantageous market, all submerged, buried, or sunken logs raised or floated by that person in pursuance hereof, or in case such delivery be not so demanded, pay to the owner thereof, in pursuance of and according to the provisions of this section, and who shall from time to time renew such bond or give such additional bond as the commissioner of natural resources shall require, may raise and float all such obstructing or mingled logs or timber with the person's own and transport the same to some safe point where the same may be conveniently sorted and separated or advantageously marketed. The person shall have a lien upon the logs or timber so raised or floated for the reasonable value of services in raising and floating the same, which shall be asserted and enforced as in the case of other liens upon logs and timber. Any person who shall convert to the person's own use any logs or timber of another upon which the person has a lien under the provisions of this section, and the delivery of which has not been demanded by the owner thereof, shall be liable to the owner of the logs or timber so converted for the full value thereof at the time of such conversion, with interest, less the amount of such lien and payment of the amount of such liability shall be full compensation for all logs or timber so converted.

History: (8541) *RL s 3535a; 1907 c 428 s 1; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444*

514.53 SCALING AND MARKING OF SUBMERGED LOGS; DUTY OF COMMISSIONER OF NATURAL RESOURCES; FEES.

Every person who shall engage in raising or floating logs or timber under the provisions of section 514.52 shall cause all logs and other timber raised or floated by that person to be scaled at time of such raising or floating by the commissioner of natural resources, and shall place on each log and piece of timber so raised a suitable log mark, which mark shall only be used on logs or timber so raised or floated. The commissioner of natural resources shall attend in person or by deputy at the raising and floating of such logs or timber, and promptly scale the same, recording the size, kind, and all marks on each piece thereof. For such service said commissioner of natural resources shall receive in addition to all fees now allowed by law the further sum of \$5 for each day's attendance under the provisions of sections 514.40 to 514.58, and such fees shall be paid by the person so employing the commissioner and shall be taken and held to be a part of the cost of raising and floating such logs and timber. No such work shall be performed within the limits of any operating boom company organized under the laws of this state, except under the supervision and direction of some representative of the boom company within whose limits such work is being carried on.

History: (8542) *RL s 3535b; 1907 c 428 s 1; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444*

514.54 TIMBER CUT IN OTHER STATES.

If such logs or other timber are cut in another state, and are thence rafted or otherwise transported into this state, any person who has performed labor or service thereon for which the person would have been entitled to a lien if the same had been performed in Minnesota shall have the same lien therefor, and may enforce it at any place where the logs or timber may be found, to the same extent and with like effect as though the same had accrued in this state.

History: (8543) *RL s 3536; 1986 c 444*

514.55 STRAY TIMBER SECURED IN OTHER STATES.

Any person authorized by the laws of another state so to do, who shall pick up or

secure lost or stray logs, timber, or other floating property upon any waters of that state whereon there is, during the season of navigation, an actual commerce carried by vessels drawing eight feet of water, or more, which property shall thereafter be rafted or otherwise transported to waters of the same description within this state, shall have a lien thereon for the value of such services and the expenses thereof, to the same extent and effect as that given by law to persons authorized to perform like services upon such waters in this state.

History: (8544) *RL s 3537*

514.56 PRESERVATION AND ENFORCEMENT.

The liens provided for in sections 514.54 and 514.55 shall be preserved and enforced as in the case of labor liens, except that no demand for payment need be made before the lien statement is filed, and that the lien statement, in addition to the other facts required, shall specify under which of the sections the lien is claimed; and except that in no case need the same be filed for record elsewhere than with the commissioner of natural resources.

History: (8545) *RL s 3538; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1*

514.57 COMMISSIONER OF NATURAL RESOURCES; LIEN FOR CHARGES.

To secure the payment of fees, mileage, and other charges for official services relating to logs, timber, and lumber, the commissioner of natural resources shall have a lien upon the same, which the commissioner may retain by affixing to the scale bill of such logs, timber, or lumber a statement of the amount due, with a declaration that the commissioner claims and is entitled to such lien, and by taking actual possession of a quantity of such logs, timber, or lumber sufficient to pay such amount, with the expenses of seizure and sale.

History: (8546) *RL s 3539; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444*

514.58 SALE AND DISTRIBUTION OF PROCEEDS.

If the amount of such lien be not paid within 60 days after delivery of the scale bill and statement aforesaid, the property so seized may be sold at auction by the sheriff or any constable of the county upon ten days posted notice. One copy of the notice shall be posted in the office of the commissioner of natural resources who may become a purchaser at the sale. Out of the proceeds of the sale the officer making the same shall retain fees and charges therefor, and pay to the commissioner of natural resources the amount of the commissioner's lien and all expenses lawfully incurred in enforcing the same. The remainder, if any, shall be paid to the owner or other person entitled thereto.

History: (8547) *RL s 3540; 1967 c 568 s 1 subd 9; 1969 c 1129 art 3 s 1; 1986 c 444*

WAGES

514.59 WAGES, LIEN AS AGAINST SEIZURE.

Every employee has a lien upon all the property of that person's employer, as against any attachment or execution levied thereon, for the security of the employee's wages earned within the six months last preceding, to an amount not exceeding \$1,000 or five weeks net wages, whichever is greater, subject to a maximum of \$3,000. The lien shall not be affected by any agreement with the employer to waive the lien, and shall be preferred to mortgages, judgments, and other liens which attach after the beginning of the labor or services by which the wages were earned.

