

Senate Bill 358

Sponsored by Senator GEORGE; Senators ATKINSON, FERRIOLI, GIROD, KRUSE, NELSON, STARR, WINTERS, Representatives GILLIAM, THATCHER, WINGARD (at the request of Freedom Works)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Imposes limits on awards of punitive damages based on nature of action and type of defendant.
Provides that employer or principal is not liable for punitive damages by reason of tort of employee or agent unless employer or principal knew that employee or agent intended to commit tort and failed to take reasonable action to prevent commission of tort or employer or principal ratified actions of employee or agent that constitute tort.

A BILL FOR AN ACT

1
2 Relating to punitive damages.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) Punitive damages may not be awarded on any claim for personal injury**
5 **or in any wrongful death action in an amount that exceeds the lesser of:**

6 (a) **Three times the amount awarded for economic damages;**

7 (b) **The amount awarded as economic damages, if that amount is \$1 million or more; or**

8 (c) **The amount determined under subsection (3) of this section.**

9 (2) **Punitive damages may not be awarded on any claim not subject to subsection (1) of**
10 **this section in an amount that exceeds the lesser of:**

11 (a) **Twice the amount awarded for economic damages;**

12 (b) **The amount awarded as economic damages, if that amount is \$1 million or more; or**

13 (c) **The amount determined under subsection (3) of this section.**

14 (3) **If a claim for punitive damages is made against a defendant that operates a business**
15 **and the claim arises out of the operation of the business, punitive damages may not be**
16 **awarded on the claim in an amount that exceeds 10 percent of the net worth of the business,**
17 **if the net worth of the business, calculated as of the date the action is filed, is less than \$2**
18 **million.**

19 **SECTION 2. An employer or principal is not liable for punitive damages by reason of any**
20 **tort committed by an employee or agent, unless:**

21 (1) **The employer or principal knew that the employee or agent intended to commit the**
22 **tort and the employer or principal failed to take reasonable action to prevent the commission**
23 **of the tort; or**

24 (2) **The employer or principal ratified the actions of the employee or agent that constitute**
25 **the tort.**

26 **SECTION 3. Sections 1 and 2 of this 2009 Act apply only to causes of action arising on**
27 **or after the effective date of this 2009 Act.**

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NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.