

SJOBBERG  **TEBELIUS**

ATTORNEYS & COUNSELORS
AT LAW

VETERINARY LIENS

Anne Greenwood Brown

Pets vs. Livestock

- Different types of lien laws apply, depending on the animal at issue.



Pets

- Mechanics Lien (personal property)
 - Store, care for, contribute to the preservation of, or enhance the value of the animal;
 - At the request of the owner.



Pets

- Lien is for the value of storage, care, contribution
- Retain possession, or sell at auction



Livestock

- Agricultural Liens (4 Types)
 1. Veterinarian Liens
 2. Feeder's Lien
 3. Breeder's Lien
 4. Production Input Lien



Livestock



Veterinarian's Lien

- Licensed to practice
 - Emergency
 - Minimum cost
- At Request of Owner
- Lien is for value of services

Livestock

- **Feeder's Lien**
 - Store, care for, contribute to the keeping, feeding, pasturing, or other care of livestock, including **medical** or **surgical** treatment and shoeing.
 - Feed = commercial **feeds...drugs, animal health products**
 - Requires a “hands on” approach
 - At request of owner
 - Value

Livestock

- Breeder's Lien

Livestock

- **Production Input Lien**

- Supply product to the debtor
- Lien for unpaid retail cost of product



Effective, Perfected, and Priority

- **Effective** means that you have a right to it,
 - You provided the service
- **Perfected** means that you have possession of the animal (pets) or filed a lien statement
 - With the Secretary of State
- **Priority** means that your lien gets satisfied before someone else's
 - Either because of the **type** of lien you have, or the **date** on which you perfected it.

Pets

- **Mechanic's Lien**

- **Effective** upon service provided
- **Perfected** by maintaining possession
 - Or if animal surrendered then through filing within 60 days of surrender
- **Priority** over all others except a good faith purchaser with no notice of your lien.



Livestock

- **Veterinarian's Lien**

- **Effective** upon services provided
- **Perfected** by filing financing statement within 180 days of last item of service
 - Look back period of one year



Lost \$

Recoverable \$

180 days



1/1/12

Services
Began

3/14/12

3/14/13
Last Day
of Service

9/10/13
Deadline
to File

Livestock

- **Veterinarian's Lien**

- **Effective** upon services provided
- **Perfected** by filing financing statement within 180 days of last item of service
 - Look back period of one year
- **Priority** over all other security interests (i.e. bank) and agricultural liens, and then among other veterinary liens, according to date perfected

For Example,

- On January 1, 2013, Vet #1 vaccinates herd of horses against tetanus. Farm owner defaults. Vet files feeder's lien on March 1, 2013.
- On April 2, 2013, Vet #2 provides dystocia services. Farm owner defaults on bill. Vet files veterinarian lien on June 30, 2013.
- On April 12, 2013, Vet #3 performs emergency surgery on horse with severe impaction colic. Farmer defaults on bill. Vet files veterinarian lien on June 28, 2013.
- Whose lien has priority?

Livestock

- **Feeder's Lien**

- **Effective** when service/contribution provided
- **Perfected** by filing a financing statement within 60 days of last date of service
- **Priority** above all other security interests and agricultural liens (except veterinarian liens) and then among other feeder's liens according to date perfected.

Livestock

Production Input Lien

- **Effective** when products furnished
- **Perfected** by filing a financing statement within 6 months of furnishing
- **Priority** over security interests IF the bank has not yet made a loan to the debtor. Otherwise, its priority is determined by what the Bank does after receiving your **Lien Notification Statement**.

Lien Notification Statement

- Give written notice to Bank of your invoice
- Bank must respond within 10 days with a “Letter of Commitment” to pay, or otherwise issue a letter refusing to pay.
- If Letter issued, no need to get a lien because Bank will pay.
- If payment refused, you can get a lien, though it has less priority than the Bank’s security interest.
- If Bank does not respond at all, your lien has priority over the Bank’s security interest.

Questions?

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