

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 131

2024 Regular Session

Miller

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

PRIVILEGES/LIENS. Provides for privileges on immovables. (8/1/24)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds provisions that a bond furnished is a statutory bond and that no modifications, omissions, or additions to the terms of the contract, in the plans or specifications, or in the manner and mode of payment, shall diminish, enlarge, or otherwise modify the obligations of the bonds.
2. Changes terminology from materialman to seller regarding obligations of the surety.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 131 Reengrossed

2024 Regular Session

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Proposed law provides that the bond furnished is a statutory bond and not modifications, omissions, or additions to the terms of the contract, in the plans or specifications, or in the manner and mode of payment, shall diminish, enlarge, or otherwise modify the obligations of the bonds. Provides that payment provisions of all bonds furnished for public work contracts described in proposed law, regardless of form or content, shall be construed as and deemed statutory bond provisions.

Proposed law provides that except as provided in proposed law, nothing shall be construed to preclude a surety from asserting any defense to the principal obligation that its principal could assert except lack of capacity or discharge in bankruptcy of the principal obligor.

Proposed law provides that any such bond which fails to contain any of the requirements set forth in proposed law shall be deemed to incorporate all of the requirements set forth in proposed law. Provides that language in any such bond containing any obligations beyond the requirements set forth in proposed law shall be deemed surplusage and read out of such bond.

Proposed law provides that sureties and contractors executing payment bonds for public works contracts under proposed law shall be immune from liability for or payment of any claims not required by proposed law.

Proposed law provides that the surety shall be obligated and required to issue payment to a seller for claims by a seller under the following conditions:

- (a) The claim is for the price of movables delivered in conformity with applicable specifications and terms of the order.
- (b) No sooner than 45 days after delivery of the materials to the immovable upon which work is performed, the seller sends a notice of nonpayment to the general contractor, surety, and the owner.
- (c) The materialman has not been paid in full on or before 90 days after delivery of the movables.

Proposed law provides that if the requirements of proposed law are satisfied, the surety shall pay the seller for the price of the movables sold within 10 days after the seller delivers notice to the surety.

Proposed law provides that the claim of a seller and right to payment as provided in proposed law is in addition to and not in derogation of any other rights, claims or remedies available to a seller under proposed law.

Proposed law provides that any notice required under present law shall be served by mailing the same by registered or certified mail, postage prepaid, in an envelope addressed to the last known address of the general contractor, bond surety, and the owner.

Proposed law provides that the return receipt indicating that registered mail or certified mail was properly addressed to the last known address of the general contractor, surety, and the owner and deposited in the U.S. mail regardless of whether the registered or certified mail was actually delivered, refused, or unclaimed satisfies the notice provision of present law.

Effective August 1, 2024.

(Adds R.S. 9:4812(F))

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Division Director