

CHAPTER 514

LIENS; LABOR, MATERIAL

514.05 When lien attaches; notice.
 514.661 Lien for rental value of farm
 machinery during mediation.

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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: 1987 c 95 s 1

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 336.9-401 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 section 336.9-403 for a financing statement. A lien statement is void and may be removed from the filing system 18 months after the date of filing. The lien statement may be physically destroyed after 30 months from the date of filing.

Subd. 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 except for a perfected landlord's lien under section 514.960.

(b) An unperfected lien has the priority of an unperfected security interest under section 336.9-312.

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

(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

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: 1987 c 370 art 2 s 18

514.960 LANDLORD LIEN.

[For text of subd 1, see M.S.1986]

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

[For text of subd 3, see M.S.1986]

Subd. 4. Priority. (a) A perfected landlord lien has priority over all other liens or security interests in crops grown or produced on the property that was leased and the crop products and proceeds.

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

[For text of subds 5 and 6, see M.S.1986]

History: 1987 c 292 s 4,5