



Members of the Senate Finance Committee
MN Senate Office Building, MN 55155

April 11, 2023

RE: Support SF2782, Article 8, Building & Construction Contracts (SF754)

Honorable Senate Finance Committee Members,

The MN Subcontractors Association asks that you support SF2782, Article 8, Building and Construction Contracts (SF754).

This bill is about fairness. It ensures that a negligent party pays for their own legal costs. The bill has bipartisan support in the legislature & the support from a broad cross-section of organizations including labor, management, trial attorneys & the MN Council on Latino Affairs.

When a general contractor is negligent, the general contractor should take responsibility, and when a subcontractor is negligent the subcontractor should take responsibility. **Minnesota's laws should reflect principles of basic fairness and remove barriers for small businesses.**

The current defense demands in MN construction contracts are fundamentally unfair, often non-negotiable & they hurt small businesses. Harm occurs when subcontractors must choose between agreeing to sign these unfair terms or giving up the work. Harm occurs again when a claim arises & when the unfair duty to defend contract terms are used to negotiate an unfair settlement.

The 2017 MN Joint Disparity Study recommends to “Jointly pursue action by the State Legislature to reduce barriers to public sector procurement embedded in state law.” MSA

agrees and we need the legislature to end unfair “duty to defend” contract terms to ensure an equitable allocation of risk in MN construction contracts. **Please support SF2782, Article 8.**

Respectfully,

A handwritten signature in black ink, appearing to read "Jen Wothe". The signature is fluid and cursive, with a large loop at the end.

Jen Wothe

MSA Executive Director