History: (8548) *RL s 3541; 1981 c 43 s 1; 1986 c 444*

514.60 NOTICE TO SHERIFF; PROPERTY HELD.

Within five days after such levy the lienholder shall give to the officer making the same a written notice of the amount and grounds of the lienholder's claim; whereupon

514.673 ENVIRONMENTAL LIEN NOTICE.

Subdivision 1. **Contents.** An environmental lien notice must state:

- (1) the name of the record owner of the real property where the environmental lien attached;
- (2) the legal description of the real property where the environmental lien attached;
- (3) a statement that the real property described in the notice is subject to or affected by a cleanup action for which cleanup action expenses have been incurred;
- (4) a statement that the owner is potentially liable for cleanup action expenses under section 115B.04 or 115C.04; and
- (5) a statement that an environmental lien has attached to the described real property.

Subd. 2. **Filing.** Any notice, release, or other document required to be filed under sections 514.671 to 514.676 must be filed in the office of the county recorder or the registrar of titles of the county where the real property is located. An attestation, certification, or acknowledgment is not required as a condition of filing. The filing or mailing of any notice, release, or other document under sections 514.671 to 514.676 is the responsibility of the commissioner or the commissioner's designee. A copy of an environmental lien notice must also be sent to each record owner and mortgagee of the real property by registered or certified mail.

Subd. 3. **Approval by agency or petroleum tank release compensation board.** (a) The commissioner may not file an environmental lien notice until the agency board for cleanup action expenses incurred under chapter 115B, or the petroleum tank release compensation board for cleanup action expenses incurred under chapter 115C, the person referred to in section 514.672, subdivision 1, and each record owner and mortgagee of the real property have been notified in writing of the commissioner's intention to file the lien notice and the requirements for filing the lien under paragraph (b) have been met.

(b) By 30 days after receiving notification from the commissioner under paragraph (a), the agency board or petroleum tank release compensation board, after notice and opportunity for the person referred to in section 514.672, subdivision 1, to appear before the appropriate board, shall approve or disapprove of the filing of the lien by the commissioner. If the appropriate board disapproves of the filing, the lien may not be filed. If the appropriate board approves of the filing or, in the case of the petroleum tank release compensation board, takes no action on the matter within the 30-day period, the commissioner may file the lien notice.

History: 1988 c 651 s 3

514.674 LIEN ENFORCEMENT: LIMITATION.

Subdivision 1. **Foreclosure procedure.** Subject to the provisions of subdivision 2, an environmental lien may be enforced by foreclosure in the manner provided for foreclosure of judgment liens under chapter 550.

Subd. 2. **Property used for production of income.** If the person referred to in section 514.672, subdivision 1, used the real property for the production of income at the time the lien attached, the lien may not be foreclosed until the person ceases to use the property for the production of income or the real property is transferred to another person. An environmental lien upon real property subject to this foreclosure limitation remains enforceable notwithstanding any law limiting the enforceability of a judgment arising out of the liability of the person referred to in section 514.672, subdivision 1.

History: 1988 c 651 s 4

514.675 LIEN DOES NOT AFFECT OTHER REMEDIES.

Nothing in sections 514.671 to 514.676 affects the right of the state to bring an action to recover cleanup action expenses under section 115B.04 or 115C.04.

History: 1988 c 651 s 5

514.676 AMOUNTS RECEIVED TO SATISFY LIEN.

Amounts received by the agency to satisfy all or a part of an environmental lien must be deposited in the state treasury and credited to the fund from which the expenses were paid.

History: 1988 c 651 s 6

HOSPITAL CHARGES**514.68 LIEN FOR HOSPITAL CHARGES.**

Any person, firm, or corporation operating a hospital in this state shall have a lien for the reasonable charges for hospital care of an injured person upon any and all causes of action accruing to the person to whom such care was furnished, or to the legal representatives of such person, on account of injuries giving rise to such causes of action and which necessitated such hospital care, subject, however, to any attorney's lien.

History: (8556-3) 1933 c 345 s 1

514.69 FILE WITH COURT ADMINISTRATOR OF THE DISTRICT COURT.

Subdivision 1. Perfection of hospital's lien. In order to perfect such lien, the operator of such hospital, before, or within ten days after, such person shall have been discharged therefrom, shall file in the office of the court administrator of the district court of the county in which such hospital shall be located a verified statement in writing setting forth the name and address of such patient, as it shall appear on the records of such hospital, the name and location of such hospital and the name and address of the operator thereof, the dates of admission to and discharge of such patient therefrom, the amount claimed to be due for such hospital care, and, to the best of claimant's knowledge, the names and addresses of all persons, firms, or corporations claimed by such injured person, or the legal representatives of such person, to be liable for damages arising from such injuries; such claimant shall also, within one day after the filing of such claim or lien, mail a copy thereof, by certified mail, to each person, firm, or corporation so claimed to be liable for such damages to the address so given in such statement. The filing of such claim or lien shall be notice thereof to all persons, firms, or corporations liable for such damages whether or not they are named in such claim or lien.

