

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 424 (as passed by the Senate)  
Sponsor: Senator Richard D. Fessler  
Committee: Judiciary

Date Completed: 9-7-89

**RATIONALE**

Asbestos was used in the construction of many school buildings, but since research indicates that inhalation of asbestos fibers can pose a health risk, asbestos abatement projects have been undertaken in schools throughout the State. School officials reportedly have experienced difficulty in employing personnel to conduct asbestos abatement projects, however, because handling the material properly and safely is very precise work and can present serious liability concerns to abatement workers. While local and intermediate school districts must have liability insurance in order to comply with State and Federal legislation concerning the control and removal of asbestos, many districts reportedly are reluctant to provide indemnification and the guarantee of legal representation to employees who handle asbestos, because the School Code does not specifically allow for such practices. In order to expedite the safe removal of asbestos from Michigan's schools, some people feel that school districts should be authorized to indemnify asbestos workers against civil liability in their handling of the material.

**CONTENT**

The bill would amend the School Code to allow a local school district board or an intermediate school district board to agree contractually to provide legal representation and indemnification against civil liability with respect to claims of negligence against employees whose duties included inspecting, monitoring, removing, or treating asbestos or material containing asbestos or supervising such duties. A contractual agreement authorized under the bill

could be entered into before or after the person began performing the asbestos-related duties.

Proposed MCL 380.623b and 380.1256

**FISCAL IMPACT**

This bill would have no fiscal impact on the State. There would be indeterminate costs to local or intermediate school districts. The number of lawsuit judgments or settlements to which a local or intermediate school district would become contractually liable is not known and the award or settlements would depend upon the vicissitudes of the judicial process.

**ARGUMENTS****Supporting Argument**

To protect the health of students and staff the removal of asbestos from schools should be encouraged and completed quickly and safely. By allowing school district boards to indemnify and offer legal representation to asbestos workers with regard to their handling of asbestos, the bill would help school boards to overcome a barrier to the completion of asbestos projects.

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**A8990/S424A**

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

S.B. 424 (9-7-89)