

**As Reported by the Senate Judiciary Committee**

**134th General Assembly**

**Regular Session**

**2021-2022**

**S. B. No. 56**

**Senator Blessing**

**Cosponsor: Senator Manning**



**A BILL**

To enact section 153.81 of the Revised Code to 1  
regulate the use of indemnity provisions in 2  
professional design contracts related to public 3  
improvements. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 153.81 of the Revised Code be 5  
enacted to read as follows: 6

**Sec. 153.81.** (A) (1) (a) If a professional design firm 7  
provides work, services, studies, planning, surveys, or 8  
preparatory work in connection with a public improvement, a 9  
public authority may require, via a provision in a public 10  
improvement contract or subcontract, that the professional 11  
design firm indemnify the public authority and its officers and 12  
employees for liabilities the public authority, officer, or 13  
employee incurs for the death of or injury to a third party that 14  
is proximately caused by the provision of the work, services, 15  
studies, planning, surveys, or preparatory work. 16

(b) The indemnification shall only be for the liabilities 17  
incurred from the proportionate share of the tortious conduct, 18

as determined pursuant to section 2307.23 of the Revised Code, 19  
of the professional design firm or any consultant, 20  
subcontractor, or other entity used by the professional design 21  
firm, in performing under the public improvement contract. 22

(c) A public authority shall not require, via a provision 23  
in a public improvement contract or subcontract, that a 24  
professional design firm indemnify the public authority except 25  
as described in divisions (A)(1)(a) and (b) of this section. 26

(2)(a) A professional design services subcontract entered 27  
into in connection with a public improvement may include a 28  
provision that requires any subcontracted professional design 29  
firm to indemnify the public authority and the professional 30  
design firm that executed the subcontract, and their respective 31  
owners, officers, and employees, for liabilities the public 32  
authority, professional design firm, owner, officer, or employee 33  
incurs for the death of or injury to a third party that is 34  
proximately caused by the subcontractor's performance under the 35  
subcontract. 36

(b) The indemnification shall only be for the liabilities 37  
incurred from the proportionate share of the tortious conduct, 38  
as determined pursuant to section 2307.23 of the Revised Code, 39  
of the subcontracted professional design firm or any entity used 40  
by the subcontracted professional design firm, in performing 41  
under the subcontract. 42

(c) No professional design firm may require, via a 43  
provision in a subcontract entered into in connection with a 44  
public improvement, that a subcontracted professional design 45  
firm indemnify the professional design firm or the public 46  
authority except as described in divisions (A)(2)(a) and (b) of 47  
this section. 48

(3) Division (A) of this section does not prohibit either 49  
of the following: 50

(a) A public authority from commencing a civil action for 51  
damages against a professional design firm for breach of the 52  
public improvement contract or for breach of the professional 53  
standard of care; 54

(b) A professional design firm from commencing a civil 55  
action for damages against a subcontracted professional design 56  
firm for breach of the professional design services subcontract 57  
or for breach of the professional standard of care. 58

(B) Notwithstanding divisions (A) (1) (c) and (2) (c) of this 59  
section, this section does not prohibit a public authority from 60  
requiring insurance coverage, as appropriate, in a contract to 61  
meet the indemnification described in this section. 62

(C) If any provision of this section conflicts with any 63  
provisions of a contract between a public authority and the 64  
federal government, the provision of this section shall not 65  
apply to the extent to which it is in conflict with such a 66  
contract. All other provisions of this section that are not in 67  
conflict shall apply. 68

(D) (1) Any public improvement contract or subcontract that 69  
includes an indemnification provision as described in division 70  
(A) of this section shall not waive, and shall not be construed 71  
as waiving, any immunity or limitation of liability as 72  
prescribed in Chapters 2744., 4123., 4125., 4127., and 4131. of 73  
the Revised Code. Sections 4123.35 and 4123.80 of the Revised 74  
Code control over this section. 75

(2) Any indemnification provided under this section shall 76  
not extend to liabilities that would otherwise be barred under 77

<u>sections 2305.06, 2305.09, or 2305.131 of the Revised Code or</u>	78
<u>under any other general statute of limitation or statute of</u>	79
<u>repose.</u>	80
<u>(E) As used in this section:</u>	81
<u>(1) "Injury" means all of the following:</u>	82
<u>(a) Bodily injury to a person;</u>	83
<u>(b) Sickness or disease of a person;</u>	84
<u>(c) Injury to or destruction of tangible property of a</u>	85
<u>third party to the public improvement;</u>	86
<u>(d) Injury, claims, damages, or loss arising from or</u>	87
<u>related to the infringement of intellectual property.</u>	88
<u>(2) "Intellectual property" means any invention,</u>	89
<u>discovery, work of authorship, creative work, or architectural</u>	90
<u>work that may be subject to protection under federal or state</u>	91
<u>patent, copyright, trademark, or trade secret laws.</u>	92
<u>(3) "Liabilities" means claims, damages, or loss,</u>	93
<u>including reasonable attorney's fees, costs, and expenses.</u>	94
<u>(4) "Professional design firm," "professional design</u>	95
<u>services," and "public authority" have the same meanings as in</u>	96
<u>section 153.65 of the Revised Code.</u>	97
<u>(5) "Public improvement contract" has the same meaning as</u>	98
<u>in section 153.03 of the Revised Code.</u>	99