

## SENATE BILL No. 486

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 34-51-3-6.

**Synopsis:** Punitive damages. Provides that when an award in a civil action includes a punitive damage award: (1) the court shall send a written copy of the punitive damage award to the office of the attorney general; (2) the state's interest in the punitive damage award that is deposited into the violent crime victims compensation fund vests; and (3) the state becomes a creditor with respect to that part of the punitive damage award that is deposited into the violent crime victims compensation fund. Allows the attorney general to intervene in an action concerning the award of punitive damages to protect the state's interest in the punitive damage award from being reduced or eliminated by a court order or by an agreement among the parties to the action. Provides that the attorney general must consent to any settlement that reduces or eliminates the state's interest in a punitive damage award.

**Effective:** July 1, 2015.

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January 14, 2015, read first time and referred to Committee on Civil Law.

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First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 486



A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 34-51-3-6, AS AMENDED BY P.L.1-2007,  
2 SECTION 224, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2015]: Sec. 6. (a) Except as provided in  
4 IC 13-25-4-10, when a finder of fact announces a **verdict an award**  
5 that includes a punitive damage award in a civil action:  
6 (1) the party against whom the judgment was entered **court** shall  
7 notify the office of the attorney general of the punitive damage  
8 award by **sending a written copy of the punitive damage award**  
9 **to the office of the attorney general;**  
10 (2) the state's interest in the punitive damage award described  
11 in subsection (e)(2) vests; and  
12 (3) the state becomes a creditor with respect to the punitive  
13 damage award described in subsection (e)(2).  
14 (b) Subject to subsection (c), the attorney general may intervene  
15 in an action governed by this section without the consent of the  
16 parties or the permission of a court:



1           (1) to present evidence, if evidence is otherwise admissible in  
2           the action; and

3           (2) to present arguments;

4           to protect the state's interest in the punitive damage award from  
5           being reduced or eliminated by a court order or by an agreement  
6           among the parties to the action.

7           (c) The attorney general may intervene under subsection (b)  
8           within thirty (30) days after the date the office of the attorney  
9           general receives notice of the punitive damage award under  
10          subsection (a)(1). The amount of the punitive damage award may  
11          not be reduced or eliminated by a court order or by an agreement  
12          among the parties to the action until after the earlier of the  
13          following dates:

14          (1) The date the attorney general intervenes under subsection  
15          (b).

16          (2) Thirty (30) days after the date the office of the attorney  
17          general receives notice of the punitive damage award under  
18          subsection (a)(1).

19          ~~(b)~~ (d) When a punitive damage award is paid, ~~the party~~ **all the**  
20          **parties** against whom the judgment was entered shall pay the punitive  
21          damage award to the clerk of the court where the action is pending.

22          ~~(e)~~ (e) **Except as provided in subsection (g)**, upon receiving the  
23          payment described in subsection ~~(b)~~; (d), the clerk of the court shall:

24          (1) pay ~~the person~~ **any party** to whom punitive damages were  
25          awarded twenty-five percent (25%) of the punitive damage award;  
26          and

27          (2) pay the remaining seventy-five percent (75%) of the punitive  
28          damage award to the treasurer of state ~~who~~ **not more than thirty**  
29          **(30) days after the date all the parties against whom the**  
30          **judgment was entered pay the punitive damage award to the**  
31          **clerk of the court under subsection (d). The treasurer of state**  
32          shall deposit the funds into the violent crime victims  
33          compensation fund established by IC 5-2-6.1-40.

34          ~~(d)~~ (f) The office of the attorney general:

35          (1) may negotiate and compromise a punitive damage award; **and**

36          (2) **must consent to any settlement that reduces or eliminates**  
37          **a punitive damage award;**

38          described in subsection ~~(e)~~(2) (e)(2).

39          ~~(e)~~ (e) The state's interest in a punitive damage award described in  
40          subsection (e)(2) is effective when a finder of fact announces a verdict  
41          that includes punitive damages.

42          (g) If a party to whom punitive damages were awarded is a



1       **nonprofit organization that is exempt from federal income taxation**  
2       **under Section 501(c)(3) of the Internal Revenue Code, the clerk of**  
3       **the court shall pay the nonprofit organization one hundred percent**  
4       **(100%) of the punitive damage award.**

