



**Colorado
Legislative
Council
Staff**

SB17-053

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0326

Date: February 10, 2017

Prime Sponsor(s): Sen. Sonnenberg

Bill Status: Senate Judiciary

Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: ASBESTOS LITIGATION TRUST TRANSPARENCY PRIORITIES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload change. See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing workload change.		

Summary of Legislation

Asbestos bankruptcy trusts are established as part of the bankruptcy plans of companies subject to asbestos litigation to pay asbestos claims. This bill enacts the "Asbestos Bankruptcy Trust Claims Transparency Act" which gives a defendant in a civil proceeding access to information regarding a plaintiff's claims against one or more asbestos trusts. The bill requires a plaintiff to disclose asbestos trust claims and materials pertaining to such claims and allows for a defendant in these actions to stay proceedings when there is support for filing of additional trust claims by the plaintiff. The bill outlines the discovery process related to trust claim documents and information. The court may impose sanctions against a plaintiff for failure to comply with the disclosure requirements in the bill. The bill allows for a defendant or judgment debtor to petition the court to reopen an asbestos action and adjust the judgment in instances where the plaintiff files a trust claim after obtaining a judgment through the courts.

The bill defines the prima facie evidence required to bring about an asbestos action involving a nonmalignant condition. The bill states that a plaintiff, upon filing a claim, must include signed medical reports from a qualified physician indicating the plaintiff is sick as a result of asbestos exposure in accordance with the elements of proof defined in the bill or the court is required to dismiss the action. Finally, the bill establishes a statute of limitations for asbestos claims.

State Expenditures

This bill may affect the trial court workload in several ways but because asbestos claims are rare, any impact is expected to be minimal. Trial court workload may increase if a party disputes evidence related to trust claims or fails to comply with the disclosure provisions in the bill. It may

also increase if a defendant requests a stay or a case is reopened to adjust a judgment. Conversely, trial court workload may decrease because the detailed provisions related to prima facie evidence requirements for asbestos actions involving nonmalignant conditions may result in the dismissal of a claim more quickly than under current law.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Information Technology

Judicial

Law