

BOARD OF COMMISSIONERS

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OLK COU

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GREGORY P. HANSEN Administrative Officer

February 28, 2024 House Committee on Rules Oppose SB 1575

SB 1575 is unfair to local government taxpayers and will dramatically increase the cost of litigation over design defects. Polk County strongly opposes SB 1575 because:

- 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 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.
- 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. <u>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.</u>

Commissioner Craig Pope, Chair

Commissioner Lyle Mordhorst

Commissioner Jeremy Gordon