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SENATE BILL 860

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Steve Komadina

AN ACT

RELATING TO DAMAGES; PROVIDING FOR PAYMENT OF PUNITIVE DAMAGES TO THE GENERAL FUND; PROHIBITING THE STATE FROM ASSERTING A CLAIM FOR OR RECOVERING PUNITIVE DAMAGES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Punitive Damages Act".

Section 2. LEGISLATIVE FINDINGS--PURPOSE OF THE ACT.--The legislature finds that punitive damages are awarded in tort actions for the purpose of punishing wrongdoers and as a warning and deterrent to other wrongdoers. Such damages are not awarded as further compensation to injured parties that are fully compensated through awards of compensatory damages. Accordingly, the legislature finds that making punitive damages payable to injured parties is illogical and unfairly

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1 discriminatory. In those cases in which punitive damages are
2 awarded, the injured party recovers more than fair
3 compensation. There is no sound reason that some injured
4 parties should recover more compensation than that to which
5 they are otherwise entitled because wrongdoers are being
6 punished. Accordingly, the purpose of the Punitive Damages Act
7 is to provide a fairer and more equitable distribution of
8 punitive damages awards.

9 Section 3. PUNITIVE DAMAGES AWARDS--DISPOSITION. --When a
10 court enters a judgment for punitive damages in a tort action,
11 the court shall direct in the judgment that payment of the
12 damages shall be made to the state general fund.

13 Section 4. PUNITIVE DAMAGES AWARDS--LIMITATION ON STATE
14 RECOVERY. --The state shall not assert a claim for or recover
15 punitive damages in a tort action to which the state is a
16 party.

17 Section 5. APPLICABILITY. --The Punitive Damages Act does
18 not apply to a case pending in a court on the effective date of
19 the act.