AMERICAN SUBCONTRACTORS ASSOCIATION

February 6, 2026

RE: Opposition to SB 436, amends K.S.A. 19-214 by increasing the statutory bond requirements for counties from $25,000 to $100,000

Dear Chair Bowers, Vice Chair Ryckman, Ranking Minority Member Faust Goudeauon and members of the Senate Committee on Local Government, Transparency and Ethics:

I write on behalf of the **American Subcontractor Association (ASA)**, a national trade association representing more than 2,500 subcontractors and suppliers since 1966. ASA works to improve the business environment in the construction industry and represents subcontractors before local, state, and federal governments. We **strongly oppose SB 436,** which would amend K.S.A. 19-214 by increasing the statutory bond requirements for counties from $25,000 to $100,000. An increase of $75,000 would mean that many more county construction contracts throughout the state would be procured without the benefit of performance and payment guarantees, which provide essential protection to Kansas taxpayers, Kansas businesses, and to our Kansas members.

Many of our members participate in county construction projects as subcontractors and suppliers. We depend on the presence of the statutorily required payment bond for our payment assurance. We understand that, if the prime contractor fails to pay us due to insolvency or other reasons, we have the ability to recover our wages, costs, and expenses by making a claim on the payment bond. In the absence of a payment bond, we may not have viable remedies for recovery. We cannot seek recovery from the county procuring agency, as we are not in a contractual relationship with that entity, and we cannot place a mechanic's lien against public property. Our only remedy would be expensive, time-consuming litigation, which will be unaffordable and impractical, and, if we are insolvent, no real recovery is available.

Similarly, county taxpayer dollars are at risk when contracts are awarded without the protection of performance bonds. In the absence of a performance bond, which otherwise would transfer the risk of contractor default to a knowledgeable surety company, the county and, in turn, its local taxpayers will bear the direct and indirect consequences of contractor defaults, including deploying additional county resources and tapping more taxpayer funds to complete defaulted construction projects.

In summary, increasing the current bond threshold for counties would remove time-tested and critical performance and payment protections for taxpayers, our members, and many similarly situated small businesses. For these reasons ASA opposes SB 436 and urges your opposition to the measure. Please feel free to contact me anytime regarding the direct impact this legislation will have on our members in your state.

Respectfully,

Michael T. Oscar
Government Relations Director

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