

**TESTIMONY ON SENATE BILL 93
SENATE COMMERCE COMMITTEE**

**By Kenneth Daniel
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Kenneth L. Daniel is an unpaid volunteer lobbyist who advocates for Kansas small businesses. He is Chairman of the Board of Midway Wholesale of Topeka, a business he founded in 1970. Midway has nine locations and 130 employees.

Madame Chairwoman and Members of the Committee:

I speak in strong opposition of Senate Bill 93 in its entirety. This bill guts the Kansas lien laws.

Midway Wholesale is a construction materials supplier. About half of the costs of commercial building construction are materials costs. We extend credit to contractors, and become the de facto financiers of most construction projects. One of our only protections is that we often know where the materials were used and can protect ourselves through liens.

In the past ten years, Midway filed four liens on hundreds of million in sales. We issue about 125,000 invoices per year. We estimate that this ill-conceived bill will require us to spend hundreds of thousands to attempt to protect our lien rights, with great risks of failing to do so.

Annually, in spite of the lien laws, we “contribute” hundreds of thousands to construction projects. We did not choose the owners, general contractors, and subcontractors for those projects. We were not party to the construction contracts on these projects – in fact, we rarely saw them. We merely furnished the materials at the low profit margin of our industry.

This bill abuses suppliers and sub-sub contractors. It requires no responsibility for the owners, general contractors, and subcontractors who get to choose who does the work and enjoy the luxury of being party to the written contracts.

This bill will enable dishonest, incompetent, or careless building owners, developers, contractors, and subcontractors to avoid paying for materials, leaving companies like mine to suffer the losses.

Owners, developers, general contractors, and subcontractors control the money. They are the parties to the contracts. It should not be our job to be the policemen for the industry when we have so few rights to begin with.

This bill will strip us of even this marginal protection. This is a very ugly proposal. I strongly urge you to reject Senate Bill 93.