



**Written Testimony in Support of SB199**  
**Mr. Daniel Murray**  
**Kansas State Director, National Federation of Independent Business**

**Senate Judiciary Committee**  
**Thursday, January 18, 2018**

I am pleased to submit written testimony in support of SB199 on behalf of NFIB/KS. NFIB/KS is the leading small business organization in Kansas representing small and independent businesses. A nonprofit, nonpartisan organization founded in 1943, NFIB/KS represents the consensus views of its over 4,400 members in Kansas.

The frequency and high cost of litigation in our country's current civil justice system is a matter of growing concern to small businesses. Liability reforms inject a measure of fairness into a legal system that currently preys on business, often without regard to legal merit. Liability reform also helps reduce the number of frivolous lawsuits and the exorbitant costs that can drive businesses to financial ruin.

Civil litigation was once a last-resort remedy to settle limited disputes and quarrels, but recent years have brought a litigation explosion. The number of civil lawsuits has tripled since the 1960s. Litigation has become a big business, and it is putting small companies out of business. NFIB members say that being sued is one of the most threatening experiences for a small business owner. It is even more frightening for the smallest of the small, which can be put out of business by one lawsuit.

The proposals in SB199 provide just the kind of legal reforms that give small businesses the fairness and certainty they need. We certainly support the entire bill; but, specifically we are pleased with the provision allowing for lower appeal bond limits for small businesses. The bill provides that, if the appellant is a small business, the bond must not exceed \$1.0 million or the amount of the judgment, whichever is less. The bill defines small business as any independently owned and operated business or nonprofit organization with no more than 50 full-time employees and no more than \$50.0 million in annual revenue.

Small businesses, in most cases, simply cannot afford the level of security required to appeal an adverse judgement in many of the frivolous litigation cases we see today. The bill's treatment of small businesses is reasonable and fair; and, the lower limits safeguard the due process rights for small business owners by facilitating meaningful access to our state's appeals court.

Again, thank you for your consideration of our comments, and we urge you to vote SB199 favorably for passage.