



MANUFACTURERS OF PORTLAND CEMENTS

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### TESTIMONY

Date: March 19, 2013

By: Kent Webber, Manager of Subsidiary Operations  
The Monarch Cement Company

Regarding: House Bill 2173, An act concerning liens; relating to supplier's liens.

Before: The House Committee on Judiciary

Good Afternoon Mr. Chairman and Members of the Committee

My name is Kent Webber, Manager of Subsidiary Operations for The Monarch Cement Company located in Humboldt Kansas. Monarch Cement provides both bulk and bagged cement to customers in 5 states. Monarch also owns a network of subsidiaries including; 27 ready mixed concrete plants, 3 block plants, 4 retail building material operations, 2 sand and gravel quarry operations, 1 sand terminal, 2 bulk cement terminals, and a hollowcore and precast manufacturing facility. We operate completely within the realm of material suppliers. We have a vital interest in lien law and without it could not make a living. I appreciate the opportunity to appear before you today to express our opposition to HB 2173.

Monarch Cement has been in business in Kansas since 1908. 105 years of great times and hard times. Nevertheless, we still exist. We have taken many risks through these years to survive. Most of those carefully thought through and analyzed for their potential for risk versus reward. The bill in front of you today takes the General Contractor's chosen risk for reward and assigns that risk to us leaving only reward for them. The free market system of general construction rests upon the acceptance of risk for a suitable reward. It is the acceptance of risk that a general contractor must have to justify their existence. HB 2173 relieves them of that risk and firmly plants it on someone else.

Monarch and its subsidiary group produced in excess of 250,000 transaction tickets in 2012. Our market mix was approximately 65% commercial and 35% residential. That is over 162,500 commercial tickets written. I can't even fathom, how this potentially destructive 4<sup>th</sup> lien law, will impact our businesses financially. How many additional employees will be required to file

**“Notice of Furnishings” within 21 days, on every commercial construction project that we might deliver materials to across all of our markets.**

**In summary, it appears that this 4<sup>th</sup> lien law, the “State Construction Registry”, will lead to more government, which will require more taxes. It will unfairly shift risk away from the general contractors to subs and suppliers. It will reduce the amount of time to file a lien from a potential 150 days to 21 days, which will increase our costs dramatically. That will force us to raise our prices in an already tough market or require pre-payment, which won’t happen. It layers additional requirements onto an already complicated lien law. In conclusion, there is no compelling reason for passage of HB 2173.**

**Thank you for your time and attention.**