



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 21-0136	Date:	March 16, 2021
Prime Sponsors:	Rep. Kennedy Sen. Gonzales	Bill Status:	House Judiciary
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Bill Topic: **ADDITIONAL LIABILITY UNDER RESPONDEAT SUPERIOR**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill allows a plaintiff in a civil tort claim to bring additional claims against the employer or principal arising out of the same incident as the one involving an employee. It will minimally increase state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

In 2017, the Colorado Supreme Court held that when an employer admits liability for the certain actions of its employee, the plaintiff cannot assert additional claims against the employer arising out of the same incident. This bill allows a plaintiff in a civil tort claim to bring additional claims against the employer or a principal arising out of the same incident as the one involving an employee when an employer or principal admits liability.

State Revenue

The bill may increase civil case filings in the Judicial Department by a minimal amount. Civil filing fee revenue is subject to TABOR.

State Expenditures

This bill may increase workload and expenditures in the Department of Law, the Department of Personnel and Administration (DPA), the Judicial Department, as detailed below.

Department of Law. This bill may increase the number of cases in which state employees are defendants. However, the impact to the state is expected to be minimal as, under the Colorado Governmental Immunity Act, public entities are immune from these claims and claims against an individual are only allowed in certain circumstances.

Department of Personnel and Administration. If a significant number of claims arise, the DPA may require additional appropriations to maintain sufficient funding in the Risk Management Fund. The Risk Management Program's actuary will capture the claim costs as well as external legal costs in the actuarial analysis of the state's experience, and this analysis will form the basis for any adjustments through the annual budget process.

Judicial Department. This bill may increase civil case filings in the trial courts, as the ability to bring additional claims for the same incident may encourage plaintiffs to file. This is expected to be a minimal increase and no change in appropriations is required.

TABOR refunds. Under the December 2020 LCS Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2021-22 or FY 2022-23, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

Local Government

Similar to the state, if the legislation increases claims filed against local government employees, costs will increase for attorney's fees, damages, and/or insurance or liability coverage costs.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Judicial	Labor
Law	Municipalities	Personnel
Regulatory Agencies	School Districts	Special Districts