

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes the following changes in law: enacts new tort liability limits for claims against the state or a municipality if the claim involves a nonprofit engaged in outdoor recreational activities; establishes civil immunity for schools that allow public use of recreational facilities; increases the monetary threshold for certain conciliation court claims; permits interlocutory appeals of class certification orders; reduces the statute of limitations from six to four years for certain civil actions; makes changes to how interest rates are computed for judgments; amends attorney fee award provisions; and creates a civil cause of action available to sex trafficking victims.

- 1, 4** **Limits (state and municipal liability).** Section 1 enacts a new tort liability limit in the section of law governing tort claims against the state. Section 4 enacts a new tort liability limit in the section of law governing tort claims against a municipality.

Provide that the total liability of the state or municipality may not exceed \$1,000,000 if the claims involve nonprofit corporations engaged in or administering outdoor recreational activities funded in whole or in part by the state or operating under a government-issued permit. This limit is an aggregate limit that applies regardless of the number of claims filed resulting from a single occurrence.

The limit would apply to claims arising on or after the day following final enactment. The current tort liability of the state or municipality for all other types of claims resulting from a single occurrence, regardless of the number of claims filed because of that occurrence, remains at \$1,500,000.

The existing limit on the total liability to a single claimant (\$500,000) remains unchanged, regardless of the type of claim. [H.F. 32, as amended]

- 2** **Parks and recreation areas.** Provides a conforming cross-reference to the new provision contained in section 3. [H.F. 1343, as amended]

- 3** **Recreational use of school property and facilities.** Establishes civil immunity for school districts that make their facilities available for recreational use by members of the public. The immunity would bar a person from holding the district liable for an injury or loss resulting from the use of the school facility for recreational activity. A school district would still be subject to liability for certain

conditions that would entitle a trespasser to seek damages (such as a highly-dangerous hazard on the property, if the district knew of its existence but did not remove it or post a warning). This section does not affect any existing duty owed by the school district. [H.F. 1343, as amended]

4 **Limits.** *See* section 1. Modifies the tort liability cap for *municipalities* in certain cases. [H.F. 32, as amended]

5 **Disposition of multiple claims.** Conforming cross-reference to section 4. [H.F. 32, as amended]

6 **Jurisdiction; general.** Increases the monetary thresholds for filing a civil action in conciliation court. It raises the general monetary threshold from \$7,500 to \$10,000, and raises the threshold for consumer credit transaction claims from \$4,000 to \$5,000. The threshold for specific forfeiture actions now listed under clause (2) is unchanged. (Conciliation court actions must be conducted without a jury and by a simple and informal procedure. The filing fee in conciliation court is \$65, as compared to \$310 in district court.) [H.F. 868, as amended]

7 **Class action certification; interlocutory appeals.** Permits a court's order related to certification of a class in a class action suit to be appealed before the case moves forward. Existing court rules permit appeal of class certification orders upon application of a party in the case, but the Court of Appeals is not required to hear the appeal.

If an order related to class certification is appealed, proceedings on that suit in district court, including discovery, are automatically stayed while the appeal is pending. A party may file a motion to have the stay fully or partially lifted for good cause. Current court rule provides discretionary authority for the court of appeals or district court to issue a stay.

This section would apply to court orders related to class certification issued on or after July 1, 2011. [H.F. 211, 1st eng.]

8 **Four-year limitation; exceptions.** Reduces the statute of limitations from six to four years for certain civil actions (*i.e.*, statutory liability, real estate trespass, personal property actions, fraud, enforcement of a trust or to compel accounting, sureties, commercial dam damages). The limitations period is unchanged for personal injury tort claims arising from domestic abuse and contract actions. Paragraph (d) provides that limitation periods in certain cases shall not begin to run until the time at which a reasonable person would know the fact of the injury. The changes in this section apply to causes of action arising from incidents occurring on or after August 1, 2011. [H.F. 654, as amended]

9 **When owed; rate.** Makes changes to how interest rates are computed for judgments. Strikes provisions applicable only to judgments for or against the state or a political subdivision. Finally, provides that the interest rates in this section are not applicable to judgment or awards under section 60A.0811-which sets the interest rate at 10 percent for breach of an insurance policy. [H.F. 770, 1st eng.]

	Current Interest Rate - Calculated Annually	Proposed Interest Rate - Calculated Biennially
Judgment ≤ \$50,000	Greater of: U.S. Treasury bill rate or 4%	4%
Judgment for/against state or political subdivision	Greater of: U.S. Treasury bill rate or 4%	(<i>See</i> applicable monetary threshold)
Judgment > \$50,000	10 %	U.S. Treasury bill rate + 8%

10 **Attorney fees awards.**

Subd. 1. Reasonable relation of fees to damages. Provides that when awarding attorney fees, the

court must take into consideration the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party.

Subd. 2. Offer of judgment. Provides a limit on attorney fees awards in certain cases in which an offer of judgment is made but rejected. Under Rule 68, an offer of judgment may be made at any time more than ten days before trial begins and must be accepted or rejected within ten days after service of the offer. If the party claiming attorney fees does not obtain a verdict in excess of the offer (exclusive of attorney fees), no attorney fees may be awarded for fees incurred after the service of the offer for judgment and the party must disclose the amount of attorney fees incurred within that time frame. [H.F. 747]

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Civil liability; sex trafficking victims. Creates a civil cause of action for a sex trafficking victim against a person who violates section 609.322 (crime of sex trafficking; solicitation, inducement, and promotion of prostitution). Authorizes the court to award damages, including punitive damages, attorney fees, and costs.

Paragraph (b) provides that evidentiary rules set forth in section 611A.83 apply to this new cause of action. Section 611A.83 outlines certain evidentiary protections for civil actions involving coercion for use in prostitution. Under this section, testimony and evidence produced in the case may not subject the plaintiff to criminal prosecution and may not be used against a testifier in any other investigation or proceeding. It also provides that evidence of convictions for prostitution or related offenses is inadmissible in the civil action for purposes of attacking the plaintiff's credibility. These evidentiary protections do not apply to any subsequent prosecution of a violent crime. [H.F. 1217]