
**Agriculture & Natural
Resources Committee**

SB 5042

Brief Description: Authorizing the department of natural resources to enter contracts that indemnify another party against loss or damage.

Sponsors: Senators T. Sheldon, Morton and Fraser; by request of Commissioner of Public Lands.

Brief Summary of Bill

- Provides the Department of Natural Resources (DNR) with the discretionary authority to indemnify a contracting party against loss or damage.

Hearing Date: 3/25/03

Staff: Jason Callahan (786-7117).

Background:

The Department of Natural Resources (DNR), like many state agencies, is authorized to enter into contractual relationships with private individuals. The DNR's contractual authority includes the ability to enter into contracts for real estate sales and for the sales of valuable materials from state lands. Some state agencies, including the Department of Agriculture, the Department of Corrections, and the Department of Transportation, have the express authority to indemnify parties to a contract from liability. The DNR does not have this express authority.

The Legislature has decided that certain indemnification clauses in contracts are against public policy, and are therefore void. These include contract terms that indemnify a party against his or her own negligence in contracts that relate to the construction, alternation, or repair of an improvement attached to real estate.

Summary of Bill:

The DNR has the discretionary authority to indemnify a contracting party against loss or damage. The authority does not allow for the indemnification of others against liability for

negligence related to the construction or maintenance of structures or improvements to real estate.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.