CS/HB 575 2013

1 A bill to be entitled 2 An act relating to design professionals; creating s. 3 558.0035, F.S.; specifying conditions under which a 4 design professional employed by a business entity or 5 an agent of the business entity may not be held 6 individually liable for damages resulting from 7 negligence occurring within the course and scope of a 8 professional services contract; defining the term 9 "business entity"; amending ss. 471.023, 472.021, 481.219, and 481.319, F.S.; conforming provisions to 10 changes made by the act; providing an effective date. 11 12 13 Be It Enacted by the Legislature of the State of Florida: 14 15 Section 1. Section 558.0035, Florida Statutes, is created 16 to read: 558.0035 Design professionals; contractual limitation on 17 18 liability.-(1) A design professional employed by a business entity or 19 20 an agent of the business entity is not individually liable for damages resulting from negligence occurring within the course 21 22 and scope of a professional services contract if: 23 The contract is made between the business entity and a 24 claimant or another entity for the provision of professional 25 services to the claimant. 26 The contract does not name an individual employee or 27 agent as a party to the contract. 28

Page 1 of 5

The contract includes a prominent statement, in

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(C)

uppercase font that is at least 5 point sizes larger than the rest of the text, that, pursuant to this section, an individual employee or agent may not be held individually liable for negligence.

- (d) The business entity maintains professional liability insurance required under the contract.
- (e) Any damages are solely economic in nature and the damages do not extend to persons or property not subject to the contract.
- (2) As used in this section, the term "business entity"

  means any corporation, limited liability company, partnership,

  limited partnership, proprietorship, firm, enterprise,

  franchise, association, self-employed individual, or trust,

  whether fictitiously named or not, doing business in this state.
- Section 2. Subsection (3) of section 471.023, Florida Statutes, is amended to read:
  - 471.023 Certification of business organizations.-
- (3) Except as provided in s. 558.0035, the fact that a licensed engineer practices through a business organization does not relieve the licensee from personal liability for negligence, misconduct, or wrongful acts committed by him or her. Partnerships and all partners shall be jointly and severally liable for the negligence, misconduct, or wrongful acts committed by their agents, employees, or partners while acting in a professional capacity. Any officer, agent, or employee of a business organization other than a partnership shall be personally liable and accountable only for negligent acts, wrongful acts, or misconduct committed by him or her or

committed by any person under his or her direct supervision and control, while rendering professional services on behalf of the business organization. The personal liability of a shareholder or owner of a business organization, in his or her capacity as shareholder or owner, shall be no greater than that of a shareholder-employee of a corporation incorporated under chapter 607. The business organization shall be liable up to the full value of its property for any negligent acts, wrongful acts, or misconduct committed by any of its officers, agents, or employees while they are engaged on its behalf in the rendering of professional services.

Section 3. Subsection (3) of section 472.021, Florida Statutes, is amended to read:

472.021 Certification of partnerships and corporations.-

(3) Except as provided in s. 558.0035, the fact that any registered surveyor and mapper practices through a corporation or partnership does shall not relieve the registrant from personal liability for negligence, misconduct, or wrongful acts committed by him or her. Partnerships and all partners shall be jointly and severally liable for the negligence, misconduct, or wrongful acts committed by their agents, employees, or partners while acting in a professional capacity. An Any officer, agent, or employee of a business organization other than a partnership shall be personally liable and accountable only for negligent acts, wrongful acts, or misconduct committed by him or her or committed by a any person under his or her direct supervision and control while rendering professional services on behalf of the business organization. The personal liability of a

shareholder or owner of a business organization, in his or her capacity as shareholder or owner, shall be no greater than that of a shareholder-employee of a corporation incorporated under chapter 607. The business organization shall be liable up to the full value of its property for any negligent acts, wrongful acts, or misconduct committed by any of its officers, agents, or employees while they are engaged on its behalf in the rendering of professional services.

Section 4. Subsection (11) of section 481.219, Florida Statutes, is amended to read:

481.219 Certification of partnerships, limited liability companies, and corporations.—

(11) No corporation, limited liability company, or partnership shall be relieved of responsibility for the conduct or acts of its agents, employees, or officers by reason of its compliance with this section. However, except as provided in s. 558.0035, the architect who signs and seals the construction documents and instruments of service shall be liable for the professional services performed, and the interior designer who signs and seals the interior design drawings, plans, or specifications shall be liable for the professional services performed.

Section 5. Subsection (6) of section 481.319, Florida Statutes, is amended to read:

481.319 Corporate and partnership practice of landscape architecture; certificate of authorization.—

(6) Except as provided in s. 558.0035, the fact that <u>a</u> registered landscape architect practices <del>architects practice</del>

Page 4 of 5

landscape architecture through a corporation or partnership as provided in this section <u>does shall</u> not relieve <u>the any</u> landscape architect from personal liability for his or her professional acts.

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Section 6. This act shall take effect July 1, 2013.

Page 5 of 5