

HOUSE BILL 1693

By Watson

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 8, Part 3 and Title 33, relative to limiting damages for actions arising in tort for facilities contracting with the state.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 33, Chapter 2, Part 4, is amended by adding the following section:

§ 33-2-422.

(a) Any facility that is licensed pursuant to this part and is exempt from federal income taxation under § 501(c) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3) of the Internal Revenue Code shall only be liable for damages up to the sum of three hundred thousand dollars (\$300,000) per claimant and one million dollars (\$1,000,000) per occurrence for actions arising in tort during the time that the facility is contracting with the division of mental retardation services or the TennCare bureau or their successors to provide residential services for individuals with developmental disabilities or mental retardation.

(b) The limitation of liability provided for by this section shall only apply to claims brought by or on behalf of individuals referred to in subsection (a).

(c) The limitation of liability provided for by this section shall not apply to willful, malicious, or criminal acts or omissions.

SECTION 2. This act shall not be applicable to claims that are within the jurisdiction of the Tennessee claims commission, or to persons or entities immune from liability under Tennessee Code Annotated, Title 9, Chapter 8, Part 3.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.