

Equitable Allocation of Risk

If you want to help small businesses – begin with fair contracts

PASS [HF803](#) / [SF1025](#)

Current Problem: Because of an imbalance in bargaining power, the smallest subcontractors must pay for other people’s lawyer’s fees to get a job.

Contract example from a Public-Project in MN: “Further, Subcontractor agrees to defend Contractor, its agents and employees from all claims including, without limitation, claims for which Contractor may be or may be claimed to be liable and to pay all legal fees and disbursements paid or incurred by Contractor in defense of such claims or to enforce the provisions of this paragraph.”

If you want small businesses to succeed & bid public work...

Begin by supporting fair contracts.

What HF803 / SF1025 does to fix the problem:

1. Aligns MN’s construction practices with “the American Rule.”
2. Stops a negligent person from pushing their lawyer’s fees onto small businesses.
3. Creates parity in public & private work.

If HF803/SF1025 passes Agencies & General Contractors can still require “vicarious liability” coverage from Subcontractors for costs related to the subcontractor’s mistakes – it’s in law - [MN§337.05, Subd.1\(d\)](#).

Pass HF803 / SF1025

For more information contact the Minnesota Subcontractors Association at: nick@msamn.com