

CHAPTER 514

LIENS; LABOR, MATERIAL

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514.001 APPLICATION OF LAWS 2005, CHAPTER 56, TERMINOLOGY CHANGES.

State agencies shall use the terminology changes specified in Laws 2005, chapter 56, section 1, when printed material and signage are replaced and new printed material and signage are obtained. State agencies do not have to replace existing printed material and signage to comply with Laws 2005, chapter 56, sections 1 and 2. Language changes made according to Laws 2005, chapter 56, sections 1 and 2, shall not expand or exclude eligibility to services.

History: 2005 c 56 s 3

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.”

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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.

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
(type of service) (material)
this improvement.
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; PENALTIES AND REMEDIES.

Subdivision 1. Proceeds of payments; acts constituting theft. (a) Proceeds of payments received by a person contributing to an improvement to real estate within the meaning of section 514.01 shall be held in trust by that person for the benefit of those persons who furnished the labor, skill, material, or machinery contributing to the improvement. Proceeds of the payment are not subject to garnishment, execution, levy, or attachment. Nothing contained in this subdivision shall require money to be placed in a separate account and not commingled with other money of the person receiving payment or create a fiduciary liability or tort liability on the part of any person receiving payment or entitle any person to an award of punitive damages among persons contributing to an improvement to real estate under section 514.01 for a violation of this subdivision.

(b) If a person fails to use the proceeds of a payment made to that person for the improvement, for the payment for labor, skill, material, and machinery contributed to the improvement, knowing that the cost of the labor performed, or skill, material, or machinery furnished remains unpaid, and who has not furnished the person making such payment either a valid lien waiver under section 514.07, or a payment bond in the basic amount of the contract price for the improvement, conditioned for the prompt payment to any person 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 the payment and is punishable under section 609.52. For an improvement to residential real estate made by a person licensed, or who should be licensed, under section 326.84, a shareholder, officer, director, or agent of a corporation who is responsible for the theft shall be guilty of theft of the proceeds.

(c) The penalties and remedies provided in this section do not apply to a third party who receives a payment in the ordinary course of business.

(d) For purposes of this section, "residential real estate" has the meaning given in section 326.83.

Subd. 1a. **Civil action.** A person injured by a violation of subdivision 1 may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney fees, and receive other relief as determined by the court, including, without limitation, equitable tracing. A civil action under this subdivision may be brought:

(1) against the person who committed the theft under subdivision 1; and

(2) for an improvement to residential real estate made by a person licensed, or who should be licensed, under section 326.84, against a shareholder, officer, director, or agent of a corporation who is not responsible for the theft but who knowingly receives proceeds of the payment as salary, dividend, loan repayment, capital distribution, or otherwise.

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; 2000 c 430 s 1, 2

514.03 EXTENT AND AMOUNT OF LIEN.

Subdivision 1. **Notice not required.** 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. **Notice required.** 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. **All title, interest.** 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. The service may

be made by personal service or by certified mail to the last known address of the person doing work or otherwise contributing to the improvement. Mailed service is effective when mailed. 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; 1997 c 9 s 4*

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 or, if registered land, with the registrar of titles 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. **Statement by lien claimant; requirements.** 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 claimant acknowledges that a copy of the statement must be served personally or by certified mail within the 120-day period provided in this section on 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.

When the claimant files the notice, the Social Security number of an individual owner or the Internal Revenue Service taxpayer identification number for an owner other than an individual is not required.

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; 1992 c 463 s 28; 1995 c 5 s 1; 1997 c 137 s 18*

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 or an amount of a bond from a surety listed on the United States Department of Treasury Circular 570 made payable upon the entry of judgment as provided in this section 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 or bond 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 from the amount of money on deposit or to allow the claimant to collect on the bond that has been deposited. The balance of the deposit of money or bond, 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; 2006 c 221 s 6*

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 or, if registered land, with the registrar of titles 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. **One action for all.** 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; 1995 c 5 s 2*

514.13 STATUTORY LIENHOLDER RIGHTS; NONEXCLUSIVE.

The rights granted by this chapter are nonexclusive. 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; 1995 c 31 s 2*

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 respective 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 under section 550.24, except that the period of redemption shall be six months from the date the sale is confirmed by the court. No sale shall be deemed complete until reported to and confirmed by the court.

History: (8504) *RL s 3518; 1998 c 289 s 3; 2000 c 320 s 2*

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*

PERSONALTY IN POSSESSION

514.18 RETAINING.

Subdivision 1. **Mechanics' lien on personal property.** 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 336.9-501 a verified statement 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; 2001 c 195 art 2 s 22*

514.19 RIGHT OF DETAINER.

A lien and right of detainer exists for:

(1) transporting property, other than harvested crops or livestock, from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) keeping or storing property, other than harvested crops or livestock, as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) 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;

(4) making, altering or repairing any article, other than livestock, or expending any labor, skill or material on it;

(5) reasonable charges for a vehicle rented as a replacement for a vehicle serviced or repaired and being retained as provided by this section.

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.

If the property subject to the lien is a motor vehicle registered in this state and subject to a certificate of title and one or more secured creditors is listed on the certificate of title, a lien for storage charges for a period greater than 15 days accrues only after written notice is sent by certified mail to all listed secured creditors. The notice must state the name, address, and telephone number of the lienholder, the amount of money owed, and the rate at which storage charges are accruing. The notice provided in this section fulfills the notice to secured creditors required in section 514.20, subject to the time period required under that section.

