

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1032 - HB 1277

January 28, 2016

SUMMARY OF BILL: Limits the liability in tort actions to actual damages only and up to the sum of \$300,000 per claimant and \$1,000,000 per occurrence for each contractor providing direct client services under a contract with the Department of Children's Services (DCS), the Department of Mental Health and Substance Abuse Services (DMHSAS), or the Department of Intellectual and Developmental Disabilities (DIDD).

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 9-8-307(d), the state is liable for actual damages only and is not liable for punitive damages or the willful, malicious, or criminal acts by state employees, or for acts on the part of state employees done for personal gain. The state is only liable for damages up to the sum of \$300,000 per claimant and \$1,000,000 per occurrence pursuant to Tenn. Code Ann. § 9-8-307(e).
- The provisions of the proposed legislation will apply these same liability provisions and limits to direct client services contractors; therefore, any fiscal impact resulting from a lessened insurance exposure will be realized by the contractors.
- The proposed legislation will not have a significant impact on the costs of or reimbursement for direct client services contracted by the departments.
- Any fiscal impact to the state is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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