

FISCAL NOTE

Nonpartisan Services for Colorado's Legislature

Drafting Number: LLS 19-0858 Date: February 7, 2019 **Prime Sponsors:** Sen. Fenberg Bill Status: Senate Judiciary

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ADJUST DAMAGES LIMITATIONS FOR INFLATION **Bill Topic:**

□ TABOR Refund Summary of State Revenue (*minimal*)

 State Expenditure (*minimal*) ☑ Local Government (*minimal*) **Fiscal Impact:**

□ State Transfer □ Statutory Public Entity

This bill adjusts damage limitations for inflation on January 1, 2020 and each January every two years thereafter, for unlawfully serving alcohol, non-economic loss or injury, and wrongful death. This bill minimally increases workload for the Judicial

Department and the Department of State on an ongoing basis.

Appropriation Summary:

No appropriation is required.

Fiscal Note Status:

The fiscal note reflects the introduced bill.

Summary of Legislation

This bill adjusts damage limitations for unlawfully serving alcohol, non-economic loss or injury, and wrongful death. The bill requires that damage limitations will be adjusted for inflation on January 1, 2020, and each January 1 every two years thereafter. This change applies to claims that accrue on or after January 1, 2020, and each January! every two years. The Department of State will be required to certify adjusted limitation on damages within fourteen days of information becoming available.

Background

The limitations on the amount of damages for unlawfully serving alcohol, non-economic loss or injury, and for wrongful death were last adjusted for inflation on January 1, 2008.

State Revenue

To the extent that higher damage limitations incentivize more parities to file civil lawsuits, the state will have a minimal increase in revenue credited to various cash funds in the Judicial Department and the General Fund starting in FY 2019-20 as a result of increased court filings. Court fee revenue is subject to TABOR.

State Expenditures

Beginning in FY 2019-20, this bill will minimally increase workload for the Judicial Department and the Department of State as discussed below.

Judicial Department. To the extent that civil filings increase under the bill, workload for the trial courts will increase. Any increase in workload is expected to be minimal and can be accomplished within existing appropriations.

Secretary of State. Adjusting the limitations for damages every two years will minimally increase workload for the Department of State to certify these adjustments. This workload can be accomplished within existing appropriations.

TABOR refunds. This bill is expected to minimally increase state General Fund obligations for TABOR refunds in FY 2019-20. Under current law and the December 2018 forecast, the bill will correspondingly increase the amount refunded to taxpayers via sales tax refunds on income tax returns for tax year 2020. The state is not expected to collect a TABOR surplus in FY 2020-21

Local Government

To the extent that there is an increase in court filings, this bill will increase revenue and workload for the Denver County Court, funded an operated by the City and County of Denver.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

District Attorneys Judicial Law Revenue Secretary of State