

**ADJUSTMENT OF LIMITS ON DAMAGES**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jani Iwamoto**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies a provision relating to the adjustment of limits on damages against governmental entities.

**Highlighted Provisions:**

This bill:

► modifies the deadline for the Office of the Legislative Fiscal Analyst to communicate biennial adjustments of limits on damages to the state risk manager.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**63G-7-605**, as enacted by Laws of Utah 2017, Chapter 151

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

Section 1. Section **63G-7-605** is amended to read:

**63G-7-605. Adjustments to limitation of judgment amounts.**

(1) As used in this section:

(a) "Adjusted consumer price factor" means what the consumer price index, as



28 provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code, would be without the medical  
29 care component and the medical services component.

30 (b) "Aggregate limit" means the limit on the aggregate amount of personal injury  
31 damages claims from a single occurrence, as provided in Subsection 63G-7-604(1)(d).

32 (c) "Individual limit" means the limit on the amount of a judgment for damages for  
33 personal injury, as provided in Subsection 63G-7-604(1)(a).

34 (d) "Latest aggregate limit" means the aggregate limit, as last adjusted by the risk  
35 manager under this section.

36 (e) "Latest individual limit" means the individual limit, as last adjusted by the risk  
37 manager under this section.

38 (f) "Latest property damage limit" means the property damage limit, as last adjusted by  
39 the risk manager under this section.

40 (g) "Medical care component" means the medical care sub-index of the consumer price  
41 index, as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

42 (h) "Medical services component" means the medical services sub-index of the  
43 consumer price index, as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

44 (i) "Property damage limit" means the limit on the amount of a judgment for property  
45 damage, as provided in Subsection 63G-7-604(1)(c).

46 (2) (a) Each even-numbered year, the legislative fiscal analyst shall, subject to  
47 Subsection (3):

48 (i) adjust the individual limit by an amount equal to the sum of:

49 (A) 66.5% of the latest individual limit, multiplied by the adjusted consumer price  
50 factor;

51 (B) 16.75% of the latest individual limit, multiplied by the medical care component;  
52 and

53 (C) 16.75% of the latest individual limit, multiplied by the medical services  
54 component;

55 (ii) adjust the aggregate limit by an amount equal to the sum of:

56 (A) 66.5% of the latest aggregate limit, multiplied by the adjusted consumer price  
57 factor;

58 (B) 16.75% of the latest aggregate limit, multiplied by the medical care component;

59 and

60 (C) 16.75% of the latest aggregate limit, multiplied by the medical services component;

61 (iii) adjust the property damage limit as a percentage equal to the percentage increase

62 or decrease in the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal

63 Revenue Code; and

64 (iv) no later than [~~June~~] May 1, communicate the adjusted limits under Subsections

65 (2)(a)(i), (ii), and (iii) to the risk manager.

66 (b) The legislative fiscal analyst shall round up to the nearest \$100 the individual limit,

67 aggregate limit, and property damage limit adjusted under Subsection (2)(a).

68 (3) The legislative fiscal analyst may not adjust an individual limit or aggregate limit

69 under Subsection (2) if the adjustment results in a decrease in the amount of the limit.

70 (4) (a) Each even-numbered year, the risk manager shall make rules, to become

71 effective no later than July 1 of that year, that establish a new individual limit, aggregate limit,

72 and property damage limit, as adjusted under Subsection (2).

73 (b) An adjustment to the individual limit, aggregate limit, or property damage limit

74 under this section has prospective effect only from the date the rules establishing the new limit

75 take effect.

76 (c) An individual limit, aggregate limit, or property damage limit, as adjusted under

77 this section, applies only to a claim for injury or loss that occurs after the effective date of the

78 rules that establish the adjusted limit.

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**Legislative Review Note**

**Office of Legislative Research and General Counsel**