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; 1999 c 78 s 1; 2001 c 57 s 1; 2006 c 228 s 3*

514.20 SALE.

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

History: (8509) *RL s 3523; 1905 c 328 s 3; 1907 c 114 s 3; 1992 c 395 s 1*

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 or the sheriff's deputy of the county where such sale is made.

History: (8511) 1905 c 328 s 5; 1986 c 444; 2005 c 10 art 2 s 4

NONPOSSESSORY AIRCRAFT MECHANICS' LIEN**514.221 CREATION; PERFECTION; 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 336.9-501, 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 336.9-501 to 336.9-628, 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; 2001 c 195 art 2 s 23,24

514.23 [Repealed, 2001 c 57 s 7]

514.24 [Repealed, 2001 c 57 s 7]

514.25 [Repealed, 2001 c 57 s 7]

514.26 [Repealed, 2001 c 57 s 7]

514.27 [Repealed, 2001 c 57 s 7]

514.28 [Repealed, 2001 c 57 s 7]

514.29 [Repealed, 2001 c 57 s 7]

514.30 [Repealed, 2001 c 57 s 7]

514.31 [Repealed, 2001 c 57 s 7]

514.32 [Repealed, 2001 c 57 s 7]

514.33 [Repealed, 2001 c 57 s 7]

514.34 [Repealed, 2001 c 57 s 7]

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 boomage 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 boomage 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 [Repealed, 1991 c 326 s 27]

514.53 [Repealed, 2000 c 337 s 3]

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 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; 2005 c 10 art 2 s 4*

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. For purposes of this section, "wages" includes payments required to be made to a vacation or health, welfare, or pension fund on behalf of the employee. 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; 1991 c 48 s 1*

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 the officer shall hold the property, or the proceeds thereof in case of sale, subject to such claim until the same is determined by agreement of the parties concerned or by the judgment of a court. The lien shall cease unless such agreement be reached, or an action to determine the claim be commenced, within 30 days after such notice was served. Upon a sale of the property, the officer holding the sale shall pay the liens, in the order of the giving of the notices, out of the moneys derived therefrom.

History: (8549) *RL s 3542; 1986 c 444*

514.61 DEATH OR DISSOLUTION OF EMPLOYER.

The lien shall also exist, as against all other creditors, in case of the death, dissolution, or insolvency of the employer. The notice provided for in section 514.60 shall, in such case, be given to the personal representative of the decedent, or to the receiver or other officer of court entitled to possession of the assets of the employer, within five days after qualification as such, and the lien shall cease unless determined or sued upon as prescribed in section 514.60.

History: (8550) *RL s 3543; 1986 c 444*

514.62 [Repealed, 2001 c 57 s 7]

514.63 [Repealed, 2001 c 57 s 7]

514.64 [Repealed, 1949 c 273 s 1]

514.65 [Repealed, 2001 c 57 s 7]

514.66 [Repealed, 2001 c 57 s 7]

MACHINERY LIEN

514.661 LIEN FOR RENTAL VALUE OF FARM MACHINERY DURING MEDIATION.

Subdivision 1. **Definitions.** The definitions in this section apply to this section.

(a) "Reasonable rental value" means an amount not more than the rental value of machinery of like capacity and age as determined by the director of the University of Minnesota Extension Service and is limited to the tachometer time during which or the acreage for which the machinery is used during the mediation period.

(b) "Seasonal use machinery" means machinery, equipment, or implements used exclusively for planting, for row crop cultivating, or for harvesting. Seasonal use machinery does not include a tractor, tillage equipment, or utility implements used for general farm purposes.

Subd. 2. Lien; attachment. (a) A person or entity with a debt secured by a perfected or unperfected security interest in seasonal use machinery that is subject to mediation who engages in mediation under sections 583.20 to 583.32, as a result of a debtor's default on a purchase money loan or contract, has a lien limited to the lesser of: (1) the total of principal and interest amounts required to bring the debt current until the stay of the creditor's enforcement action is lifted; and (2) the reasonable rental value of seasonal use machinery that is used for field operation during mediation until the stay of the creditor's enforcement action is lifted.

(b) The lien attaches to the crops produced by the debtor in the calendar year in which mediation occurs.

Subd. 3. Perfection. To perfect a lien under this section, the lien must attach and a person or entity entitled to the lien must file a lien statement in the appropriate filing office under section 336.9-501 during mediation or within 30 days after the conclusion of mediation.

Subd. 4. 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 sections 336.9-501 to 336.9-527 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. 5. Priority. (a) A perfected lien has priority over all other liens and security interests in crops produced by the debtor during the calendar year in which the mediation occurs.

(b) An unperfected lien has the priority of an unperfected security interest under sections 336.9-317 and 336.9-322.

Subd. 6. Enforcement of lien. (a) The holder of a lien under this section may enforce the lien in the manner provided in sections 336.9-601 to 336.9-628, 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 336.9-601 to 336.9-628. If a right or duty under sections 336.9-601 to 336.9-628 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.

(b) The principal amount of debt secured by seasonal use machinery must be reduced by an amount equal to any amount paid in satisfaction of a lien created under this section, less interest accrued on the debt during mediation.

Subd. 7. Enforcement actions; lien extinguished. An action to enforce a lien under this section 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 lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien statement is filed.

Subd. 8. Exemption from mediation. A lien created and perfected under this section is exempt from sections 583.20 to 583.32 and is effective against crops growing or to be grown by the debtor in the calendar year.