Subd. 2. Perfection of public assistance lien. In the case of public assistance liens filed under section 256.015 or 256B.042, the state agency may perfect its lien by filing its verified statement in the office of the court administrator in the county of financial responsibility for the public assistance paid. The court administrator shall record the lien in the same manner as provided in section 514.70.

History: (8556-4) 1933 c 345 s 2; 1978 c 674 s 60; 1Sp1986 c 3 art 1 s 82; 1987 c 370 art 2 s 18

514.70 COURT ADMINISTRATOR TO PROVIDE RECORD.

The court administrator shall endorse thereon the date and hour of filing and, at the expense of the county, shall provide a hospital lien book with proper index in which the court administrator shall enter the date and hour of such filing, the names and addresses of such hospital, the operators thereof and of such patient, the amount claimed and the names and addresses of those claimed to be liable for damages. The court administrator shall be paid \$5 as a fee for such filing and \$5 as a fee for filing each lien satisfaction.

History: (8556-5) 1933 c 345 s 3; 1986 c 442 s 12; 1986 c 444

514.71 RELEASE.

No release of such causes of action, or any of them, or of any judgment thereon shall be valid or effectual as against such lien unless such lienholder shall join therein, or execute a release of such lien, and the claimant, or assignee of such lien, may enforce

such lien by action against the person, firm, or corporation liable for such damages, which action shall be commenced and tried in the county in which such lien shall be filed, unless ordered removed to another county by the court for cause. If the claimant shall prevail in such action, the court may allow reasonable attorneys' fees and disbursements. Such action shall be commenced within two years after the filing of such lien.

History: (8556-6) 1933 c 345 s 4

514.72 APPLICATION.

The provisions of sections 514.68 to 514.71 shall not apply to any moneys becoming due under the workers' compensation act of this state.

History: (8556-7) 1933 c 345 s 5; 1975 c 359 s 23

GENERAL PROVISIONS

514.73 LIENS ASSIGNABLE.

All liens given by this chapter are assignable and may be asserted and enforced by the assignee, or by the personal representative of any holder thereof in case of the holder's death.

History: (8557) RL s 3548; 1986 c 444

514.74 INACCURACIES IN LIEN STATEMENT.

In no case shall the liens given by this chapter be affected by any inaccuracy in the particulars of the lien statement; but, as against all persons except the owner of the property, the lien claimant shall be concluded by the dates therein given, showing the first and last items of the claimant's account. In no case shall a lien exist for a greater amount than the sum claimed in the lien statement, nor for any amount, if it be made to appear that the claimant has knowingly demanded in the statement more than is justly due.

History: (8558) RL s 3549; 1986 c 444

514.75 PROMISSORY NOTE; EFFECT.

The taking of a promissory note or other written obligation to pay any indebtedness for which a lien is given by this chapter shall not discharge such lien unless the obligation by its terms shall so provide, or the time for payment be thereby extended beyond the date fixed by law for enforcing the lien.

History: (8559) RL s 3550

514.76 SATISFACTION; PENALTY FOR REFUSAL.

Every lien claimed under any provision of this chapter shall be satisfied of record, at the expense of the claimant, upon payment or tender to the claimant of the amount actually due thereon, or upon written demand made at any time after expiration of the time within which it may be asserted in an action or other proceeding to enforce the same, if it has not been so asserted. Refusal to cause satisfaction to be entered within ten days after such payment, tender, or demand shall render the party so refusing liable in a civil action, to any person interested, for \$25 as liquidated damages if the lien was claimed upon real estate; otherwise, \$10; and in either case for any further damages which the plaintiff may have suffered therefrom.

History: (8560) RL s 3551; 1986 c 444

LAUNDERERS

514.77 LIENS FOR LAUNDERERS.

Whenever any article of wearing apparel, bedding, linens, flatwork and household

furnishings, shall be left with any person, firm, or corporation for the purpose of being repaired, altered, dyed, cleaned, pressed, or laundered, such person, firm, or corporation is authorized to retain possession of said wearing apparel or garment until the amount due on the same for repairing, altering, dyeing, cleaning, pressing, or laundering by contract shall be fully paid off and discharged. In case no amount is agreed upon by contract, then said person, firm, or corporation shall retain possession of such wearing apparel or garment until all reasonable, customary, and usual compensation shall be paid in full.

History: 1945 c 601 s 1

514.78 NOTIFICATION OF OWNER; SALE.

When possession of any of the articles of wearing apparel, bedding, linens, flatwork and household furnishings, embraced in section 514.77, has continued for 90 days after the charges accrue, and the charges so due have not been paid, it shall be the duty of the persons so holding said articles to notify the owner of these charges, by certified mail at the owner's last known address. On the owner's failure to pay these charges within ten days after such notice has been given, the persons so holding said wearing apparel, bedding, linens, flatwork and household furnishings shall then be authorized to sell said wearing apparel, bedding, linens, flatwork and household furnishings. Said sale may be public or private and the proceeds of the same shall be applied toward the payment of the charges and any balance shall be paid over to the person entitled to the same. If the owner's residence is beyond the state, or is unknown, the person holding said wearing apparel, bedding, linens, flatwork and household furnishings shall not be required to give such notice before proceeding to sell.

