

## **BILL ANALYSIS**

Senate Research Center

H.B. 3306  
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Business & Commerce  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas Insurance Code Section 151.102 provides that certain provisions in a construction contract are invalid if they require one party to indemnify, defend, or hold harmless another party for claims resulting from the indemnitee's own negligence, legal violations, or contract breaches, or the negligence of its agents, employees, or supervised third parties. Section 151.105 provides exceptions for contracts related to certain residential developments and public works projects.

Electric utilities often employ contractors to perform specific work construction and maintenance work, including vegetation management, particularly as the demand for these services varies over time. These contractors may not have liability coverage with clear indemnification obligations when providing temporary service.

H.B. 3306 revises Insurance Code Section 151.105 to add electric utilities and transmission and distribution utilities to the indemnity exclusions related to contracting for installation, construction, or vegetation maintenance of electric infrastructure.

H.B. 3306 amends current law relating to the applicability of certain laws affecting indemnification agreements to certain contracts or agreements pertaining to electric utility infrastructure.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 151.105, Insurance Code, as follows:

Sec. 151.105. EXCLUSIONS. Provides that Subchapter C (Requirements Related to Indemnification) does not affect certain provisions, including an indemnity provision in a construction contract, or in an agreement collateral to or affecting a construction contract pertaining to electric infrastructure construction, maintenance, or vegetation management for an electric utility or a transmission and distribution utility as those terms are defined by Section 31.002 (Definitions), Utilities Code, or an electric cooperative or a municipally owned utility, as those terms are defined by Section 11.003 (Definitions), Utilities Code. Makes nonsubstantive changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.