History: 1987 c 292 s 3; 1993 c 48 s 11; 2001 c 195 art 2 s 25-28; 2002 c 379 art 1 s 99

GOVERNMENTAL SERVICES

514.67 INSPECTIONS, EXAMINATIONS, OR OTHER GOVERNMENTAL SERVICES.

All charges and expenses for any inspection, examination, or other governmental service of any nature now or hereafter authorized or required by law, including services per-

formed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle under section 168.33, shall constitute and be a first and prior lien from the date of such inspection, examination, or service upon all property in this state subject to taxation as the property of the person from whom such charges and expenses are by law authorized or required to be collected. No record of such lien shall be deemed necessary, but the same shall be duly presented or proven in any bankruptcy, insolvency, receivership, or other similar proceeding, or be barred thereby.

As used in this section, the following words and terms have the following meanings:

(1) "Person" means and includes any natural person in any individual or representative capacity, and any firm, copartnership, corporation, or other association of any nature or kind.

(2) "First and prior lien" means a lien equivalent to, and of the same force and effect as a lien for taxes; but any such lien or claim shall be deemed barred unless proceedings to enforce same shall have been commenced within two years from the date when such claim becomes due.

For purposes of this section, the charges and expenses for services performed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle includes the entire amount paid to the deputy registrar for the registration of a motor vehicle, including all license taxes, filing fees, and other fees, charges, and taxes required to be paid for registration of the motor vehicle.

History: (8556-1, 8556-2) 1925 c 188 s 1,2; 1992 c 513 art 3 s 73

ENVIRONMENTAL LIEN FOR STATE CLEANUP ACTION EXPENSES

514.671 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 514.671 to 514.676.

Subd. 2. **Agency.** "Agency" means the Pollution Control Agency and the commissioner of agriculture.

Subd. 3. **Cleanup action.** "Cleanup action" means corrective action or response action.

Subd. 4. **Cleanup action expenses.** "Cleanup action expenses" means expenses incurred for cleanup action under section 115B.17 or 115C.03, that are recoverable by the state under section 115B.04 or 115C.04.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency and the commissioner of agriculture.

Subd. 6. **Corrective action.** "Corrective action" has the meaning given in section 115C.02, subdivision 4.

Subd. 7. **Environmental lien.** "Environmental lien" means a lien for cleanup action expenses under sections 514.671 to 514.676.

Subd. 8. **Release.** "Release" in relation to a substance entering the environment has the meanings given in sections 115B.02, subdivision 15, and 115C.02, subdivision 12.

Subd. 9. **Response action.** "Response action" means remedial and removal action as defined in section 115B.02, subdivisions 16 and 17.

History: 1988 c 651 s 1; 1990 c 586 s 9,10

514.672 ENVIRONMENTAL LIEN.

Subdivision 1. **Lien amount; property subject to lien.** All cleanup action expenses for which a person is liable to the state under section 115B.04 or 115C.04, constitute a lien in favor of the state upon all real property that:

- (1) is owned by the person at the time the environmental lien notice is filed; and
- (2) is subject to or affected by the cleanup action.

Subd. 2. **Attachment.** An environmental lien attaches when:

- (1) cleanup action costs are first incurred by the state with respect to a cleanup action;

(2) the person referred to in subdivision 1 is provided, by certified or registered mail, written notice of potential liability; and

(3) a lien notice is filed as provided in section 514.673.

Subd. 3. Continuation of lien. An environmental lien continues until the liability for the cleanup action costs, or a judgment against the person referred to in subdivision 1 arising out of the liability, is satisfied or becomes unenforceable through operation of the statute of limitations under section 115B.11 or 541.05, subdivision 1, clause (2), unless the lien is released under subdivision 5.

Subd. 4. Lien priority. An environmental lien is subject to the rights of any other person, including an owner, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest is perfected before a lien notice has been filed as provided in section 514.673. The rights of such other person must be afforded the same protections against an environmental lien as are afforded against a judgment lien which arises out of an unsecured obligation and which arises as of the time of the filing of the lien notice as provided in section 514.673.

Subd. 5. Release. (a) The commissioner shall release an environmental lien if:

(1) the environmental lien is satisfied;

(2) a legally enforceable agreement satisfactory to the agency under chapter 115B, or the commissioner under chapter 115C, has been executed relating to taking the cleanup action or reimbursing the agency for the cleanup action expenses;

(3) a claim or judgment for the cleanup action expenses is satisfied; or

(4) the environmental lien is unenforceable.

(b) The commissioner or the agency may release an environmental lien if the attachment or enforcement of the environmental lien is determined by the agency or commissioner not to be in the public interest.

(c) An environmental lien is unenforceable if:

(1) the lien is unenforceable under subdivision 3; or

(2) a determination is made by a court that the environmental lien is unenforceable.

(d) The commissioner shall execute the release of an environmental lien and file the release as provided in section 514.673, subdivision 2.

History: 1988 c 651 s 2

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 clean-

up 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 takes no action on the matter within the 30-day period, the commissioner may file the lien notice.

History: 1988 c 651 s 3; 1996 c 405 s 7

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, and against any person who received payment 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; 1997 c 217 art 2 s 9

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 re-

pairing, 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 [Repealed, 2001 c 57 s 7]

514.93 SUMMARY SALE OF UNCLAIMED ANIMAL; NOTICE; PROCEEDS; RECORD.

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 this section or section 514.93 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; 2002 c 379 art 1 s 100

AGRICULTURAL PRODUCER'S LIEN**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 336A.01 to 336A.16.

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 336.9-501 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.

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(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 sections 336.9–317 and 336.9–322.

