

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6587

BILL NUMBER: HB 1593

DATE PREPARED: Dec 4, 1998

BILL AMENDED:

SUBJECT: Products liability

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill repeals the comparative fault provisions of the product liability law. It applies the product liability law to a seller who is not the manufacturer of the product. It also eliminates the need to prove that the manufacturer failed to exercise reasonable care in a product liability action based on a design defect or on a failure to provide adequate warnings.

Effective Date: July 1, 1999.

Explanation of State Revenues: This bill may increase filings of some civil tort actions because it alleviates the burden on a plaintiff in a strict liability tort action of proving that a manufacturer failed to exercise reasonable care in product liability actions alleging design defect or failure to provide adequate warnings.

The filing fee for civil actions is \$100. Of this fee, 70% or \$70 is deposited in the State General Fund if the case is filed in a trial court. If a civil case is filed in a city or town court (providing the court has jurisdiction), the State General Fund receives 55% of the \$100 filing fee.

Explanation of Local Expenditures: Additional filings under this specific cause of action will have a minimal impact on the caseloads of trial or city and town courts. The operating expenses of the trial courts are paid by the County General Fund. The expenses of the city and town courts are paid by the General Fund of the city or town in which the court is located.

Explanation of Local Revenues: If a case is filed in a trial court, the County General Fund receives 27% or \$27 of the filing fee. The other 3% or \$3 is deposited in the General Fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county or municipal court located in the county. If the case is filed in a city or town court (providing the court has jurisdiction), the County General Fund receives 20% while the city or town General Fund receives 25%.

State Agencies Affected:

Local Agencies Affected: Courts of record and some city and town courts.

Information Sources: 1997 Indiana Judicial Report, Vol. I, p. 83.