

CHAPTER 514

LIENS; LABOR, MATERIAL

514.27	Duty of filing officer.	514.980	Medical assistance liens; definitions.
514.661	Lien for rental value of farm machinery during mediation.	514.981	Medical assistance lien.
514.945	Agricultural producer's lien.	514.982	Medical assistance lien notice.
514.956	Perfection of lien: filing.	514.983	Lien enforcement; limitation.
514.960	Landlord lien.	514.984	Lien does not affect other remedies.
		514.985	Amounts received to satisfy lien.

514.27 DUTY OF FILING OFFICER.

It shall be the duty of the filing officer, upon the presentation to the officer of any such statement and notice of lien, to file the same in the office of the filing officer in the same manner as provided by law for the filing of financing statements under the uniform commercial code, except that the social security number of an individual debtor or the Internal Revenue Service taxpayer identification number for a debtor other than an individual is not required.

History: 1993 c 48 s 10

514.661 LIEN FOR RENTAL VALUE OF FARM MACHINERY DURING MEDIATION.

[For text of subds 1 to 3, see M.S.1992]

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, except that the social security number of an individual debtor or the Internal Revenue Service taxpayer identification number for a debtor other than an individual is not required. 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.

[For text of subds 5 to 8, see M.S.1992]

History: 1993 c 48 s 11

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.

[For text of subds 2 to 8, see M.S.1992]

History: 1993 c 48 s 12

514.956 PERFECTION OF LIEN; FILING.*[For text of subds 1 and 2, see M.S.1992]*

Subd. 3. Duties of filing officer. The filing officer shall enter on the lien-notification statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien-notification statement, and charge the fee for filing under this section in the manner provided by section 336.9-403 for a financing statement, except that the social security number of an individual debtor or the Internal Revenue Service taxpayer identification number for a debtor other than an individual is not required. A lien-notification statement is void and may be removed from the filing system 18 months after the date of filing. The lien-notification statement may be physically destroyed after 30 months from the date of filing.

*[For text of subd 4, see M.S.1992]***History:** 1993 c 48 s 13**514.960 LANDLORD LIEN.***[For text of subds 1 and 2, see M.S.1992]*

Subd. 3. Duties of filing officer. The filing officer shall enter on the lien statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien statement, and charge the fee for filing under this section in the manner provided by section 336.9-403 for a financing statement, except that the social security number of an individual debtor or the Internal Revenue Service taxpayer identification number for a debtor other than an individual is not required. 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.

*[For text of subds 4 to 6, see M.S.1992]***History:** 1993 c 48 s 14**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 or any county medical assistance agency that 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 mental retardation, or inpatient hospital.

History: 1Sp1993 c 1 art 5 s 117**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 and the recipient's spouse or their legal representatives have 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. (a) A medical assistance lien is not enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later. This limitation is tolled during any period when the provisions of section 514.983, subdivision 2, apply to delay enforcement of the lien.

(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 in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

History: *1Sp1993 c 1 art 5 s 118*

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 and the full name, address, and social security number of the recipient's spouse;

(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 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. The commissioner of human services shall reimburse the county agency for filing fees paid under this section. An attestation, certification, or acknowledgment is not required as a condition of filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it on the certificate of title of each parcel of property described in the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency. The agency shall send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

History: *ISp1993 c 1 art 5 s 119*

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: *ISp1993 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: *ISp1993 c 1 art 5 s 121*

514.985 AMOUNTS RECEIVED TO SATISFY LIEN.

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

History: *ISp1993 c 1 art 5 s 122*