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 336.9–601 to 336.9–628, 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 336.9–601 to 336.9–628. If a right or duty under sections 336.9–601 to 336.9–628 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; 1993 c 48 s 12; 2001 c 195 art 2 s 29–31

514.950 [Repealed, 2001 c 57 s 7]

514.952 [Repealed, 2001 c 57 s 7]

514.954 [Repealed, 2001 c 57 s 7]

514.956 [Repealed, 2001 c 57 s 7]

514.958 [Repealed, 2001 c 57 s 7]

514.959 [Repealed, 2001 c 57 s 7]

514.960 [Repealed, 2001 c 57 s 7]

AGRICULTURAL LIENS

514.963 CROP LIEN DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this section and section 514.964, the terms defined in subdivisions 2 to 12 have the meanings given them.

Subd. 2. **Agricultural chemical.** "Agricultural chemical" means fertilizers or agricultural chemicals that are applied to crops or to land used for raising crops, including fertilizer material, plant amendment, and plant food. The term includes a soil amendment as defined in section 18C.005, and a pesticide and a plant regulator as defined in section 18B.01.

Subd. 3. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined by section 336.9–102(a)(5), and includes a landlord's lien, harvester's lien, and crop production input lien under this section.

Subd. 4. **Agricultural lienholder.** "Agricultural lienholder" means a person holding an agricultural lien.

Subd. 5. 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. 6. Farm products. "Farm products" means farm products as defined in section 336.9–102(a)(34).

Subd. 7. Lender. "Lender" means a secured party as defined in section 336.9–102(a)(72), holding a perfected security interest in the farm products of the obligor.

Subd. 8. Obligor. "Obligor" means obligor as defined in section 336.9–102(a)(59).

Subd. 9. Person. "Person" means an individual or an organization as defined in section 336.1–201(b)(27).

Subd. 10. Petroleum products. "Petroleum products" means motor fuels and special fuels used in the production of crops and livestock, including petroleum products as defined in section 296A.01, and alcohol fuels, propane, lubes, and oils.

Subd. 11. Seed. "Seed" means agricultural seeds used to produce crops, including agricultural seeds defined in section 21.72.

Subd. 12. Supplier. "Supplier" means a person furnishing crop production inputs.

History: 2001 c 57 s 2; 2004 c 162 art 3 s 11

514.964 AGRICULTURAL LIEN ON CROPS.

Subdivision 1. Landlord's lien. A person leasing real property for agricultural production has a lien for unpaid rent on the crops produced on the real property in the crop year that is the subject of the lease. A landlord's lien becomes effective when the crops become growing crops.

Subd. 2. Harvester's lien. (a) A person providing combining, picking, harvesting, hauling, baling, drying, or storing services in the ordinary course of business has a lien upon the crops combined, picked, harvested, hauled, baled, dried, or stored, as the case may be, for the reasonable amount and kind of service provided.

(b) A harvester's lien becomes effective upon the services being provided the obligor by the harvester.

(c) A person asserting a harvester's lien may not assert a crop production input lien for the same goods or services provided the obligor.

Subd. 3. Crop production input lien. (a) A supplier furnishing crop production inputs in the ordinary course of business has an agricultural 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. A crop production input lien becomes effective when the crop production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a crop 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.

(c) The lien-notification statement must disclose the following:

(1) the name and 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 crop production input;

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(4) the name and address of the person to whom the crop production input was furnished; and

(5) the name and address of the owner.

(d) 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 or all of the retail cost or anticipated costs of the crop production input as set forth in the lien-notification statement; or

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

A copy of the lender's response must be provided to the person for whom the financing was requested.

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

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected crop production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same crops or their proceeds for the lesser of:

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

(2) the unpaid retail cost of the crop production input identified in the lien-notification statement.

Subd. 4. Scope. A landlord's lien, harvester's lien, or crop production input lien attaches to the crops serviced, produced, or harvested by the agricultural lienholder, and the products and proceeds thereof to the extent of the price or value of the goods or services provided.

Subd. 5. Perfection. (a) A landlord's lien, harvester's lien, or crop production input lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to (d).

(b) A landlord's lien must be perfected on or before 30 days after the crops become growing crops.

(c) A harvester's lien must be perfected on or before 15 days after the last date that harvesting services are provided the obligor.

(d) A crop production input lien must be perfected by six months after the last date that crop production inputs are furnished the obligor.

Subd. 6. Governing law. Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code – Secured Transactions, sections 336.9-101 to 336.9-709.

Subd. 7. Priority. (a) A perfected landlord's lien under this section has priority over all competing security interests and all agricultural liens in crops and the products or proceeds thereof.

(b) Except as provided in paragraph (c), a perfected harvester's lien under this section has priority over all competing security interests and all agricultural liens except a perfected landlord's lien in crops and the products or proceeds thereof, and except for a perfected crop production input lien for the reasonable cost of the seed in crops and products and the proceeds thereof.

(c) If more than one harvester's lien is perfected under this section, the conflicting perfected harvester's liens rank equally in proportion to the value of the service provided.

(d) Except as provided in paragraph (e), a perfected crop production lien under this section has priority against all competing agricultural liens except a perfected landlord's lien and a perfected harvester's lien in the crops and products or proceeds thereof.

(e) If more than one crop production input lien is perfected under this section, conflicting perfected crop production input liens have priority in order of the effectiveness of the liens.

(f) Except as provided in paragraph (g), a perfected crop production input lien under this section has priority against all competing security interest as provided in subdivision 3 in crops and the products and proceeds thereof.

(g) A perfected crop production input lien has priority over a competing security interest in the crops and proceeds and products thereof if the crop production input lien is effective before the secured party has given value to the debtor.

Subd. 8. **Default.** Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 9. **Enforcement.** The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9–601 to 336.9–628.