History: 1945 c 601 s 2; 1947 c 309 s 1; 1978 c 674 s 60; 1986 c 444

514.79 BALANCE OF PROCEEDS OF SALE; PAYMENT OF.

If the persons who are legally entitled to receive the balance mentioned in sections 514.77 to 514.79 are not known or have removed from the state or county in which such repairing, altering, dyeing, cleaning, pressing and laundering was done, the person, firm, or corporation which held said property shall pay the balance resulting from any sale to the treasurer of the county in which said articles were held and take the treasurer's receipt therefor. Whenever such balance shall remain in the possession of the county treasurer for a period of two years unclaimed by the party legally entitled to the same, such balance shall become a part of the general funds of the county in which the articles were sold.

History: 1945 c 601 s 3; 1986 c 444

- 514.80** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.81** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.82** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.83** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.84** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.85** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.86** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.87** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.88** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.89** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.90** [Repealed, 1965 c 811 art 10 s 336.10-102]
- 514.91** [Repealed, 1965 c 811 art 10 s 336.10-102]

VETERINARIANS

514.92 VETERINARIAN'S LIEN.

Subdivision 1. **Attachment.** A licensed veterinarian who performs emergency veterinary services that cost more than \$25 for animals at the request of the owner or a person in possession of the animals has a lien on the animals for the value of the services. Veterinary services include emergency surgical procedures, administering vaccines, antisera, and antibiotics, and other veterinary medicines and treatments. Veterinary services also include services performed primarily to protect human health, prevent the spread of animal diseases, or to preserve the immediate health of an animal.

Subd. 1a. **Filing and perfecting lien.** The veterinarian must file a lien statement in the appropriate filing office for a financing statement covering the animals to be filed under section 336.9-401 by 180 days after the veterinary services are performed. The lien is perfected by properly filing the lien statement.

Subd. 2. **Lien statement.** (a) A lien statement must be verified and state:

- (1) the name of the owner, or reputed owner, of the animals;
- (2) the name of the person for whom the veterinary services were performed;
- (3) the kind, number, and reasonable identification of animals treated;
- (4) the dates when the veterinary services were begun and finished;
- (5) the fraction of veterinary services performed which were primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated;
- (6) the reasonable value of the veterinary services rendered, or the price contracted between the parties; and
- (7) the name and address of the veterinarian claiming the lien.

(b) The provisions of section 514.74 relating to inaccuracies in lien statements apply to lien statements under this subdivision.

Subd. 3. **Enforcement of lien.** An action to enforce a perfected lien under this section must be started by one year after the date the last veterinary service was performed. A perfected lien may be enforced in the manner prescribed for security interests under sections 336.9-501 to 336.9-508.

Subd. 4. **Priority of lien.** (a) A perfected veterinarian's lien under this section has priority over other liens and security interests on the same animals to the extent the veterinary services were performed primarily for the purpose of protecting human health, preventing the spread of animal diseases, or preserving the health of the animal or animals treated.

(b) A veterinarian's lien has priority over a security interest perfected before the veterinarian's lien only if the security interest is perfected after March 22, 1986.

(c) The priority among veterinarian's liens filed under this section is according to the first lien filed.

Subd. 5. **Termination.** (a) A veterinarian's lien under this section terminates:

- (1) 180 days after the last veterinarian's services was performed if a proper lien statement is not filed; or
- (2) one year after the lien is filed if an action to enforce the lien has not been started.

(b) A filing officer may remove and destroy terminated lien statements in the same manner as provided for a financing statement under section 336.9-410.

History: 1967 c 855 s 1; 1983 c 301 s 218; 1986 c 398 art 9 s 1

514.93 SUMMARY SALE OF UNCLAIMED ANIMALS; TIME OF SALE; NOTICE; DISPOSITION OF PROCEEDS; RECORD OF SALE.

Any unclaimed animal held by a veterinarian for more than ten days after the completion of veterinary care and treatment requested by the owner or lawful possessor of

said animal may be summarily sold by the veterinarian for the reasonable value of said animal upon compliance with the procedures set forth in this section. Written notice of the completion of care and treatment and written notice of the proposed sale of said animal shall be given to the owner or lawful possessor of said animal by certified mail. If the whereabouts of the owner or lawful possessor of the animal cannot be ascertained with reasonable diligence, a notice of the proposed sale shall be published in a legal newspaper circulated in the county where the animal is located at least ten days preceding the sale. The notice shall state the amount due and the date, place and time of sale. The proceeds of such sale shall first be used to reimburse the veterinarian for an amount equal to the reasonable value of the veterinary care and treatment plus any other care and board given said animal; the excess amount, if any, from such sale shall be paid to the owner or lawful possessor of said animal or to other persons legally entitled thereto. Any veterinarian making a sale hereunder shall make a record in writing verified by the veterinarian's oath, setting forth the kind and number of animals sold, the amount realized from any such sale, the amount claimed due by the veterinarian, the name of the former owner or lawful possessor requesting the care and treatment performed by the veterinarian on the animal or animals sold, the dates when the treatment was commenced and was completed, the date or dates when notice of the proposed sale was given the owner or lawful possessor of the animal or animals sold, the description of the animal or animals sold, and if branded, the brand thereon, the name and address of the veterinarian making the sale and the name and address of purchaser or purchasers of the animal or animals sold. The record so made shall be filed within five days of the sale in the office of the county recorder of the county in which such sale is made.

