1-1 By: Hughes S.B. No. 687 (In the Senate - Filed December 20, 2024; February 3, 2025, read first time and referred to Committee on State Affairs; March 5, 2025, reported favorably by the following vote: Yeas 11, Nays 0; March 5, 2025, sent to printer.) 1-2 1-3 1-4 1-5

COMMITTEE VOTE

1-7 Yea Nay Absent PNV 1-8 Х Hughes 1-9 Х Paxton 1-10 1-11 Bettencourt Х Х Birdwell 1-12 Hall Х 1-13 Hinojosa of Nueces Х χ Middleton 1-14 1-15 Parker 1-16 Perry Х 1-17 Schwertner Χ 1-18 Zaffirini Х

## A BILL TO BE ENTITLED AN ACT

relating to liability for land surveying services in or 1-21 in connection with certain construction or services contracts. 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 130.001, Civil Practice and Remedies 1-24 1-25 Code, is amended to read as follows:

Sec. 130.001. <u>DEFINITIONS</u> [<u>DEFINITION</u>]. In this chapter: (1) "Construction ["construction] contract" means a contract or agreement made and entered into by an owner, contractor, subcontractor, registered architect, licensed 1-27 1-28 1-29 engineer, <u>land surveyor</u>, or supplier concerning the design, construction, alteration, repair, or maintenance of a building, structure, appurtenance, road, highway, bridge, dam, levee, or other improvement to or on real property, including moving, demolition, and excavation connected with the real property. 1-30 1-31 1-32 1-33 1-34

(2) "Land surveyor" means a registered professional 1-35 land surveyor or licensed state land surveyor as those terms are defined by Section 1071.002, Occupations Code. SECTION 2. Sections 130.002(a), (b), (c), (d), and (f), 1-36 1-37

1-38 1-39 Civil Practice and Remedies Code, are amended to read as follows:

1-40 (a) A covenant or promise in, in connection with, or collateral to a construction contract is void and unenforceable if 1-41 the covenant or promise provides for a contractor who is to perform the work that is the subject of the construction contract to 1-42 1-43 indemnify or hold harmless a registered architect, licensed 1 - 44engineer, or land surveyor, or an agent, servant, or employee of a registered architect, [or] licensed engineer, or land surveyor from liability for damage that: 1-45 1-46 1-47

1-48

(1)

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is caused by or results from:

1-49 (A) defects in plans, designs, or specifications prepared, approved, or used by the architect, [<del>or</del>] engineer, or 1-50 1-51 land surveyor; or

(B) negligence of the architect, [<del>or</del>] engineer, or land surveyor in the rendition or conduct of professional duties 1-52 1-53 called for or arising out of the construction contract and the 1-54 1-55 plans, designs, or specifications that are a part of the construction contract; and 1-56 1-57 (2) arises from:

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personal injury or death; (A)

property injury; or (B)

(C) 1-60 any other expense that arises from personal 1-61 injury, death, or property injury.

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S.B. No. 687

(b) A covenant or promise in, in connection with, or collateral to a construction contract other than a contract for a 2-1 2-2 2-3 single family or multifamily residence is void and unenforceable if the covenant or promise provides for a registered architect, [or] 2-4 2-5 licensed engineer, or land surveyor whose engineering, [or] architectural, or land surveying design services are the subject of the construction contract to indemnify or hold harmless an owner or 2-6 2-7 2-8 owner's agent or employee from liability for damage that is caused 2-9 by or results from the negligence of an owner or an owner's agent or employee.

2-10 2-11 (c) Except as provided by Subsection (d), (e), or (f), a covenant or promise in, in connection with, or collateral to a 2-12 construction contract for engineering, [or] architectural, or land 2-13 2-14 surveying services related to an improvement to real property is void and unenforceable to the extent the covenant or promise provides that a licensed engineer, [or] registered architect, or land surveyor must defend a party, including a third party, against 2**-**15 2**-**16 2-17 2-18 a claim based wholly or partly on the negligence of, fault of, or breach of contract by the owner, the owner's agent, the owner's 2-19 employee, or another entity over which the owner exercises control. A covenant or promise in, in connection with, or collateral to a contract for engineering, [or] architectural, or 2-20 2-21 2-22 land surveying services related to an improvement to real property may provide for the reimbursement of an owner's reasonable 2-23 2-24 attorney's fees in proportion to the engineer's, [<del>or</del>] architect's, or land surveyor's liability. (d) Notwithstanding Subsection (c), an owner that is a party 2**-**25 2**-**26

