

HB 2014 A STAFF MEASURE SUMMARY

Carrier: Sen. Thatcher

Senate Committee On Judiciary

Minority Report

Action Date: 05/21/19

Action: Do pass with amendments. (Printed A-Eng.) Minority

Fiscal: No fiscal impact

Revenue: No revenue impact

Report Signers: Sen. Kim Thatcher, Sen. Cliff Bentz

Prepared By: Channa Newell, Counsel

Meeting Dates: 5/6, 5/7, 5/21

WHAT THE MEASURE DOES:

Increases cap on noneconomic damages from \$500,000 to \$1,500,000. Provides yearly increase or decrease for cost of living adjustments. Relocates definition of "economic damages" and "noneconomic damages" in statute. Applies to causes of actions that arise on or after the effective date of Act.

ISSUES DISCUSSED:

- Differences between economic damages, noneconomic damages, and punitive damages
- History of caps on civil awards
- Examples of awards reduced due to current cap
- Purpose of noneconomic damage award

EFFECT OF AMENDMENT:

Increases cap on noneconomic damages from \$500,000 to \$1,500,000. Provides yearly increase or decrease for cost of living adjustments. Removes emergency clause.

BACKGROUND:

Oregon law separately addresses the types of damages awarded in civil actions. Economic damages are objectively verifiable monetary losses, such as medical or hospital expenses, loss of income and future earning impairment, and costs to replace damaged property. Noneconomic damages are subjective nonmonetary losses, including pain, mental suffering, emotional distress, injury to reputation, loss of care, comfort and companionship, and interference with normal activities aside from employment.

Article 1, Section 10 of the Oregon Constitution states, "No court shall be secret, but justice shall be administered, openly and without purchase, completely and without delay, and every man shall have remedy by due course of law for injury done him in his person, property, or reputation." In 2016, an Oregon Supreme Court case analyzed the remedy provisions in Article 1, Section 10, and limited recovery on all noneconomic damages to \$500,000 (*Horton v. OHSU*, 359 Or 168 (2016)).

House Bill 2014-MRA increases the \$500,000 statutory cap on noneconomic damages to \$1,500,000 and provides a yearly cost of living adjustment.