



YEAR-END ASSOCIATION ISSUES

by Ken Keller, Secretary/Treasurer

Your association continues to be very active in a number of areas. Topping the list are the following:

- On August 31, the 11th annual golf tournament was the most successful to date.
- On November 10, the third consecutive General Contractors Expo took place at Bartle Hall. We continue to learn and improve, with the goal of more subcontractor attendance in 2011.
- This year's election had dramatic results, with many changes in office holders at all levels. The updated legislator listings for the web will be available in the coming weeks.
- Activities related to SB 469.

Bill Miller and I have been attending the Kansas Senate Judicial Lien Law Advisory Council meetings on SB 469. This is a notification bill introduced by AGC three years ago. The first year we actively and successfully opposed the bill. The second year the passage of the bill also failed. This year we agreed not to testify against the bill if AGC would support our retainage bill, which passed. SB 469 did not pass due to efforts of various suppliers and other interested parties. It was, however, sent to the Senate Judicial Council as part of a review of the lien law.

What is SB 469? This bill has these components:

- A state construction registry maintained by the Secretary of State's office.
- Allowance for general contractors to file a notice of commencement within the first 15 days of starting physical work on a project.
- If the general contractor files the notice of commencement, the subcontractor or remote claimant (supplier or sub of a sub) who provide labor, equipment or material must file a notice of furnishing within 21 days of first delivery to preserve their lien rights.
- If the subcontractor or remote claimant files after 21 days, they can only file a lien for the value of labor, equipment or material from the notice date forward. The subcontractor or remote claimant forfeits their lien rights on the labor, equipment or material provided earlier.
- Failure to file results in lost lien rights by the subcontractor or remote claimant.

Currently discussions are being held on possible compromises that could make the bill more acceptable to all concerned. As of now the only proponent is the AGC. The opponents are the subcontractors, suppliers, and Kansas Contractors Association with additional objections from the Secretary of State's Office. The problem being addressed by the AGC is the requirement of paying twice when liens are filed for work performed. We do not at this time know the scope of this problem.

Best wishes for a Merry Christmas and a Happy New Year!