



## Key Points on Municipal Tort Reform

**Overview:** The increasing number and size of lawsuits against Georgia's cities is a pressing concern, with cities facing excessive jury verdicts and settlement demands. As a result, cities face rising insurance costs. These trends threaten city budgets, city taxpayers, and the financial stability of cities.

### *Challenges and Risks:*

- **Limited Protections for Cities:** Georgia's cities have fewer sovereign immunity protections than the state and counties. For cities, there is no limit on the amount of damages recoverable.
- **Recent Case Highlight:** A lawsuit against the City of Milton due to an alleged road defect recently resulted in a \$32 million judgment against the city.
- **Constructive Notice and Nuisance Claims:** Cities have been held liable for hazards the courts say they "should have known" about and for maintaining nuisances, even without prior issues.

### *Financial Implications:*

- **Nuclear Verdicts:** Average wrongful death verdicts in metro Atlanta reached \$17 million between 2021 and 2024, creating unsustainable insurance premiums and coverage challenges.
- **Insurance Costs:** Rising verdicts and liability risks have made obtaining appropriate liability coverage difficult and costly, and higher limits are often unattainable or unaffordable.
- **Inflated Damages:** Georgia allows plaintiffs to claim "phantom damages" based on inflated medical bills, not actual costs, further increasing verdict amounts.

### *Proposed Solutions:*

- **Aligning State and City Limits:** Apply reasonable liability limits for cities at the same level as current state limits (\$1,000,000 per individual/\$3,000,000 per occurrence).
- **Direct Appeals:** Allow cities to appeal immunity decisions prior to trial, saving all parties the expenses of litigation and more efficiently managing judicial resources.
- **Truth in Damages:** Limit damages recovery to actual costs paid.

### *Path Forward and Ask:*

- Mobilize and advocate for reform, sharing the concerns of cities with state legislators.
- Engage in the broader discussions about tort reform, emphasizing the direct impact on city taxpayers and local government services.
- Push for common-sense legislative changes, such as direct appeal, and build momentum for larger reforms, such as municipal damage limitations.

**GMA's goal is to balance fair compensation for victims with sustainable finances for cities, reducing taxpayers' exposure, and protecting municipal services and infrastructure.**

For more information, go to [www.gacities.com/tortreform](http://www.gacities.com/tortreform)