

# HOUSE BILL 1146

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4lr2155

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By: **Delegate Stein**

Introduced and read first time: February 7, 2024

Assigned to: Judiciary

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## A BILL ENTITLED

1 AN ACT concerning

2 **Courts – Unenforceable Indemnity and Costs of Defense Agreements**

3 FOR the purpose of providing that certain indemnity agreements and agreements to pay  
4 the costs of defense made in connection with an agreement for the management or  
5 operation of a building, a structure, an appurtenance, or an appliance are against  
6 public policy and are void and unenforceable; and generally relating to unenforceable  
7 indemnity agreements and agreements to pay the costs of defense.

8 BY repealing and reenacting, with amendments,  
9 Article – Courts and Judicial Proceedings  
10 Section 5–401(a)  
11 Annotated Code of Maryland  
12 (2020 Replacement Volume and 2023 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
14 That the Laws of Maryland read as follows:

15 **Article – Courts and Judicial Proceedings**

16 5–401.

17 (a) (1) A covenant, promise, agreement, or understanding in, or in connection  
18 with or collateral to, a contract or agreement relating to architectural, engineering,  
19 inspecting, or surveying services, or the construction, alteration, repair, **MANAGEMENT,**  
20 **OPERATION,** or maintenance of a building, structure, appurtenance or appliance, including  
21 moving, demolition, and excavating connected with those services or that work, purporting  
22 to indemnify the promisee against liability for damages arising out of bodily injury to any  
23 person or damage to property caused by or resulting from the sole negligence of the  
24 promisee or indemnitee, or the agents or employees of the promisee or indemnitee, is  
25 against public policy and is void and unenforceable.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2) A covenant, a promise, an agreement, or an understanding in, or in  
2 connection with or collateral to, a contract or an agreement relating to architectural,  
3 engineering, inspecting, or surveying services, or the construction, alteration, repair,  
4 **MANAGEMENT, OPERATION**, or maintenance of a building, a structure, an appurtenance,  
5 or an appliance, including moving, demolition, and excavating connected with those  
6 services or that work, purporting to require the promisor or indemnitor to defend or pay  
7 the costs of defending the promisee or indemnitee against liability for damages arising out  
8 of bodily injury to any person or damage to property caused by or resulting from the sole  
9 negligence of the promisee or indemnitee, or the agents or employees of the promisee or  
10 indemnitee, is against public policy and is void and unenforceable.

11           (3) This subsection does not affect the validity of any insurance contract,  
12 workers' compensation, any general indemnity agreement required by a surety as a  
13 condition of execution of a bond for a construction or other contract, or any other agreement  
14 issued by an insurer.

15           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2024.