History: 2001 c 57 s 3

514.965 LIVESTOCK LIEN DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this section and section 514.966, the terms defined in subdivisions 2 to 11 have the meanings given them.

Subd. 2. **Agricultural lien.** “Agricultural lien” means an agricultural lien as defined in section 336.9–102(a)(5) and includes a veterinarian’s lien, breeder’s lien, livestock production input lien, and feeder’s lien under this section.

Subd. 3. **Agricultural lienholder.** “Agricultural lienholder” means a person holding an agricultural lien.

Subd. 4. **Emergency veterinary services.** “Emergency veterinary services” includes surgical procedures, administering vaccines, antisera, and antibiotics, and other veterinary medicines, treatments, and services performed primarily to protect human health, prevent the spread of animal diseases, or preserve the health of the animal or animals treated.

Subd. 5. **Farm products.** “Farm products” means farm products as defined in section 336.9–102(a)(34).

Subd. 6. **Feed.** “Feed” means commercial feeds, feed ingredients, mineral feeds, drugs, animal health products, or customer–formula feeds used for feeding livestock, including commercial feed as defined in section 25.33.

Subd. 7. **Lender.** “Lender” means a secured party as defined in section 336.9–102(a)(72) holding a perfected security interest in the farm products of the obligor.

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

Subd. 9. **Obligor.** “Obligor” means an obligor as defined in section 336.9–102(a)(59).

Subd. 10. **Person.** “Person” means an individual or an organization as defined in section 336.1–201(b)(27).

Subd. 11. **Supplier.** “Supplier” means a person furnishing agricultural production inputs.

History: 2001 c 57 s 4; 2004 c 162 art 3 s 12

514.966 AGRICULTURAL LIEN ON LIVESTOCK.

Subdivision 1. **Veterinarian’s lien.** A licensed veterinarian performing emergency veterinary services in the ordinary course of business 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. A lien under this section does not secure any veterinary services performed more than one year before the date on which the last item of the veterinary service is performed. A veterinarian’s lien becomes effective upon the services being provided the obligor by the veterinarian.

Subd. 2. **Breeder’s lien.** The owner of any livestock used for breeding services in the ordinary course of business, or any provider, in the ordinary course of business, of semen or ova used in fertilizer, artificial insemination, or any other artificial means of impregnating livestock, has a lien upon the livestock bred and any resulting offspring for the price or value

of the service provided. A breeder's lien becomes effective when the services are provided the obligor by the breeder.

Subd. 3. Livestock production input lien. (a) A supplier furnishing livestock production inputs in the ordinary course of business has a livestock production input lien for the unpaid retail cost of the livestock production input. A perfected livestock 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. A livestock production input lien becomes effective when the agricultural production inputs are furnished by the supplier to the purchaser.

(b) A supplier shall notify a lender of a livestock 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.

(c) The lien-notification statement must 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 livestock production input;
- (4) the name and address of the person to whom the livestock production input was furnished;
- (5) the name and 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 livestock are covered by the livestock input lien.

(d) 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 or all of the amount in the lien-notification statement; or
- (2) a written refusal to issue a letter of commitment.

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

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

(f) If a lender does not respond under paragraph (d) to the supplier within ten calendar days after receiving the lien-notification statement, a perfected livestock production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same livestock or their proceeds for the lesser of:

- (1) the amount stated in the lien-notification statement; or
- (2) the unpaid retail cost of the livestock production input identified in the lien-notification statement, subject to any limitation in paragraph (a).

Subd. 4. Feeder's lien. (a) A person has a feeder's lien on livestock if the person (1) stores, cares for, or contributes to the keeping, feeding, pasturing, or other care of livestock, including medical or surgical treatment and shoeing, and (2) does so in the ordinary course of business, at the request of the owner or legal possessor of the livestock.

(b) A feeder's lien is a lien upon the livestock for the price or value of the storage, care, or contribution, and for any legal charges against the same paid by the person to any other person.

(c) A feeder's lien becomes effective when the services or contributions are provided the obligor.

Subd. 5. **Scope.** A veterinarian's lien, breeder's lien, livestock production input lien, or feeder's lien attaches to the livestock serviced by the agricultural lienholder, and products and proceeds thereof to the extent of the price or value of the service provided.

Subd. 6. **Perfection.** (a) An agricultural lien under this section is perfected if a financing statement is filed pursuant to sections 336.9–501 to 336.9–530 and within the time periods set forth in paragraphs (b) to (e).

(b) A veterinarian's lien must be perfected on or before 180 days after the last item of the veterinary service is performed.

(c) A breeder's lien must be perfected by six months after the last date that breeding services are provided the obligor.

(d) A livestock production input lien must be perfected by six months after the last date that livestock production inputs are furnished the obligor.

(e) A feeder's lien must be perfected on or before 60 days after the last date that feeding services are furnished the obligor.

Subd. 7. **Governing law.** Except as otherwise provided in this section, an agricultural lien is subject to the provisions of the Uniform Commercial Code – Secured Transactions, sections 336.9–101 to 336.9–709.

Subd. 8. **Priority.** (a) Except as provided in paragraph (b), a perfected veterinarian's lien under this section has priority over all competing security interests and all agricultural liens on the same animals.

(b) If more than one veterinarian's lien is perfected under this section, the conflicting perfected veterinarian's liens have priority in order of the effectiveness of the liens.

(c) Except as provided in paragraph (d), a perfected feeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien in the livestock and the products or proceeds thereof.

(d) If more than one feeder's lien is perfected under this section, the conflicting perfected feeder's liens have priority in order of the effectiveness of the liens.

