

CHAPTER 433 — H.F.No. 1366

An act relating to liens for improvements made to real property; prescribing notice requirements to owners by subcontractors; defining owner; amending Minnesota Statutes 1980, Section 514.011, Subdivisions 2 and 5.

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

Section 1. Minnesota Statutes 1980, Section 514.011, Subdivision 2, is amended to read:

Subd. 2. **SUBCONTRACTOR TO GIVE NOTICE.** 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 his 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:

"NOTICE OF OWNER

TO: (name and address of owner)

We are authorized by law to provide you with this **NOTICE**. Your failure to read it carefully could result in unnecessary expense to you or in the loss of your

..... at

(type of property) (address of property)

We, have been hired by
(name and address)
(of subcontractor)
your **CONTRACTOR**, to provide
(name of contractor)

.....for use in
(type of service). (or material)
improving your property. We estimate our charges
will be If we are not paid
(value of service)
(or material)

by your **CONTRACTOR**, we can file a claim against
your property for the price of our services
unless you have **ALREADY** paid your **CONTRACTOR**
in full. **ENFORCEMENT OF OUR CLAIM COULD MEAN**
THE LOSS OF YOUR PROPERTY IF YOU ARE UNABLE TO
PAY US FOR OUR SERVICES.

To protect yourself, Minnesota law allows you to either:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

- 1. Withhold payment to your CONTRACTOR for up to 90 days from the completion of the improvement or until he provides you with a waiver of claim from us which states that we will not file a claim against your property; or
- 2. Pay us directly and deduct the amount paid from the amount you owe your CONTRACTOR."

Please take notice that persons or companies furnishing labor or materials for the improvement of real property may enforce a lien upon the improved land if they are not paid for their contributions, even if such parties have no direct contractual relationship with the owner.

We
 (name and address of subcontractor)
 have been hired by your contractor
 (name of your contractor)
 to provide or for
 (type of service) (material)
 use in improving your property. 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 unless, prior to your receipt of this notice, you have paid to your contractor the full amount of all improvements furnished.

To protect yourself, Minnesota law permits you, as the owner, to withhold from your contractor so much of the contract price as may be necessary to meet our demands, pay us directly and deduct the cost thereof from the contract price, or withhold the amount of our claim from your contractor until the expiration of 90 days from the completion of the improvement unless your contractor furnishes to you a waiver of claim for mechanics' liens signed by me (us).

Sec. 2. Minnesota Statutes 1980, Section 514.011, Subdivision 5, is amended to read:

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.

Approved March 18, 1982

CHAPTER 434 — H.F.No. 1580

An act relating to state lands; providing for the conveyance of certain tax forfeited lands.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.