

**HOUSE BILL NO. 1057**

Introduced by

Political Subdivisions Committee

(At the request of the Office of Management and Budget)

1 A BILL for an Act to amend and reenact subsection 2 of section 32-12.1-03 and subsection 2 of  
2 section 32-12.2-02 of the North Dakota Century Code, relating to the statutory caps for liability  
3 of political subdivisions and the state; ~~and~~ to provide an effective date; and to provide an  
4 expiration date.

**5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Subsection 2 of section 32-12.1-03 of the North Dakota  
7 Century Code is amended and reenacted as follows:

8 2. The liability of political subdivisions under this chapter is limited to a total of ~~two~~three  
9 hundred fifty-seventy-five thousand dollars per person and one million ~~five hundred~~  
10 ~~thousand~~ dollars for any number of claims arising from any single occurrence  
11 regardless of the number of political subdivisions, or employees of such political  
12 subdivisions, which are involved in that occurrence. A political subdivision may not be  
13 held liable, or be ordered to indemnify an employee held liable, for punitive or  
14 exemplary damages. The liability limits under this subsection must be adjusted  
15 annually as follows:

16 a. On July 1, 2023, a total of four hundred six thousand two hundred and fifty dollars  
17 per person and one million six hundred twenty-five thousand dollars for any  
18 single occurrence.

19 b. On July 1, 2024, a total of four hundred thirty-seven thousand five hundred  
20 dollars per person and one million seven hundred fifty thousand dollars for any  
21 single occurrence.

22 c. On July 1, 2025, a total of four hundred sixty-eight thousand seven hundred fifty  
23 dollars per person and one million eight hundred seventy-five thousand dollars  
24 per occurrence.

d. On July 1, 2026, a total of five hundred thousand dollars per person and two million dollars per occurrence.

**SECTION 2. AMENDMENT.** Subsection 2 of section 32-12.2-02 of the North Dakota Century Code is amended and reenacted as follows:

2. The liability of the state under this chapter is limited to a total of ~~two~~<sup>three</sup> hundred ~~fifty~~<sup>seventy-five</sup> thousand dollars per person and one million ~~five hundred thousand~~ dollars for any number of claims arising from any single occurrence. The state may not be held liable, or be ordered to indemnify a state employee held liable, for punitive or exemplary damages. Any amount of a judgment against the state in excess of the one million ~~five hundred thousand~~ dollar limit imposed under this subsection may be paid only if the legislative assembly adopts an appropriation authorizing payment of all or a portion of that amount. A claimant may present proof of the judgment to the director of the office of management and budget who shall include within the proposed budget for the office of management and budget a request for payment for the portion of the judgment in excess of the limit under this section at the next regular session of the legislative assembly after the judgment is rendered. The liability limits under this subsection must be adjusted annually as follows:

a. On July 1, 2023, a total of four hundred six thousand two hundred and fifty dollars per person and one million six hundred twenty-five thousand dollars for any single occurrence.

b. On July 1, 2024, a total of four hundred thirty-seven thousand five hundred dollars per person and one million seven hundred fifty thousand dollars for any single occurrence.

c. On July 1, 2025, a total of four hundred sixty-eight thousand seven hundred fifty dollars per person and one million eight hundred seventy-five thousand dollars per occurrence.

d. On July 1, 2026, a total of five hundred thousand dollars per person and two million dollars per occurrence.

**SECTION 3. EFFECTIVE DATE.** This Act becomes effective July 1, 2022.

**SECTION 4. EXPIRATION DATE.** This Act is effective through July 31, 2027, and after that date is ineffective.