

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 696

(SENATE AUTHORS: **UTKE and Latz**)

DATE
02/06/2017

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Introduction and first reading
 Referred to Judiciary and Public Safety Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to contracts; modifying and clarifying requirements relating to building
 1.3 and construction contracts; amending Minnesota Statutes 2016, sections 337.01,
 1.4 subdivision 3; 337.05, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 337.01, subdivision 3, is amended to read:

1.7 Subd. 3. **Indemnification agreement.** "Indemnification agreement" means an agreement
 1.8 by the promisor to indemnify, defend, or hold harmless the promisee against liability or
 1.9 claims of liability for damages arising out of bodily injury to persons or out of physical
 1.10 damage to tangible or real property.

1.11 Sec. 2. Minnesota Statutes 2016, section 337.05, subdivision 1, is amended to read:

1.12 Subdivision 1. **Agreements valid.** (a) Except as otherwise provided in paragraph (b),
 1.13 sections 337.01 to 337.05 do not affect the validity of agreements whereby a promisor agrees
 1.14 to provide specific insurance coverage for the benefit of others.

1.15 (b) A provision that requires a party to provide insurance coverage to one or more other
 1.16 parties, including third parties, for the negligence or intentional acts or omissions of any of
 1.17 those other parties, including third parties, is against public policy and is void and
 1.18 unenforceable.

1.19 (c) Paragraph (b) does not affect the validity of a provision that requires a party to provide
 1.20 or obtain workers' compensation insurance, construction performance or payment bonds,
 1.21 ~~or project-specific insurance, including, without limitation,~~ builder's risk policies, or owner
 1.22 or contractor-controlled insurance programs or policies.

2.1 (d) Paragraph (b) does not affect the validity of a provision that requires the promisor
2.2 to provide or obtain insurance coverage for the promisee's vicarious liability, or liability
2.3 imposed by warranty, arising out of the acts or omissions of the promisor.

2.4 (e) Paragraph (b) does not apply to building and construction contracts for work within
2.5 50 feet of public or private railroads, or railroads regulated by the Federal Railroad
2.6 Administration.

2.7 Sec. 3. **EFFECTIVE DATE.**

2.8 Sections 1 and 2 are effective the day following final enactment and apply to agreements
2.9 entered into on or after that date.