



Bill Number: S.B. 1271

Fann Floor Amendment

Reference to: JUDICIARY Committee amendment

Amendment drafted by: Grant Hanna

FLOOR AMENDMENT EXPLANATION

- 1. Repeals sections relating to indemnity provisions in construction contracts, subcontractors' right to repair and allocation of liability in dwelling actions.**
- 2. Establishes the Construction Liability Apportionment Study Committee (CLASC) consisting of three Senate members and three House members.**
- 3. Requires CLASC to submit recommendations by December 15, 2018 regarding the use of indemnity provisions in construction contracts, allocation of liability based on fault and insurance costs associated with construction litigation.**

Amendment explanation prepared by Grant Hanna

2/27/18

FANN FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1271
(Reference to JUDICIARY Committee amendment)

- 1 Page 1, strike lines 2 through 25
- 2 Strike page 2
- 3 Renumber to conform
- 4 Page 3, lines 14 and 20, strike "AND THE SELLER'S CONSTRUCTION PROFESSIONAL"
- 5 Line 22, strike "AND THE SELLER'S"
- 6 Line 23, strike "CONSTRUCTION PROFESSIONAL"
- 7 Line 26, after "seller" strike remainder of line
- 8 Line 27, strike "CONSTRUCTION PROFESSIONAL CONDUCT" insert "conducts"
- 9 Line 28, strike "AND THE SELLER'S CONSTRUCTION PROFESSIONAL"
- 10 Page 4, line 6, after "seller" strike remainder of line
- 11 Line 7, strike "PROFESSIONAL INTEND" insert "intends"
- 12 Line 14, after "seller" strike remainder of line
- 13 Line 15, strike "INTEND" insert "intends"
- 14 Line 22, strike "AND THE SELLER'S CONSTRUCTION"
- 15 Line 23, strike "PROFESSIONAL"
- 16 Line 27, strike "~~professionals~~ PROFESSIONAL" insert "professionals"
- 17 Line 29, strike "~~If requested by the~~"
- 18 Strike lines 30 through 32,
- 19 Page 5, strike lines 1 and 2, insert: "If requested by the purchaser, repair or
20 replacement of alleged construction defects undertaken by the seller shall
21 be performed by a construction professional selected by the seller and
22 consented to by the purchaser, whose consent shall not be unreasonably
23 withheld, that was not involved in the construction or design of the
24 dwelling."
- 25 Lines 4 and 17, strike "~~professionals~~ PROFESSIONAL" insert "professionals"
- 26 Page 6, line 1, strike "~~professionals~~"

- 1 Page 6, line 2, strike "PROFESSIONAL" insert "professionals"
- 2 Line 3, strike "~~professionals~~ PROFESSIONAL" insert "professionals"
- 3 Line 7, strike "~~Both~~ ALL" insert "Both"
- 4 Line 10, strike "OR THE SELLER'S CONSTRUCTION PROFESSIONAL"
- 5 Line 15, strike "AND THE"
- 6 Line 16, strike "SELLER'S CONSTRUCTION PROFESSIONAL"
- 7 Line 26, strike "AND THE SELLER'S CONSTRUCTION PROFESSIONAL"
- 8 Line 30, strike "OR"
- 9 Line 31, strike "THE SELLER'S CONSTRUCTION PROFESSIONAL"
- 10 Page 7, line 27, strike "~~professionals~~"
- 11 Line 28, strike "PROFESSIONAL" insert "professionals"
- 12 Page 8, strike lines 4 through 32
- 13 Strike pages 9 and 10
- 14 Page 11, strike lines 1 through 25, insert:
- 15 "Sec. 2. Construction liability apportionment study committee;
- 16 membership; duties; delayed repeal
- 17 A. The construction liability apportionment study committee is
- 18 established consisting of the following members:
- 19 1. Three members of the senate who are appointed by the president of
- 20 the senate, not more than two of whom are members of the same political
- 21 party. The president of the senate shall designate one of these members to
- 22 serve as cochairperson of the committee.
- 23 2. Three members of the house of representatives who are appointed
- 24 by the speaker of the house of representatives, not more than two of whom
- 25 are members of the same political party. The speaker of the house of
- 26 representatives shall designate one of these members to serve as
- 27 cochairperson of the committee.
- 28 B. Committee members are not eligible to receive compensation, but
- 29 are eligible for reimbursement of expenses pursuant to title 38, chapter 4,
- 30 article 2, Arizona Revised Statutes.

1 C. The study committee shall research and make recommendations for
2 the apportionment of liability in the construction industry, including:

- 3 1. The use of an indemnity provision in construction contracts.
- 4 2. The allocation of liability based on degrees of fault.
- 5 3. The assignment of financial responsibility to negligent parties.
- 6 4. The opportunity to address and remedy alleged construction defects
7 prior to litigation.
- 8 5. The frequency of construction defect litigation.
- 9 6. The affordability of insurance costs associated with construction
10 claims.

11 D. The study committee may hold hearings, conduct fact-finding tours
12 and take testimony from witnesses who may assist the study committee in
13 fulfilling its responsibilities. All hearings of the study committee shall
14 be open to the public.

15 E. The legislature shall provide staff and support services to the
16 study committee.

17 F. The study committee shall submit a report regarding its findings
18 and recommendations on or before December 15, 2018, to the governor, the
19 president of the senate and the speaker of the house of representatives and
20 provide a copy of this report to the secretary of state.

21 G. This section is repealed from and after June 30, 2019."

22 Amend title to conform

KAREN FANN

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