

Submitter: Patty Dorroh
On Behalf Of: The People of Harney County, OR
Committee: House Committee on Rules
Measure: SB 1575

Chair, Vice Chair and members of the committee,

My name is Patty Dorroh, Harney County Commissioner. I am submitting testimony in strong opposition to SB 1575. By banning certain provisions in public construction contracts, SB 1575 will effectively shift design industry professionals' costs and liability onto local governments and taxpayers.

SB 1575 is unfair to local government taxpayers and will dramatically increase the cost of litigation over design defects. It unfairly shifts liability, will disincentivize design professionals to do their professional due diligence, creates undue risk to local governments, and will ultimately lead to reduced local infrastructure and services to support our communities.

On behalf of the people of Harney County and all Oregonians, please do not pass this bill. We strongly oppose it because:

- SB 1575 will force counties and other local governments to pay legal costs whenever a damage claim implicates a local government construction project. This is fundamentally unfair and bad public policy because when a local government contracts with construction contractors and design professionals, the local government would almost never be at fault for any damages that may occur.
- Public construction contracts routinely require design professionals to provide legal defense in case damage claims arise. This is equitable and practical. Design professionals can minimize their liability by applying due care to ensure their designs are safe.
- The status quo protects taxpayers from footing the bill when design errors are identified. Design professionals have an incentive to fix design defects voluntarily whenever they are identified. That incentive will go away if SB 1575 passes.
- SB 1575 massively increases the legal costs related to any lawsuits filed claiming damages associated with a public building project. Local governments will have to pay for legal defense until fault is adjudicated, eliminating the factors that normally encourage litigants to settle cases. Every lawsuit will have to go to trial so that fault can be adjudicated before the design professional can be held accountable for mistakes they made.
- Local governments will not be able to budget for these expenses because they will be completely unpredictable. One expensive lawsuit could blow a hole in the budget for any county at any time. In some cases, counties might be forced to cut critical services as a result.

This is bad for Oregon. Please do not pass SB 1575.

Thank you