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FISCAL IMPACT REPORT

SPONSOR:	Sanchez, M.	DATE TYPED:	03/01/01	HB	
SHORT TITLE: Compensate Rosendo		Sanchez		SB	545
			ANAL	YST:	Carrillo

REVENUE

Estimated Revenue			Subsequent	Recurring	Fund
FY01		FY02	Years Impact	or Non-Rec	Affected
\$	100.0		significant	Recurring	Public Liability Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

General Services Department

SUMMARY

Synopsis of Bill

Senate Bill 545 appropriates \$100.0 from the general fund to the Risk Management Division (General Services Department - GSD) for expenditure in FY01 and FY02 for the purpose of compensating Rosendo Sanchez for the damages he sustained in an accident on November 22, 1966 in Valencia County.

The bill contains a reversion provision and an emergency clause.

Significant Issues

GSD staff states the bill creates a potentially costly precedent for payment of damages not legally owed at the time of occurrence. Literally thousands of claims with hundreds of millions of dollars in damages could be reasserted if re-filing of claims due to non-compensation, or under-compensation by current standards, were to be allowed due to later changed in statute or case law.

GSD staff also notes the Statute of Limitations bars recovery of this type.

Senate Bill 545 -- Page 2

FISCAL IMPLICATIONS

The appropriation of \$100.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY02 shall revert to the general fund.

GSD staff comments the potential for negative fiscal implications to the Public Liability Fund could be in the hundreds of millions of dollars for similar request and undetermined future legal defense costs.

ADMINISTRATIVE IMPLICATIONS

GSD staff notes the flood of prior incident requests that would be anticipated if this precedent were set would require significant increases in staff and contract attorneys to handle.

CONFLICT

The Statute of Limitations prevents this type of action.

WJC/prr:lrs:jsp