
Judiciary Committee

HB 1559

Title: An act relating to indemnification agreements involving design professionals.

Brief Description: Limiting indemnification agreements involving design professionals.

Sponsors: Representatives Haigh, Dammeier and Goodman.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Limits the enforceability of indemnification agreements between public agencies and design professionals.

Hearing Date: 2/10/11

Staff: Kelly Pfundheller (786-7289).

Background:

Indemnity provisions in contracts require one party (the indemnitor) to pay the other party (the indemnitee) for any losses the indemnitee may suffer during performance of a contract.

Currently, the law limits the enforcement of indemnification clauses in contracts relating to construction, maintenance, or other work on any structure, project, development, or improvement attached to real estate. In these contracts, a clause that indemnifies against liability for damages caused by or resulting from the sole negligence of the indemnitee is void. A clause that indemnifies against liability for damages caused by or resulting from the concurrent negligence of the indemnitee and indemnitor is enforceable only to the extent the indemnitor is negligent and only if specifically and expressly provided for in the agreement. Currently, there are no specific limitations on the enforceability of indemnification agreements between public agencies and design professionals.

In the laws relating to contracts for architectural and engineering services, "agency" means both state and local agencies and special districts.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

The bill places limitations on the enforceability of indemnification agreements between agencies and architects, landscape architects, engineers, or land surveyors (design professionals).

A contract term requiring a design professional to defend or indemnify an agency for claims against the agency is enforceable only with respect to the negligence, recklessness, or willful misconduct of the design professional. A design professional does not bear the responsibility of paying for the costs of damages resulting from a third party's actions that are not connected with the design professional.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.