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Office of Research and Drafting

Legislative Budget Office

H.B. 605
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 605's Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Workman

Local Impact Statement Procedure Required: No

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Highlights

- The Spearin doctrine provides that when a public owner supplies project plans and specifications, the owner implicitly warrants their accuracy and adequacy, and bears responsibility for defects or omissions in those plans.
- Any additional liability exposure for the state or political subdivisions is likely to be very low.

Detailed Analysis

The bill is unlikely to have fiscal effects for the state or political subdivisions. It codifies the Spearin doctrine, a legal doctrine holding that when a public owner provides project plans and specifications for construction projects, the owner implicitly warrants their accuracy and adequacy for completing the work. As a result, public owners, not contractors, bear responsibility for defects or omissions in those plans when contractors reasonably rely on them. Codifying this doctrine could, in limited circumstances, marginally increase public owners' exposure to claims stemming from defective plans. However, such cases are expected to be infrequent, and most public entities already operate in a manner consistent with the doctrine, making any additional fiscal impact minimal.

The bill's provisions reflect the rule established in *United States v. Spearin* (1918), in which the U.S. Supreme Court held that a contractor is not liable for consequences arising from defective plans or specifications furnished by the owner. By placing into statute a principle already well established in law and widely observed in practice, the bill does not meaningfully change the responsibilities of state agencies or political subdivisions in administering construction projects.