

On behalf of the undersigned coalition, we respectfully oppose **S-181/A-3656**, which would prohibit property owners and snow removal contractors from agreeing to indemnification provisions in contracts for snow and ice removal.

It is our understanding that the intent of the legislation is to assist the snow and ice removal industry with increasing insurance premiums. However, there is no guarantee that this legislation will result in lower insurance premiums. If it is successful, it will be at the expense of property owners, multifamily housing providers, retail establishments, condominium associations, commercial real estate owners, supermarkets, and other businesses. Specifically, the bill:

- ***Drives up the cost of doing business in New Jersey and drives up the cost of housing by:***
  - Increasing the complexity of resolving lawsuits claiming negligence in snow and ice removal;
  - Driving up the cost of litigation;
  - Incentivizing more “slip and fall” lawsuits, and;
  - Forcing insurance companies to litigate with each other to determine fault.
- ***Statutorily comes between parties involved in a contract;***
  - Businesses are in the best position to negotiate mutually beneficial contractual terms. Furthermore, for services like snow removal, the cost of insurance, as well as all other costs associated with running a snow removal business, are included in the price of the contract. It is not clear why State government is taking sides in de-icing, snow removal, and snow plow contracts to the benefit of a single industry (snow plow companies), at the expense of thousands of other businesses.
- ***Creates an uneven playing field for similar products and services. (S-181)***
  - The bill excludes the State, or any political subdivision or instrumentality thereof. As such, a housing authority would not be subject to the provisions of the bill but a for profit or non-profit affordable housing provider would be subject to the provisions. This is unfair.

The bill is clearly aimed at benefitting a single industry and the undersigned organizations believe that the bill will be detrimental to property owners, businesses and residents. Furthermore, it may ultimately have the unintended consequence of incentivizing property owners to have their own staffs remove the snow, eliminating jobs for snow removal contractors.

Finally, we would ask the sponsors to consider the following outcomes. If insurance premiums are not reduced, then this legislation simply has the effect of incentivizing more litigation with no discernable benefit to either party. If insurance premiums are reduced, and that reduction is

not mandatorily included in the cost of future contracts, this legislation simply increases the profits of a single industry at the expense of thousands of businesses.

Accordingly, we oppose **S-181/A-3656** and we would welcome the opportunity to meet with you to discuss our concerns. Should you have any questions regarding our concerns, please do not hesitate to contact us.

Sincerely,

Chamber of Commerce Southern New Jersey  
Community Associations Institute of New Jersey  
International Council of Shopping Centers  
NAIOP New Jersey  
New Jersey Apartment Association  
New Jersey Bankers Association  
New Jersey Builders Association  
New Jersey Civil Justice Institute  
New Jersey Food Council  
New Jersey Hotel & Lodging Association  
New Jersey Realtors®  
New Jersey Restaurant & Hospitality Association  
New Jersey Retail Merchants Association  
New Jersey Tourism Industry Association  
Wawa