

1.1 moves to amend H.F. No. 1234 as follows:

1.2 Page 1, delete section 1 and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 15.72, subdivision 3, is amended to read:

1.4 Subd. 3. **Unenforceability of certain agreements.** (a) An indemnification agreement
1.5 contained in, or executed in connection with, a contract for a public improvement is
1.6 unenforceable except to the extent that:

1.7 (1) the underlying injury or damage is attributable to the negligent or otherwise wrongful
1.8 act or omission, including breach of a specific contractual duty, of the promisor or the
1.9 promisor's independent contractors, agents, employees, or delegates; or

1.10 (2) an owner, a responsible party, or a governmental entity agrees to indemnify a
1.11 contractor directly or through another contractor with respect to strict liability under
1.12 environmental laws.

1.13 (b) A provision in a public building or construction contract that requires a party to
1.14 provide insurance coverage to one or more other parties, including third parties, for the
1.15 negligence or intentional acts or omissions of any of those other parties, including third
1.16 parties, is against public policy and is void and unenforceable.

1.17 (c) Paragraph (b) does not affect the validity of a provision that requires a party to provide
1.18 or obtain workers' compensation insurance, construction performance or payment bonds,
1.19 builder's risk policies, owner or contractor-controlled insurance programs or policies, or
1.20 project-specific insurance for claims arising out of the promisor's negligent acts or omissions
1.21 or the negligent acts or omissions of the promisor's independent contractors, agents,
1.22 employees, or delegates.

2.1 (d) Paragraph (b) does not affect the validity of a provision that requires the promisor
2.2 to provide or obtain insurance coverage for the promisee's vicarious liability, or liability
2.3 imposed by warranty, arising out of the acts or omissions of the promisor.

2.4 (e) Paragraph (b) does not apply to building and construction contracts for work within
2.5 50 feet of public or private railroads, or railroads regulated by the Federal Railroad
2.6 Administration.

2.7 (f) A provision in a public building or construction contract that restricts, delays, or
2.8 prohibits a contractor or subcontractor from submitting an invoice is contrary to public
2.9 policy and is void and unenforceable. A public contracting agency must not utilize a contract
2.10 management system or procedure that restricts, delays, or prohibits a contractor or
2.11 subcontractor from submitting an invoice."

2.12 Page 3, delete section 3 and insert:

2.13 "Sec. 3. Minnesota Statutes 2024, section 337.10, is amended by adding a subdivision to
2.14 read:

2.15 Subd. 4a. **Invoicing.** A provision in a building or construction contract that restricts,
2.16 delays, or prohibits a contractor or subcontractor from submitting an invoice is contrary to
2.17 public policy and is void and unenforceable. No party to a building and construction contract
2.18 may utilize a contract management system or procedure that restricts, delays, or prohibits
2.19 a contractor or subcontractor from submitting an invoice.

2.20 Sec. 4. **EFFECTIVE DATE.**

2.21 This act is effective August 1, 2025, and applies to building and construction contracts
2.22 and public building or construction contracts entered into on or after that date."

2.23 Amend the title as follows:

2.24 Page 1, line 2, delete "state government; requiring payment transparency in public
2.25 contracts" and insert "construction contracts; requiring payment transparency in public
2.26 improvement contracts; providing that certain provisions in public and private construction
2.27 contracts are contrary to public policy and unenforceable"

2.28 Correct the title numbers accordingly