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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

S.B. 292
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 292's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Blessing

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill increases the dollar caps on noneconomic damages and punitive or exemplary damages in civil actions and provides a procedure for annual adjustments based on the Consumer Price Index (CPI).
- To the extent that state and local entities are named in tort actions and found liable, these entities may be subject to increased costs related to awards for damages.
- The Ohio Department of Taxation (DOT) will experience a minimal increase in administrative costs to annually adjust these caps based on the CPI.

Detailed Analysis

The bill increases the dollar caps on noneconomic damages and punitive or exemplary damages in civil actions. Such tort actions are typically filed in county courts of common pleas, which hear civil matters of controversy involving amounts greater than \$15,000. The bill also provides for annual adjustments to those caps based on the Consumer Price Index (CPI) and makes clarifications for the trial courts when deciding such awards.

Fiscal effect

Costs to public entities (as parties to a tort action)

The bill raises the limitations on damages for noneconomic loss and exemplary or punitive damages in specific tort actions, based on adjustments for the CPI as determined by the U.S. Bureau of Labor Statistics for the previous 12-month period. The bill does not create new matters for liability and is not expected to impact the number of tort actions filed annually. While the bill will not impact the number of annual civil case filings, it could result in an additional level of

complexity in order to consider the raised caps. This change is not expected to increase the associated operating costs for the courts beyond minimal.

The bill's practical effect is that some plaintiffs may be able to recover greater damages than they might under current law. Alternatively, defendants, including political subdivisions such as public hospitals, may be required to pay greater damages. To the extent that public entities, state and local governments, as well as publicly owned hospitals are held liable for certain actions (e.g., medical malpractice), these entities could be subjected to higher awards for damages. The table below describes the changes to the existing caps for damages. Due to the unpredictable nature of such legal actions, an exact estimate of potential increased expenditures is not possible. Additionally, it should be noted that most entities carry some sort of liability insurance. As an indirect result of the bill, insurance premiums may increase by an indeterminate amount.

Civil Noneconomic, Punitive, or Exemplary Damage Caps

Tort Action	Current Law Damage Caps		S.B. 292 Damage Caps	
	Each Plaintiff	Each Occurrence	Each Plaintiff	Each Occurrence
Compensatory damages for noneconomic losses in a tort action or medical malpractice	\$250,000-\$350,000	\$500,000	\$415,000-\$580,000	\$830,000
Compensatory damages for noneconomic loss in a medical malpractice action for catastrophic injuries	\$350,000-\$500,000	\$500,000-\$1,000,000	No limitation	No limitation
Wrongful death against a political subdivision or state university/college that does not represent the actual loss of a person	\$250,000		\$415,000	
Punitive and exemplary damages in tort actions when the tortfeasor is a small business or individual	\$350,000		\$580,000	

Department of Taxation

The Department of Taxation (DOT) will likely experience minimal annual administrative costs in order to comply with the bill's requirements. The bill requires DOT, in January of each year, to adjust each of the actual dollar figures and amounts for compensatory damages for noneconomic loss as described in the table above. The adjustments must be based on the percentage increase in the CPI as determined by the U.S. Bureau of Labor Statistics for the 12-month period ending on June 30 of the immediately preceding calendar year.

DOT is also required to prepare a report detailing the certified adjustments on or before February 15 of each year and provide the report to the General Assembly. The new cap amounts are to be implemented on February 15 of each year. If the CPI indicated no change for the time period in question, the caps will not adjust.