



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 3 SLS 201ES 6
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 9, 2020 9:22 AM Author: CONNICK
Dept./Agy.: Office of Risk Management/Attorney General/Supreme
Subject: Litigation Reduction Act Analyst: Rebecca Robinson

CIVIL PROCEDURE OR SEE FISC NOTE GF EX Page 1 of 2
Provides for the Litigation Reduction Act. (1/1/21)

Proposes to extend the prescription period for delictual actions from one year to two years. It also proposes to lower the jury threshold from \$50,000 to \$20,000.

Effective January 1, 2021.

Table with 7 columns: EXPENDITURES, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

There will be an indeterminable increase to the Office of Risk Management (ORM), and indeterminable impacts to the Louisiana Supreme Court (LSC), and the Attorney General (AG) as a result of the reduction in the jury threshold and the change in prescription period.

ORM reports an indeterminable impact associated with the lowering of the jury threshold as it is unknown whether this would lead to an increase or decrease in jury trials; and/or an increase or decrease in settlements. ORM indicates that the prevailing opinion is that defendants experience a greater opportunity for a fair trial before a jury.

There will be an indeterminable increase in expenditures to ORM as a result in the change in the prescription period. ORM indicates that often the first time they receive knowledge of a claim is when a lawsuit is filed.

The AG's office reports there will be an increase in expenditures as a result of the reduction of the jury threshold and the extension of the prescriptive period. The AG indicates that virtually all of their cases would be eligible for a jury trial with the reduction in the jury threshold; and that they will also see an increase in jury trials as a result of the extension of the prescriptive period.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director

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**CONTINUED EXPLANATION from page one:**

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**[CONTINUED FROM PAGE 1 - EXPENDITURE EXPLANATION]**

It is unknown how many cases will actually qualify for a jury trial; how many will actually go to trial; and the extent to which it increases the AG's workload. The LFO recognizes a potential workload adjustment for the AG as a result of the lower jury threshold; however, the LFO is unable to substantiate the level of resources need by the AG's office. Further, the AG's office did not provide any information on how the additional staff needed due to the change in prescription period was derived.

Based on information received from the LSC, district judges anticipate the lowered jury trial threshold will result in increased requests for jury trials, which are docketed in a limited manner. As a result, the increased demand for jury trials may lead to a delay in trials and backlogged dockets, potentially necessitating more judgeships which would require funding via the SGF. However, because the extent to which there will be additional trials as a result of the proposed law is indeterminable, the overall effect it will have on dockets, and the prospective need for additional judgeships is similarly indeterminable.

The Louisiana Supreme Court reports an indeterminable impact as a result of the change in the prescription period as they cannot determine if the change will increase or decrease the number of trials.

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