

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 263 (Delegate Gladden. *et al.*)

Judiciary

Courts - Limitation on Noneconomic Damages - Repeal

This bill repeals limits on noneconomic damages in personal injury and wrongful death actions.

Fiscal Summary

State Effect: The bill is not expected to significantly impact governmental operations or finances.

Local Effect: The bill is not expected to significantly impact governmental operations or finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In an action for damages for personal injury or wrongful death in which the cause of action arises on or after October 1, 1994, an award for noneconomic damages may not exceed \$500,000. This limitation increases by \$15,000 on October 1 of each year beginning on October 1, 1995.

The time that a cause of action arises is a legal determination. In personal injury cases, the cause of action typically arises when the accident occurs.

“Noneconomic damages” means pain, suffering, inconvenience, disfigurement, physical impairment, loss of consortium, or other nonpecuniary injury.

State Fiscal Effect: The bill would result in higher damages awards in some personal injury and wrongful death cases. Any increased verdicts against the State would have no effect on State expenditures, however, because the State Tort Claims Act generally limits the liability of the State to \$200,000 to a single claimant for injuries arising from a single incident.

The bill could also result in an increase in the number of personal injury and wrongful death cases filed, to the extent that more cases are assessed by plaintiff's attorneys as being economically viable to pursue. The magnitude of any increase in case filings cannot be estimated at this time, but it is expected that the Judiciary could handle any additional workload resulting from the bill with existing budgeted resources.

Local Fiscal Effect: Any higher verdicts against local governments resulting from the bill would have no effect on local government expenditures. Under the Local Government Tort Claims Act, the liability of a local government for damages resulting from tortious acts or omissions may not exceed \$200,000 per an individual claim, and \$500,000 per total claims that arise from the same occurrence.

It is expected that the circuit courts could handle any increased caseload resulting from the bill using existing budgeted resources.

Small Business Effect: Small law firms that represent plaintiffs in personal injury and wrongful death cases could benefit from higher contingency fees and a greater number of economically viable cases resulting from the bill. To the extent that the bill results in the filing of more personal injury and wrongful death cases, small law firms that represent defendants in those cases would also benefit. In addition, higher damages awards could be entered against small businesses that are defendants in personal injury and wrongful death cases and/or more cases could be filed against small businesses as a result of the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Legislative Services

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