

TESTIMONY
By
Brad Miller
Midwest Crane and Rigging
Before the
Senate Ways and Means Committee
Supporting SB 475
March 15, 2016

My name is Brad Miller and I am here **in support of SB 475** payment protection for contractors, sub-contractors and suppliers on Private Public Partnerships (P3's).

I am here to represent the American Subcontractors Association (ASA) and Midwest Crane and Rigging LLC.

The ASA is comprised of subcontractors and suppliers in the construction industry only and as past president of this organization, I realize the importance of this group to stay on top of issues that might jeopardize the construction industry. The ASA has been able to change laws in Kansas that benefit all of the construction industry with banning additional insurance and indemnity clauses in contracts. The Fairness in Construction Act has helped to insure prompt pay and has been used as a model that other States have used to protect their construction industry. It is the most comprehensive bill in the country.

P3's are an alternative way for projects to be built and are used all over the country, which allows a public job to be funded through alternative financing. The property in which the project will be built is owned by a public entity and financed through private monies. As you know public property cannot be lien-ed and due to contractual obligations of the financier no bonds are required, either performance bonds or payment bonds. The way Kansas law stands now without attaching the Little Miller act to these jobs will leave General Contractors, Subcontractors, Suppliers and all others subjected to not getting paid if the financier loses the ability to finish the financing of the project. The structure of P3's vary in the ways that they are written which means that no two are the same and can put the contractors at risk that most would not be able to withstand if the project went bankrupt or lost financing.