



3100 Humboldt Ave S  
Minneapolis, MN 55408

April 11, 2023

RE: Support SF2782, Article 8, Building and Construction Contracts SF 754

Dear Chair Marty and Members of the Finance Committee,

The Electrical Association is an organization of over 375 Electrical Contractors and Electrical Employers and provides education, workforce strategies and government advocacy for its members, most of whom are small employers throughout the State of Minnesota. Two thirds of my members have less than 7 electricians.

I am writing in support of SF 2782(SF754). Currently Minnesota law allows for contracts to require subcontractors to buy insurance to cover the upstream party's legal fees, even when the upstream party is at fault. This is called "the duty to defend." Contractors are obligated to enter into these unfair contracts or walk away from the work. The practice is common and the terms are often non-negotiable. Small contractors enter into these contracts often putting themselves at significant risk.

This is my membership's number one issue for the 2023 legislative session. We've been in discussions regarding fixing these inequities since 2013. My hope is we can fix these unfair contractual practices this year and pave the way for small business growth.

Best regards,

A handwritten signature in blue ink that reads "Michelle Dreier".

Michelle Dreier  
Director of Member Engagement & Govt. Affairs  
Electrical Association