

TRACY CRAMER
State Representative
House District 22



OREGON HOUSE OF REPRESENTATIVES

February 29, 2024

RE: Testimony Supporting SB 1575 A

Chair Fahey, Vice-Chairs Helfrich and Kropf, and members of the committee:

I urge the committee's support of SB 1575 A.

Senate Bill 1575 A will bring fairness to professional service contracts by ending 'duty to defend' clauses in public contracts. This clause requires design professionals to defend another person's work against claims asserted by a third party, even if the design professional is not negligent.

Liability insurance for this kind of situation is not available to these businesses, causing many small design firms to shy away from even bidding on these jobs. This barrier to entry is a deterrent for small, emerging, women, and minority-owned small businesses. Many of these projects are with governmental agencies, including contracts for Oregon's much-needed affordable housing.

California and Washington both have statutes on the books to ensure design professionals will only be responsible for defense costs if they are at fault, and in proportion to their fault. Oregon should join the growing number of states in eliminating the 'duty to defend' clause.

SB 1575 A is about ensuring fairness so everyone is paying their way and are adequately protected by their insurance. This is a good bill for small business, fairness, and access to public contracts.

I urge the committee to pass SB 1575 A.

Respectfully submitted into the House record,

A handwritten signature in black ink, appearing to read "Tracy Cramer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tracy Cramer
State Representative
House District 22