

Synopsis of Original Bill

House Bill 407 invalidates indemnity provisions in Motor Carrier Transportation Contracts.

FISCAL IMPLICATIONS

New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

HB 407 makes a provision or agreement contained in, collateral to or affecting a Motor Carrier Transportation Contract that would require one party to indemnify or hold harmless another party to the contract from liability for loss or damage resulting from the negligence of that other party, its agents, employees or independent contractors void and unenforceable.

HB 407 also makes a provision in a Motor Carrier Transportation Contract void and unenforceable when it requires a party to provide liability coverage to another party for the other party's negligence.

DPS notes that HB 407 will require that all responsible parties in a Motor Carrier Transportation Contract provide their own liability coverage.

BS/mt