



Salina Concrete

PRODUCTS, INC

A MONARCH COMPANY

SINCE 1913

Telephone (785) 827-7281 • 888-297-9214 • FAX (785) 827-8009

1100 West Ash • P O Box 136 • Salina, Kansas 67401

TESTIMONY

Date: March 19, 2013

By: Peter Browning, General Manager, Salina Concrete Products,
Director, Kansas Ready Mixed Concrete Association

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 Peter Browning; I am the General Manager of Salina Concrete Products located in Salina, Kansas. I am also currently serving on the board of directors for the Kansas Ready Mixed Concrete Association as well as the National Concrete Masonry Association. Additionally, I am active within the Kansas Masonry Industries Council holding multiple positions within the organization including President. I appreciate the opportunity to appear before you today sharing my concerns and opposition to HB 2173.

Salina Concrete Products is celebrating its 100th anniversary this year. Our company is the supplier of nearly 2,000 line items of construction materials such as Concrete Masonry Units, Ready Mix Concrete, Clay Brick, Stone, Hollow Metal Doors, Septic Tanks etc... Salina Concrete employs 25 to 30 full time employees annually, and I am the third generation to work within the industry. Our customer mix is large and varied with accounts in both residential and commercial. As General Manager one of my primary responsibilities is credit and collections. Within recent years the necessity for utilizing mechanics liens and bond claims has grown significantly. I work with legal counsel to advise us of our rights and their opinions when it comes to filing a lien. The lien laws in Kansas place the burden on the supplier to file and perfect the lien, which is why I rely heavily on this counsel.

In our history our company has supplied material to thousands of projects throughout the state of Kansas. Our company annually produces 12 to 16,000 invoices as we provide our myriad of products to construction projects throughout the state. It is never my goal to pursue a lien as it is a cumbersome and expensive process. In most instances informing customers of our rights and intent to follow through proves to be all that is needed. However, at times it has been a necessity to file a lien so as to protect our ability to be paid for materials and services rendered. Currently the State operates under three different lien laws and the structure these laws provide gives all parties sufficient time to communicate and resolve any issues.

READY-MIXED CONCRETE HAYDITE AND CONCRETE PRODUCTS

Cement
Aggregate
Sand Blocks
Haydite Blocks
Slump Blocks
Split Blocks
Fluted Blocks
Patio Blocks
Retaining Wall Blocks
Concrete Pavers
Stepping Stones
Splash Blocks
Parking Curbs
Monument Bases
Hewn Stone
Precast Concrete
Septic Tanks
Infiltrator Systems
Fence Line Benches
Concrete Benches

BUILDING MATERIALS

Face Brick
Mortar Color
Reinforcing Steel
Reinforcing Mesh
Quikrete Products
Form Hardware
Polyethylene Film
Expansion Joint
Concrete Nails
Wall Ties
Bar Ties
Basement Windows
Areawalls
Curing Compounds
Concrete Sealers
Glass Blocks
Epoxy Coatings
Thoro Waterproofings
Bilco Basement Doors
Masonry Tools
Concrete Tools
Blok-Mesh
Ceco Steel Doors
Ceco Steel Door Frames
Perlite Insulation

FIREPLACE PRODUCTS

Vestal Heat Circulation Fireplaces
Fireplaces
Fire Liners
Fire Brick
Fireplace Dampers
Fireplace Cleanout Doors
Fireplace Glass Doors
Chimney Caps
Air-A-Lators





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Our terms of payment are net 30 this but this is rarely achieved. I routinely review our accounts receivable and when accounts begin to reach 60 days I start having active conversations with all parties involved. Routinely I am told that draws were not given for a month due to a host of reasons which are rarely if ever related to any action on our part. I continue to monitor these accounts and when it becomes apparent that the customer is unable or unwilling to fulfill his contractual obligation will begin the lien process.

I am confused why the HB 2173 is needed or being considered other than it would place additional burden on suppliers making liens more difficult to file. In making them more difficult to file it provides contractors the opportunity to absolve themselves of responsibility due to technicalities. Our industry is based on supplying commodity products in a competitively bid market. Additionally the market continually provides new and more stringent regulations and specifications making compliance increasingly difficult. As we seek to meet these challenges and remain solvent it would appear passage of HB 2173 would make this a much harder task. Nearly every aspect of this bill would further increase our operating costs.

Current legislation allows for protection of all parties involved and if contactors choose to be proactive they can take additional steps to further protect themselves such as through joint party check agreements etc... Should HB 2173 be passed our company would have to radically change our business operations. We do not staff a full time attorney but I see no other option than to do so with the passage of this bill. With the 21 day "Notice of Furnishing" requirement we would have to file on every project. Our other recourse would be to move to a cash only system which also does not seem to be a reasonable alternative.

I cannot understand why this bill or the creation of a new State Construction Registry is needed. We currently deal with many regulations in supplying materials. This bill would further complicate the process making operating within its parameters far too cumbersome.

As I consider my experience with current lien laws I realize that it is rare when a lien is ever filed. It would appear to me that since the current system is not broken we should not pass this bill in an attempt to fix what is not broken.

I appreciate this opportunity and would be happy to respond to any questions.

Best regards,

Peter Browning
General Manager



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- Precast Concrete
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- Infiltrator Systems
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- Curing Compounds
- Concrete Sealers
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- Epoxy Coatings
- Thoro Waterproofings
- Bilco Basement Doors
- Masonry Tools
- Concrete Tools
- Block-Mesh
- Ceco Steel Doors
- Ceco Steel Door Frames
- Perlite Insulation

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