

1 **LIMITATION OF JUDGMENTS AGAINST**
2 **GOVERNMENT ENTITIES**

3 2003 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: Leonard M. Blackham**

6 **This act modifies the Judicial Code by establishing limits on judgments that may be**
7 **awarded against government entities. This act establishes a mechanism for adjusting the**
8 **amount of those limitations for inflation.**

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 ENACTS:

11 **78-60-1**, Utah Code Annotated 1953

12 **78-60-2**, Utah Code Annotated 1953

13 **78-60-3**, Utah Code Annotated 1953

14 *Be it enacted by the Legislature of the state of Utah:*

15 Section 1. Section **78-60-1** is enacted to read:

16 **CHAPTER 60. LIMITATION OF JUDGMENTS AGAINST GOVERNMENTAL**
17 **ENTITIES ACT**

18 **78-60-1. Title.**

19 This chapter is known as the "Limitation of Judgments against Governmental Entities
20 Act."

21 Section 2. Section **78-60-2** is enacted to read:

22 **78-60-2. Definitions.**

23 As used in this chapter:

24 (1) "Claim" means any claim or cause of action for money or damages against a
25 governmental entity or against an employee of a governmental entity.

26 (2) "Governmental entity" means the state and its political subdivisions as defined in
27 this chapter.



28 (3) "Personal injury" means an injury of any kind other than property damage.

29 (4) "Political subdivision" means each county, city, town, school district, special
30 district, or other governmental subdivision or public corporation.

31 (5) "State" means the state of Utah, and includes any office, department, agency,
32 authority, commission, board, institution, hospital, college, university, or other instrumentality
33 of the state.

34 Section 3. Section **78-60-3** is enacted to read:

35 **78-60-3. Limitation of judgments against governmental entity or employee --**

36 **Process for adjustment of limits.**

37 (1) (a) Except as provided in Subsections (2) and (3), if a judgment for damages for
38 personal injury against a governmental entity, or an employee whom a governmental entity has
39 a duty to indemnify, exceeds \$500,000 for one person in any one occurrence, or \$1,000,000 for
40 two or more persons in any one occurrence, the court shall reduce the judgment to that amount.

41 (b) A court may not award judgment of more than \$500,000 for injury or death to one
42 person regardless of whether or not the function which gave rise to the injury is characterized
43 as governmental or proprietary.

44 (c) Except as provided in Subsection (2), if a judgment for property damage against a
45 governmental entity, or an employee whom a governmental entity has a duty to indemnify,
46 exceeds \$200,000 in any one occurrence, the court shall reduce the judgment to that amount,
47 regardless of whether or not the function giving rise to the damage is characterized as
48 governmental.

49 (2) The damage limits established in this section do not apply to damages awarded as
50 compensation when a governmental entity has taken or damaged private property for public use
51 without just compensation.

52 (3) The limitations of judgments established in Subsection (1) shall be adjusted
53 according to the methodology set forth in Subsection (4).

54 (4) (a) Each year, the risk manager shall:

55 (i) calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5),

56 Internal Revenue Code;

57 (ii) calculate the increase or decrease in the limitation of judgment amounts established
58 in this section as a percentage equal to the percentage difference between the consumer price

59 index for the preceding calendar year and the consumer price index for calendar year 1999; and

60 (iii) after making an increase or decrease under Subsection (4)(a)(ii), round up the

61 limitation of judgment amounts established in Subsection (1) to the nearest \$100.

62 (b) Each even numbered year, the risk manager shall make rules, which become

63 effective no later than July 1, that establish the new limitation of judgment amounts.

64 (c) Adjustments made by the risk manager to the limitation of judgment amounts

65 established by this section have prospective effect only from the date the rules establishing the

66 new limitation of judgment take effect and those adjustments take effect and those adjusted

67 limitations of judgment apply only to claims for injuries or losses that occur after the effective

68 date of the rules that establish those new limitations of judgment.

Legislative Review Note

as of 2-18-03 11:11 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

State Impact

It is estimated that provisions of this bill can be implemented with existing resources.

Individual and Business Impact

The bill establishes financial limitations on certain judgments for damages against government entities or its employees.

Office of the Legislative Fiscal Analyst