

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2204 - 2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Provides that public safety officer who represents that person is acting as employee or agent of public body is acting in scope of employment for purposes of Oregon Tort Claims Act.

Government Unit(s) Affected:

Department of Administrative Services (DAS), District Attorneys and their Deputies (DAs), Department of Public Safety Standards and Training (DPSST), Oregon Judicial Department (OJD), Cities, Counties, Department of Justice (DOJ), Oregon Youth Authority (OYA), Oregon State Police (OSP).

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Summary of Expenditure Impact:

See Analysis.

Analysis: This measure provides that a public safety officer who represents that a person is acting as employee or agent of public body is acting in scope of employment for purposes of Oregon Tort Claims Act and increases damages limitations under Oregon Tort Claims Act for claims for acts or omissions of public safety officers. The measure also provides for award of attorney fees and that a person may bring civil action for damages incurred as result of police officer's failure to report or intervene in misconduct. Expands statewide online database maintained by the Department of Public Safety Standards and Training to include settlements of claims against police officers involving misconduct and requires the department to investigate settlements to determine if discipline is warranted. The measure also allows for the award of attorney's fees on top of the damage award.

The fiscal impact of this measure is indeterminate. The provisions may drive more tort claims, but the number, frequency, and scope are unknown. Higher payouts may result due to measure raising local government tort cap limits up to state levels. Corresponding increases in insurance premiums and attorney fee awards are also likely cost drivers. The primary insurer for the League of Oregon Cities and the Association of Oregon Counties estimates the potential increase in attorney's fees and awards to be approximately \$18.0 million; this number assumes a 25% increase in lawsuits. The estimate does not include information from self-insured cities and counties.

The Department of Administrative Services, Risk Management Division estimates additional claim increases may increase by \$1.0 to \$2.5 million per biennium and these costs would be passed on to the responsible agencies in increased premium costs.

The Department of Public Safety Standards and Training (DPSST) indicates that the additional information that would need to be sent and published is unknown but may require additional resources if the volume is larger than expected. DPSST does not currently conduct investigations into the findings of civil actions involving police officers and does not have the authority to impose discipline beyond taking regulatory actions against the police officers' certification. This may require additional compliance staff, the number of which is unknown.

The fiscal impact to Oregon Judicial Department, Oregon Youth Authority, Oregon State Police, District Attorneys, and Department of Justice is indeterminate and would depend on the frequency and scope of potential civil actions.