

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3036S.01I  
Bill No.: SB 635  
Subject: Civil Procedure; Liability  
Type: Original  
Date: December 29, 2021

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Bill Summary: This proposal provides that a person who is injured by a product has 15 years after the sale or lease of the product to bring a suit for damages.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Attorney General's Office**, the **Department of Revenue**, the **Department of Commerce and Insurance**, the **Office of Administration** and the **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT – Small Business

Some small businesses could receive more protection as a result of this proposal. Some small businesses could be harmed if they are trying to recover on a claim barred by this proposal.

### FISCAL DESCRIPTION

This act provides that a person injured by a defective or unsafe condition of a product or due to negligence in the design, manufacture, sale, or distribution of a product has 15 years after the sale or lease of the product to bring a claim for damages.

The 15-year time limitation shall not apply to actions relating to real property, actions where a person has knowingly concealed any defective or unsafe condition or negligence of the product, actions for indemnity or contribution by a defendant, actions involving a product which has a warranty stating a useful life longer than 15 years, actions regarding negligent service or maintenance of a product, actions involving a product that is subject to a government mandated product recall related to consumer safety, actions where the product causes certain latent diseases, and actions against manufacturers of mechanical devices where the harm occurred during a product's useful safe life. However, the exception to the time limitation regarding products causing certain latent diseases does not apply to certain actions against a seller claiming

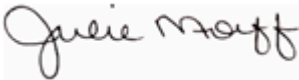
a product is unreasonably dangerous due to a defective condition, unless the seller is also the manufacturer.

This act applies to civil actions and new causes of action asserted on or after August 28, 2022. Any cause of action that has accrued on or before August 28, 2022, shall be brought no later than August 28, 2023.

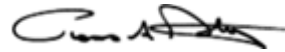
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Revenue  
Attorney General's Office  
Department of Commerce and Insurance  
Office of Administration  
Office of the State Courts Administrator



Julie Morff  
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December 29, 2021



Ross Strobe  
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December 29, 2021