(e) A perfected breeder's lien under this section has priority over all competing security interests and all agricultural liens except a perfected veterinarian's lien and a perfected feeder's lien in the livestock and the products and proceeds thereof.

(f) Except as provided in paragraph (g), a perfected livestock production input lien under this section has priority against all agricultural liens except a perfected veterinarian's lien, feeder's lien, and breeder's lien in the livestock and the products or proceeds thereof.

(g) If more than one livestock production input lien is perfected under this section, conflicting perfected livestock production input liens have priority in order of the effectiveness of the liens.

(h) Except as provided in paragraph (i), a perfected livestock production input lien under this section has priority against all competing security interests as provided in subdivision 3 in livestock and the products and proceeds thereof.

(i) A perfected livestock production input lien has priority over a competing security interest in the livestock and proceeds and products thereof if the livestock production input lien is effective before the secured party has given value to the debtor.

Subd. 9. **Default.** Default occurs when an obligor fails to perform any obligation, whether written or oral, owed to the agricultural lienholder.

Subd. 10. **Enforcement.** The holder of an agricultural lien under this section may enforce the lien in the manner provided in sections 336.9–601 to 336.9–628.

History: 2001 c 57 s 5; 2005 c 10 art 1 s 73

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's liens under section 336.7-210.

History: 1988 c 425 s 4; 2004 c 162 art 6 s 2

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 proper-

ty 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.

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 504B.281.

History: 1988 c 425 s 8; 1999 c 199 art 2 s 29

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

MEDICAL ASSISTANCE LIENS

514.980 MEDICAL ASSISTANCE LIENS; DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to sections 514.980 to 514.985.

Subd. 2. **Medical assistance agency or agency.** "Medical assistance agency" or "agency" means the state Department of Human Services when it provides a medical assistance benefit.

Subd. 3. **Medical assistance benefit.** "Medical assistance benefit" means a benefit provided under chapter 256B to a person while in a medical institution. A "medical institution" is defined as a nursing facility, intermediate care facility for persons with developmental disabilities, or inpatient hospital.

History: *1Sp1993 c 1 art 5 s 117; 1997 c 217 art 2 s 10; 2005 c 56 s 1*

514.981 MEDICAL ASSISTANCE LIEN.

Subdivision 1. **Property subject to lien; lien amount.** (a) Subject to sections 514.980 to 514.985, payments made by a medical assistance agency to provide medical assistance benefits to a medical assistance recipient who owns property in this state or to the recipient's spouse constitute a lien in favor of the agency upon all real property that is owned by the medical assistance recipient on or after the time when the recipient is institutionalized.

(b) The amount of the lien is limited to the same extent as a claim against the estate under section 256B.15, subdivision 2.

Subd. 2. **Attachment.** (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

- (1) payments have been made by an agency for a medical assistance benefit;
- (2) notice and an opportunity for a hearing have been provided under paragraph (b);
- (3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

- (5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient or the recipient's legal representative has been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines as medically verified by the recipient's attending physician that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution and return home.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient to live without medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Subd. 3. Continuation of lien notice and lien. A medical assistance lien notice remains effective from the time it is filed until it can be disregarded under sections 514.980 to 514.985. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes unenforceable under subdivision 6, or is released and discharged under subdivision 5.

Subd. 4. Lien priority. A medical assistance lien that attaches to specific real property is subject to the rights of any other person whose interest in the real property is perfected before a lien notice has been filed under section 514.982, including:

- (a) an owner, other than the recipient or recipient's spouse;
- (b) a purchaser;
- (c) a holder of a mortgage or security interest; or
- (d) a judgment lien creditor.

The rights of the other person have the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice under section 514.982. A medical assistance lien is inferior to a lien for taxes or special assessments or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. Release. (a) An agency that files a medical assistance lien notice shall release and discharge the lien in full if:

- (1) the medical assistance recipient is discharged from the medical institution and returns home;
- (2) the medical assistance lien is satisfied;
- (3) the agency has received reimbursement for the amount secured by the lien or a legally enforceable agreement has been executed providing for reimbursement of the agency for that amount; or
- (4) the medical assistance recipient, if single, or the recipient's surviving spouse, has died, and a claim may not be filed against the estate of the decedent under section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

- (1) the property is or was the homestead of the recipient's spouse during the time of the medical assistance recipient's institutionalization, or the property is or was attributed to the spouse under section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;
- (2) the property would be exempt from a claim against the estate under section 256B.15, subdivision 4;
- (3) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property if the agency attempted to enforce the lien on the date of the request to release the lien; or
- (4) the medical assistance lien cannot lawfully be enforced against the property because of an error, omission, or other material defect in procedure, description, identity, timing, or other prerequisite to enforcement.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 514.982, subdivision 2.

Subd. 6. Time limits; claim limits; liens on life estates and joint tenancies. (a) A medical assistance lien is a lien on the real property it describes for a period of ten years from

the date it attaches according to section 514.981, subdivision 2, paragraph (a), except as otherwise provided for in sections 514.980 to 514.985. The agency may renew a medical assistance lien for an additional ten years from the date it would otherwise expire by recording or filing a certificate of renewal before the lien expires. The certificate shall be recorded or filed in the office of the county recorder or registrar of titles for the county in which the lien is recorded or filed. The certificate must refer to the recording or filing data for the medical assistance lien it renews. The certificate need not be attested, certified, or acknowledged as a condition for recording or filing. The registrar of titles or the recorder shall file, record, index, and return the certificate of renewal in the same manner as provided for medical assistance liens in section 514.982, subdivision 2.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part because of the homestead exemption under section 256B.15, subdivision 4, the rights of the surviving spouse or minor children under section 524.2-403, paragraphs (a) and (b), or claims with a priority under section 524.3-805, paragraph (a), clauses (1) to (4). For purposes of this section, the rights of the decedent's adult children to exempt property under section 524.2-403, paragraph (b), shall not be considered costs of administration under section 524.3-805, paragraph (a), clause (1).

