

STAFF MEASURE SUMMARY

Conference Committee on HB 3452

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 06/25/15

**Action:** Recommending The House Concur In Senate Amendments Dated 06-09 And Bill Be Further Amended And Repassed.

**Meeting Dates:** 06/25

**Vote:**

**House**

Yeas: 3 - Barker, Barton, McLane

**Senate**

Yeas: 3 - Burdick, Prozanski, Thatcher

**Prepared By:** Channa Newell, Counsel

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**WHAT THE MEASURE DOES:**

Prohibits property owner from requiring individual user indemnify property owner from damages not caused by individual while property is in use by nonprofit organization or educational provider. Clarifies that prohibition does not extend to indemnification agreements between property owner and nonprofit organization or educational provider for damages caused by organization or provider use of property. Defines educational provider. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Individual may not be asked to indemnify property owner against damage caused by another individual user
- Protection for property owner to be indemnified by nonprofit organization or educational provider
- Not intended to affect unconscionability analysis by courts
- Consensus on amendments

**EFFECT OF COMMITTEE AMENDMENT:**

Clarifies scope and intention of measure. Defines educational provider.

**BACKGROUND:**

An indemnification clause occurs when one entity agrees to hold the other entity harmless from, or to pay for, losses or damages that result from an agreement. For example, a property owner may require a youth group to pay for any damages incurred on the property when it is in use by the youth group. In some instances, the breadth of indemnification clauses has broadened and may include individuals being asked by the property owner to provide indemnification against damages caused by other individual users. Often, individuals signing the contracts do not understand exactly what they are signing, nor do they understand the resulting shift in liability.

House Bill 3452 B\* prohibits a property owner from requiring an individual user indemnify the property owner for damages caused by another individual that occur through a nonprofit organization or educational provider's use of the property. It does not restrict the property owner from requiring the entity to enter into such agreements for damages caused by the entity's use of the property.