



SENATE BILL 569: Contractor/Designer Fair Contracting.

2019-2020 General Assembly

Committee:	Senate Judiciary. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 30, 2019
Introduced by:	Sen. Newton	Prepared by:	Erika Churchill
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *Senate Bill 569 would establish as void and against public policy certain indemnification agreements relative to engineering, architectural, landscape architectural or surveying services. Effective October 1, 2019.*

CURRENT LAW: Any contract or agreement purporting to indemnify or hold harmless the promisee, the promisee's independent contractors, agents, employees, or indemnitees against liability for damages arising out of bodily injury to persons or damage to property proximately caused by or resulting from the negligence of the promisee, its independent contractors, agents, employees, or indemnitees, is against public policy and is void and unenforceable, if the contract or agreement is relative to the design, planning, construction, alteration, repair or maintenance of any of the following:

- Building
- Structure
- Highway
- Road
- Appurtenance or appliance, including moving, demolition and excavating connected therewith,

This prohibition does not prevent or prohibit a contract where a promisor agrees to indemnify or hold harmless any promisee or the promisee's independent contractors, agents, employees or indemnitees against liability for damages resulting from the sole negligence of the promisor, its agents or employees.

This prohibition does not affect an insurance contract, workers' compensation, or any other agreement issued by an insurer.

This prohibition does not apply to any of the following:

1. Promises or agreements under which a public utility as defined in G.S. 62-3(23) including a railroad corporation as an indemnitee.
2. Contracts entered into by the Department of Transportation pursuant to G.S. 136-28.1.

BILL ANALYSIS: The bill would do all of the following:

- Set forth the categories of damages affected by the prohibition as those arising out of any of the following:

Karen Cochrane-Brown
Director



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Division
919-733-2578

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- Bodily injury to persons or persons
 - Damage to property
 - Economic damages
 - Losses or expenses of any type, including attorneys' fees, proximately caused by or resulting from negligence
- Establish a separate statement any contract agreement relative to design or planning, the obligation to indemnify does not include an obligation to defend the promisee. An obligation to defend would not be imposed by contract.

EFFECTIVE DATE: October 1, 2019, and applies to contracts entered into, renewed, or amended on or after that date.