

2018 Regular Session

SENATE BILL NO. 390

BY SENATOR CLAITOR

SUITS AGAINST STATE. Provides for the order of payment of judgments and compromises against the state, subject to funding. (gov sig)

1 AN ACT

2 To enact R.S. 13:5109(B)(3) through (5), relative to the payment of final nonappealable
3 judgments and compromises rendered against the state; to provide for the order
4 judgments and compromises are to be paid, subject to legislative appropriation; to
5 provide that the Joint Legislative Committee on the Budget may make changes to the
6 order on a case-by-case basis; to provide for an effective date; and to provide for
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 13:5109(B)(3) through (5) are hereby enacted to read as follows:

10 §5109. Authority to compromise; judgment; notice of judgment; payments

11 * * *

12 B.

13 * * *

14 **(3) To the extent that final nonappealable judgments or compromises**
15 **cannot be paid from the Self-Insurance Fund, any appropriated funds made**
16 **available to pay such judgments or compromises shall be allocated in the**
17 **following order:**

1 signed by the governor, upon expiration of the time for bills to become law without signature
 2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 4 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SB 390 Engrossed

2018 Regular Session

Claitor

Present law provides that in any judgment rendered in any suit filed against the state, a state agency, or any compromise reached in favor of the plaintiff or plaintiffs in any such suit shall be exigible, payable, and paid only out of funds appropriated for that purpose by the legislature, if the suit was filed against the state or a state agency.

Proposed law retains present law but to the extent that final nonappealable judgments or compromises cannot be paid from the Self-Insurance Fund, any appropriated funds made available to pay final such judgments or compromises shall be allocated in the following order:

- (1) First, lawsuits which are compromised when the amount to be paid by the state per lawsuit is less than \$100,000, including judicial interest, with the oldest compromises being paid first.
- (2) Second, lawsuits which have a final nonappealable judgment when the amount the state is cast in judgment per lawsuit is an amount less than \$100,000, including judicial interest, with the oldest judgments being paid first.
- (3) Third, lawsuits which are compromised when the amount to be paid by the state per lawsuit is between \$100,000, including judicial interest, and \$250,000, including judicial interest, with the oldest compromises being paid first.
- (4) Fourth, lawsuits which have a final nonappealable judgment when the total amount the state is cast in judgment is between \$100,000, including judicial interest, and \$250,000, including judicial interest, with the oldest judgments being paid first.
- (5) Fifth, lawsuits which are compromised when the amount to be paid by the state per lawsuit is in excess of \$250,000, including judicial interest, with the oldest compromises being paid first.
- (6) Sixth, lawsuits which have a final nonappealable judgment when the total amount the state is cast in judgment is in excess of \$250,000, including judicial interest, with the oldest judgments being paid first.

Proposed law further provides that the state agency or department which is found to be at fault shall pay five percent of the judgment from its appropriated funds.

Proposed law also authorizes the Joint Legislative Committee on the Budget to allow changes to the order set forth in proposed law on a case-by-case basis.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 13:5109(B)(3)-(5))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Provides that proposed law does not apply to judgments or compromises that can be paid from the Self-Insurance Fund.
2. Clarifies that all of the dollar amounts include judicial interest.