

Testimony Regarding House Bill 2173 (Lien Bill)
House Judiciary Committee
March 19, 2013
State Capitol Building, Room 112N

Good morning, Mr. Chairman and members of the Committee. My name is Linda Snook. I am the owner of Seeders, Inc., located in Wichita, which is a small construction business I began 32 years ago. We specialize in commercial and municipal erosion control, seeding, and landscaping. We do nothing in the residential market and only work as a subcontractor to general contractors.

I am speaking because I oppose HB2173. It would create a nightmare for us. In 2012 we worked on a total of 259 commercial and municipal projects. Of that, 92 were commercial projects that totaled \$965,000 in gross revenue for us, which averages a little more than \$10,000 per project. Daily we are starting new projects. We will typically be the first contractor on a construction site because we are installing the erosion control. We commonly install the silt fence, which is mandated by the EPA, before any construction can begin. Many times, because of the urgency to begin the project, we will complete our work before any subcontracts are issued. Often, we receive our subcontract after our work is completed. To complicate the issue with this bill, we may also be installing the landscaping, which typically is the very last thing installed on the project. Our scope of work is not always determined when we begin the work. Sometimes the general contractor has decided that we will install the erosion control, but has not made a decision about the landscaping, and that is added later. If we install the landscaping, many times the general contractor will hold a portion of our monies because of the warranty on the plant material. I don't want to have to file with the state for every project, just because something may go wrong sometime from the start of the project to the point of warranty work being completed. That would be the only way that we could protect ourselves. To have to do this on all these projects would be difficult for us. I only have one person doing all the accounting

and clerical work in the office. This would put an undo burden on her, considering the volume of projects that we are on.

For example, two weeks ago we did erosion control work for a large general contractor who is in the process of building a new, local Wal-Mart. The general contractor had us only install a portion of the designed erosion control plan with our contract being less than \$5,000. Because Wal-Mart mandated some additional changes at a later date, our total contract ended up being \$11,000. We were onsite several times to complete our work, so if this bill was in effect, we would have to watch the total amount of our work, so we did not miss the opportunity to file a lien.

I do not see a benefit for any subcontractor, supplier, or for the State of Kansas with this bill. As a taxpayer, I can not see how this would benefit the State in any way. I see no way for it to be cost effective for the State or for any subcontractor or supplier. I do not see how the fee of \$200 per contract will pay for the expenses the State will incur. If we would also have to pay a fee, it will not be cost effective for us at all. As it is now, this bill will require a great amount of additional time and expense for us, with no benefit for us. I feel as though the general contractor is requesting the State of Kansas to help them monitor their subcontractors and suppliers, while it should be their responsibility.

Thank you for your time to listen to my concerns and I welcome any discussion on this subject.