History: 1967 c 855 s 2; 1976 c 181 s 2; 1986 c 444

514.94 RIGHTS OF DETAINER, LIEN AND SALE OF ANIMALS.

Nothing in sections 514.92 to 514.94 shall in any way alter or revoke a veterinarian's rights of detainer, lien and sale of animals under sections 514.18 to 514.22.

History: 1967 c 855 s 3

514.945 AGRICULTURAL PRODUCER'S LIEN.

Subdivision 1. **Attachment.** (a) A person who produces an agricultural commodity as defined in section 17.90, subdivision 2, except grain as defined in section 232.21, subdivision 7, and raw milk has a lien for the contract price or, if there is no contract the fair market value, of the agricultural commodity produced by the person and delivered to a buyer. The lien attaches to the agricultural commodity and products and proceeds of the agricultural commodity.

(b) If the agricultural commodity is or becomes commingled with other agricultural commodities or goods, the lien continues in the proportionate share of the other agricultural commodities or goods.

(c) If an agricultural commodity to which the lien attaches becomes manufactured or processed to become part of another product, the lien continues and attaches to the product manufactured or processed.

(d) An agricultural producer's lien does not attach to agricultural commodities:

(1) purchased by a marketing cooperative association; or

(2) purchased free of a security interest or lien as provided in United States Code, title 7, section 1631, and sections 223A.03 and 223A.04.

Subd. 2. **Perfection.** An agricultural producer's lien is perfected from the time the agricultural commodity is delivered until 20 days after the agricultural commodity is delivered without filing. An agricultural producer's lien may continue to be perfected if a lien statement under subdivision 3 is filed in the appropriate filing office under section 336.9-401 by 20 days after the agricultural commodity is delivered.

Subd. 3. **Lien statement.** (a) A lien statement must be in writing and verified by the producer and must contain:

(1) a statement of the amount due for the agricultural commodity after deducting applicable credits and offsets;

(2) the name of the purchaser to whom the agricultural commodity was delivered;
 (3) a description sufficient to identify the agricultural commodity delivered and subject to the lien;

(4) the date and location to which the agricultural commodity was delivered; and

(5) the date when payment was due for the agricultural commodity subject to the lien.

(b) A lien statement is void and may be removed from the filing system six months after the date of filing. The lien statement may be physically destroyed 30 months after the date of filing.

Subd. 4. Priority. (a) An agricultural producer's lien has priority over all other liens and encumbrances in:

(1) the agricultural commodity;

(2) proceeds from the agricultural commodity;

(3) the proportionate share of the agricultural commodities or goods with which the agricultural commodity has been commingled; and

(4) the products manufactured or processed with the agricultural commodity.

(b) An agricultural producer's lien that is continuously perfected from the time of delivery has priority over other liens and encumbrances whether they are filed before or after the agricultural producer's lien.

(c) An agricultural producer's lien that is filed after 20 days after delivery of the agricultural commodity has priority in the order it is filed.

(d) Priority among perfected agricultural producers' liens is according to the first lien filed.

(e) An agricultural producer's lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.

Subd. 5. Lien terminated. An agricultural producer's lien is terminated on:

(1) full payment for the agricultural commodity delivered;

(2) recovery of the agricultural commodity in kind; or

(3) the date six months after the agricultural commodity is delivered if an action to enforce the lien has not been commenced.

Subd. 6. Enforcement. The holder of an agricultural producer's lien may enforce the lien in the manner provided in sections 336.9-501 to 336.9-508, subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person receiving the agricultural commodity is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

Subd. 7. Satisfaction of lien. A lienholder must remove a lien statement from the filing system after the lien is satisfied. If the lienholder does not remove the lien statement, the commissioner shall remove the lien statement upon request of an affected party and providing proof is furnished that the lien has been terminated.

Subd. 8. Enforcement action. An agricultural producer's lien may be brought in district court in a county where the property to which the lien attaches is located or the county where the agricultural commodity was originally delivered. The court shall allow costs including attorney fees to the prevailing party.

History: 1990 c 517 s 10

AGRICULTURAL PRODUCTION INPUT

514.950 DEFINITIONS.

Subdivision 1. Applicability. The definitions in this section apply to sections 514.950, 514.952, 514.954, 514.956, 514.958, and 514.959.

Subd. 2. **Agricultural chemical.** "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or to land that is used for raising crops, including fertilizer material, plant amendment, plant food, and soil amendment as defined in section 17.713, and pesticide and plant regulator as defined in section 18B.01.

Subd. 3. **Agricultural production input.** "Agricultural production input" means crop production inputs and livestock production inputs.

Subd. 4. **Crop production input.** "Crop production input" means agricultural chemicals, seeds, petroleum products, the custom application of agricultural chemicals and seeds, and labor used in preparing the land for planting, cultivating, growing, producing, harvesting, drying, and storing crops or crop products.

Subd. 5. **Feed.** "Feed" means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer-formula feeds that are used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 6. **Lender.** "Lender" means a person in the business of lending money identified in a lien-notification statement.

Subd. 7. **Letter of commitment.** "Letter of commitment" means a binding, irrevocable and unconditional agreement by a lender to honor drafts or other demands for payment upon the supplier presenting invoices signed by the purchaser or other proof of delivery.

Subd. 8. **Livestock production input.** "Livestock production input" means feed and labor used in raising livestock.