(c) Notwithstanding any law or rule to the contrary, the provisions in clauses (1) to (7) apply if a life estate subject to a medical assistance lien ends according to its terms, or if a medical assistance recipient who owns a life estate or any interest in real property as a joint tenant that is subject to a medical assistance lien dies.

(1) The medical assistance recipient's life estate or joint tenancy interest in the real property shall not end upon the recipient's death but shall merge into the remainder interest or other interest in real property the medical assistance recipient owned in joint tenancy with others. The medical assistance lien shall attach to and run with the remainder or other interest in the real property to the extent of the medical assistance recipient's interest in the property at the time of the recipient's death as determined under this section.

(2) If the medical assistance recipient's interest was a life estate in real property, the lien shall be a lien against the portion of the remainder equal to the percentage factor for the life estate of a person the medical assistance recipient's age on the date the life estate ended according to its terms or the date of the medical assistance recipient's death as listed in the Life Estate Mortality Table in the health care program's manual.

(3) If the medical assistance recipient owned the interest in real property in joint tenancy with others, the lien shall be a lien against the portion of that interest equal to the fractional interest the medical assistance recipient would have owned in the jointly owned interest had the medical assistance recipient and the other owners held title to that interest as tenants in common on the date the medical assistance recipient died.

(4) The medical assistance lien shall remain a lien against the remainder or other jointly owned interest for the length of time and be renewable as provided in paragraph (a).

(5) Subdivision 5, paragraph (a), clause (4), paragraph (b), clauses (1) and (2); and subdivision 6, paragraph (b), do not apply to medical assistance liens which attach to interests in real property as provided under this subdivision.

(6) The continuation of a medical assistance recipient's life estate or joint tenancy interest in real property after the medical assistance recipient's death for the purpose of recovering medical assistance provided for in sections 514.980 to 514.985 modifies common law principles holding that these interests terminate on the death of the holder.

(7) Notwithstanding any law or rule to the contrary, no release, satisfaction, discharge, or affidavit under section 256B.15 shall extinguish or terminate the life estate or joint tenancy interest of a medical assistance recipient subject to a lien under sections 514.980 to 514.985 on the date the recipient dies.

(8) The provisions of clauses (1) to (7) do not apply to a homestead owned of record, on the date the recipient dies, by the recipient and the recipient's spouse as joint tenants with a right of survivorship. Homestead means the real property occupied by the surviving joint tenant spouse as their sole residence on the date the recipient dies and classified and taxed to the recipient and surviving joint tenant spouse as homestead property for property tax purposes in the calendar year in which the recipient dies. For purposes of this exemption, real property the recipient and their surviving joint tenant spouse purchase solely with the proceeds from the sale of their prior homestead, own of record as joint tenants, and qualify as homestead property under section 273.124 in the calendar year in which the recipient dies and prior to the recipient's death shall be deemed to be real property classified and taxed to the recipient and their surviving joint tenant spouse as homestead property in the calendar year in which the recipient dies. The surviving spouse, or any person with personal knowledge of the facts, may provide an affidavit describing the homestead property affected by this clause and stating facts showing compliance with this clause. The affidavit shall be prima facie evidence of the facts it states. All provisions in this paragraph related to the continuation of a recipient's life estate or joint tenancy interests in real property after the recipient's death, for the purpose of recovering medical assistance but not alternative care, are effective only for life estates and joint tenancy interests established on or after August 1, 2003.

History: *1Sp1993 c 1 art 5 s 118; 1997 c 217 art 2 s 11; 2000 c 400 s 4; 1Sp2003 c 14 art 12 s 90; 1Sp2005 c 4 art 7 s 49*

514.982 MEDICAL ASSISTANCE LIEN NOTICE.

Subdivision 1. **Contents.** A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and Social Security number of the medical assistance recipient;

(2) a statement that medical assistance payments have been made to or for the benefit of the medical assistance recipient named in the notice, specifying the first date of eligibility for benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits; and

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property.

Subd. 2. **Filing.** Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be recorded or filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. An attestation, certification, or acknowledgment is not required as a condition of filing. If the property described in the medical assistance lien notice is registered property, the registrar of titles shall record it on the certificate of title for each parcel of property described in the lien notice. If the property described in the medical assistance lien notice is abstract property, the recorder shall file the medical assistance lien in the county's grantor-grantee indexes and any tract indexes the county maintains for each parcel of property described in the lien notice. The recorder shall return recorded medical assistance lien notices for abstract property to the agency at no cost. If the agency provides a duplicate copy of a medical assistance lien notice for registered property, the registrar of titles shall show the recording data for the medical assistance lien notice on the copy and return it to the agency at no cost. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency.

History: *1Sp1993 c 1 art 5 s 119; 1997 c 217 art 2 s 12,13*

514.983 LIEN ENFORCEMENT; LIMITATION.

Subdivision 1. **Foreclosure procedure.** Subject to subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. **Homestead property.** (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient's spouse.

(b) A medical assistance lien remains enforceable as provided in sections 514.980 to 514.985, notwithstanding any law limiting the enforceability of a judgment.

History: *1Sp1993 c 1 art 5 s 120*

514.984 LIEN DOES NOT AFFECT OTHER REMEDIES.

Sections 514.980 to 514.985 do not limit the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limit any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency.

