

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 578

**DATE:** March 13, 2009

**Version:** As introduced

**Authors:** Hortman and others

**Subject:** Construction contracts

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### Overview

This bill deals with construction contracts. It adds a new term “professional services contract” to mean a contract for services provided by an architect, engineer, surveyor, landscape architect, geoscientist, or interior designer.

#### Section

#### **1 Building and construction contracts; indemnification agreements.**

**Subd. 1. Definition.** Makes the existing definitions in this section and the new definition apply to the existing section shown as section 4 in this bill, which lists prohibited practices.

**Subd. 2. Building and construction contract.** Eliminates contracts for design from this existing definition.

**Subd. 2a Professional services contract.** Adds a definition of this term, which is a contract with one of the professionals listed above in the overview.

**Subd. 3. Indemnification agreement.** Amends this definition to include an agreement to defend and to include indemnification for economic loss.

**Subd. 4. Promisee.** No change.

**2 Unenforceability of certain agreements.** Adds the new term “professional services contract” to this existing law on unenforceability of contracts.

**3 Agreements valid.** Makes a technical change to use a definition consistently.

**4 Building and construction contracts; prohibited provisions.** Includes professional services contracts in provisions of this existing law that relate to choice of law, waivers of mechanics liens and performance bonds, and prompt payment.

**5**        **Effective date.** Makes all sections of the bill effective August 1, 2009, and apply to contracts entered into on or after that date.