- Subd. 4. PAYMENT FOR SERVICES. Notwithstanding section 256.966 and chapter 256B, the method of payment utilized for the social health maintenance organization projects shall be the method developed by the commissioner of public welfare in consultation with local project staff and the federal Department of Health and Human Services, Health Care Financing Administration, Office of Demonstrations. This subdivision applies only to the payment method for the social health maintenance organization projects.
- Subd. 5. PREADMISSION SCREENING. Except as applicable to the projects' operation, the provisions of section 256B.091 are waived for the purposes of this section for recipients enrolled with participating providers.

### Sec. 2. EFFECTIVE DATE.

This act is effective the day following final enactment.

Approved June 7, 1983

#### CHAPTER 296 — S.F.No. 954

An act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; and 514.08, subdivision 1.

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

Section 1. Minnesota Statutes 1982, section 514.011, subdivision 1, is amended to read:

Subdivision 1. CONTRACTORS. Every person who enters into a contract with the owner for the improvement of real property and who has contracted or will contract with any subcontractors or materialmen to provide labor, skill or materials for the improvement shall give 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 shall must be prepared separately and delivered personally or by certified mail to the owner or his authorized agent within ten days after the contract for the work of improvement is agreed upon. The notice shall, 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 shall must state as follows:

(a) 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 the parties have no direct contractual relationship with the owner;

(b) Minnesota law permits the owner to withhold from his contractor so as much of the contract price as may be necessary to meet the demands of all other lien claimants, pay directly such the liens and deduct the cost thereof of them from the contract price, or withhold amounts from his contractor until the expiration of 90 120 days from the completion of such the improvement unless the contractor furnishes to the owner waivers of claims for mechanics' liens signed by persons who furnished any labor or material for the improvement and who provided the owner with timely notice.

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

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

- Sec. 2. Minnesota Statutes 1982, 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:

"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 the parties have no direct contractual relationship with the owner.

We		***************************************			
		(name and address of su	ibc	ontractor)	
have bee	en hired by	your contractor		···············	•••••
				(name of your contractor	r)
to	provide		or		for
	•	(type of service)			

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 <u>as</u> much of the contract price as may be necessary to meet our demands, pay us directly and deduct the cost thereof of them from the contract price, or withhold the amount of our claim from your contractor until the expiration of 90 120 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. 3. Minnesota Statutes 1982, section 514.07, is amended to read:

# 514.07 PAYMENTS WITHHELD; LIEN WAIVERS.

The owner may withhold from his contractor so as much of the contract price as may be necessary to meet the demands of all persons, other than such the contractor, having a lien upon the premises for labor, skill, or material furnished for the improvement, and for which the contractor is liable; and. He may pay and discharge all such these liens and deduct the cost thereof of them from such the contract price. No owner shall be required to pay his contractor until the expiration of 90 120 days from the completion of the improvement, except to the extent that the contractor shall furnish 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 him an itemized and verified account of his lien claim, the amount thereof of it, and his name and address; and. No action or other proceeding shall may be commenced for the enforcement of such the lien until ten days after such the statement is so furnished. The word "owner," as used in this section, includes any person interested in the premises otherwise other than as a lienor thereunder.

Sec. 4. Minnesota Statutes 1982, section 514.08, subdivision 1, is amended to read:

Subdivision 1. **NOTICE REQUIRED.** The lien shall cease ceases at the end of 90 120 days after doing the last of such the work, or furnishing the last item of such skill, material, or machinery, unless within such this period:

- (1) a statement of the claim therefor, be is filed for record with the county recorder of the county in which the improved premises are situated, or, if the claim be is made under section 514.04, with the secretary of state; and
- (2) a copy of such  $\underline{\text{the}}$  statement be  $\underline{\text{is}}$  served personally or by certified mail on the owner or his authorized agent or the person who entered into the contract with the contractor.

Approved June 7, 1983

#### CHAPTER 297 — S.F.No. 791

An act relating to natural resources; authorizing the commissioner of natural resources to convey to private persons, under certain circumstances, road easements across railroad rights-of-way acquired for trail purposes; proposing new law coded in Minnesota Statutes, chapter 84.

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

# Section 1. [84,631] ROAD EASEMENTS ACROSS TRAILS ESTABLISHED ON ACQUIRED RAILROAD RIGHTS-OF-WAY.

The commissioner, on behalf of the state, may convey a road easement across any abandoned railroad right-of-way which has been acquired by the state for trail purposes, and which is under his jurisdiction, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) alternative methods to obtain access to the property have been sought and exhausted by the person seeking the easement through the establishment of a town or other local government road; and (2) the commissioner determines that the hardship to the person being deprived of access outweighs any adverse effects to the state-owned land caused by encumbering the state-owned land with a road easement. If the commissioner determines that an easement will be granted under this subdivision, he shall require the applicant to pay the market value of the easement, and shall provide in the easement that it shall revert to the state in the event of nonuse. The commissioner may impose other terms and conditions of use as he determines necessary and appropriate under the circumstances.

## Sec. 2. EFFECTIVE DATE.

This act is effective the day following its final enactment.

Approved June 7, 1983