

CHAPTER 514

LIENS; LABOR, MATERIAL

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514.18 RETAINING.

[For text of subds 1 and 1a, see M.S.2000]

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.

[For text of subds 3 and 4, see M.S.2000]

History: 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.

History: 2001 c 57 s 1

514.221 CREATION; PERFECTION; ENFORCEABILITY.

[For text of subd 1, see M.S.2000]

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: 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]

514.62 [Repealed, 2001 c 57 s 7]

514.63 [Repealed, 2001 c 57 s 7]

514.65 [Repealed, 2001 c 57 s 7]

514.66 [Repealed, 2001 c 57 s 7]

514.661 LIEN FOR RENTAL VALUE OF FARM MACHINERY DURING MEDIATION.

[For text of subds 1 and 2, see M.S.2000]

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

(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.

[For text of subs 7 and 8, see M.S.2000]

History: 2001 c 195 art 2 s 25-28

514.92 [Repealed, 2001 c 57 s 7]

514.945 AGRICULTURAL PRODUCER'S LIEN.

[For text of subd 1, see M.S.2000]

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.

[For text of subd 3, see M.S.2000]

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.

(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.

[For text of subd 5, see M.S.2000]

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.

[For text of subs 7 and 8, see M.S.2000]

History: 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]

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(30).

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

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;

(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(30).

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

History: 2001 c 57 s 4

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 be in a form approved by the secretary of state and 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, residential address, and signature of the person to whom the livestock production input was furnished;
- (5) the name and residential 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