

47-1002. Bond, conditions; expiration date of license; damage actions; issuance of license after bond given. (a) The bond required by K.S.A. 47-1001a, and amendments thereto, shall be in the minimum amount of \$20,000 for each license year or fraction thereof, but may be a continuous bond. Each license year shall expire on June 30. Such bond shall be conditioned upon compliance by the principal with the provisions of this act and upon the prompt, faithful and honest handling by the principal of such livestock and the prompt remittance of the proceeds from the sale, purchase or exchange thereof to the lawful owner of such livestock. Such bond shall be to the state for the use and benefit of such person or persons as may suffer loss or damage by breach of the condition thereof. If the commissioner is the trustee and custodian of a surety bond or bond equivalent wherein such public livestock market operator is the principal and is operating under the provisions of the packers and stockyards act of 1921 of the United States, the commissioner may accept such bond or bond equivalent in lieu of the one herein otherwise required.

(b) For the purposes of this section, a bond equivalent shall be in one of the following forms:

(1) A trust fund agreement governing funds actually deposited or invested in fully negotiable obligations of the United States of federally-insured deposits or accounts in the name of and readily convertible to currency by a trustee; or

(2) a trust agreement governing funds which may be drawn by a trustee, under one or more irrevocable, transferable, standby letters of credit, issued by a federally-insured bank or institution and physically received and retained by the trustee.

(c) Any producer, consignor or purchaser of livestock claiming to be injured by the breach of any public livestock market operator of any of the terms and provisions of such bond may bring action thereon in district court to recover the damages caused by such breach.

(d) When such bond shall have been given, the commissioner shall thereupon issue to such applicant a license entitling the applicant, if a public livestock market operator, to conduct the business described in the application at the place named therein for a period expiring on June 30 following date of issuance, and for such additional license year periods as the public livestock market operator may be entitled to by reason of the operator's having paid the annual application fee and the proof of the operator's having paid the annual premium upon such continuous bond, or until such license shall have been revoked for cause.

History: L. 1937, ch. 262, § 2; L. 1939, ch. 224, § 2; L. 1947, ch. 304, § 1; L. 1953, ch. 256, § 1; L. 1965, ch. 333, § 8; L. 1970, ch. 206, § 2; L. 2012, ch. 125, § 12; July 1.