

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 08-0685
Prime Sponsor(s): Rep. Madden
 Sen. Veiga

Date: January 14, 2008
Bill Status: House Judiciary
Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING RECOVERY OF COSTS IN A CASE IN WHICH THE PLAINTIFF RECEIVES A JUDGMENT THAT IS LESS THAN A REJECTED SETTLEMENT OFFER.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures		
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: July 1, 2008		
Appropriation Summary for FY 2008-2009: None Required.		
Local Government Impact: See Local Government Impact section		

Summary of Legislation

The bill clarifies that, if a plaintiff rejects a defendant's settlement offer and subsequently recovers a final judgement that is less than the settlement offer, the plaintiff shall recover actual costs that accrued prior to the time the defendant made the settlement offer.

State Revenue and Expenditures

The bill clarifies the awarding of costs in cases where a judgement is entered which is less than a rejected settlement offer. It will not significantly affect the workload of any state agency, but it may affect the amount recovered or paid by the state in certain civil litigation. As such, the bill is assessed as having a conditional fiscal impact because any potential impact would be conditioned on the state being a party to a lawsuit governed by the provisions of the bill.

The amount of any potential increase to state revenue and expenditures has not been estimated, but any increase would be limited to cases where costs incurred prior to the settlement offer are not already awarded. Increases may be further limited by both the state's governmental immunity statute and other statutory limitations on the awarding of attorney costs to the state. Finally, given the specificity of the bill, the number of cases that might be affected by the bill in any year is low. It is assumed that any increase in expenditures related to settling future litigation that cannot be accommodated within existing appropriations will be addressed through the regular budget

process. Litigation settlements are handled through the Division of Risk Management in the Department of Personnel and Administration.

Local Government Impact

The bill may potentially increase local government revenue and expenditures, but the amount of any potential increase cannot be determined.

State Appropriations

No new state appropriations are required for FY 2008-09.

Departments Contacted

Judicial

Law

Personnel