Subd. 9. **Person.** "Person" means an individual or an organization as defined in section 336.1-201, paragraph (30).

Subd. 10. **Petroleum product.** "Petroleum product" means motor fuels and special fuels that are used in the production of crops and livestock, including petroleum products as defined in section 296.01, alcohol fuels, propane, lubes, and oils.

Subd. 11. **Proceeds.** "Proceeds" means proceeds as defined in section 336.9-306 except that if rights or duties are contingent upon express language in a financing statement, the requisite language may exist in a lien-notification statement under section 514.952, and includes farm products, inventory, warehouse receipts, and documents of title.

Subd. 12. **Seed.** "Seed" means agricultural seeds that are used to produce crops, including agricultural seed as defined in section 21.72.

Subd. 13. **Supplier.** "Supplier" means a person who furnishes agricultural production inputs.

History: 1984 c 467 s 2; 1987 c 384 art 2 s 1; 1989 c 209 art 2 s 1

514.952 NOTIFICATION; LIEN-NOTIFICATION STATEMENT; EFFECT OF NOTIFICATION.

Subdivision 1. **Notification to lender.** A supplier may notify a lender of an agricultural production input lien by providing a lien-notification statement to the lender in an envelope marked "IMPORTANT-LEGAL NOTICE." Delivery of the notice must be made by certified mail or another verifiable method.

Subd. 2. **Lien-notification statement.** The lien-notification statement must be in a form approved by the secretary of state and disclose the following:

- (1) the name and business address of the lender that is to receive notification;
- (2) the name and address of the supplier claiming the lien;
- (3) a description and the date or anticipated date or dates of the transaction and the retail cost or anticipated costs of the agricultural production input;
- (4) the name, residential address, and signature of the person to whom the agricultural production input was furnished;
- (5) the name and residential address of the owner and a description of the real

estate where the crops to which the lien attaches are growing or are to be grown; or for a lien attaching to livestock, the name and residential address of the owner of the livestock, the location where the livestock will be raised, and a description of the livestock; and

(6) a statement that products and proceeds of the crops or livestock are covered by the agricultural input lien.

Subd. 3. Response of lender to notification. (a) Within ten calendar days after receiving a lien-notification statement, the lender must respond to the supplier with either:

(1) a letter of commitment for part of all of the amount in the lien-notification statement; or

(2) a written refusal to issue a letter of commitment.

(b) A copy of the response must be mailed to the person for whom the financing was requested.

Subd. 4. Effect of response. (a) If a lender responds with a letter of commitment for part or all of the amount in the lien-notification statement, the supplier may not obtain a lien for the amount stated in the letter of commitment.

(b) If a lender responds with a refusal to provide a letter of commitment the rights of the lender and the supplier are not affected.

Subd. 5. Effect of no response. If a lender does not respond under subdivision 3 to the supplier within ten calendar days after receiving the lien-notification statement, a perfected agricultural production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement;

(2) the unpaid retail cost of the agricultural production input identified in the lien-notification statement; or

(3) for livestock any limitation in section 514.954, subdivision 2.

Subd. 6. Lien priority. An agricultural production input lien does not have priority over liens that arise under chapter 395 or 514, or over perfected security interests for unpaid rent for the land where the crops were grown. Agricultural production input liens are a security interest and have priority according to chapter 336, the uniform commercial code, except as provided in subdivision 5.

History: 1984 c 467 s 3; 1985 c 246 s 1-4

514.954 LIEN ATTACHMENT.

Subdivision 1. Lien on crops. A supplier who furnishes crop production inputs has an agricultural input lien for the unpaid retail cost of the crop production inputs. The lien attaches to: (1) the existing crops upon the land where a furnished agricultural chemical was applied, or if crops are not planted, to the next production crop within 16 months following the last date on which the agricultural chemical was applied; (2) the crops produced from furnished seed; or (3) the crops produced, harvested, or processed using a furnished petroleum product. If the crops are grown on leased land and the lease provides for payment in crops, the lien does not attach to the lessor's portion of the crops. The lien continues in crop products and proceeds.

Subd. 2. Lien on livestock. A supplier who furnishes livestock production inputs has an agricultural production input lien for the unpaid retail cost of the livestock production input. The lien attaches to all livestock consuming the feed and continues in livestock products and proceeds. A perfected agricultural production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock.

Subd. 3. Time of attachment. An agricultural input lien attaches when the agricultural production inputs are furnished by the supplier to the purchaser.

History: 1984 c 467 s 4; 1985 c 246 s 5

514.956 PERFECTION OF LIEN; FILING.

Subdivision 1. **Perfection.** To perfect an agricultural production input lien, the lien must attach and the supplier entitled to the lien must file a lien-notification statement with the appropriate filing office under section 336.9-401 by six months after the last date that the agricultural production input was furnished.

Subd. 2. **Failure to perfect.** An agricultural production input lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.

Subd. 3. **Duties of filing officer.** The filing officer shall enter on the lien-notification statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien-notification statement, and charge the fee for filing under this section in the manner provided by section 336.9-403 for a financing statement. A lien-notification statement is void and may be removed from the filing system 18 months after the date of filing. The lien-notification statement may be physically destroyed after 30 months from the date of filing.