History: *1Sp1993 c 1 art 5 s 121*

514.985 AMOUNTS RECEIVED TO SATISFY LIEN.

Amounts received by the agency to satisfy a medical assistance lien filed by the agency must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county to satisfy a medical assistance lien filed by the agency must be forwarded to the agency and deposited and credited as provided for in this section.

History: *1Sp1993 c 1 art 5 s 122; 1997 c 217 art 2 s 14*

NONCONSENSUAL COMMON LAW LIENS**514.99 NONCONSENSUAL COMMON LAW LIENS.**

Subdivision 1. **Definitions.** (a) "Public official or employee" means:

(1) an elected or appointed official or an employee of a state; a department, agency, or public instrumentality of a state; or a political subdivision of a state; or

(2) an employec of the federal government or a federal agency as defined for purposes of the Federal Tort Claims Act, United States Code, title 28, section 2671.

(b) "Lien" means an encumbrance on property as security for the payment of debt. "Lien" does not include a nonconsensual common law lien.

(c) "Nonconsensual common law lien" means a purported lien that:

(1) is not provided for by a specific state or federal statute;

(2) is not consented to by the owner of the property affected; and

(3) is not a court-imposed equitable or constructive lien. For purposes of this clause, "court" means a federal district court, Minnesota district court, or the Minnesota Tax Court.

Subd. 2. **No duty to accept nonconsensual common law liens; notice of invalid lien.**

(a) No person has a duty to accept for filing or recording a claim of nonconsensual common law lien unless:

(1) the claim is accompanied by a specific order from a court of competent jurisdiction authorizing the filing of the lien;

(2) the lien statement is accompanied by an affidavit of personal service or service by certified mail of notice of the proposed lien on the subject of the lien; and

(3) the lien statement includes the mailing address of the lien claimant.

(b) No recording officer, recording office, or governmental entity is liable for the acceptance or rejection for filing or recording of a claim of nonconsensual common law lien or a notice invalid lien.

Subd. 3. **Petition for release of nonconsensual common law lien.** (a) A person having an interest in real or personal property subject to a recorded claim of a nonconsensual common law lien, who believes the claim of lien is invalid, may petition the district court of the county in which the claim of lien has been recorded for an order, which may be granted *ex parte*, directing the lien claimant to appear before the court at a time no earlier than six nor later than 21 days following the date of service of the petition and order on the lien claimant, and show cause, if any, why the claim of lien should not be held invalid. The petition must state the grounds upon which relief is requested and must be supported by the affidavit of the petitioner or petitioner's attorney setting forth a concise statement of the facts upon which the petition is based. The clerk of the court shall assign a case number on the miscellaneous docket to the petition. No filing fee is required. The proceeding must be expedited, and the Rules of Civil Procedure need not apply.

(b) The order to show cause must be served upon the lien claimant by personal service or by mailing copies of the petition and order to the lien claimant at the claimant's last known address or any other address determined by the court to be likely to give actual notice, or as the court may determine is appropriate, including by publication. If service is by mail, service is deemed complete three days after mailing. The envelopes must bear the return address of the sender. If service is allowed by publication, it must be made at least once a week for not less than two consecutive weeks in a newspaper of general circulation in the county in which the claim of lien has been recorded as designated by the court, with a copy of the last notice mailed first class, postage prepaid to the lien claimant.

(c) The order to show cause must clearly state that if the lien claimant fails to appear at the time and place noted, the claimed lien shall be stricken and released and that the lien claimant may be ordered to pay actual damages and the costs incurred by the petitioner, including reasonable attorney fees.

(d) If, following a hearing on the matter, the court determines that the claimed lien is invalid, the court shall issue an order striking and releasing the claim of lien and shall award actual damages, costs, and reasonable attorney fees to the petitioner to be paid by the lien claimant. If the court determines that the claim of lien is valid, the court shall issue an order so stating and may award costs and reasonable attorney fees to the lien claimant to be paid by the petitioner.

Subd. 4. **Liens against public officials and employees.** A claim of lien against a public official or employee based on the performance or nonperformance of that official's or employee's duties is invalid unless accompanied by a specific order from a court of competent jurisdiction authorizing the filing of the lien or unless a specific statute authorizes the filing of the lien.

Subd. 5. **Penalties.** A person who submits or is responsible for submitting for recording or filing any document purporting to create a nonconsensual common law lien against real property, knowing or having reason to know that the document is forged or groundless, contains a material misstatement or false claim, or is otherwise invalid, is liable to the owner of the real property for not less than \$5,000 or for actual damages caused thereby, whichever is greater, together with costs and reasonable attorney fees. Additional punitive damages may be assessed by the court. A grantee or other person purportedly benefited by a recorded document that creates a nonconsensual common law lien against real property and is forged or groundless, contains a material misstatement or false claim, or is otherwise invalid, who willfully refuses to release the document or record upon request of the owner of the real property affected, is liable to the owner for the damages and attorney fees provided in this section.

Subd. 6. [Repealed, 2002 c 403 s 7]

History: 1999 c 170 s 1.

ALTERNATIVE CARE LIENS

514.991 [Repealed, 1Sp2005 c 4 art 7 s 61]

514.992 [Repealed, 1Sp2005 c 4 art 7 s 61]

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LIENS; LABOR, MATERIAL

514.993 [Repealed, 1Sp2005 c 4 art 7 s 61]

514.994 [Repealed, 1Sp2005 c 4 art 7 s 61]

514.995 [Repealed, 1Sp2005 c 4 art 7 s 61]