



NEWS

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Repealing Joint and Several Liability Will Likely Have Little Impact on Florida Taxpayers

Repealing Florida's joint and several liability law that allows accident victims to collect money from deep pocket defendants, would not put a burden on the state's welfare system. That's the conclusion of Florida TaxWatch, which says repeal would have little impact on state Medicaid and social services costs.

"All the dire predictions, that accident victims will end up on the state's doorstep needing public assistance should this legal doctrine be repealed simply do not bear up to the numbers," said Dominic M. Calabro, President & CEO of the non-profit, non-partisan government watchdog group. "Our research found that additional burdens on the state Medicaid budget, and thus on Florida taxpayers, would be very minor, well less than one-tenth of one percent, under a worst case scenario."

The joint and several liability doctrine allows victims of negligence to collect their court settlement from selected defendants regardless of those defendants' share of fault. Supporters assert that maintaining the doctrine is essential to assuring that people injured by others' negligence are justly compensated and don't become burdens on the state welfare system. Opponents of the doctrine contend it unfairly targets defendants with deep pockets to pay more than their fair share of the victim's claim.

The Florida TaxWatch report shows that if the law was repealed, the impact on Florida's \$16 billion Medicaid budget could range from \$4.3 million to \$12.9 million in 2007. That equates to a .03% to .08% increase. The report says the taxpayers' share would be between \$1.8 million and \$5.3 million, but that part of even that amount would be recouped by the state in subsequent years as victims receive court settlements from third parties.

A previous TaxWatch report prompted the 1986 Florida Legislature to eliminate joint and several liability provisions for non-economic (pain and suffering) damages. Today's report notes that action led to a reduction in the number and size of frivolous lawsuits. The 1999 Legislature further refined the process, creating monetary limits of liability in awarding economic (actual cost) damages.

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Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 26 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Our mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government. On the web at www.floridataxwatch.org