Session of 2025

HOUSE BILL No. 2341

By Committee on Commerce, Labor and Economic Development

Requested by Representative K. Williams

2-7

AN ACT concerning contractor's and other liens on property; relating to bonds posted by property owners against such liens for the purpose of securing payment of the claims and clearing such liens; requiring that sureties for such bonds be licensed to do business in Kansas; providing that district courts award attorney fees and costs to successful claimants that demanded payment of the principal and surety prior to filing suit and did not receive payment; requiring a pretrial hearing for the purpose of a preliminary finding by the court of whether the surety should pay the amount of the claim to the claimant or alternatively pay such amount into an account to be held by the court; amending K.S.A. 60-1110 and repealing the existing section.

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

Section 1. K.S.A. 60-1110 is hereby amended to read as follows: 60-1110. *(a)* The contractor or owner may execute a bond to the state of Kansas for the use of all persons in whose favor liens might accrue by virtue of this act~~,~~. *The bond shall be* conditioned for the payment of all claims ~~which~~ *that* might be the basis of liens in a sum not less than the contract price, or to any person claiming a lien ~~which~~ *that* is disputed by the owner or contractor, conditioned for the payment of such claim in the amount thereof. Any such bond shall have good and sufficient sureties, be approved by a judge of the district court and filed with the clerk of the district court. *Any surety on such bond shall be licensed as required by law to do business in the state of Kansas.* When bond is approved and filed, no lien for the labor, equipment, material or supplies under contract, or claim described or referred to in the bond shall attach under this act, and if when such bond is filed liens have already been filed, such liens are discharged. Suit may be brought on such bond by any person interested but no such suit shall name as defendant any person who is neither a principal or surety on such bond, nor contractually liable for the payment of the claim.

(b) (1) If a written demand for payment was made to the principal and surety on a bond and payment to such claimant was not made within 30 days of such written demand and the district court rules in favor of the claimant in a subsequent suit brought on such bond by the claimant pursuant to subsection (a), the district court shall award the claimant

attorney fees and court costs that shall be assessed against the principal and the surety.

(2) In a suit brought on a bond pursuant to subsection (a), the district court shall conduct a hearing within 30 days of the filing of the answer for the purpose of an initial determination by the court of whether the surety should be ordered to pay the amount claimed to the claimant or, as an alternative, pay the amount claimed into an account to be held by the district court until a final ruling or further order of the court.

Sec. 2. K.S.A. 60-1110 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.