Subd. 4. **Rules.** The secretary of state shall adopt rules for the filing, amending, termination, and removal of lien-notification statements.

History: 1984 c 467 s 5; 1985 c 246 s 6,7

514.958 ENFORCEMENT OF LIEN.

The holder of an agricultural production input lien may enforce the lien in the manner provided in sections 336.9-501 to 336.9-508 subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person for whom the agricultural production input was furnished is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

History: 1984 c 467 s 6

514.959 ENFORCEMENT ACTIONS; LIEN EXTINGUISHED.

An action to enforce an agricultural production input lien may be brought in district court in a county where some part of the crop or livestock is located after the lien is perfected. A lien-notification statement may be amended, except the amount demanded, by leave of the court in the furtherance of justice. An agricultural production input lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien-notification statement is filed.

History: 1984 c 467 s 7

LANDLORD LIEN**514.960 LANDLORD LIEN.**

Subdivision 1. **Lien; attachment.** A person or entity that leases property for agricultural production has a lien for unpaid rent on the crops produced on the property in the crop year and on the crop products and their proceeds.

Subd. 2. **Perfection.** To perfect a landlord lien, the lien must attach and the person or entity entitled to the lien must file a lien statement with the appropriate filing office under section 336.9-401 by 30 days after the crops become growing crops.

Subd. 3. **Duties of filing officer.** The filing officer shall enter on the lien statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien statement, and charge the fee for filing under this section in the manner provided by section 336.9-403 for a financing statement. A lien statement is void and may be removed from the filing system 18 months after the date of filing. The lien statement may be physically destroyed after 30 months from the date of filing.

Subd. 4. **Priority.** (a) A perfected landlord lien has priority over all other liens or

security interests in crops grown or produced on the property that was leased and the crop products and proceeds.

(b) A landlord lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.

Subd. 5. Enforcement of lien. The holder of a landlord lien may enforce the lien in the manner provided in sections 336.9-501 to 336.9-508, subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person leasing the property is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.

Subd. 6. Enforcement actions; lien extinguished. An action to enforce a landlord lien may be brought in district court in a county where the property is located after the lien is perfected. A lien statement may be amended, except the amount demanded, by leave of the court in the furtherance of justice. A landlord lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien statement is filed.

History: 1986 c 398 art 15 s 1; 1987 c 292 s 4,5

LIENS ON PERSONAL PROPERTY IN SELF-STORAGE

514.970 TITLE.

Sections 514.970 to 514.979 may be cited as the "Minnesota liens on personal property in self-service storage act."

History: 1988 c 425 s 1

514.971 DEFINITIONS.

Subdivision 1. Scope. For the purposes of sections 514.970 to 514.979, the terms defined in this section have the meanings given them.

Subd. 2. Self-service storage facility. "Self-service storage facility" means real property that is designed and used only for renting or leasing individual storage space in the facility under the following conditions:

- (1) the occupants have access to their individual storage space only for the purpose of storing and removing their personal property;
- (2) the owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the storage space; and
- (3) the property has two or more individual storage spaces.

The term does not include a garage used principally for parking motor vehicles or any property of a financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the financial institution's customers.

Subd. 3. Owner. "Owner" means one or more persons, jointly or severally, who are either the owner of a self-service storage facility, or the lessor of an entire self-service storage facility, and who receive rent from an occupant under a rental agreement entered into with the occupant.

Subd. 4. Occupant. "Occupant" means a person who rents storage space at a self-service storage facility under a rental agreement entered into with the owner.

Subd. 5. Rental agreement. "Rental agreement" means a written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant's use of storage space at a self-service storage facility.

Subd. 6. Personal property. "Personal property" means money and every inanimate tangible thing that is the subject of ownership. The term does not include anything forming part of a parcel of real estate and agricultural commodities.

Subd. 7. **Default.** "Default" means failure of the occupant to pay the rent and other charges becoming due under the rental agreement within 15 days after the rents and other charges become due under the terms of the rental agreement.

Subd. 8. **Storage space.** "Storage space" means an enclosure, cubicle, or room that is fully enclosed and equipped with a door designed to be locked for security by the occupant.

Subd. 9. **Security deposit.** "Security deposit" means any deposit of money with the owner used to secure performance under the rental agreement.

History: 1988 c 425 s 2

514.972 LIEN AGAINST PROPERTY.

Subdivision 1. **Creation.** The owner of a self-service storage facility has a lien against the occupant on the personal property stored under a rental agreement in a storage space at the self-service storage facility, or on the proceeds of the personal property subject to the defaulting occupant's rental agreement in the owner's possession. The lien is for rent, labor, and other charges in relation to the personal property specified in the rental agreement that have become due and for expenses necessary for the preservation of the personal property or expenses reasonably incurred in the sale or other disposition of the personal property under law. The lien provided for in this section is superior to other security interests except those perfected before the date the lien attaches.

Subd. 2. **Attachment.** The owner's lien created by this section attaches as of the date the occupant is in default unless the occupant obtains a court order to recover possession of personal property in the self-service storage facility. No lien is created under subdivision 1 or shall attach under this subdivision to any personal property listed under subdivision 5, unless the occupant fails to remove the personal property before the sale authorized by section 514.973. An owner loses the lien on personal property that the owner permits to be removed from the self-service storage facility or unjustifiably refuses to permit to be removed from the facility.

