

CHAPTER 914—H.F.No.1877

An act relating to improvement of real estate; the misuse of money paid for such improvement; imposing penalties; amending Minnesota Statutes 1969, Section 514.02.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 514.02, is amended to read:

514.02 THEFT; REAL ESTATE IMPROVEMENT; MISUSE OF FUNDS. Subdivision 1. ACTS CONSTITUTING. ~~Any contractor or subcontractor~~ Whoever, on any improvement to real estate within the meaning of section 514.01, ~~who, with intent to defraud, shall fails to use the proceeds of any payment made to him on account of such improvement by the owner of such real estate or person having any improvement made, for any other purpose than the payment for labor, skill, material, and machinery contributed to such improvement, while any such labor performed, or skill, material, or machinery furnished for such improvement at the time of such payment remains unpaid for, knowing that the cost of any such labor performed, or skill, material, or machinery furnished for such improvement remains unpaid, and who has not furnished to the person making such payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for such improvement, or a payment bond in the basic amount of the contract price for such improvement, conditioned for the prompt payment to any person or persons entitled thereto for the performance of labor or the furnishing of skill, material, or machinery for the improvement, shall be guilty of theft of the proceeds of such payment so used, and upon conviction shall be fined not more than \$1,000 or imprisoned not more than one year, or both.~~

Subd. 2. NOTICE OF NONPAYMENT. Notice of nonpayment of the cost of labor, skill, material, and machinery contributing to the improvement of the real estate to the person paid for such improvement may be given by the person who made payment for such improvement, or by any person furnishing the labor, skill, material, or machinery contributing to the improvement and who has not been paid for his contribution. Notice may be given in any reasonable manner. Notice shall be in writing and in any terms that identify the real estate improved and the nonpayment complained of.

Subd. 3. PROOF OF KNOWLEDGE OF NONPAYMENT. Proof that such person failed to pay for labor performed, or skill, material, or machinery furnished within fifteen days after receiving notice that the cost of such labor performed, or skill, material, or

Changes or additions indicated by underline, deletions by strikeout.

machinery furnished remains unpaid will be sufficient to sustain a finding that the proceeds of such payment were used for a purpose other than the payment for labor, skill, material, and machinery for such improvement, knowing that the costs of labor performed, or skill, material, or machinery furnished remains unpaid, unless the person;

(1) Establishes that all proceeds received from the person making such payment have been applied to the cost of labor, skill, material, or machinery furnished for the improvement; or

(2) Within fifteen days after receiving notice shall give a bond or make a deposit with the clerk of district court, in an amount and form approved by a judge of district court, to hold harmless the owner or person having the improvement made from any claim for payment of anyone furnishing labor, skill, material, or machinery for such improvement.

Approved June 7, 1971.

CHAPTER 915—H.F.No.1937

[Not Coded]

An act relating to public transportation; appropriating money for the development and planning of a demonstration project for an advanced form of public transportation.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. **PUBLIC TRANSPORTATION; DEMONSTRATION PROJECT; APPROPRIATION.** The center for urban and regional affairs at the university of Minnesota is authorized to develop a proposal to the Department of Transportation, The National Science Foundation, or any other appropriate federal agency for demonstrating an advanced form of public transportation in Minnesota. The proposal shall be developed in cooperation with the metropolitan transit commission and shall be reviewed and approved by the metropolitan transit commission and the metropolitan council before submission to any agency, public or private. The center may contract for necessary services with public and private agencies and corporations.

Sec. 2. **APPROPRIATION.** There is appropriated to the center for urban and regional affairs at the university of Minnesota from

Changes or additions indicated by underline, deletions by ~~strikeout~~.