



## Business Protection Plan

### **CAN I REALLY KEEP POSSESSION OF PERSONAL PROPERTY THAT I HAVE WORKED ON UNTIL I GET PAID?**

**H**ave you or your business ever stored or cared for others' personal property thereby preserving or enhancing its value? If you have, you may have the legal right to retain the personal property until you receive payment for the work you performed.

Minnesota law provides that anyone who stores, cares for, preserves or enhances the personal property of another is entitled to a lien on the subject property, so long as the property was stored, cared for, preserved or enhanced at the request of a person legally possessing the personal property at issue (ie: the owner). Minn. Stat. §514.18. The law operates to allow the person or entity storing or caring for the property to retain possession of the property until the owner of the property pays for the services performed or pays for storage costs, as the case may be. In addition, the law allows the party who cared, preserved or enhanced the value of the property to recover any legal charges they have incurred.

As with most legal theories and statutes they are notoriously convoluted. This law, however, can be easily explained by a relatively simple example.

Let's say that you are the owner of a bike repair shop. In the normal course of your business you perform maintenance on bikes and replace broken parts. In addition, your business occasionally stores bikes over the winter months. In October, a customer comes in and requests that you repair a broken chain. Unfortunately, after you have repaired the bike and contact the customer to arrange a time to pick the bike up, they never return your call and ignore the invoice that you have sent them.

It is now May (7 months later) and the owner of the bike has finally decided to contact you to pick up the bike. The chain replacement was invoiced for \$50; however, the new invoice is for \$225. This new invoice includes the cost to store the bike at a rate of \$25 per month. The owner of the bike is very upset and claims that he only owes the \$50 for the chain replacement.

In this situation, you, as the owner of the bike repair shop, have a legal claim for the amount of storing and caring for the bike for seven months by means of the statute described above. Further, you may retain possession of the bike until the bike owner pays the amount due. In addition, you are allowed to collect any legal charges you incur should the bike owner dispute the new invoice.

## **Why do you care?**

This area of the law can be a powerful tool when used correctly to help obtain payment from customers that have provided you personal property to care, preserve or enhance.

To review your Business Protection Plan and to get any other questions you may have answered, contact our office at (763) 389-0178 to schedule a meeting or send us an email by [clicking here](#).



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