
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 306 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Leon Stille

Committee: Judiciary

CONTENT

The bill would amend the highway liability provisions of the governmental immunity Act to:

- Define "improved portion of the highway designed for vehicular travel"; include in the term a guardrail, a traffic control signal or warning sign or signal that required a change in speed or direction (unless it provided a "needlessly repetitive identical traffic cue"); and specify that the term would not include an installation or condition beyond the traveled portion of the roadbed.
- Provide that an action based on a guardrail could be brought only if the defendant were grossly negligent, and that there would be no liability if a guardrail conformed to generally accepted engineering standards.
- Provide that an injured party who failed to procure automobile insurance could not recover noneconomic damages; limit the amount of noneconomic damages recoverable in all other cases; and limit the amount of economic damages recoverable by someone who failed to procure automobile insurance.
- Require that damages for medical services be objectively verifiable.
- Provide that it would be an absolute defense if the person who was injured or killed had an impaired ability to function due to the influence of intoxicating alcohol or a controlled substance and were 50% or more at fault; and require a reduction of damages if the percentage were under 50%.

Regarding governmental liability for a defective highway or a defective or dangerous public building, the bill provides that failure to give notice within the prescribed time limit would be an absolute bar to recovery.

MCL 691.1401 et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have an indeterminate impact on the State and local units of government depending on the number of claims in the future that would be limited by the bill.

The State of Michigan has paid the following amounts in highway negligence payments over the last 13 fiscal years: 1983-84, \$14.9 million; 1984-85, \$8.5 million; 1985-86, \$7.5 million; 1986-87, \$26.7 million; 1987-88, \$16.1 million; 1988-89, \$15.0 million; 1989-90, \$17.4 million; 1990-91, \$20.3 million; 1991-92, \$12.6 million; 1992-93, \$20.3 million; 1993-94, \$12.6 million; 1994-95, \$9.9 million; and 1995-96, \$9.1 million; for a total of \$190.9 million over that time period.

In FY 1995-96, the State paid \$9,074,595 in judgments and settlements for 52 highway negligence cases. Payments ranged from \$500 to \$1,500,000. Eight payments were over \$500,000. The median payment was \$40,000. No Statewide data are available for highway negligence payments by local road authorities.

Date Completed: 4-22-97

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.