

## **BILL ANALYSIS**

Senate Research Center

S.B. 1604  
By: Lindsay  
Jurisprudence  
4-17-97  
As Filed

### **DIGEST**

Currently, Chapter 127, Civil Practice and Remedies Code, voids any provision indemnifying a party for certain damages attributable to the negligence of the indemnitee or his agent or employee. The language of the statute is confusing and difficult to apply. This bill provides that Chapter 127 does not apply to covenants, promises, agreements, and understandings to indemnify made by an indemnitor having assets of more than \$25,000,000 at the end of its last fiscal year preceding the making of the covenant, promise, agreement, or understanding.

### **PURPOSE**

As proposed, S.B. 1604 provides that Chapter 127, Civil Practice and Remedies Code, does not apply to covenants, promises, agreements, and understandings to indemnify made by an indemnitor having assets of more than \$25,000,000 at the end of its last fiscal year preceding the making of the covenant, promise, agreement, or understanding.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 127.004, Civil Practice and Remedies Code, to provide that this chapter does not apply to covenants, promises, agreements, and understandings to indemnify made by an indemnitor having assets of more than \$25,000,000 at the end of its last fiscal year preceding the making of the covenant, promise, agreement, or understanding.

SECTION 2. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.