

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 436

As Amended by Senate Committee of the Whole

Brief*

SB 436, as amended, would amend law regarding certain local construction contracts.

The bill would repeal a statute that prohibits a local government from requiring a construction contractor or subcontractor performing work on a real estate construction or infrastructure project to provide leave, compensation for leave, wages higher than the minimum wage, or any employee benefit unless required by state or federal law, or to favor or disfavor a contractor based on providing or not providing those benefits. The bill would make conforming amendments to reflect that repeal.

The bill also would increase the cost threshold for when a county is required to use public bids, from \$25,000 to \$100,000, for construction of any county building, bridge, highway, dam, turnpike or related structure, or stand-alone parking lot. The bill would establish a threshold for bonding that is separate from the cost threshold above which bids are required. The bill would establish the threshold for giving and filing a security bond at \$25,000.

Background

The bill was introduced by the Senate Committee on Local Government, Transparency and Ethics at the request of Senator Bowers.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

Senate Committee on Local Government, Transparency and Ethics

In the Senate Committee hearing, a representative of the Sedgwick County Board of County Commissioners provided **proponent** testimony. The representative stated the bill would not prohibit a county from seeking competitive bids on projects costing less than \$100,000, the cap had not been increased since 2008 and the rate of inflation for construction has far exceeded that for general consumer goods, and the increased cap would allow the county to address pressing needs such as certain facility repairs with more speed and efficiency.

A representative of the Kansas Association of Counties provided written-only proponent testimony.

Representatives of the American Subcontractors Association and National Association of Surety Bond Producers provided written-only **opponent** testimony, which noted the bill would also increase the statutory bond requirements and many more projects would be procured without the benefit of performance and payment guarantees.

No other testimony was provided.

The Senate Committee amended the bill to continue to require bonding for an awarded contract of more than \$25,000.

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to repeal a statute prohibiting local government ordinances, resolutions, or laws on wages, compensation, or benefits on real estate construction or an infrastructure projects and to make conforming changes to two statutes.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the State Board of Regents (KBOR) states the bill's enactment could have a fiscal effect on two-year institutions when collaborating with counties on jointly funded or county-supported capital projects. KBOR estimates enactment of the bill has the potential to decrease administrative duties but could result in increased construction or renovation costs in certain circumstances by reducing competitive bidding.

The Kansas Department of Transportation stated the bill would have no fiscal effect on the agency.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

County; city; public letting; construction; contracts; bidding; wages and benefits