

Clatsop County Board of Commissioners

February 28, 2024

House Committee On Rules 900 Court St. NE Salem, Oregon 97301

RE: Oppose SB 1575 A

Chair Fahey, Vice Chair Kropf, Vice Chair Helfrich, and Members of the Committee,

The Clatsop County Board of Commissioners urges you to vote "No" on Senate Bill 1575 A.

By banning certain provisions in public construction contracts, SB 1575 A would effectively shift design industry professionals' costs and liability onto local governments and taxpayers.

We strongly oppose SB 1575 A 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 A passes.
- SB 1575 A 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 A 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.</u> In some cases, counties might be forced to cut critical services as a result.

We need your help to ensure local governments and taxpayers are not unfairly taking on the costs and liability of design industry professionals. **Please vote "No" on SB 1575 A.**

Sincerely,

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Mark Kujala, Chair Clatsop County Board of Commissioners