

## Department of Planning and Budget 2014 Fiscal Impact Statement

1. **Bill Number:** SB409

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron:**    McWaters

3. **Committee:** Courts of Justice

4. **Title:**    Response to claims.

5. **Summary:** Response to claims. Requires the Division of Risk Management or a transportation district to acknowledge claims within 30 days and resolve claims within 60 days. The bill places the same requirements on VDOT for claims less than \$1,000 and provides that such claims serve as a report of the condition of the highway.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Indeterminate, see Item 8.

8. **Fiscal Implications:** The Virginia Tort Claims Act (§§ 8.01-195.1 through 8.01-195.9, Code of Virginia) sets out the manner in which actions against the Commonwealth for money damages may proceed in the state's courts. The Act applies to the full range of liability claims arising from state actors' negligent or wrongful acts, from simple (example: slips, trips and falls; "fender benders") to complex (Virginia Tech shooting; UVA hospital baby switch cases). The state can be sued upon denial of a claim. The Division of Risk Management indicates that this bill will reduce by 2/3 the six months currently allowed by the Virginia Tort Claims Act to investigate reported incidents, assess monetary exposures, negotiate settlements or prepare to defend denied claims. The effect of this reduced period will likely provide insufficient time for the Commonwealth to gather claim and incident facts from affected agencies. For those claims that cannot be resolved within the reduced time period and are therefore denied, this bill may result in an increase in the frequency and volume of lawsuits against the state, especially for more complex claims.

The Virginia Department of Transportation agrees that the bill may result in an increase in the number of lawsuits filed, and that the cost for claims paid or denied cannot be projected at this time.

The Office of the Attorney General (OAG) indicates that the bill would require all claims filed under the Virginia Tort Claims Act would be required to be evaluated within 60 days. The OAG anticipates that significant staff time would be required in order to meet the 60 day deadline, and it may need additional resources to hire more staff to fulfill the requirement.

**9. Specific Agency or Political Subdivisions Affected:** Department of the Treasury, Office of the Attorney General, Department of Transportation, all transportation districts

**10. Technical Amendment Necessary:** N/A

**11. Other Comments:** None

Date: January 17, 2014

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