2-27 2-28 to a contract for engineering, [or] architectural, or land surveying services related to an improvement to real property may 2-29 require in the contract that the engineer, [or] architect, or land surveyor name the owner as an additional insured under any of the 2-30 2-31 engineer's, [or] architect's, or land surveyor's insurance coverage 2-32 to the extent additional insureds are allowed under the policy and 2-33 2-34 provide any defense to the owner provided by the policy to a named 2-35 insured.

2-36 (f) Subsection (c) does not apply to a covenant to defend a 2-37 party, including a third party, for a claim of negligent hiring of 2-38

the architect, [<del>or</del>] engineer, or land surveyor. SECTION 3. The heading to Section 130.0021, Civil Practice and Remedies Code, is amended to read as follows: 2-39 2-40

Sec. 130.0021. 2-41 ARCHITECT'S<u>,</u> [<del>OR</del>] ENGINEER'S, OR LAND SURVEYOR'S STANDARD OF CARE. 2-42

2-43 SECTION 4. Sections 130.0021(a) and (b), Civil Practice and 2-44 Remedies Code, are amended to read as follows:

(a) A construction contract for architectural <u>,</u> 2-45 [<del>or</del>] or land surveying services or a contract related to 2-46 engineering, 2-47 the construction or repair of an improvement to real property that 2-48 contains architectural, [or] engineering, or land surveying services as a component part must require that the architectural, 2-49 [<del>or</del>] engineering, or land surveying services be performed with the professional skill and care ordinarily provided by competent 2-50 2-51 architects, [or] engineers, or land surveyors practicing under the 2-52 2-53 same or similar circumstances and professional license.

(b) If a contract described by Subsection (a) contains a provision establishing a different standard of care than the 2-54 2-55 2-56 standard described by Subsection (a): 2-57

(1)the provision is void and unenforceable; and

2-58 the standard of care described by Subsection (a) (2) applies to the performance of the architectural, [or] engineering, 2-59 2-60 or land surveying services.

2-61 SECTION 5. Section 130.004(b), Civil Practice and Remedies 2-62 Code, is amended to read as follows:

2-63 Except as provided by Section 130.002(b) or (c) or (b) Section 130.0021, this chapter does not prohibit or make void or 2-64 2-65 unenforceable a covenant or promise to:

2-66 (1) indemnify or hold harmless an owner of an interest 2-67 in real property and persons employed solely by that owner; or

2-68 (2) allocate, release, liquidate, limit, or exclude 2-69 liability in connection with a construction contract between an

S.B. No. 687

owner or other person for whom a construction contract is being 3-1 performed and a registered architect, [or] licensed engineer, or 3-2 3-3 land surveyor.

SECTION 6. Section 130.005, Civil Practice and Remedies 3-4 Code, is amended to read as follows: 3-5

Sec. 130.005. APPLICATION OF CHAPTER. This chapter does not apply to a contract or agreement in which an architect, [or] engineer, or land surveyor, or an agent, servant, or employee of an 3-6 3-7 3-8 3-9 architect, [or] engineer, or land surveyor, is indemnified from 3-10 3-11 liability for:

negligent acts other than those described by this (1)3-12 chapter; or

of 3-13 (2) negligent the contractor, acts any subcontractor, any person directly or indirectly employed by the contractor or a subcontractor, or any person for whose acts the 3-14 3**-**15 3**-**16

contractor or a subcontractor may be liable. SECTION 7. Section 271.904, Local Government Code, 3-17 is amended to read as follows: 3-18

Sec. 271.904. ENGINEERING, [OR] ARCHITECTURAL, OR LAND SURVEYING SERVICES CONTRACTS: INDEMNIFICATION LIMITATIONS; DUTIES 3-19 3-20 3-21 OF ENGINEER, [OR] ARCHITECT, OR LAND SURVEYOR. (a) A covenant or promise in, in connection with, or collateral to a contract for 3-22 engineering, [or] architectural, or land surveying services to 3-23 which a governmental agency is a party is void and unenforceable if 3-24 the covenant or promise provides that a licensed engineer, [<del>or</del>] registered architect, or land surveyor whose work product is the subject of the contract must indemnify or hold harmless the 3-25 3**-**26 3-27 governmental agency against liability for damage, other than liability for damage to the extent that the damage is caused by or 3-28 3-29 3-30 results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the indemnitor or the indemnitor's agent, consultant under contract, or another entity over which the 3-31 3-32 3-33 3-34 indemnitor exercises control.

