

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 5 - 0 - 0
Yeas: Bonamici, Dingfelder, Kruse, Whitsett, Prozanski
Nays: 0
Exc.: 0
Prepared By: Bill Taylor, Counsel
Meeting Dates: 4/11, 4/12, 4/18, 4/20, 4/21

WHAT THE MEASURE DOES: Voids construction agreement provisions that require a party to the agreement to waive the right to seek indemnity, contribution or reimbursement for damages due to negligence of another party. Does not prevent a party who is co-insured under a joint insurance policy from waiving claims for indemnification, contribution or reimbursement from another party who is co-insured under the policy. Applies to construction agreements entered into on or after the effective date of this measure. Effective on passage.

ISSUES DISCUSSED:

- Abuse of bargaining position
- Construction industry

EFFECT OF COMMITTEE AMENDMENT: Clarifies that the measure does not affect a provision for waiver of subrogation, indemnity or contribution in an insurance policy.

BACKGROUND: It is not unusual for general contractors to place in a contract with a subcontractor that the subcontractor assumes liability not only for the negligent actions of the subcontractor and its employees but also the negligent actions of the general contractor and its employees as well.