

## [Legislation to Cap Punitive Damages in California Defeated; Plaintiff's Lawyers Rejoice](#)

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Efforts in Sacramento to put a cap on the recovery of punitive damages were stomped out on May 4, 2010, as a party-line vote killed pending tort reform legislation in the Assembly's Judiciary Committee.

As reported previously, Assembly Bill 2740, authored by Assemblyman Roger Niello (R-Fair Oaks) sought to limit punitive damages to three times the amount of compensatory damages. Because plaintiff's attorneys routinely work on a contingency basis, this legislation was strongly opposed by plaintiff's attorneys – arguing it was unnecessary. The bill would have also capped “pain and suffering” awards to \$250,000.

Kim Stone, Vice President of the [Civil Justice Association of California](#), testified that these “common-sense reforms would go a really long way towards making California more friendly to business while at the same time protecting the truly injured to make sure they receive their just compensation.”

Niello, a strong-backer of business interests in California, argued that tort reform is necessary to reinvigorate the state as a place for businesses to make their home.

“It's been stated by (the trial lawyers) that there's no need, there isn't a problem. There is a need, there is a problem. The problem is the reputation of California as a place to do business in is in the tank, and part of the reason for that is our civil justice system,” Niello told the committee.

Unfortunately, these justifications were not persuasive – or perhaps more pessimistically, not considered – as the bill was defeated on a party-line vote. Democrats unanimously voted against the reform, Republicans unanimously voted for reform. Given the toxicity and divisiveness of California state politics, perhaps little less should have been expected.