(b) Except as provided by Subsection (c), a covenant or promise in, in connection with, or collateral to a contract for engineering, [or] architectural, or land surveying services to which a governmental agency is a party is void and unenforceable if 3-35 3-36 3-37 3-38 3-39 the covenant or promise provides that a licensed engineer [or] registered architect, or land surveyor whose work product is the subject of the contract must defend a party, including a third party, against a claim based wholly or partly on the negligence of, 3-40 3-41 3-42 fault of, or breach of contract by the governmental agency, the 3-43 agency's agent, the agency's employee, or other entity, excluding the engineer, [<del>or</del>] architect, or land surveyor or that person's agent, employee, or subconsultant, over which the governmental agency exercises control. A covenant or promise may provide for 3-44 3-45 3-46 3-47 the reimbursement of a governmental agency's reasonable attorney's 3-48 3-49 3-50

fees in proportion to the engineer's, [<del>or</del>] architect's, or land <u>surveyor's</u> liability. (c) Notwithstanding Subsection (b), a governmental agency may require in a contract for engineering, [<del>or</del>] architectural, or land surveying corvines to which the governmental agency is a party 3-51 3-52 3-53 land surveying services to which the governmental agency is a party that the engineer, [<del>or</del>] architect, or land surveyor name the governmental agency as an additional insured under the engineer's, [<del>or</del>] architect's, or land surveyor's general liability insurance policy and provide any defense provided by the policy. 3-54 3-55 3-56 3-57

(d) A contract for engineering, [<del>or</del>] architectural, or land surveying services to which a governmental agency is a party must require a licensed engineer, [<del>or</del>] registered architect, or land 3-58 3-59 3-60 3-61 <u>surveyor</u> to perform services:

(1) with the professional skill and care ordinarily 3-62 provided by competent engineers, [<del>or</del>] architects, or land surveyors practicing under the same or similar circumstances and professional 3-63 3-64 3-65 license; and

3-66 (2) as expeditiously as is prudent considering the 3-67 ordinary professional skill and care of a competent engineer, [or] 3-68 architect, or land surveyor. 3-69

(e) In a contract for engineering, [or] architectural, or

S.B. No. 687

land surveying services to which a governmental agency is a party, a 4-1 4-2 provision establishing a different standard of care than a standard 4-3 described by Subsection (d) is void and unenforceable. If a contract contains a void and unenforceable provision, the standard 4 - 44**-**5 4**-**6 of care described by Subsection (d) applies.

(f) In this section:

4-7 (1) "Governmental[, "governmental] agency" has the meaning assigned by Section 271.003. 4-8

(2) "Land surveyor" means a registered professional land surveyor or licensed state land surveyor as those terms are defined by Section 1071.002, Occupations Code. (g) Nothing in this section prohibits a governmental agency 4-9 4-10 4-11

4-12 in a contract for engineering, [<del>or</del>] architectural, or land surveying services to which the governmental agency is a party from 4-13 4-14 4**-**15 4**-**16 including and enforcing conditions that relate to the scope, fees, and schedule of a project in the contract.

4-17 SECTION 8. The change in law made by this Act applies only to a contract or covenant or promise in, in connection with, or 4-18 4-19 collateral to a construction contract entered into on or after the 4-20 4-21 effective date of this Act. A contract or covenant or promise in, in connection with, or collateral to a construction contract 4-22 entered into before the effective date of this Act is governed by 4-23 the law applicable to the contract or covenant or promise 4-24 immediately before the effective date of this Act, and that law is 4-25 continued in effect for that purpose.

4-26 SECTION 9. This Act takes effect September 1, 2025.

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