Subd. 3. **Security deposits.** No lien is created under subdivision 1 if the owner has possession of a security deposit sufficient to cover rents and other charges at the time of an alleged default.

Subd. 4. **Denial of access.** Upon default the owner shall mail notice of default to the occupant at the last known address of the occupant. The owner may deny the occupant access to the personal property contained in the self-service storage facility after default, service of the notice of default, expiration of the date stated for denial of access, and application of any security deposit to unpaid rent. The notice of default must state the date that the occupant will be denied access to the occupant's personal property in the self-service storage facility and that access will be denied until the owner's claim has been satisfied. The notice of default must state that any dispute regarding denial of access can be raised by the occupant beginning legal action in court. Notice of default must further state the rights of the occupant contained in subdivision 5.

Subd. 5. **Access to certain items.** The occupant may remove from the self-service storage facility personal papers, health aids, personal clothing of the occupant and the occupant's dependents, and personal property that is necessary for the livelihood of the occupant, that has a market value of less than \$50 per item, if demand is made to any of the persons listed in section 514.976, subdivision 1. The occupant shall present a list of the items, and may remove them during the facility's ordinary business hours prior to the sale authorized by section 514.973. If the owner unjustifiably denies the occupant access for the purpose of removing the items specified in this subdivision, the occupant is entitled to an order allowing access to the storage unit for removal of the specified items. The self-service storage facility is liable to the occupant for the costs, disbursements and attorney fees expended by the occupant to obtain this order.

History: 1988 c 425 s 3

514.973 ENFORCEMENT OF LIEN.

An owner's lien established under sections 514.970 to 514.979 for a claim that has become due must be enforced in the same manner as warehouse operator's liens under section 336.7-210.

History: 1988 c 425 s 4

514.974 ADDITIONAL NOTIFICATION REQUIREMENT.

In addition to the requirements of section 336.7-210, the notification of the proposed sale of personal property must include a notice of denial of access to the personal property until the owner's claim has been satisfied. Any notice the owner is required to mail to the occupant under sections 514.970 to 514.979 shall be sent to the mailing address and the alternate mailing address provided by the occupant in the rental agreement.

History: 1988 c 425 s 5

514.975 RENTAL AGREEMENTS.

The rental agreement between the owner and the occupant must include a disclosure of the lien rights of the owner upon failure of the occupant to pay rent including the right to deny access to certain personal property contained in the self-service storage facility, and the extent and the limits of insurance carried by the owner covering the occupant's personal property stored in the leased premises. A rental agreement may not exempt an owner from liability for damages to an occupant's personal property caused by the owner's negligence. The rental agreement must request the occupant to insert an alternate mailing address.

History: 1988 c 425 s 6

514.976 DISCLOSURE AND ACTIONS.

Subdivision 1. Disclosure. There shall be disclosed to the occupant either in the rental agreement or otherwise in writing prior to commencement of the occupancy the name and address of:

- (1) the person authorized to manage the premises; and
- (2) an owner of the premises or an agent authorized by the owner to accept service of process and receive and give receipt for notices and demands.

Either in the rental agreement or otherwise in writing the occupant shall also be notified that the owner prohibits the storage of hazardous materials.

Subd. 2. Posting of notice. A printed or typewritten notice containing the information that must be disclosed under subdivision 1 must be placed in a conspicuous place on the premises.

Subd. 3. Alternate service. If subdivisions 1 and 2 have not been complied with and an occupant desiring to make service of process upon or give a notice or demand to the owner does not know the name and address of the owner or the owner's agent, as that term is used in subdivision 1, then a caretaker or manager of the premises or an individual to whom rental payments for the premises are made is deemed to be an agent authorized to accept service of process and receive and give receipt for notices and demands on behalf of the owner.

Subd. 4. Action. Except as otherwise provided in this subdivision, an owner may not maintain an action to recover rent or possession of the premises unless the information required by this section has been disclosed to the occupant, or unless the information is known by or has been disclosed to the occupant at least 30 days prior to the initiation of the action. Failure by the owner to post a notice required by subdivision 2 does not prevent any action to recover rent or possession of the premises. Any action begun by the owner or occupant shall be venued in the county where the facility is located. If an action to recover possession of personal property in the facility is begun by the occupant, the burden of proof shall be borne by the owner that default has occurred and the provisions of sections 514.970 to 514.979 have been followed.

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Subd. 5. Application. This section applies to any successor owner, caretaker, manager, or individual to whom rental payments for the storage space are made.

History: 1988 c 425 s 7

514.977 DEFAULT.

If an occupant defaults in the payment of rent or otherwise breaches the rental agreement, the owner may commence an unlawful detainer action under section 566.01.

History: 1988 c 425 s 8

514.978 WAIVER OR MODIFICATION PROHIBITED.

The owner and occupant may not waive or modify the provisions of sections 514.970 to 514.979.

History: 1988 c 425 s 9

514.979 ADVERTISING.

No owner shall advertise or represent its services, or permit its services to be advertised or represented, in a manner that uses the word "warehouse" unless the owner is licensed and bonded as provided in chapter 231.

Nothing in this section prohibits the use of the term "self-service storage facility" in an advertisement or representation.

History: 1988 c 425 s 10