

**MEMORANDUM**  
OFFICE OF THE  
**BOARD OF SUPERVISORS**  
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Kirk Uhler, Supervisor District 4  
Mike Boyle, Assistant County Executive Officer

DATE: August 4, 2008

SUBJECT: RESOLUTION – Approve a Resolution in support of the California State Legislature to enact meaningful and comprehensive lawsuit reform to protect small businesses, jobs and consumers from the affects of such lawsuits.

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**ACTION REQUESTED**

Approve a Resolution in support of the California State Legislature to enact meaningful and comprehensive lawsuit reform to protect small businesses, jobs and consumers from the affects of such lawsuits.

**BACKGROUND**

The high costs of frivolous lawsuits in California have had crippling affects on small businesses. A survey of California's small businesses by the National Federation of Independent Business (NFIB) has determined that more than one-third of small business owners have been sued in the past five years and nearly six in ten have been threatened with a lawsuit during the same period. In addition, more than three-quarters are concerned that their business may be sued in the next five years. The impact of frivolous lawsuits could force small business owners to raise their costs, make their products or services more expensive, restrict, reduce or change products or services offered to their customers, lay off employees and/or consider closing their business.

The Placer County Board of Supervisors is being asked to join several other California Counties to pass a Resolution in support of the California State Legislature enacting comprehensive lawsuit reform to help protect small businesses from the devastating consequences to their businesses as a result of frivolous lawsuits.

**FISCAL IMPACT**

None

# Before the Board of Supervisors County of Placer, State of California

IN THE MATTER OF A RESOLUTION IN SUPPORT  
OF THE CALIFORNIA STATE LEGISLATURE TO ENACT  
MEANINGFUL AND COMPREHENSIVE LAWSUIT REFORM  
TO PROTECT SMALL BUSINESSES, JOBS AND CONSUMERS.

Resolution No: \_\_\_\_\_

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held, August 4, 2009 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
F.C. "Rocky" Rockholm  
Chairman, Board of Supervisors

Attest:  
Clerk of said Board

\_\_\_\_\_  
Ann Holman

**WHEREAS**, according to a recent published survey by California Against Lawsuit Abuse (CALA), and the National Federation of Independent Business (NFIB) study, 98% of California's small businesses believe lawsuit abuse has hurt California's economy and has had a negative impact on the State's business climate; and

**WHEREAS**, this same study found that 33% of small business owners in the State of California have been sued in the past five years, and that 72% of California's small business fear that even one lawsuit could force them to close their doors; and

**WHEREAS**, this same study found that 69% of business owners stated that they would expand their business with California if they were guaranteed greater protection from liability lawsuits; and

**WHEREAS**, in the U.S. Chamber Institute for Legal Reform's 2008 State Liability Systems Ranking Study, California was ranked the sixth worst among all states for Lawsuit Abuse; and

**WHEREAS**, according to Tillinghast-Towers Perrin's U.S. Tort Costs: 2003 Update, Trends and Findings on the U.S. Tort System, lawsuit costs add up to nearly \$809 per year for every person in America; and

**WHEREAS**, meaningful reforms to protect businesses need to be enacted by the California Legislature.

**NOW, THEREFORE, BE IT RESOLVED**, that the Placer County Board of Supervisors goes on record in support of California State Legislature and Governor Arnold Schwarzenegger to enact meaningful, comprehensive lawsuit reform to protect small businesses, jobs, and consumers.