

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1552

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Loupassi

**3. Committee:** Courts of Justice

**4. Title:** Punitive damages; increases cap to reflect effect of inflation.

**5. Summary:** Increases the punitive damages cap from \$350,000 to \$675,000 to reflect the effect of inflation since the cap was first established. The bill also provides that the cap will be adjusted annually in an amount equal to the annual increase in the United States Average Consumer Price Index for all items, all urban consumers.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates are preliminary.** See item 8, below.

**8. Fiscal Implications:** This bill increases the punitive damage cap on awards in state courts. Any fiscal impact to the Commonwealth is indeterminate. But according to the Department of the Treasury's Division of Risk Management, which administers various risk management plans and programs that cover state government, public entities, specified not-for-profit organizations, and certain individuals serving in the public interest, based on prior experience, any fiscal impact to the state is anticipated to be minimal. To the extent that cases are not dismissed on sovereign immunity or other grounds, any impact would likely occur in claims involving individual defendants.

Any fiscal impact at the local level is unknown.

**9. Specific Agency or Political Subdivisions Affected:** Courts, Risk Management, localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/19/13

**Document:** G:/tmw/2013 Session/Legislation/HB1552.docx