

# **MAINE SERVICE CENTERS COALITION**

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## **Testimony of the Maine Service Centers Coalition LD 1761, An Act to Prohibit Indemnification Agreements**

Senator Carney, Representative Kuhn and esteemed members of the Joint Standing Committee on Judiciary, the Maine Service Centers Coalition is submitting testimony in opposition to LD 1761, An Act to Prohibit Indemnification Agreements.

The Maine Service Centers Coalition, comprised of 27 towns and cities across the state, articulates the importance of healthy and thriving service center communities, advocates for public policy that supports and contributes to the economic and social viability of our communities, and collaborates with municipal officials, legislators, state agencies and nonprofits to pursue quality of life for all who live and work in our state.

Our Coalition has significant concerns about LD 1761 and its unintended consequences for municipalities across Maine. Our service center communities are engaged in numerous contracts for a wide range of essential goods and services such as emergency shelters, road repairs and construction. When negotiating these contracts, it is critical that we include indemnity provisions in order to protect our residents and our property taxpayers from liability.

This bill, if passed, would significantly impact contract negotiations and could lead to higher costs for our municipalities. Consider, if you would, what could happen with municipal construction projects. As you well know, our service center communities are already struggling to address infrastructure needs. Should the law require us to take on additional risk, we fear the cost of constructing these necessary projects would rise even higher.

For these reasons, the Maine Service Centers Coalition respectfully opposes LD 1726 and urges you to vote against the bill.

Thank you for your time and attention to this important matter for our communities.