

CHAPTER 96**(SB 139)**

AN ACT relating to liens.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 376.100 is amended to read as follows:

The owner or claimant of property against which a lien has been asserted, or any **contractor or other person** contracting with the owner or claimant of such property for the furnishing of any improvements or services for which a lien is created by this chapter **or any subcontractor or other person in privity with the contractor**, may, at any time before a judgment is rendered enforcing the lien, execute before the county clerk in which the lien was filed a bond for double the amount of the lien claimed with good sureties to be approved by the clerk, conditioned upon the obligors satisfying any judgment that may be rendered in favor of the person asserting the lien. The bond shall be preserved by the clerk, and upon its execution the lien upon the property shall be discharged. The person asserting the lien may make the obligors in the bond parties to any action to enforce his claim, and any judgment recovered may be against all or any of the obligors on the bond.

➔Section 2. KRS 376.212 is amended to read as follows:

- (1) Any **contractor or other person** contracting with the public authority for the furnishing of any improvements or services for which a lien is created by KRS 376.210 **or any person in privity with the contractor or other person** may, at any time before a judgment is rendered enforcing the lien, execute before the county clerk in the county in which the lien was filed a bond for double the amount of the lien claimed.
- (2) The bond executed under subsection (1) of this section shall be subject to the following conditions:
 - (a) The bond shall be approved by the clerk only if the bond is secured by:
 1. Cash;
 2. A letter of credit from a bank; or
 3. Surety insurance as defined by KRS 304.5-060 that is issued by a licensed insurer; and
 - (b) The bond shall require that the obligor satisfy any judgment that may be rendered in favor of the person asserting the lien.
- (3) The bond shall be preserved by the clerk, and upon its execution, the lien provided by KRS 376.210 shall be discharged.
- (4) The person asserting the lien may make the obligors on the bond parties to any action to enforce his claim, and any judgment received may be against any of the obligors on the bond.

Signed by Governor March 17, 2011.