

SESSION OF 2015

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2256

As Amended by Senate Committee on Judiciary

Brief*

HB 2256, as amended, would amend the Commercial Real Estate Broker Lien Act to specify that a broker would have a lien on commercial real estate if the broker has a written agreement with a person to represent that person in the purchase, lease, or other conveyance to the lessee or grantee of the real estate when the broker becomes entitled to compensation pursuant to that written agreement. A lien already is allowed when the agreement is for the purchase, lease, or other conveyance to the buyer of real estate.

Additionally, in the case of a lease, sublease, or assignment of commercial property, the bill would increase from 90 to 180 days the amount of time within which a lien must be recorded after a lessee takes possession of the property.

Background

In the House Judiciary Committee, a representative of the Kansas Association of Realtors appeared in support of the bill and explained the addition of lessee or grantee is intended to address an ambiguity in current statute. The statute refers to leases or other conveyances where a lessee or grantee, rather than a buyer, would be party to the agreement, however, they are not included. Concerning the extension of the filing deadline, the representative explained liens typically are used as leverage to obtain payment when a person has fallen behind. Extending the deadline would give

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

more time for the lessee to catch up and could reduce the number of liens filed if the parties are able to resolve the situation during that extended time period.

The same proponent appeared in support of the bill in the Senate Committee on Judiciary.

The Senate Committee made a technical amendment to the bill.

The fiscal note prepared by the Division of the Budget for the bill, as introduced, indicates passage would have no fiscal effect on the operations of the Kansas Real Estate Commission.