

February 29, 2024

House Committee on Rules
900 Court Street NE
Salem, OR 97301

RE: Oppose SB 1575A

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

Metro opposes SB 1575 A.

Metro serves more than 1.7 million people in Clackamas, Multnomah and Washington counties. The agency's boundary encompasses Portland, Oregon and 23 other cities. Metro works with communities, businesses and residents in the Portland metropolitan area to chart a wise course for the future by working on issues related to planning, land use and development, housing services, parks and nature, visitor venues like the Oregon Convention Center and Oregon Zoo, and solid waste.

SB 1575 A would preclude contractual language requiring the design professional to defend and indemnify a contracting agency prior to liability being established. Taking away critical duty to defend contract language will increase Metro's exposure to litigation and legal fees. Because Metro is a public entity and will be shouldering these costs so too will the taxpayers.

Under current law, public contracting entities are kept out of claims against design professionals and contractors, until a judgement is rendered in court, at which time if they have any responsibility (unlikely in a design claim) they pay their share. If SB 1575 A passes, Metro (or any contracting agency) will be the primary defendant on these claims and will likely have to pay all legal defense costs, with an uncertainty about the ability to get reimbursed from the design contractor's insurance company. Design professionals are in the best position to defend against negligence claims for their own designs, as are general contractors for their construction, not public entities, like Metro and definitely not the taxpayers.

Senate Bill 1575 A will unfairly shift the liability to the public and their local governments. Additionally, the bill would have a substantial fiscal impact on our abilities to deliver services to our constituents.

We urge your opposition to SB 1575 A.

Sincerely,

Jenna Jones
State and Regional Affairs Advisor
Metro